

NOVEMBER

13

THURSDAY

*“Stocks of Building material and Securities still drew attention”*

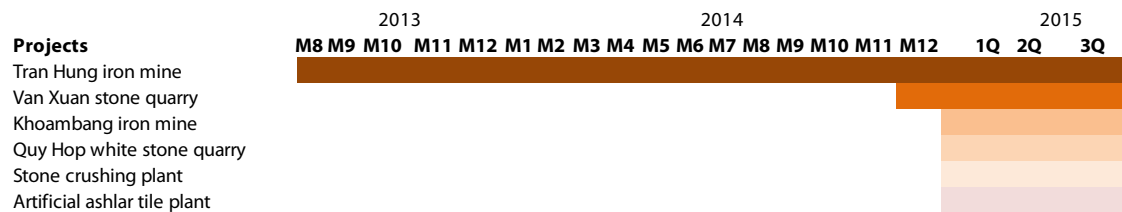
**ADVISORY DIARY**

- **CMI- Project restarts spark new hopes**
- **Stocks of Building material and Securities still drew attention.**

**CMI- Project restarts spark new hopes**

Today RongViet Securities has just published brief update report of CMI STONE Cor (CMI-HNX). For a small-sized miner, the number of stone and iron mines CMI possesses is rather impressive. In late 2014, an implementation of Van Xuan-Yen Bai iron mine as well as the three project restarts such as Quy Hop white stone quarry, stone crushing plant, artificial ashlar tile plant spark new hopes to CMI. Particularly, we estimate CMI can recognize only VND4.3 billion of revenue this year but the contribution will increase to about VND45 billion a year in the following years. In addition, the Company will raise new funds via a private equity placement in which an amount of VND60 billion will be offered at the VND10,000/share. About VND50 billion will be allocated to the construction of the artificial ashlar plant and VND10 billion to the stone crushing plant. A closed-end production line comes to main strategy as 70% of inputs for the new plants will be supplied by Quy Hop white stone quarry; therefore the gross profit margin would be in control. However, we concern that the ongoing projects may not generate enough cash flows in their early stage to cover the increased needs for liquidity as CMI pushes its investments.

Figure: Progress in CMI’s project implementation



Sources: Rong Viet Securities compiled

Aside investment projects, CMI’s performance is provided stably by the operation of Tran Hung-Yen Bai iron mine (from August, 2013). To 9M2014, this mine has contributed most of CMI’s revenue (about 70%). However, the gross profit margin is likely to be affected if the downtrend of iron ore price stretches longer. Therefore, in 2014, we forecast CMI’s revenue to reach about VND103 billion, and NPAT about VND21.7 billion or 54% of the whole-year profit guidance. The forecasts take into consideration the delay of Khoambang (Laos) project and Van Xuan stone project’s starting as late as November 2014. Projected 2014 EPS is around VND2,740/share, translating into a forward P/E ratio of about 5.8 times. In waiting for more certainty in progress of new projects, we recommend MONITOR for the stock of CMI.

**Stocks of Building material and Securities still drew attention.**

VNindex today closed below yesterday’s closing point and failed to conquer the expected threshold of 605 despite staying in green for most of today’s trading session. The downtrend pressure from VN30 group of stocks was responsible for the overall slide in VNindex. On the other hand, HNIndex saw the third straight rally to 91.49 points with insignificant growth in both liquidity and trading value. Regarding mid-cap stocks, we witnessed a differentiation among sectors where most of real estate tickers decreased, while, securities related tickers increased solidly. In specifics, VIX rallied to ceiling price today after gaining in 6 consecutive sessions. In contrast to the positives from VIX and KSA- Minerals stocks- were down to floor in today closing session with abnormal increase in liquidity to 4 million stocks transacted following the pessimistic

3Q2014 earning release.

