

OCTOBER

23

THURSDAY

“Instability of market sentiment”

ADVISORY DIARY

- **Instability of market sentiment**
- **APC- Increased attention for the irradiation industry**

Instability of market sentiment

Today, the market went down again after two consecutive ups. Some rumors might cause some negative impacts to investors’ sentiment. VNIndex dropped by 8 points to 600 points due to the decrease of some large-caps such as GAS (-2.8%), PVD (-2.7%), HPG (-2.7%). Notably, this decrease was not only in large-caps but also in oil and gas stocks. We realized that selling pressure might occur when liquidity increased by 28% compared to last session. However, buying pressure was quite consistent that caused Vnindex unlikely to reach the level of 600 points until the end of the session. It seems that OCG became a notable stock which having the highest trading volume, up to 22.4 million shares with a net sold at more than 470 thousand shares.

In addition, NBB was another remarkable stock that closed at the floor price with high waiting selling volume. According to our analyst, NBB did not have any negative information except for transferring shares of Quang Ngai mineral corporation (owned titan mines) is probably unsuccessful this year. This leads to change of our NBB ’ s forecasted profit in the previous report. However, due to stable cash flow our analyst supposed that target price is likely to remain stable. Besides, 3Q earning could be higher than 2Q2014 due to transferring deal of 22 apartments at Carina Plaza in 3Q2014. Moreover, NBB also receive investment from Japanese partners. This partly improved the financial performance as well as having more capital for future projects.

Similarly, FPT stock fell 1.19% although having positive Q32014 earning. Specifically, 9M2014 revenue reached at 24,287 billion (+ 21% yoy) and accomplishing 108% target plan; while NPAT reached at approximately 1,542 billion (+1% yoy), achieving 101% of plan. Retail and distribution segment was still the largest contribution in revenue structure with accounting for over 60%. This also witnessed a high growth, up to 28%, while FPT shop segment had the highest growth of 78%. FPT intends to expand its business from 250 stores up to 2016 and currently achieving 60% of plan (~150 stores in 62 provinces

Foreign investors’ activity seems less prominent with a net buying value of VND18 billion in HNX and a net sold volume of VND3 billion in HSX. With the negative market sentiment, investors should be prudent; however, investors might disburse capital if stocks have attractive prices.

APC- Increased attention for the irradiation industry

Today, RongViet Securities just published a report on An Phu Irradiation JSC (HSX - APC). APC does business in niche market - food irradiation. With significant barriers to entry, competitiveness in this industry is low. At present, the food irradiation market is shared by three companies, namely An Phu JSC., Son Son JSC. and Thai Son Ltd., where APC is the one that has the lion share (over 60%). The irradiation industry, has been receiving more and more attention from the market and even the government. According to the detailed planning for developing radiation application up to 2020, the annual revenue growth rate of the sector is expected to reach 18% in the next 5 years. Since late 2012, along with the changes in the management structure, APC has taken such steps as (1) reducing the proportion of fishery products in irradiation revenue while diversifying among other goods (2) terminating the dragon fruit trading business and pushing warehouse leasing (3) accelerating the turnover of account receivables while imposing stricter control of bad debts (4) trimming interest expenses.

Such measures have yielded sweet fruits as APC posted encouraging performance in FY2013 as

well as 9M2014. By the end of 3Q2014, the Company estimates to complete its 2014 NPAT plan (VND16.2 billion) while accomplishing 80% of the target revenue. Particularly, 9M2014 revenue and profit reached VND17 billion and 70.4 billion respectively. Heightened profits came mostly from slimmed interest expense (-47% over the same period of 2013). We forecasted 2014 revenue and NPAT for APC at around VND98 billion and VND23,5 billion respectively.

