

DECEMBER

ADVISORY DIARY

15

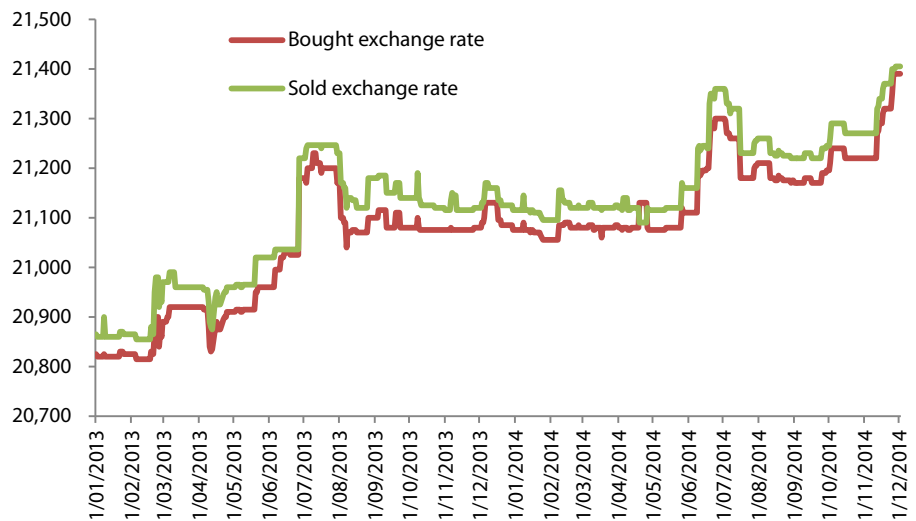
MONDAY

- **USD/VND exchange rate continues to vary**
- **Tried and failed!**

USD/VND exchange rate continues to vary

USD/VND exchange rate reported by commercial banks has varied in an uptrend from mid-Nov 2014, and even higher than the previous pick of VND21,300 – VND21,360 (buying – selling rate) in Jun 2014. As SBV database shown, the buying and selling exchange rate which is reported by commercial bank on Dec 15th 2014 is VND21,360 and VND21,405 respectively, up by 0.7% compared to the early of Nov 2014. The USD/VND exchange rate usually varies in year-end due to high demand for (1) High demand of USD to import goods, which serve Tet holiday and (2) The maturity of short-term debts which are denominated as USD.

Chart: Variation of Buying – Selling exchange rate reported by commercial banks



“Tried and failed!”

Source: Rongviet Securities database

Up till now, the SBV has almost 3 year of success in foreign exchange rate control. In 2014, thanks to profuse preservation of USD and surplus trading balance, the SBV just have to devalue Vietnam dong 1% in Jun 2014. Because of some rumors, which anticipate that SBV will make devaluation once again in 2014, foreign exchange rate has varied from Nov 12th till now. With more than USD35 bn in preservation (which equals to 3.1 imported-month) and USD1.9 bn of trading surplus (to end of Nov 2014), however, we assume that SBV can definitely control the exchange rate in the remaining time of 2014.

Despite of that, we anticipate that SBV may devalue the Vietnam dong in late 1Q/2015, because (1) SBV has controlled the exchange rate at low level in 3 consecutive years while the difference between Vietnam and USA inflation rate is more higher, causing the nominal exchange rate (NEER) isolate the real exchange rate (REER) much and (2) USD has appreciated strongly lately, pegging VND to USD exchange rate would cause VND to appreciate against other currencies, making Vietnamese products less attractive in price compared to foreign products.

Tried and failed!