Liquidity on both exchanges reached at VND 3,305 billion (+7.91%). In this week, liquidity successfully took back VND 3,000 billion, proving that cash flow slightly returned to market even though separation was going on. Recently, capital flow mainly pumped into speculative stocks, trading with no reason seemingly made investors confused.

According to outstanding stocks recently, we realized that capital flows was going into stocks of Securities, Building material and Real Estate. Especially, in the last 3 sessions, building material accounted for 30% in group of stocks whose volume doubled last session.

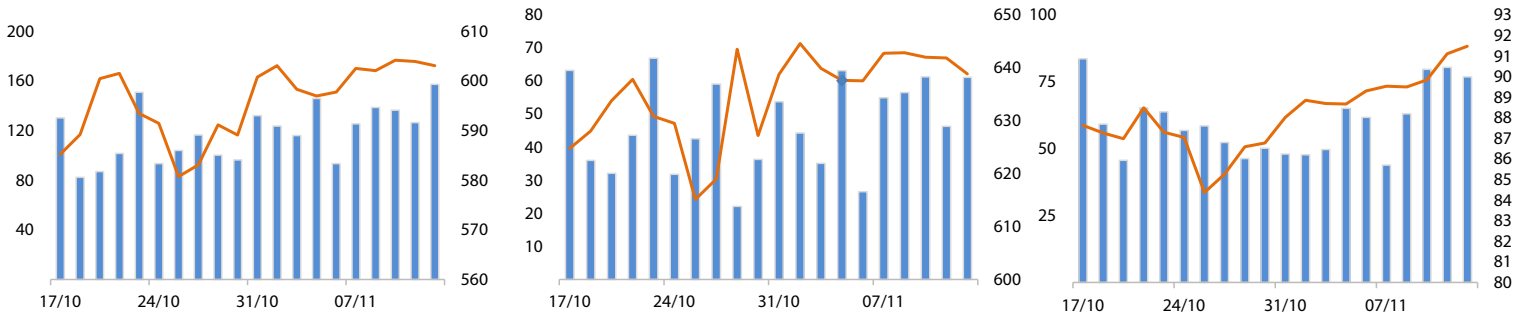
Foreign investors kept net selling with total of VND 94.4 billion; in which, net bought VND 14.4 billion on HNX and strongly sold out on HSX, such as HAG, HAR, KDC, PVD, VIC. After 3 consecutively buying weeks, overseas investors have been back to sold since early of this week with total selling value of VND167.7 billion, mainly on HSX. This could be the last profit-taking activity prior to year-ending. We seemed to not worry about it and still keep the idea of balance market, slightly dreary in near term.

