

MARCH

19

WEDNESDAY

“Market sentiment slowed down, foreign investors repeated a record net sold”

ADVISORY DIARY

- **Update on sale progress of KDH projects**
- **Market sentiment slowed down, foreign investors repeated a record net sold**

Update on sale progress of KDH projects

Our analyst recent had a discussion with a representative of House Investment and Trading JSC (HSX: KDH) to update the progress of its sales and upcoming guidance.

In earlier January, 50 units were sold out in the one-month period in Mega Ruby project (57 units). Therefore, up to now, both Mega Residence and Mega Ruby only remained 7 detached-houses. KDH also made known to book a revenue of 100 units (~VND102 billion) for these two projects in 2015. In April, KDH will sell Tri Minh project (5.7 ha) with 323 units. According to our updated information, Tri Minh is going to complete infrastructure of the first 100 units, which have similar designs as well as closer to two above projects. Moreover, if this project has a record profit, KDH is likely to continue working on Song Lap project (an area of 15 ha) with 700 units this year. However, KDH seems not pay out dividend due to the capital pouring these projects.

In upcoming Annual Strategy Report 2015, KDH is highly appreciated due to outstanding earning result’s outlook. Specifically, Mega’s products could be built in short term, from 4 to 5 months thanks to infrastructure and policy being ready. KDH contains detached –houses with reasonable prices for middle class. Moreover, being next to highways such as Long Thanh – Dau Giay, Vanh Dai Trong,... might boost sales progress and contribute to the success of Khang Dien ‘s projects.

Overall, KDH is a good fundamental stock and having positive business outlook given its competitive advantage. However, investors should be aware that the stock is trading at relatively high P/B compared to other businesses in the industry. This could partly reflect market expectation on land ownership of KDH. With quite clear profit outlook, KDH ticker had grown 49% in 2014. Therefore, if market has some adjustment and P/B ratio of KDH narrower to average ratio of the industry (1.1x), investor could consider to accumulate this stock.

Table: Financial ratios of some real estate companies

	ROE (%)	ROA (%)	Debt/Equity	P/E	P/B
BCI	5.5	2.9	0.3	16.3	0.9
KBC	6.9	2.6	0.8	18.2	1.2
KDH	8.3	4.2	0.9	14.7	1.8
NBB	5.3	2.2	0.7	17.1	0.8
TDH	2.6	1.6	0.4	22.1	0.6

Source: RongViet Research compiled

Market sentiment slowed down, foreign investors repeated a record net sold

VN30 stocks continued to net sold, in the end of trading session, CSM and HCM closed in green but both witnessed an only increase. As can be seen that, after losing the 580 level, market sentiment became more negatively, given low liquidity in the morning’s trading session. Specially, almost stocks in VNM ETF portfolio dropped. Foreign investors kept net sold in both exchanges with a record value of VND 241.6 billion, lower than the highest in January 13th, 2015 (since 2014). According to our statistics, accumulated net bought just reached at VND691.1 billion until now, equivalent to only 32.8% as compared to last year.

In contrast to the general movement of the markets, the stock of Dry Cell & Storage Battery JSC (PAC), one of our favorite tickers, gained well in today's session (+1.9 %) along with continuing decrease in price of lead information. According to the update from the London Metal Stock Exchange, the lead price (accounted for 80 % of PAC's COGS) has slumped to USD1,714/ton, down 14 % decline compared to the same period last year. Also, managements of PAC made known that they will not adjust selling prices of their products although major material prices had decrease significantly. Thus, the reduction of lead price could enhance to the profit margin of PAC.

