



“Eyes on rig movements, VNIndex rebounded after testing 585”

- **New Land Law**
- **NBB & NTP - Q2 result updates**

Vietnam’ real estates are more attractive to foreign investors after the New Land Law

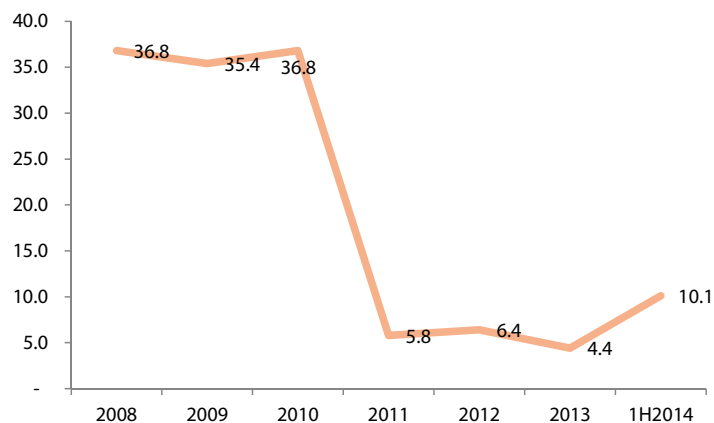
The 2013 Land Law entered into force in the first week of July with some important reforms and high expectations to provide more effective and comprehensive legal framework for the development of the real estate market.

In the perspective of foreign investors, the most important reform in the new law is that foreign and domestic investors are put on the same legal starting point, without provisional preference for the domestic investors. Foreign residential real estate investors, previously only permitted to lease land up to 50 years (up to 70 years in some cases) with an option for renewal, may now choose to either lease the land from the government or to pay the land use tax for an allocation of land.

The New Land Law also allows foreign-invested companies to receive transfer of capital contribution in the form of land use rights. This addresses an ongoing issue that foreign-invested companies often choose to buy stakes in Vietnamese firms that owns the LURs as opposed to applying for the LURs themselves to dodge legal complications as well as the land lease limit. Among notable transactions, in late 2013, Gemadept Corporation (GMD-HSX) contributed the land use right of at 06 Le Thanh Ton, HCMC (Gemadept Tower) to one of its subsidiaries, i.e Marproco, before selling 85% of the sub’s stakes for CJ Group (Korea) for \$40 million. More recently, NBB Investment Corporation (NBB-HSX) has negotiated to transfer the controlling stakes at City Gate Towers, NBB Garden II and NBB Garden, 3/4 of its project pipelines in HCMC to a foreign partner. With the new law directly tackling the issue, we see a brighter prospect for high-valued M&As in the real estate sector in the near future.

With a new and improved Land Law, we also see more opportunities for industrial real estate to attract foreign capital, due to a global trend of manufacturers shifting production to low-cost bases. According to the Foreign Investment Department of the Ministry of Planning and Investment, whereas foreign direct investment (FDI) in Vietnam was up only 0.9% from a year ago to \$5.75 billion in the first half of 2014, FDI for the real estate picked up an astounding 65% to \$692 million.

Exhibit: FDI in real estates as a share of total FDI pledge, 2007-1H2014 (%)



Source: The Foreign Investment Department of the Ministry of Planning and Investment

Vietnam is now facing a new wave of industrialization and boom in manufacturing due to the cost of labor in neighboring countries increasing at a rapid rate and multinational groups are seeking lower-cost countries in South East Asia with strong political stability, said Scott Douglas, Principal of IMFG Financial in an interview with our friend Keith Hilden of Squawkonomics (Taiwan). "The last 10 years has seen China and Taiwan being no longer "low cost" labor environments; Thailand whilst low cost does have its issues and has created opportunities for Vietnam being a business friendly neighbor that is right next door", Douglas expressing his opinions on the potential of Vietnam's industrial real estates. Exhibit: Foreign direct investment in Vietnam real estates as a share of total investment, 1H2014

NBB & NTP - Q2 result updates

Recently, we have had discussions with representatives of NBB Investment Corporation (NBB-HSX) and Tien Phong Plastics SJC (NTP-HNX) regarding their performances in 2Q2014. As far as we concern, both companies witnessed slight improvements in their core business thanks to the recovery of the real estate market since the beginning of the year.