**Ngoc Chung**

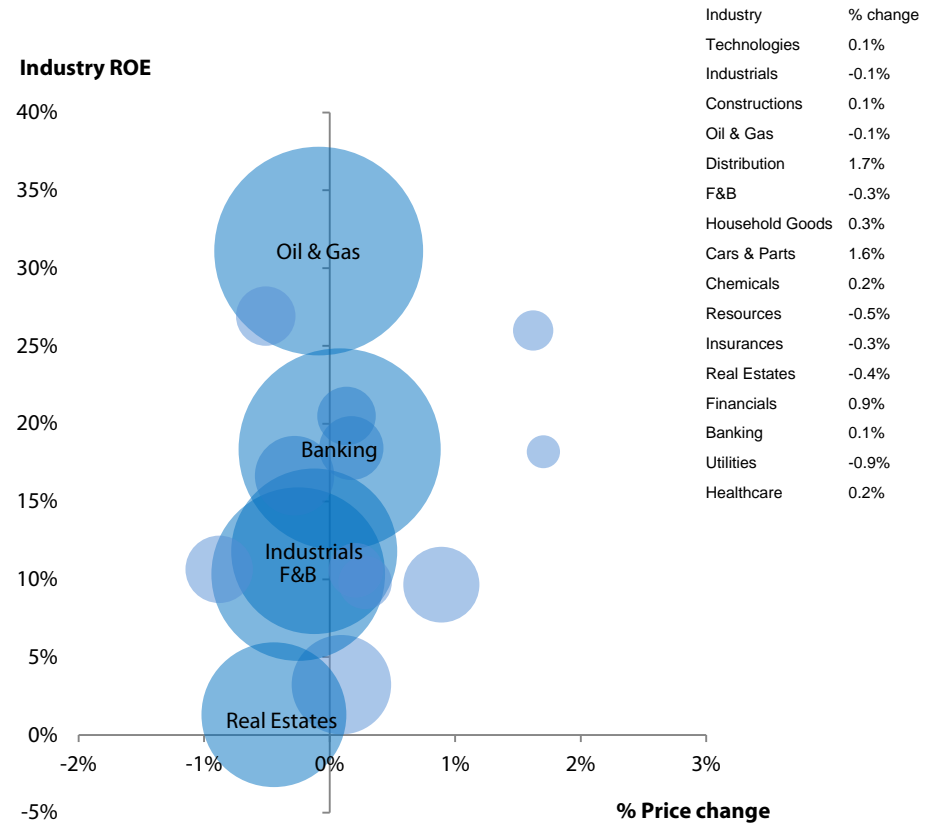
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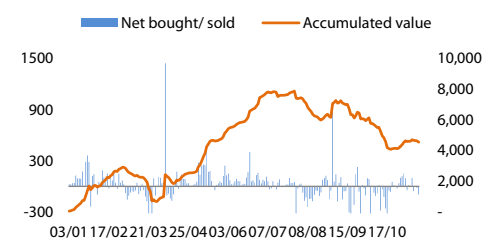
**VNINDEX -0.14% 603.16    VN30 -0.47% 638.87    HNXINDEX 0.40% 91.49**



