

**NOVEMBER**

**06**

**THURSDAY**

*"600!"*

**ADVISORY DIARY**

- **HVG Update**
- **600!**

**HVG Update**

Today, we just had an extraordinary general meeting of HVG concerning capital raising and additional issuance of 70,399,898 shares. Therefore, charter capital after issuing would increase from VND 1,319 billion to VND 2,023 billion. The firm said that new capital would be used to enhance manufacturing, especially improve the closed business system. Foodstuff segment, specifically, the subsidiary company Viet Thang is considered to invest with the purpose to increase the input material. Besides, in November, Viet Thang equity ratio would be expected to increase from 75.96% to 90%, similarly to AGF (~85%). Joint venture company, namely Hung Vuong Mien Tay, simultaneously, has the same chance to become a subsidiary with the total asset of VND 500 billion, while HVG pushed up its ownership proportion from 48% to 80%. However, we also notice the contribution of HVG West would not be a lot because the internal revenue places a high density.

Relating to export to Russia, HVG made known that this market is more likely to extend. As a result, 3Q2014 earnings result recorded optimistic; i.e. revenue got VND3,859 billion and NPAT achieved VND209 billion (6 times higher than the same period last year). By 9M2014, revenue reached VND10,788 billion and earnings achieved 71% of guidance with VND496 billion. Because of high anti-dumping duties (US\$0.24/kg), exports to the US decreased significantly in the first 9 months, thus, gross market also experienced a barely decline of 3% yoy. Therefore, the expansion to new market, especially Russia, is current target of HVG. Moreover, Russia seems to remain numerous potentials so the Company appreciates the make use of materials from Russia for domestic consumption. Recently, more than 20,000 tons of whiffs were imported from Russia to Vietnam. With the market price of about VND80,000-90,000/kg, the above products could contribute a considerable sales to HVG. Besides, the project to build a factory in Russia is also attracting attention. Total investment for this project is about US\$30 million, of which approximately 60% HVG contributions funded entirely by debt. However, risks related to policy changes may be a factor making the project less attractive.

In summary, we have clues to expect a positive business result of HVG (1) Contributions from subsidiaries as gaining ownership proportion at AGF, VTF (2) number of new orders will advance in year-end months (3) Pagasius export price was on upward trend, about 24,000/kg.

**600!**

In today 's session, VN-Index seemingly failed to get back the 600- point milestone when selling pressure triggered in ATC, push this index back to 597.85 points; slightly rose by 0.84 point in compared to last session. According to the session, we realized that tension between demand of buying and selling was impressive. At the same time, "bargain" psychology also the reason for low liquidity of VND 2,265 billion on both exchanges. In term of market breadth, while "green" tickers was overwhelmed on HSX (118 tickers), falling tickers took up the largest proportion on HNX (182 tickers), equivalent to total of 2 others.

Blue-chips index closed down at 0.02% despite some rising tickers, such as MSN (+1,000), KDC (+500), DRC (+500), HAG (+400). Especially, the purple of MPC was also impressive on HSX. It was known that MPC will buy maximum of 1.6 million shares of treasury stocks tomorrow in order to make way for delisting.

In today's session, foreign investors continuously bought slightly with total net buying value of VND 10 billion, evenly lower than that of last session. However, as mentioned in our November Strategic Report, Vietnam was almost safe in emerging market funds withdrawing trend. Simultaneously, optimistic from BOJ and EU's economic stimulus program could also be the opportunity for Vietnam to attract foreign capital.

Yesterday, victory of Republicans in US Election made many positive impacts to domestic and foreign market. While USD received more information to be stronger, gold price demonstrated the miserable result. Gold price had been down since FED halted QE3, but this event already pushed it going to the deep. Following that, domestic gold price was affected to plunge from yesterday. We supposed that this news could support the attraction of stock market in comparison with other investment types. Additionally, the victory of Republicans in US Election yesterday made way for accomplishing TPP, expediting some industries, especially textile.