The market seasawed in the morning’s session but witnessed a decline in the afternoon. A striking

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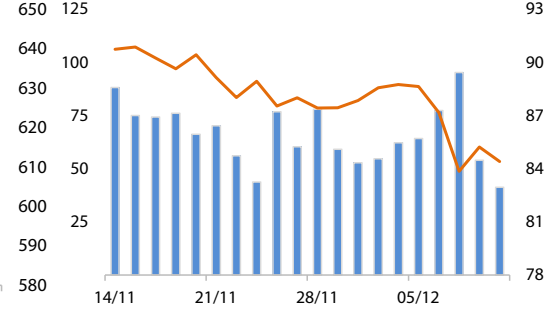
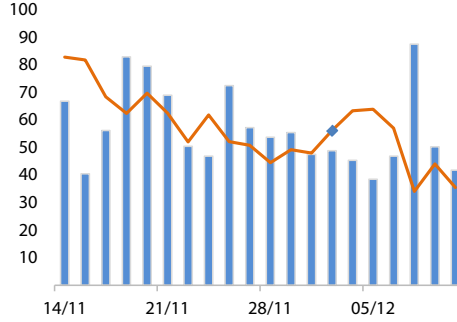
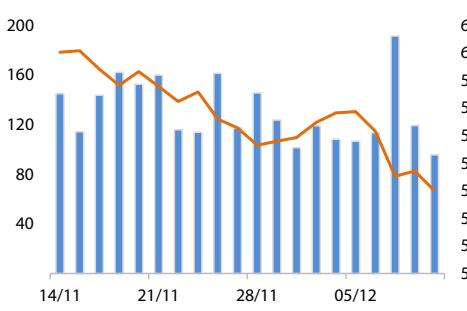
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loss of 6 points that caused VNIndex to drop from the supporting points of 550 to 547.93. Despite HNIndex maintained green in the morning, the index was still below the reference and ended at 84.24. Along with a variety of pessimistic forecasts, for instance the OPEC and the International Energy Agent (IEA), many oil & gas stocks have been remained downward trends. Moreover, many large-caps were unable to recover in this session, which partly affected the gain momentum of Mid & Small caps such as KSB, KBC, VPH.... In the top ten weighted stocks of VNIndex, only two tickers remained at the reference price (MSN, BID) but others decreased. On HNX bourse, there was only 1 gain (VCG, up by 0.1 point) meanwhile 4 stocks stayed at reference prices and others closed at red prices. In contrast with the negative overview of the market, mineral stocks witnessed significant increases, such as KSS, KTB, KHB, KHL.....

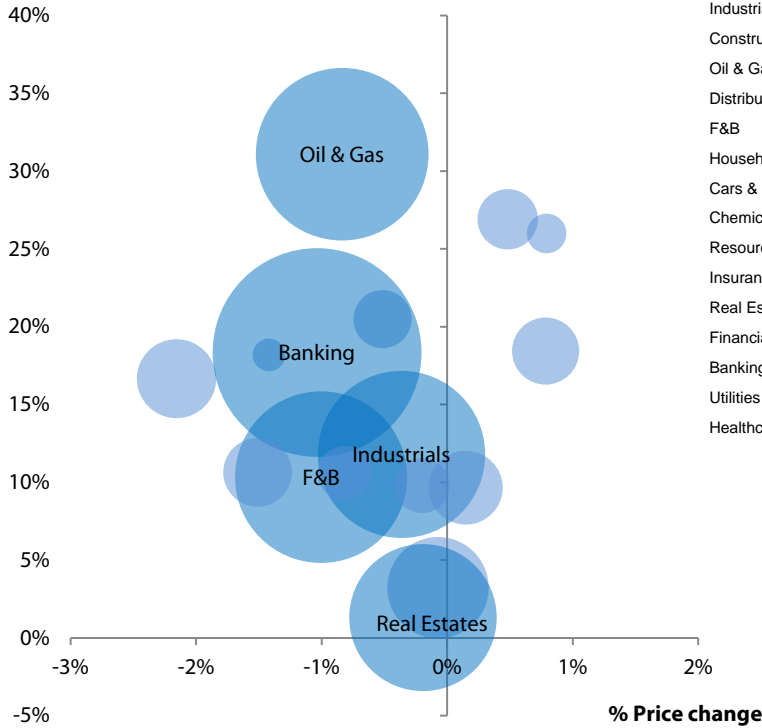
Liquidity remained a low level of VND 2,546 billion in the first trading session of the week, lowered than the VND 2,800 billion average last week. Foreign investors kept a net sought with a total value of VND62 billion, meanwhile they kept a net sought of VND 33.4 in HOSE. While some leading tickers continued to go down and are unlikely to have a rebound sign, low liquidity could come from foreign investors' portfolio maintaining in cash to need an opportunity. We supposed that market sentiment would remain until having supporting information.