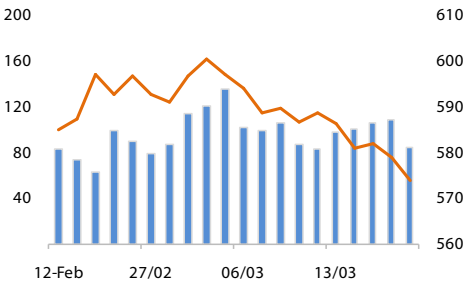
Huong Pham

+ 84 8 6299 2006 | Ext: 323

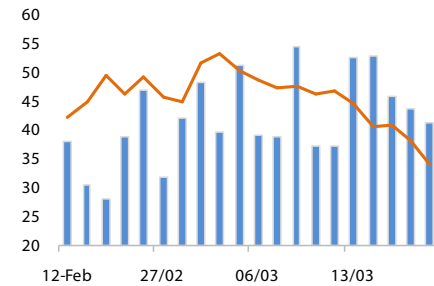
huong.pt@vdsc.com.vn

Along with reaching 6-year low in oil price, the statement of Federal Reserve after the FOMC recent meeting also attracted many attentions from domestic and foreign investors. Same to the expectation of many economists, the Fed will not raise interest rate next April meeting. At the same time, the Fed also lowered their forecasts on the US economic growth and inflation in 2015. Accordingly, the GDP would only reach 2.3% to 2.7% and inflation might stand at 0.6% -0.8%. In the short term, FED decisions not increase interest might lower concern about withdrawal of foreign cash flow from emerging markets. However, we suppose that net sells of foreign transactions in recent times are still obstacles to investor behaviors in Vietnam stock exchanges.