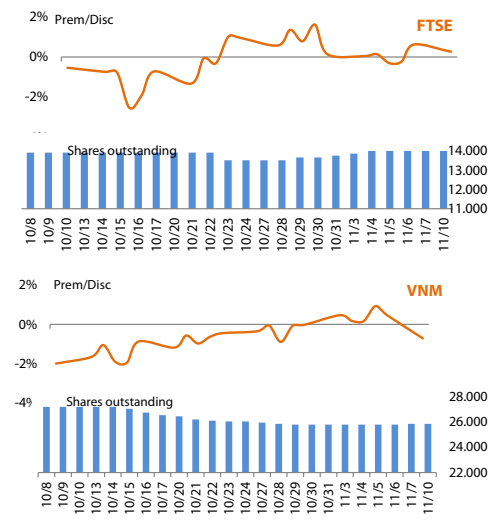
**Industry Movement**



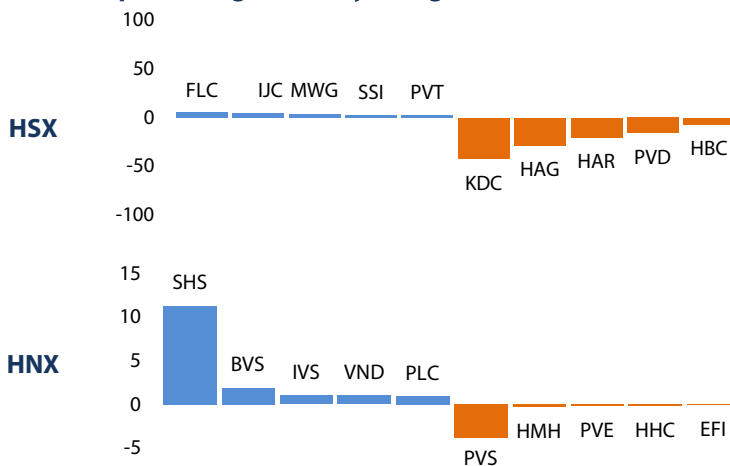
**Foreign Investors Trading**



**ETF**



**Top net bought/sold by foreigners (VND bn)**



**Top Active**

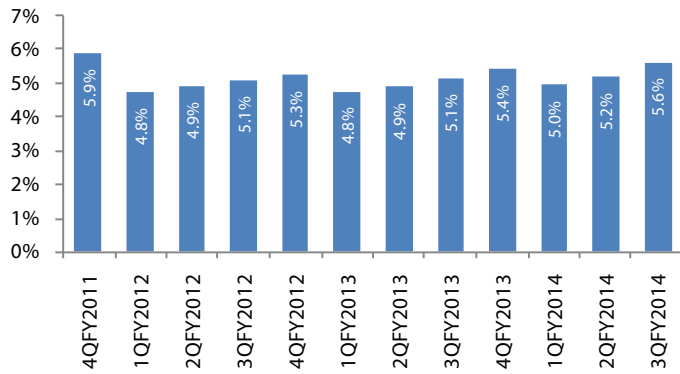
Ticker	Price	Volume	% price change
FLC	11.9	21.13	-4.0%
OGC	9.3	11.46	3.3%
ITA	9.0	7.41	-2.2%
HAR	12.7	5.37	-3.8%
KSA	12.3	4.72	-6.8%

Ticker	Price	Volume	% price change
KLF	13.70	18.72	-4.2%
PVX	6.60	5.87	1.5%
SHS	12.60	4.55	0.8%
FIT	32.00	4.14	-0.3%
HUT	13.70	2.68	-1.4%

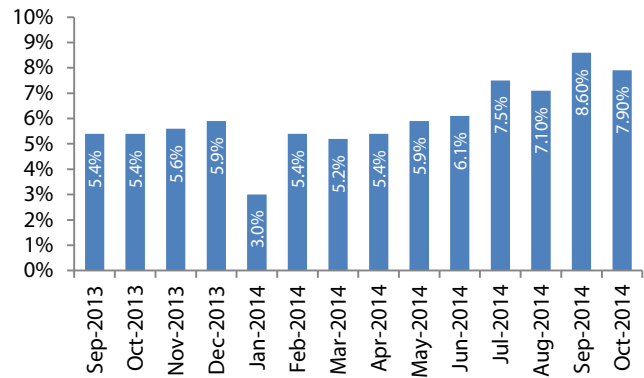
**MACRO WATCH**

**Graph 1: GDP Growth**



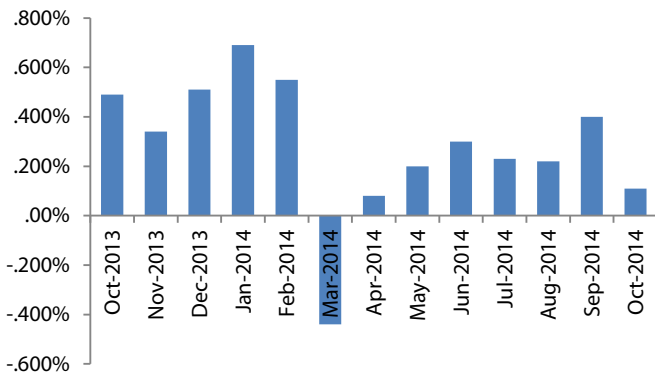
Sources: GSO. Rongviet Securities database  
(\* Comparison price in 1994)

**Graph 2: IIP**



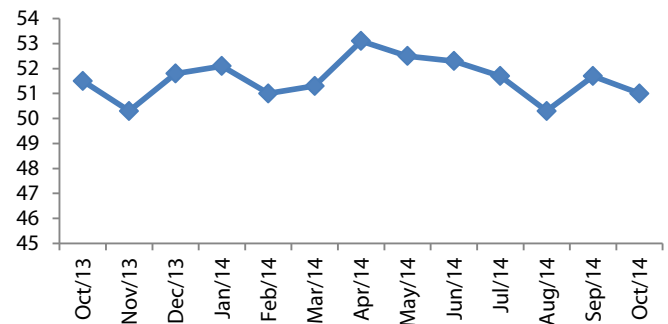
Sources: GSO. Rongviet Securities database