VNINDEX -1.08% 547.93 VN30 -0.89% 603.92 HNXINDEX -0.37% 84.24



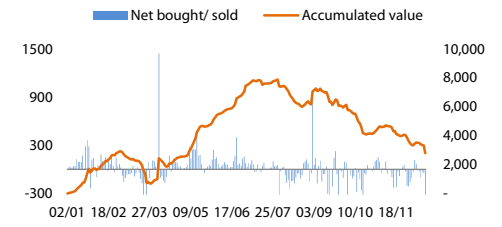
Industry Movement

Industry ROE

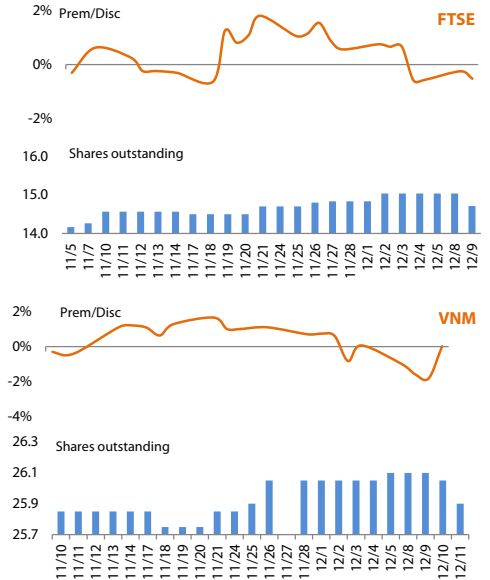


Industry	% change
Technologies	-0.5%
Industrials	-0.4%
Constructions	-0.1%
Oil & Gas	-0.8%
Distribution	-1.4%
F&B	-1.0%
Household Goods	-0.2%
Cars & Parts	0.8%
Chemicals	0.8%
Resources	0.5%
Insurances	-2.2%
Real Estates	-0.2%
Financials	0.1%
Banking	-1.0%
Utilities	-1.5%
Healthcare	-0.8%

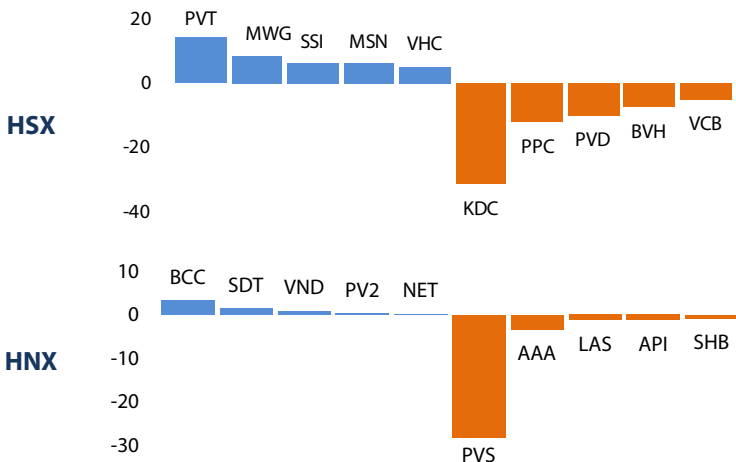
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)