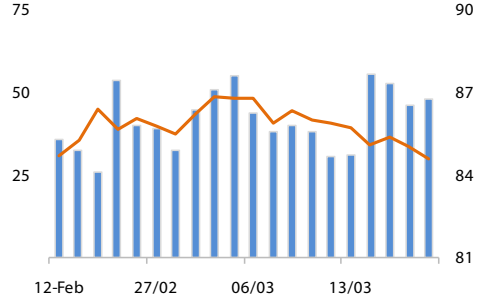
VNINDEX -0.85% 573.74



VN30 -0.97% 601.31

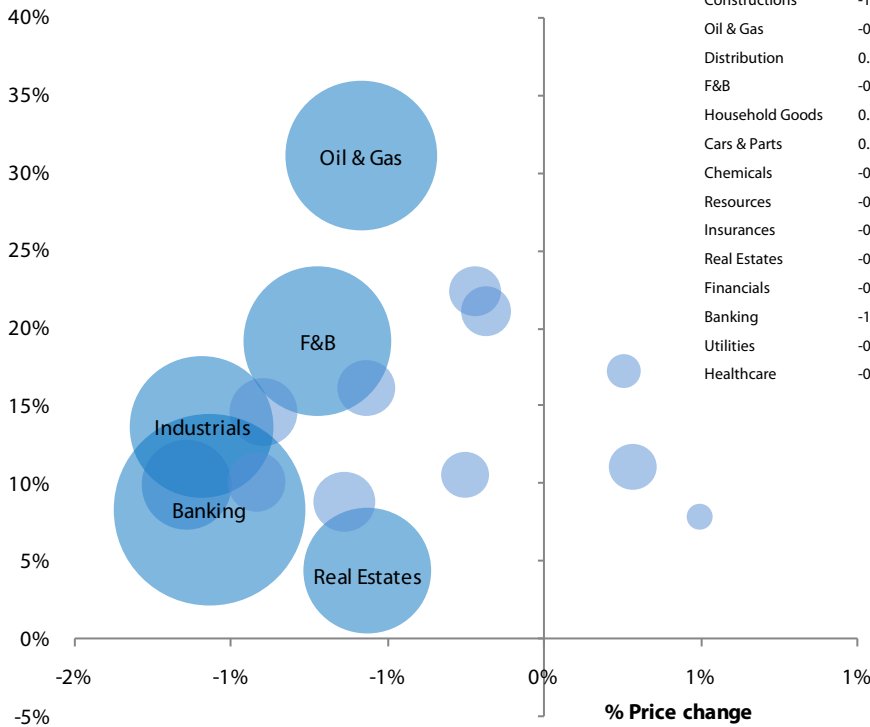


HNXINDEX -0.53% 84.60

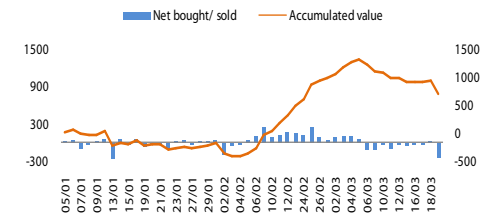


Industry Movement

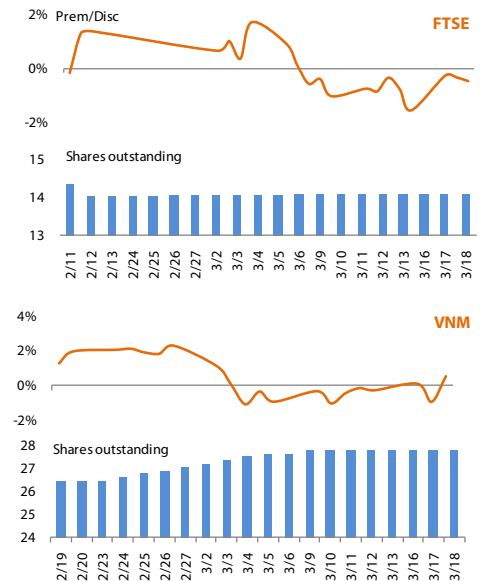
Industry ROE



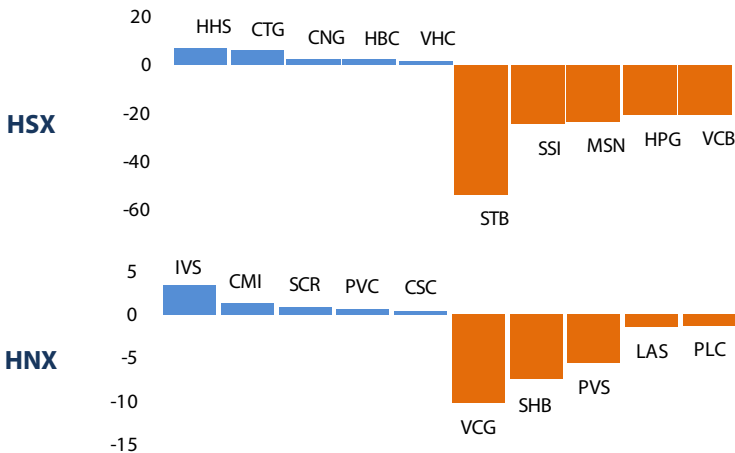
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



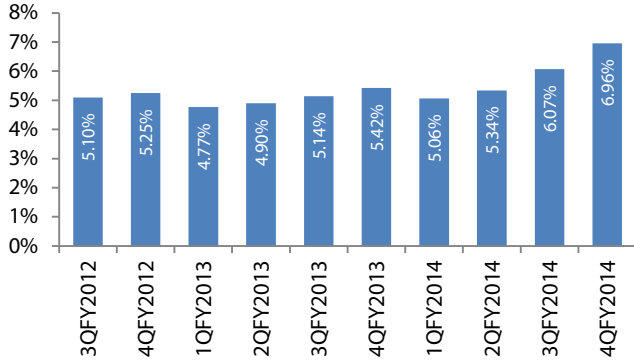
Top Active

Ticker	Price	Volume	% price change
FLC	11.6	15.92	-3.3%
STB	19.0	3.87	-1.0%
HQC	6.8	3.38	0.0%
ITA	7.5	3.37	-1.3%
SAM	13.9	3.32	1.5%

Ticker	Price	Volume	% price change
KLF	10.8	5.83	-0.9%
SHB	8.6	4.44	-1.1%
FIT	19.1	2.80	-1.0%
PVS	25.0	1.33	-0.8%
NHP	20.6	1.11	0.5%