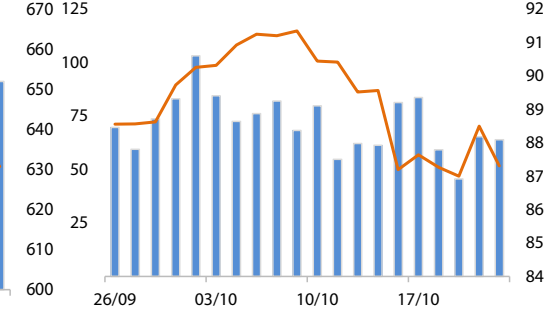
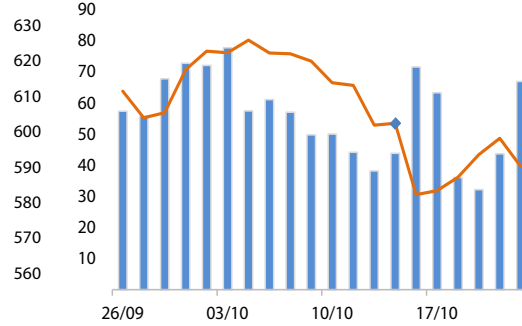
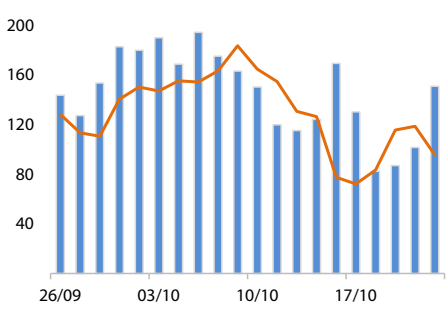
Restructuring measures implemented in previous years have seen positive results such as reduced interest expenses and diversified revenue composition. In conclusion, we recommend **BUY** in the **INTERMEDIATE TERM** the stock of APC with a target price of **VND22,000/share**.

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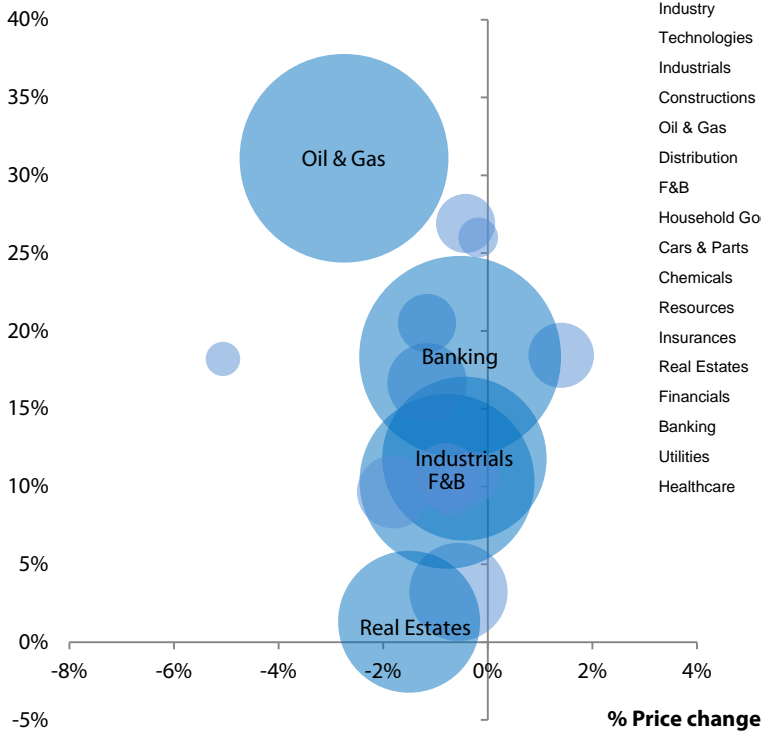
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VNINDEX -1.34% 593.53 VN30 -1.10% 630.84 HNXINDEX -1.34% 87.31

