

JULY

30

WEDNESDAY

*“Necessary
adjustment
period for the
stock market”*

Dung Tran

+84 8 6299 2006 | Ext: 334

dung.tt@vdsc.com.vn

ADVISORY DIARY

- **Necessary adjustment period for the stock market...**
- **DBC: 2Q2014 financial results update**

Necessarily accumulated period for the stock market...

As the impact from Moody's upgrading Vietnam's credit ratings from B2 to B1 has not lasted long, both boundaries tended to go down. VNIndex fluctuated significantly and closed under 590 while HNX occurred in red color during today's session and improved at the end of this session because of HNX30 stocks.

Today, the negative information related to leaders of Thien Thanh Group has not affected considerably on whole the market but only on banking stocks. Most tickers in Banking such as VCB, STB, MBB, EIB, CTG fell, except for BID that rose moderately thanks to dividend-payout information.

In VN30 group, there were 18 declined tickers meanwhile Blue-chips such as VNM, KDC, MSN were no longer leading tickers. 2Q2014 outperformed stocks' prices only decreased slightly; however demand was unlikely to meet supply. As a result, it caused market liquidity to decline remarkably. The market might continue to be adjusted but our view on this occurrence is not relatively negative. Moreover, we believe it is a necessarily accumulated period. Investors should observe cautiously and choose proper prices in order to buy tickers that having prospective performances in the second-half year.

DBC: 2Q2014 financial results update

Today Dabaco Vietnam group joint stock company (ticker: DBC) has announced 2Q2014 business result. Revenue, NAT in 2Q2014 were VND1,200 billion (+9% to the same period) and VND20.7 billion (+3% to the same period). Accounting for the 6 months, revenue recorded at VND2,410 billion whereas NAT reached at VND52.3 billion, finished 25% of NAT target. In spite of an improvement in earnings results to the same period, we recognized that revenue and NAT decreased slightly in comparison with 1Q2014 due to the following factors (1) According to seasonable feature, quarter 2 is usually the lowest earnings record (2) Gross profit margin was 9.7%, lower than the rate of 10.1% in 1Q2014 (3) interest expense rose of over 22% due to increasing investment in building projects and storehouse such as additional warehouse establishment in Hap Linh (~VND10 billion).

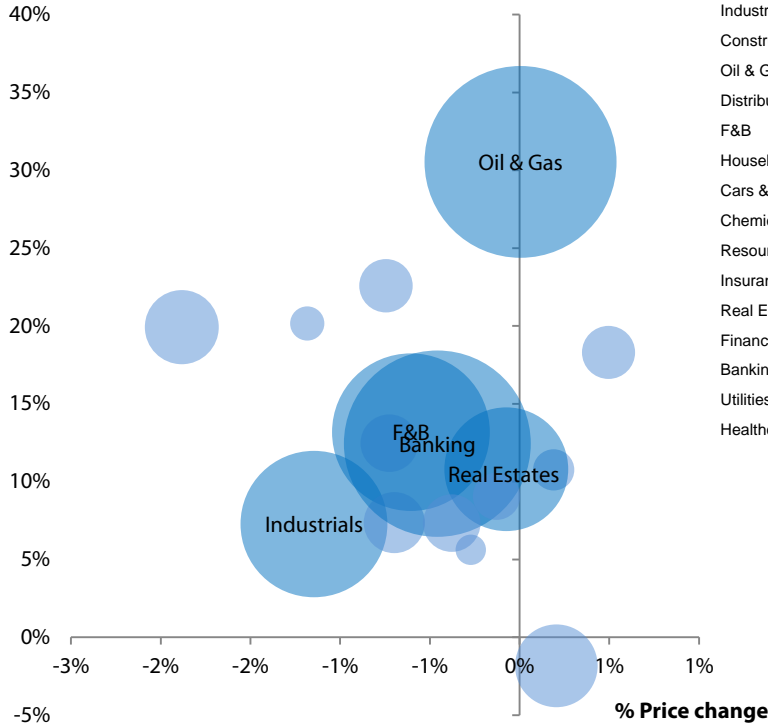
With a contribution in revenue of over 60%, animal feed maintained to be DBC's core business. In the first-half year, revenue from its segment contributed about VND1,500 billion, and according to our estimate, the Company might require over VND1.800 billion in the second-half year to fulfill the target. Otherwise, the proportion of real estate revenue contribution is declining as revenue in 6 months was only VND9 billion, decreased of 81% to the same period. As our reference information, Den Do project has been finding partnership to consume the 50% remaining values as the plan announced in recent annual general meeting. Thus, the process in resolving unsold real estate has not shown optimistic prospects.

Through the 1H2014 business result, the percentage of achieving target of the year was still very low. Although according to the business cycle of animal feed enterprises, the beginning months of the year were usually low seasons, with approximately more than VND157 billion needs to be achieved, it is likely that the DBC might have difficulties in achieving its target in the last 6 months. We will continue to follow the progress of animal husbandry in order to provide more perspectives on the animal feed business in general and the prospects of DBC in particular.