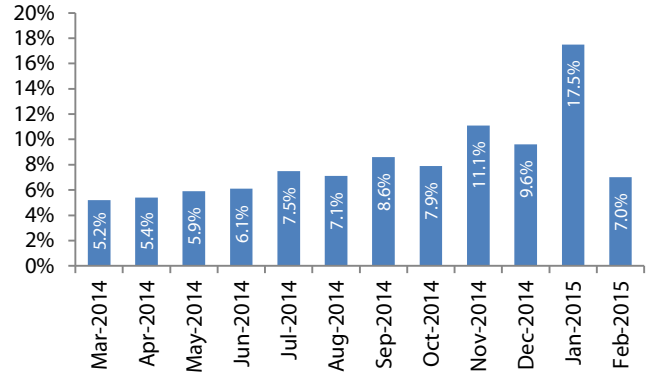
MACRO WATCH

Graph 1: GDP Growth



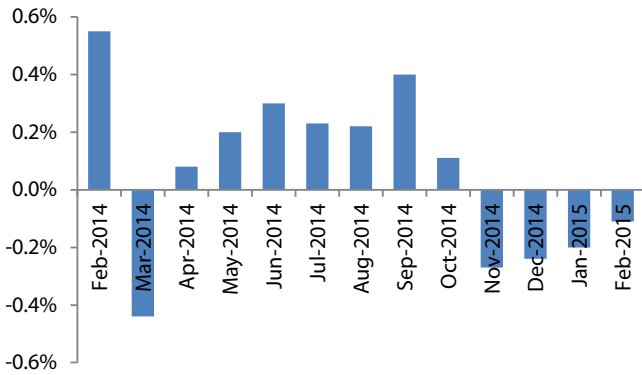
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



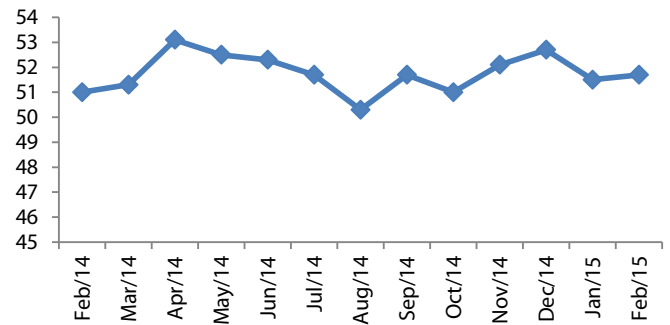
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



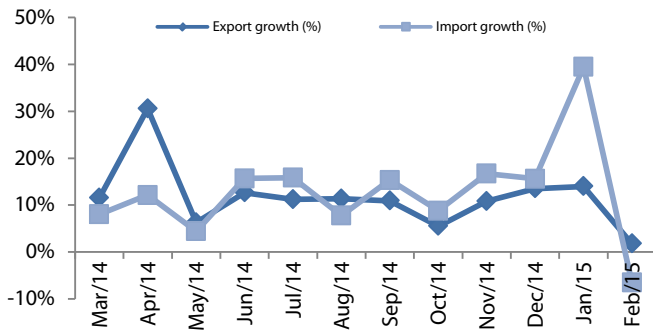
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



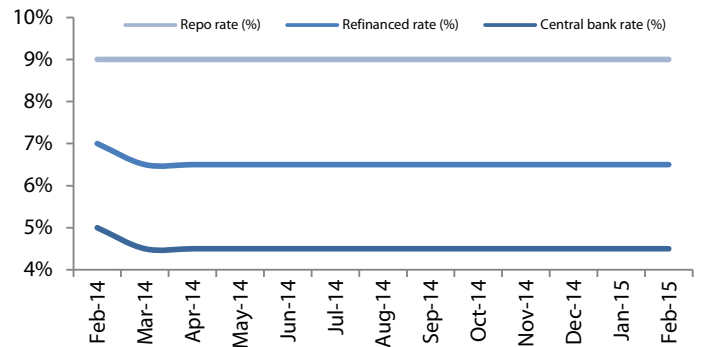
Sources: GSO. Rongviet Securities database

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
PAC- Opportunities along with challenges	Jan 14 th , 2015	Accumulate – Intermediate term	27,500
HMH - Positive outlook from various supporting factors	Jan 06 th , 2015	Accumulate – Long term	33,800
DPM - Tail wind from crude oil	Dec 26 th , 2014	Buy – Intermediate term	36,100
VNM - 2014 - At the pit stop	Dec 19 th , 2014	Accumulate – Long term	110,000
PCT – Restructuring	Dec 11 th , 2014	Monitor	