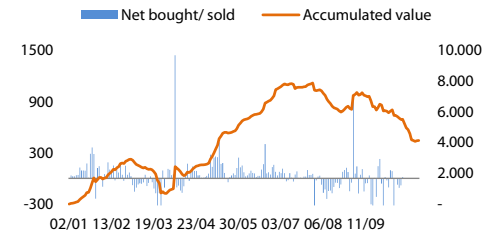


Industry Movement

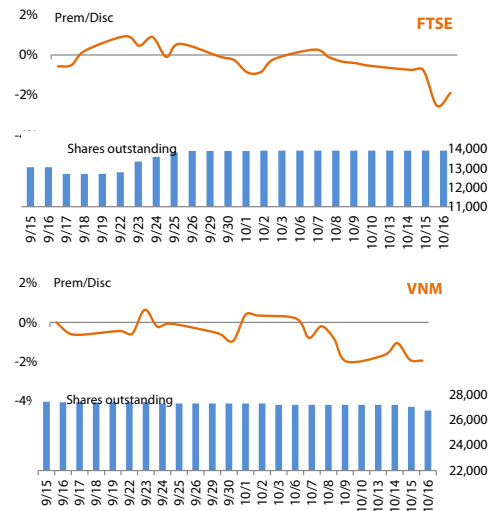
Industry ROE



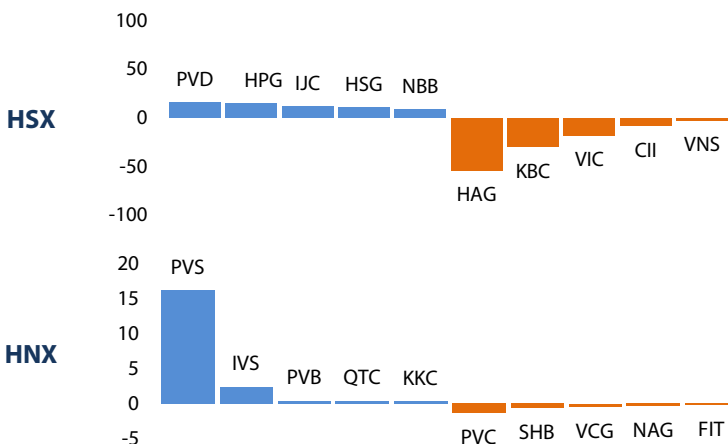
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



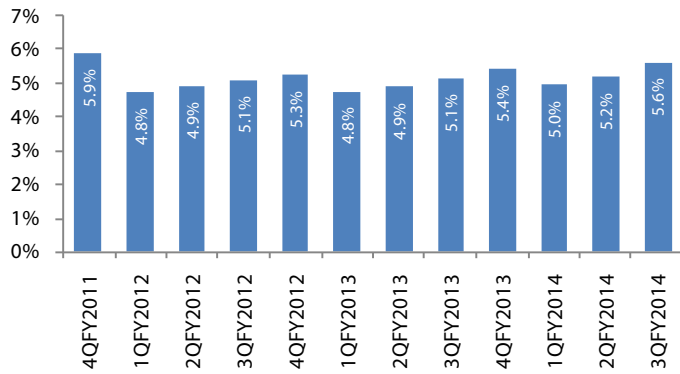
Top Active

Ticker	Price	Volume	% price change
OGC	11.2	22.41	-6.7%
FLC	11.4	12.18	1.8%
VHG	16.1	9.43	-6.4%
SSI	29.7	5.54	-1.0%
ITA	8.5	5.31	-3.4%

Ticker	Price	Volume	% price change
KLF	11.80	12.07	-0.8%
PVX	5.90	7.80	-3.3%
SCR	9.90	5.49	-2.0%
FIT	26.40	3.59	-2.9%
KLS	11.50	0.32	-1.7%