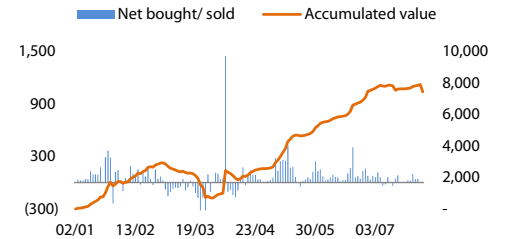


Industry Movement

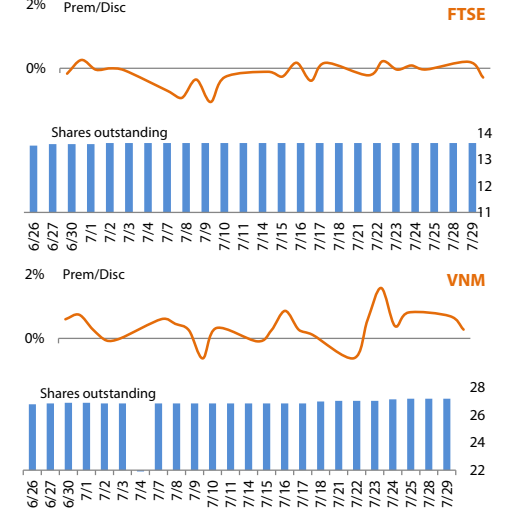
Industry ROE



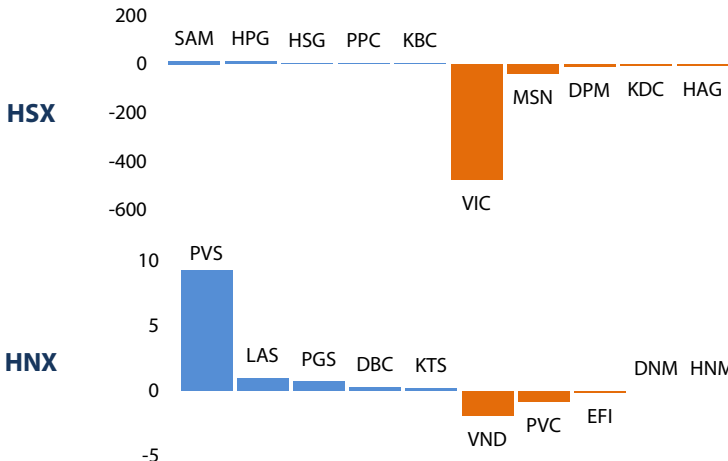
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



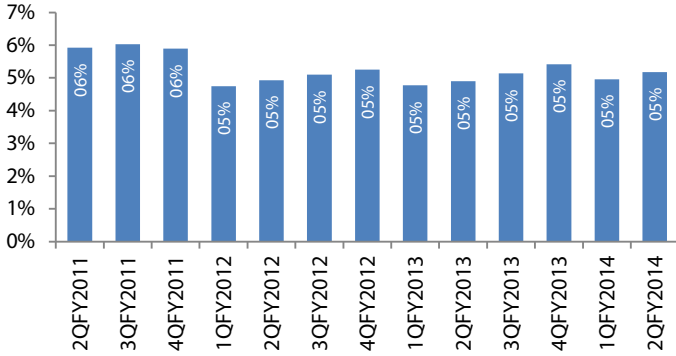
Top Active

Ticker	Price	Volume	% price change
FLC	12.90	24.20	3.2%
SAM	10.60	5.10	6.0%
SSI	25.10	2.41	-0.8%
HQC	7.40	2.17	0.0%
ITA	7.60	2.09	-1.3%

Ticker	Price	Volume	% price change
KLF	10.90	2.74	-0.4%
SCR	8.30	2.45	0.8%
PVX	4.30	2.21	2.2%
SHB	8.70	2.04	0.0%
FIT	13.70	1.73	0.2%

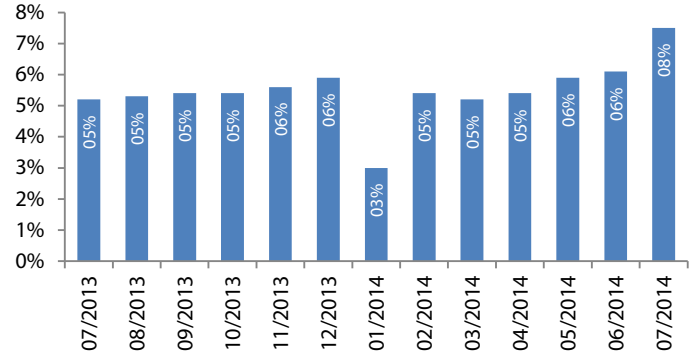
MACRO WATCH

Graph 1: GDP Growth



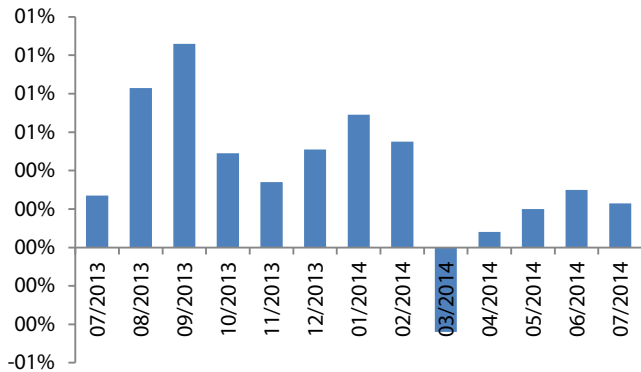
Sources: GSO, Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