**Graph 3: Monthly CPI**



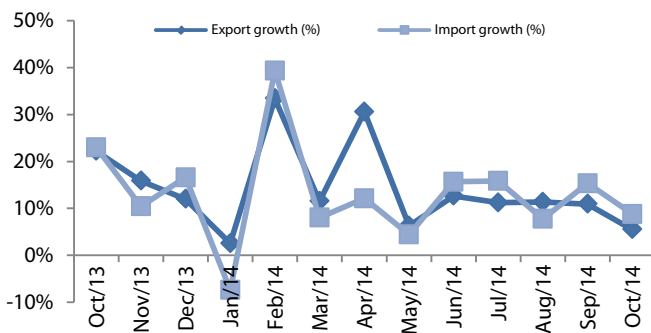
Sources: GSO. Rongviet Securities database

**Graph 4: HSBC - PMI**



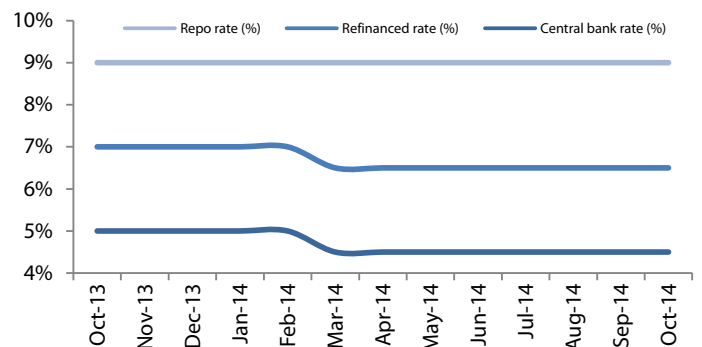
Sources: GSO. Rongviet Securities database

**Graph 5: Trade Growth**



Sources: GSO. Rongviet Securities database

**Graph 6: Interest**



Sources: SBV. Rongviet Securities database

## RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
CNG - Potential growth from building materials industry's well-being	Nov 10 <sup>th</sup> , 2014	Accumulate – Long term	46,000
GMD - Positive developments from core businesses	Nov 7 <sup>th</sup> , 2014	Accumulate – Long term	44,400
BMP -Every cloud has a silver lining	Oct 30 <sup>th</sup> , 2014	Buy – Long term	87,700
SBA - Growth season ahead	Oct 24 <sup>th</sup> , 2014	Buy – Intermediate term	14,500
APC - Incremental demands for irradiation industry	Oct 23 <sup>rd</sup> , 2014	Buy – Intermediate term	22,000
TCM - Moving up the value chain	Oct 14 <sup>th</sup> , 2014	Accumulate – Long term	42,500
DHC - Restructuring yielded juicy fruits	Sep 29 <sup>th</sup> , 2014	Buy – Intermediate term	25,200

Please find more information at <http://vdsc.com.vn/tabid/149/language/vi-VN/default.aspx>

## FUND CERTIFICATION INFORMATION

Fund name	Trading Day	Subscription Fee (% of trading value)	Redemption Fee (% of trading value)	NAV per unit at valuation date	NAV per unit last valuation date	Change in NAV
VFF	04/11/2014	0-0.75%	0-2.5%	11,868	11,821	0.40%
VF1	10/11/2014	0.20% - 1.00%	0.50%-1.50%	22.946	22.801	0.64%
VF4	05/11/2014	0.20% - 1.00%	0.00%-1.50%	10.338	9.998	3.40%
VFA	07/11/2014	0.20% - 1.00%	0.00%-1.50%	7.570	7.527	0.57%
VFB	07/11/2014	0.30% - 0.60%	0.00%-1.00%	11.950	11.938	0.10%
ENF	31/10/2014	0.00% - 3.00%		10.504	10.535	-0.29%

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