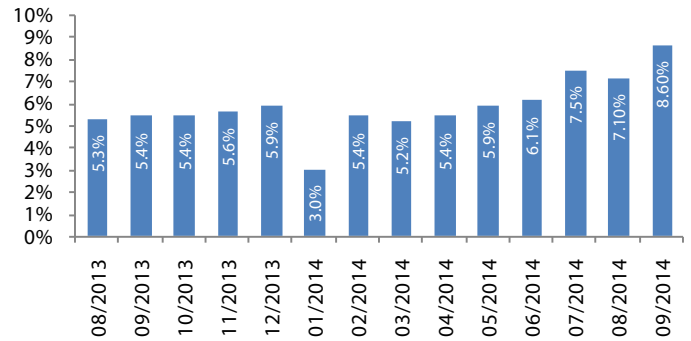
MACRO WATCH

Graph 1: GDP Growth



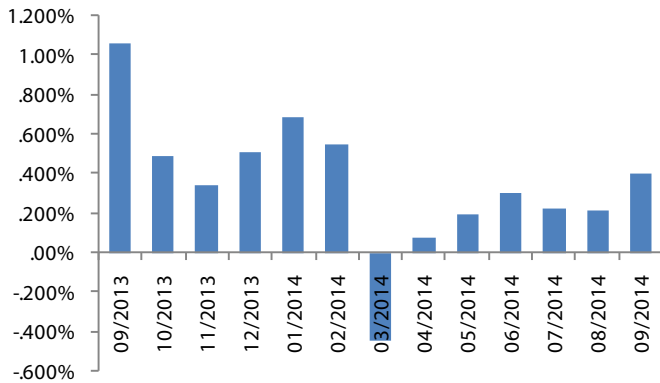
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



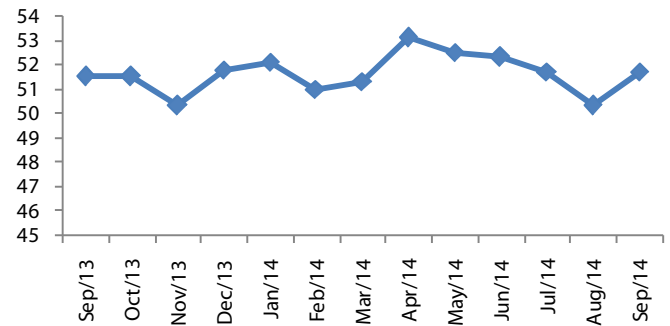
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



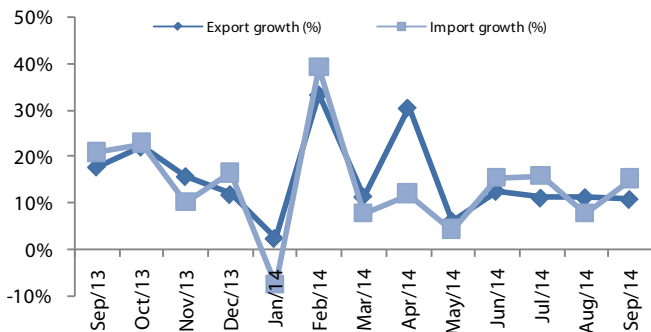
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



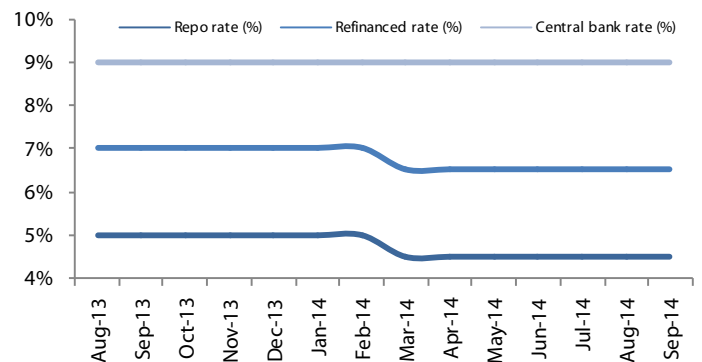
Sources: GSO. Rongviet Securities database

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
TCM - Moving up the value chain	Oct 14 th , 2014	Accumulate – Long term	42,500
DHC - Restructuring yielded juicy fruits	Sep 29 th , 2014	Buy – Intermediate term	25,200
DCL – Chances as bad debts to be solved	Sep 22 th , 2014	Neutral – Long term	37,000
PVD – Busy O&G exploitation brought warmth	Sep 17 th , 2014	Accumulate – Long term	122,00
REE - Solid ground s for sustainable growth	Sept 9 th , 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
VFF	14/10/2014	0-0.75%	0-2.5%	11,859	11,886	-0.23%
VF1	17/10/2014	0.20% - 1.00%	0.50%-1.50%	22,346	23,083	-3.19%
VF4	15/10/2014	0.20% - 1.00%	0.00%-1.50%	10,475	10,744	-2.5%
VFA	17/10/2014	0.20% - 1.00%	0.00%-1.50%	7,509	7,787	-3.57%
VFB	17/10/2014	0.30% - 0.60%	0.00%-1.00%	11,943	11,983	-0.33%
ENF	10/10/2014	0.00% - 3.00%		11,149	11,094	0.5%

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