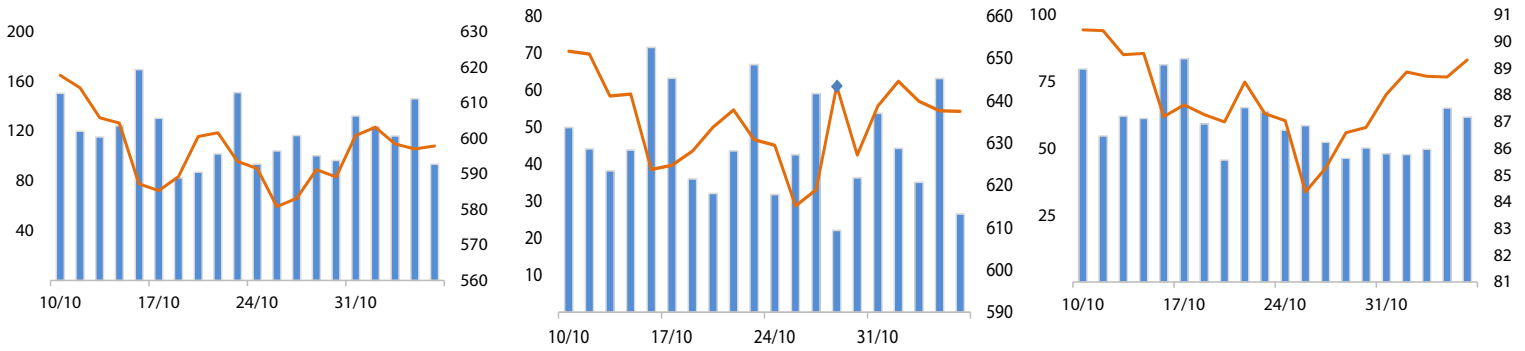
Recently, we rarely indicated prediction of market trend because it's time for picking good stocks. We did not expect market to move on the same trend in this month. To get more detail, investors could check out our November Strategic Report.

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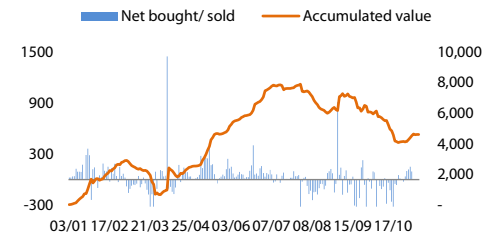
**VNINDEX** 0.14% **597.85**    **VN30** -0.02% **637.56**    **HNXINDEX** 0.72% **89.32**



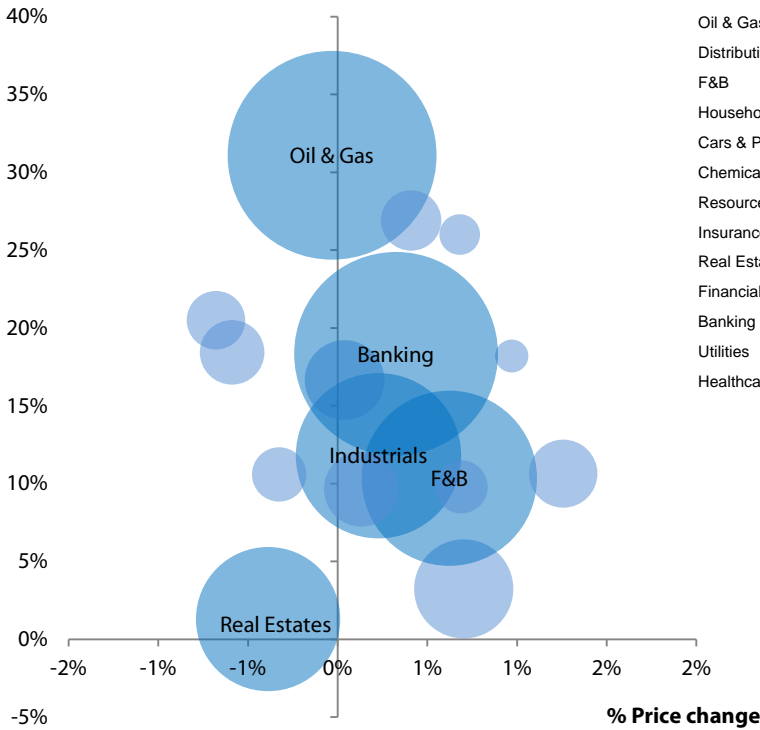
**Industry Movement**

Industry	% change
Technologies	-0.7%
Industrials	0.2%
Constructions	0.7%
Oil & Gas	0.0%
Distribution	1.0%
F&B	0.6%
Household Goods	0.7%
Cars & Parts	0.7%
Chemicals	-0.6%
Resources	0.4%
Insurances	0.0%
Real Estates	-0.4%
Financials	0.1%
Banking	0.3%
Utilities	1.3%
Healthcare	-0.3%