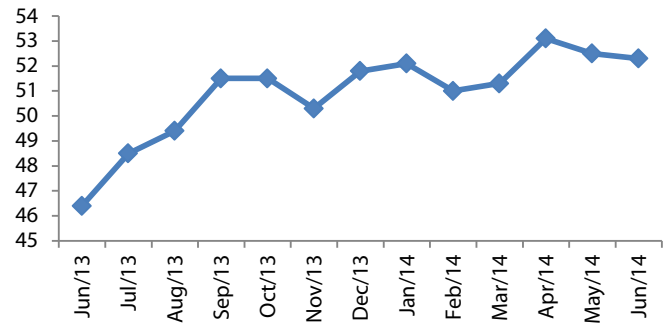
Sources: GSO, Rongviet Securities database

Graph 3: Monthly CPI



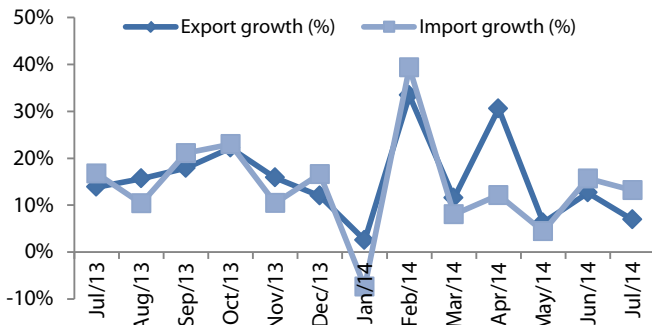
Sources: GSO, Rongviet Securities database

Graph 4: HSBC - PMI



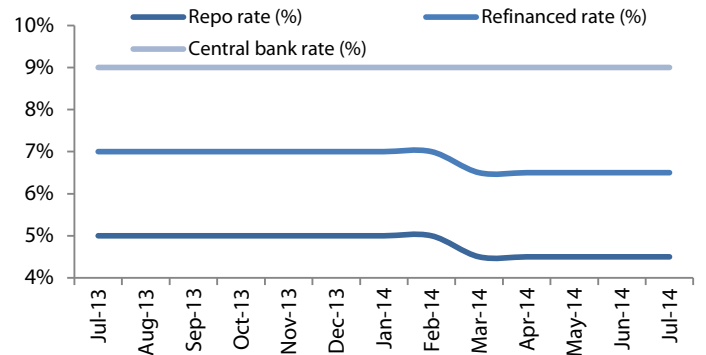
Sources: GSO, Rongviet Securities database

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
DBC-Benefit from decline in material price	May 27 th , 2014	Buy – Long-term	28,000
FPT-Leaping revenue	May 27 th , 2014	Accumulate – Intermediate-term	51,600
NBB-Strengthened cash flows	May 07 th , 2014	Buy – Long-term	36,300
DIG-Reboot	April 28 th , 2014	Accumulated – Long-term	19,200
HPG-Sustainable Development	April 24 th , 2014	Accumulated – Intermediate-term	55,100

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	22/07/2014	0.75%	0.75%	11,065	11,000	0,59%
VF1	24/07/2014	0.20% - 1.00%	0.50%-1.50%	22,261	21,961	1,36%
VF4	23/07/2014	0.20% - 1.00%	0.00%-1.50%	10,157	9,975	1,83%
VFA	25/07/2014	0.20% - 1.00%	0.00%-1.50%	7,516	7,479	0,50%
VFB	25/07/2014	0.30% - 0.60%	0.00%-1.00%	10,982	10,975	0,07%
ENF	18/07/2014	0.00% - 3.00%		10,105	10,009	0,96%

ANALYSTS

Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 314

truc.dtt@vdsc.com.vn

Thuy Nguyen

+ 84 8 6299 2006 | Ext: 317

thuy.nt@vdsc.com.vn

Huy Nguyen

+ 84 8 6299 2006 | Ext: 344

huy.nt@vdsc.com.vn

Tai Nguyen

+ 84 8 6299 2006 | Ext: 315

tai.ntp@vdsc.com.vn

My Tran

+ 84 8 6299 2006 | Ext: 348

my.tth@vdsc.com.vn

Lam Nguyen

+ 84 8 6299 2006 | Ext: 318

lam.ntp@vdsc.com.vn

Dung Tran

+ 84 8 6299 2006 | Ext: 349

dung.tt@vdsc.com.vn

Tam Bui

+ 84 8 6299 2006 | Ext: 348

tam.bt@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



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