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	10/03/2015	0%-0.75%	0%-2.5%	11,730	11,725	0.04%
VEOF	10/03/2015	0%-0.75%	0%-2.5%	9,871	9,695	1.82%
VF1	16/03/2015	0.2% - 1%	0.5%-1.5%	21,715	21,772	-0.26%
VF4	11/03/2015	0.2% - 1%	0%-1.5%	9,530	9,552	-0.23%
VFA	13/03/2015	0.2% - 1%	0%-1.5%	7,402	7,457	-0.73%
VFB	13/03/2015	0.3% - 0.6%	0%-1%	12,187	12,179	0.06%
ENF	06/03/2015	0% - 3%	0%	10,951	10,868	0.76%
MBVF	26/02/2015	1%	0%-1%	11,081	11,100	-0.17%
MBBF	11/03/2015	0%-0.5%	0%-1%	12,032	11,966	0.55%

ANALYSTS
Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 355

truc.dtt@vdsc.com.vn

Hoang Nguyen

+ 84 8 6299 2006 | Ext: 328

Hoang.nh@vdsc.com.vn

Lam Nguyen

+ 84 8 6299 2006 | Ext: 323

lam.ntp@vdsc.com.vn

Tuan Huynh

+ 84 8 6299 2006 | Ext: 326

Tuan.hm@vdsc.com.vn

Ha My Tran

+ 84 8 6299 2006 | Ext: 319

my.tth@vdsc.com.vn

Tai Nguyen

+ 84 8 6299 2006 | Ext: 319

tai.ntp@vdsc.com.vn

Diem My Tran

+ 84 8 6299 2006 | Ext: 320

my.ttd@vdsc.com.vn

Van Binh

+ 84 8 6299 2006 | Ext: 324

Van.btt@vdsc.com.vn

Trien Le

+ 84 8 6299 2006 | Ext: 325

trien.lh@vdsc.com.vn

Tam Bui

+ 84 8 6299 2006 | Ext: 324

tam.bt@vdsc.com.vn

Huong Pham

+ 84 8 6299 2006 | Ext: 323

huong.pt@vdsc.com.vn

Nam Huynh

+ 84 8 6299 2006 | Ext: 321

Nam.hk@vdsc.com.vn

HỘI SỞ TẠI TP.HCM

Tầng 1-2-3-4, tòa nhà Viet Dragon
141 Nguyễn Du, P.Bến Thành, Q.1, TP.HCM

- T +84 8 6299 2006
- F +84 8 6291 7986
- E info@vdsc.com.vn
- W www.vdsc.com.vn

CHI NHÁNH HÀ NỘI

2C Thái Phiên, Q.Hai Bà Trưng, Hà Nội

- T +84 4 6288 2006
- F +84 4 6288 2008
- E info@vdsc.com.vn
- W www.vdsc.com.vn

CHI NHÁNH NHA TRANG

50 Bis Yersin, TP.Nha Trang, Khánh Hòa

- T +84 058 3820 006
- F +84 058 3820 008
- E info@vdsc.com.vn
- W www.vdsc.com.vn

CHI NHÁNH CẦN THƠ

08 Phan Đình Phùng, Q.Ninh Kiều, TP.Cần Thơ

- T +84 0710 381 7578
- F +84 0710 381 7789
- E info@vdsc.com.vn
- W www.vdsc.com.vn



This report is prepared in order to provide information and analysis to clients of Rong Viet Securities only. It is and should not be construed as an offer to sell or a solicitation of an offer to purchase any securities. No consideration has been given to the investment objectives, financial situation or particular needs of any specific. The readers should be aware that Rong Viet Securities may have a conflict of interest that can compromise the objectivity this research. This research is to be viewed by investors only as a source of reference when making investments. Investors are to take full responsibility of their own decisions. VDSC shall not be liable for any loss, damages, cost or expense incurring or arising from the use or reliance, either full or partial, of the information in this publication.

The opinions expressed in this research report reflect only the analyst's personal views of the subject securities or matters; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or opinions expressed in the report. The information herein is compiled by or arrived at Rong Viet Securities from sources believed to be reliable. We, however, do not guarantee its accuracy or completeness. Opinions, estimations and projections expressed in this report are deemed valid up to the date of publication of this report and can be subject to change without notice.

This research report is copyrighted by Rong Viet Securities. All rights reserved. Therefore, copy, reproduction, republish or redistribution by any person or party for any purpose is strictly prohibited without the written permission of VDSC.