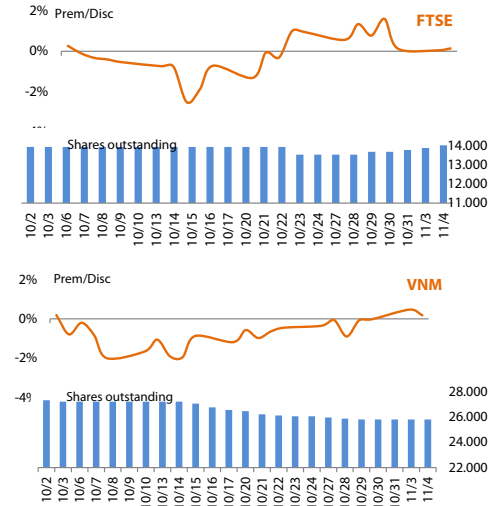
**Foreign Investors Trading**



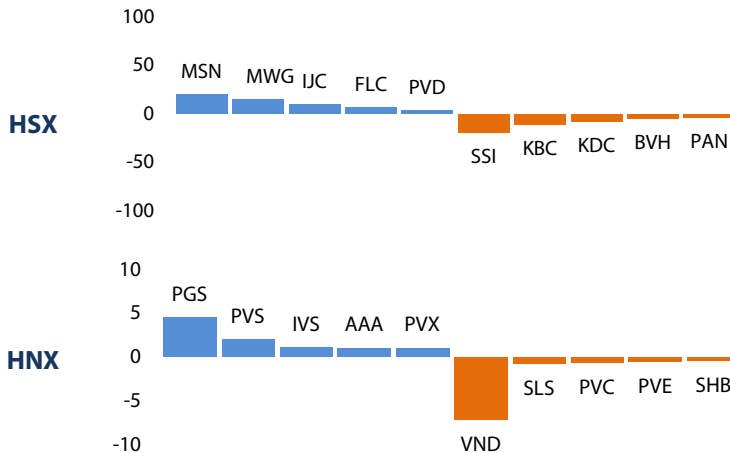
**Industry ROE**



**ETF**



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



**Top Active**

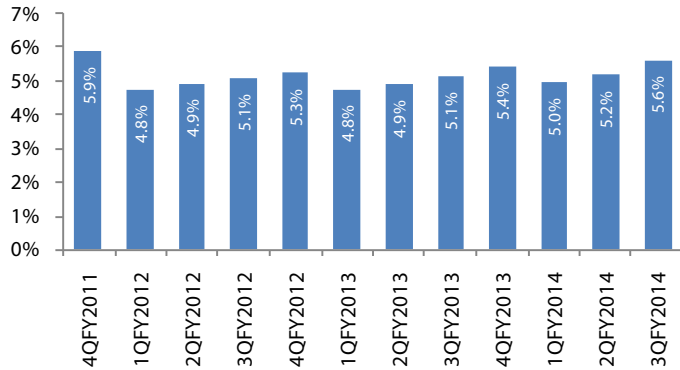
Ticker	Price	Volume	% price change
FLC	11.1	5.41	-0.9%
VHG	16.1	4.78	4.5%
HAG	25.5	4.11	1.6%
KBC	16.7	3.80	-0.6%
TTF	11.2	3.60	5.7%

Ticker	Price	Volume	% price change
SCR	10.1	9.66	2.5%
PVX	6.4	8.64	2.1%
KLF	11.6	7.48	-0.7%
SHB	8.8	3.64	1.5%
FIT	29.0	3.18	3.5%