For NBB, Q2 revenue may have been around VND50 billion and the net income VND7-VND10 billion, both jumping significantly from a year earlier. While revenue improved from the previous quarter thanks to better sales at Carina Plaza, the bottom-line profit was about a third that of Q1 in the absence of significant nonrecurring profits.

According to the an officer of NTP, the Company saw a small but relatively stable rise in consumption volume in the past two quarters while suffering from a shrunken profit margin due to constant increases in raw material prices since early 2014. NTP still benefited greatly from allocating a portion of its capacity to the tax-exempt Mien Trung factory. We estimate Q2 revenue for NTP at about VN750 billion and net income about VND65 billion.

Eyes on rig movements, VNIndex rebounded after testing 585

Yesterday's optimism over the moving of the HD981 rig was short-lasting as the break-out of the news that the rig had gone even deeper into Vietnam's waters shook stocks on both exchanges and turned market sentiment to negative. Thanks to substantial demand by bottom-fishers, most likely foreign investors, indices soon regained their stability; VNIndex rebounded at 586.6 and HNIndex around 80. Foreign purchase reached a net VND71.7 billion on the HSX today. The fact that cash flows found shelter in PVS, PVC, PXS, GAS, DRC, REE and HPG continued to confirm our assertion on the Q2 business results being the main growth driver of the market in July.

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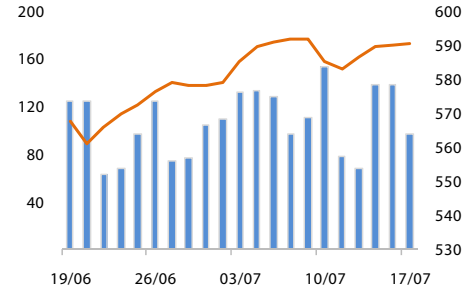
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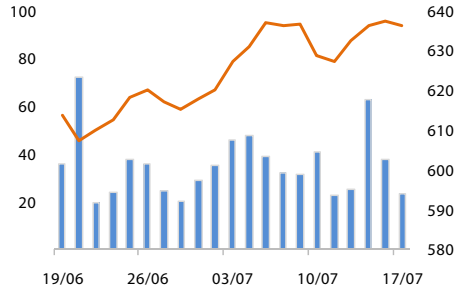
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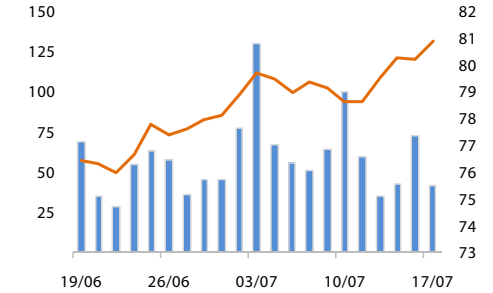
VN INDEX 0.12% **590.37**