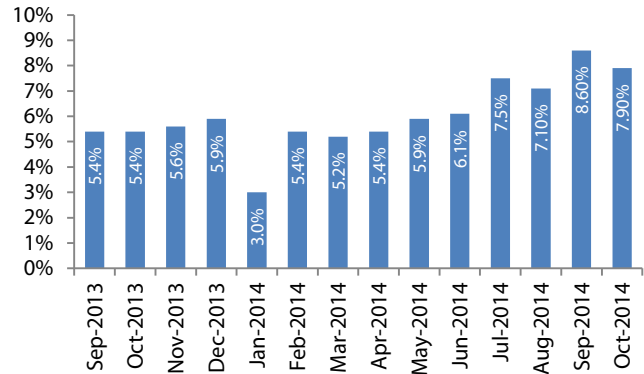
**MACRO WATCH**

**Graph 1: GDP Growth**



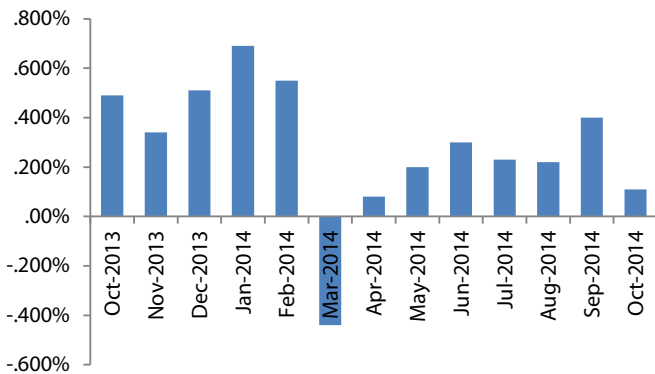
Sources: GSO. Rongviet Securities database  
(\* Comparison price in 1994)

**Graph 2: IIP**



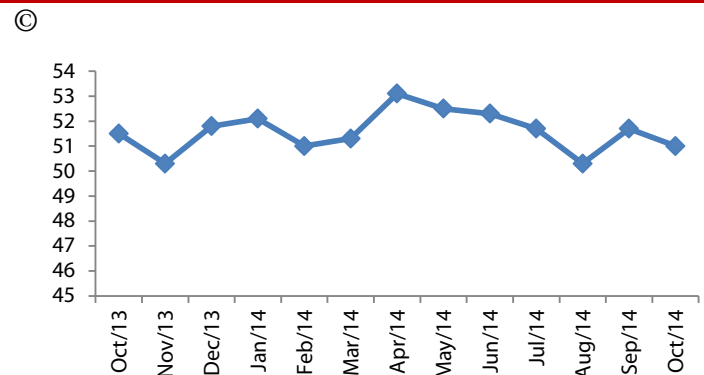
Sources: GSO. Rongviet Securities database

**Graph 3: Monthly CPI**



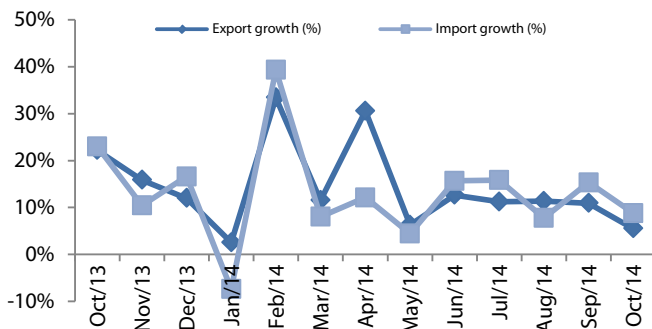
Sources: GSO. Rongviet Securities database

**Graph 4: HSBC - PMI**



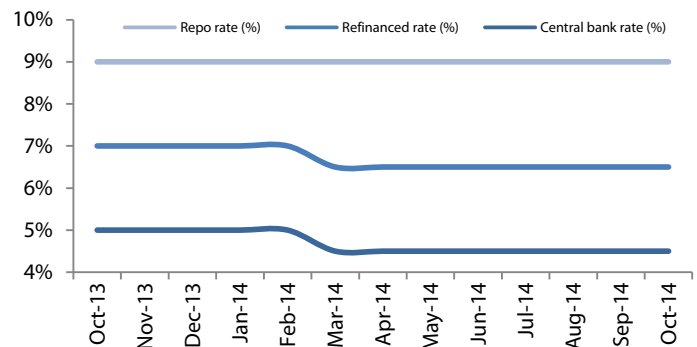
Sources: GSO. Rongviet Securities database

**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
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
DCL – Chances as bad debts to be solved	Sep 22 <sup>th</sup> , 2014	Neutral – Long term	37,000
PVD – Busy O&G exploitation brought warmth	Sep 17 <sup>th</sup> , 2014	Accumulate – Long term	122,00
REE - Solid ground s for sustainable growth	Sept 9 <sup>th</sup> , 2014	Neutral - Long term	29,700

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
FF	28/10/2014	0-0.75%	0-2.5%	11,821	11,829	-0.07%
VF1	03/11/2014	0.20% - 1.00%	0.50%-1.50%	22,943	22,604	1.50%
VF4	29/10/2014	0.20% - 1.00%	0.00%-1.50%	9,998	10,274	-2.69%
VFA	31/10/2014	0.20% - 1.00%	0.00%-1.50%	7,527	7,560	-0.44%
VFB	31/10/2014	0.30% - 0.60%	0.00%-1.00%	11,938	11,932	0.05%
ENF	24/10/2014	0.00% - 3.00%		10,535	10,641	-1.00%

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