VN30 -0.13% **636.3**

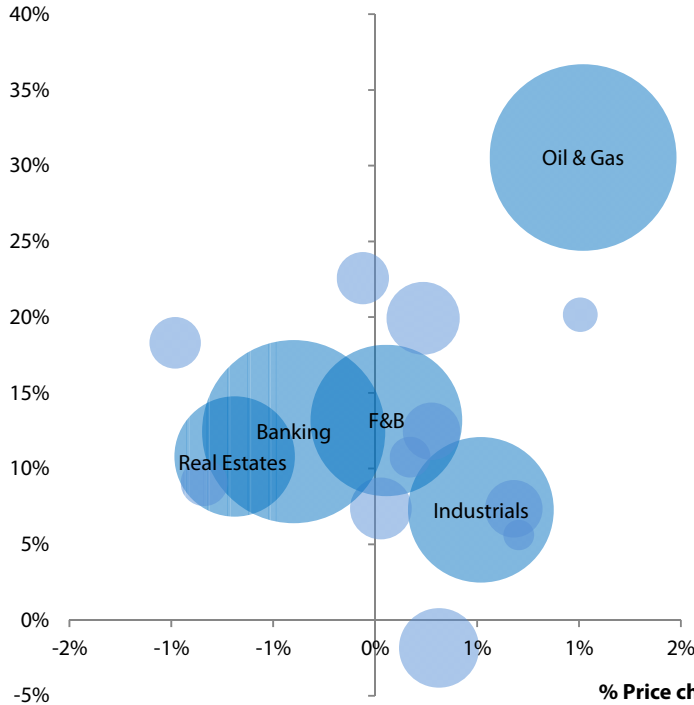


HNX INDEX -0.09% **80.16**



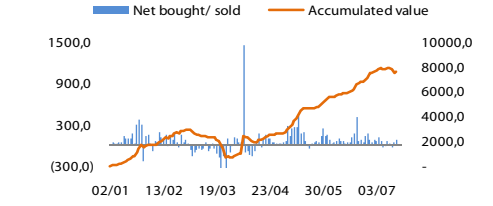
Industry Movement

Industry ROE

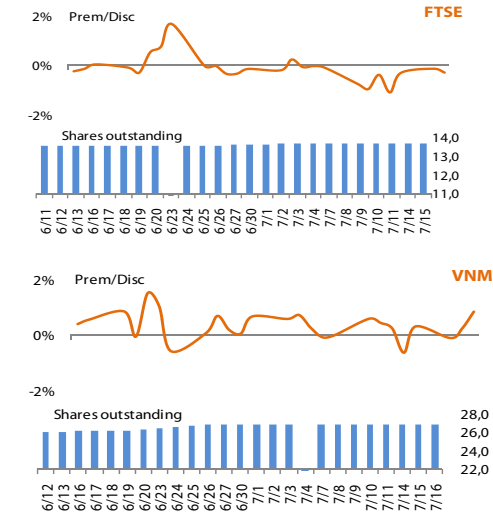


Industry	%change
Technologies	-1.0%
Industrials	0.5%
Constructions	0.3%
Oil & Gas	1.0%
Distribution	0.7%
F&B	0.1%
Household Goods	0.2%
Cars & Parts	1.0%
Chemicals	0.3%
Resources	-0.1%
Insurances	0.2%
Real Estates	-0.7%
Financials	0.0%
Banking	-0.4%
Utilities	0.7%
Healthcare	-0.8%

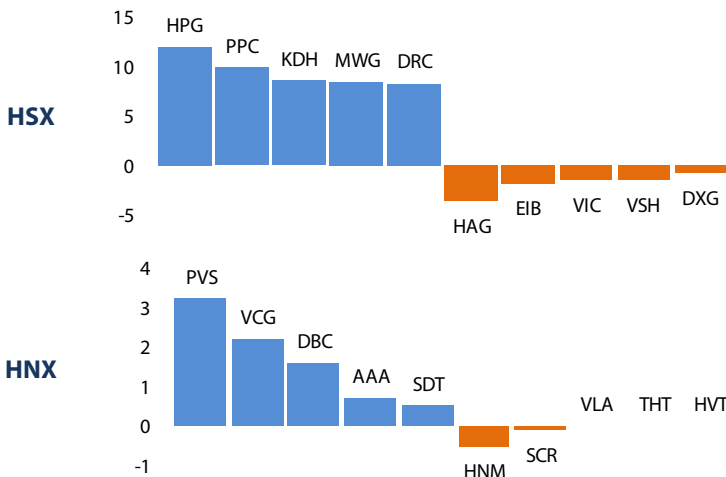
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)

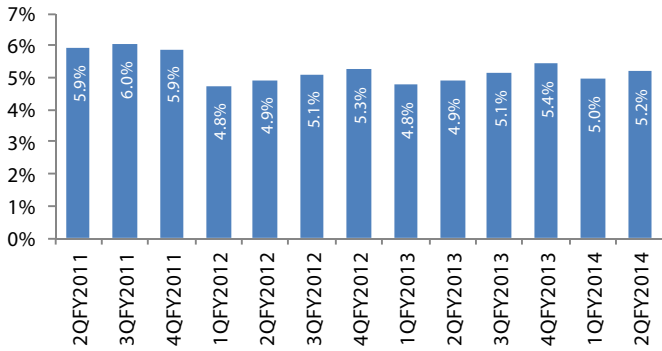


Top Active

Ticker	Price	Volume	% price change
FLC	13.10	16.90	-5.8%
HQC	8.10	8.20	-1.2%
VHG	11.00	4.20	1.9%
ITA	8.30	3.60	1.2%
TDC	11.10	3.10	5.7%
SCR	9.30	4.90	1.1%
PVS	33.80	3.80	5.3%
PVX	4.60	3.70	0.0%
KLS	12.30	2.50	-0.8%
KLF	11.80	2.30	-0.8%

MACRO WATCH

Graph 1: GDP Growth



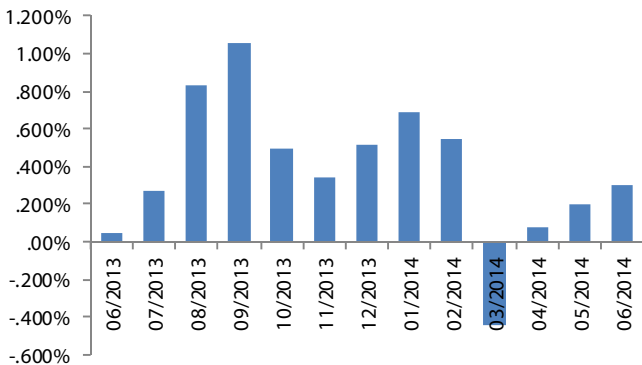
Sources: GSO, Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



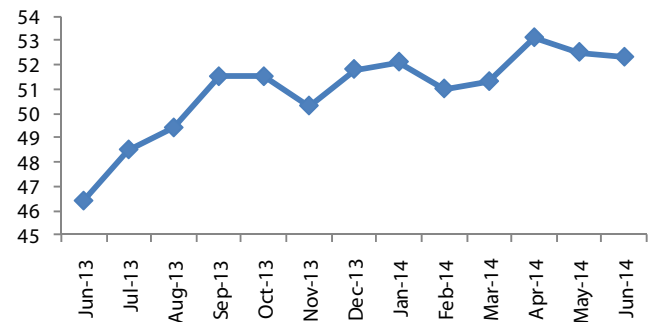
Sources: GSO, Rongviet Securities database

Graph 3: Monthly CPI



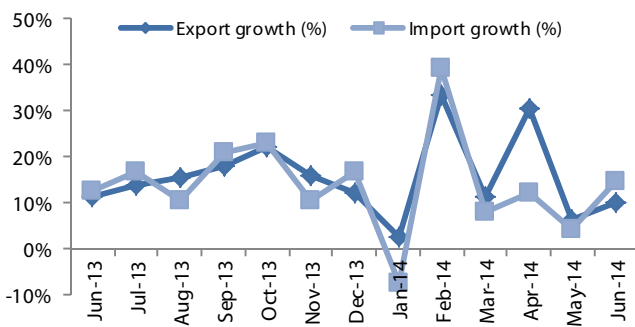
Sources: GSO, Rongviet Securities database

Graph 4: HSBC - PMI



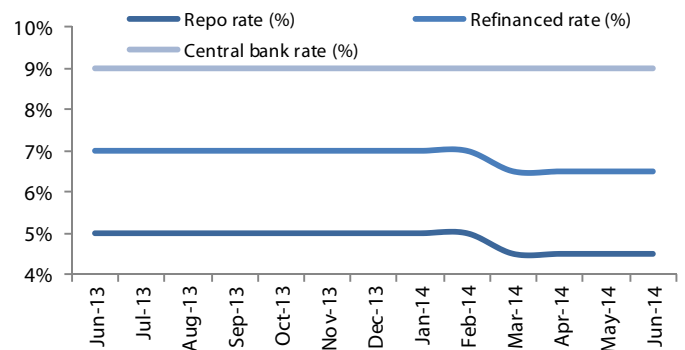
Sources: GSO, Rongviet Securities database

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	01/07/2014	0.75%	0.75%	10,881	10,833	0.44%
VF1	03/07/2014	0.20% - 1.00%	0.50%-1.50%	21,377	21,100	0.60%
VF4	02/07/2014	0.20% - 1.00%	0.00%-1.50%	9,704	9,527	1.86%
VFA	04/07/2014	0.20% - 1.00%	0.00%-1.50%	7,411	7,377	0.47%
VFB	04/07/2014	0.30% - 0.60%	0.00%-1.00%	10,853	10,799	0.50%
ENF	27/06/2014	0.00% - 3.00%		9,888	9,785	1.05%

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