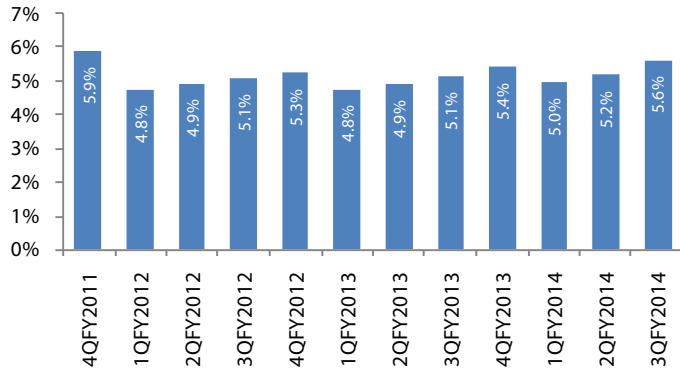


Top Active

Ticker	Price	Volume	% price change
FLC	10.9	7.21	-0.9%
OGC	8.0	5.22	-2.4%
VHG	12.7	4.00	1.6%
ITA	8.4	3.50	0.0%
SSI	29.8	2.43	0.7%
KLF	13.1	7.85	0.8%
PVS	25.5	3.60	-3.4%
SCR	10.3	2.98	-1.0%
SHB	8.6	2.95	-2.3%
DCS	5.9	1.92	1.7%

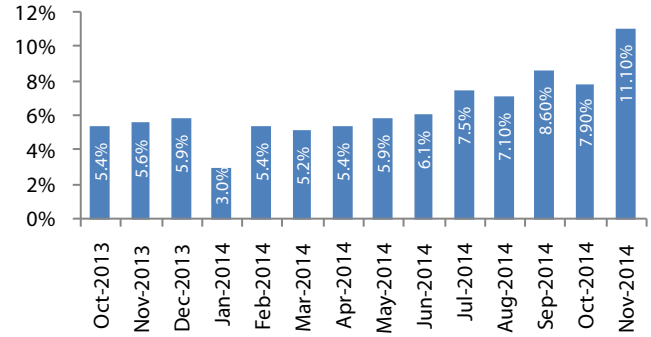
MACRO WATCH

Graph 1: GDP Growth



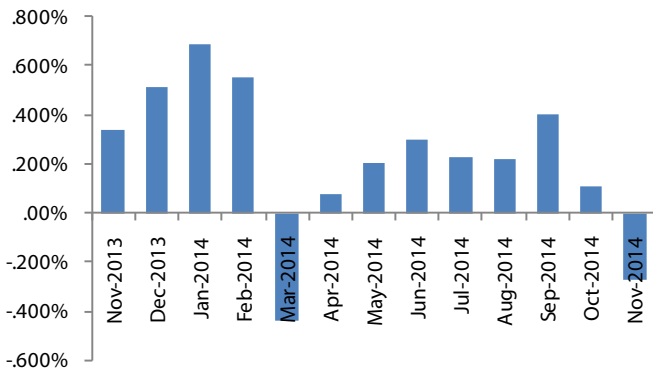
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



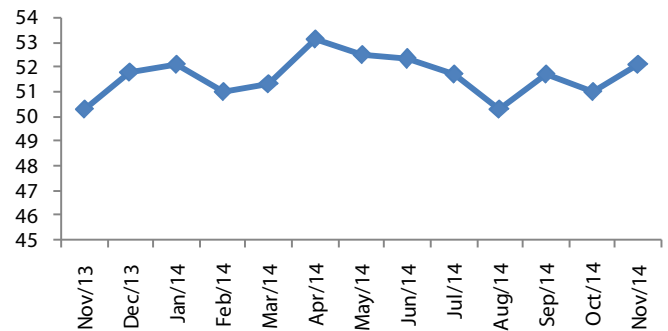
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



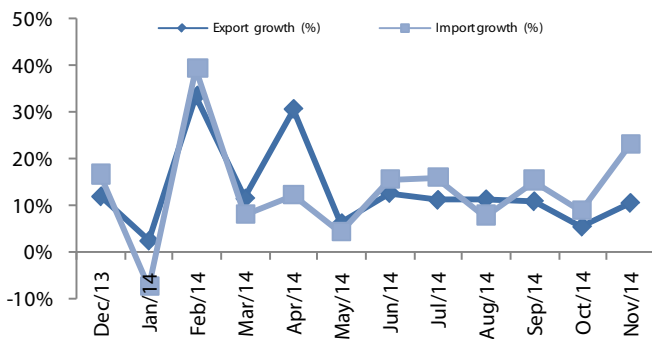
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



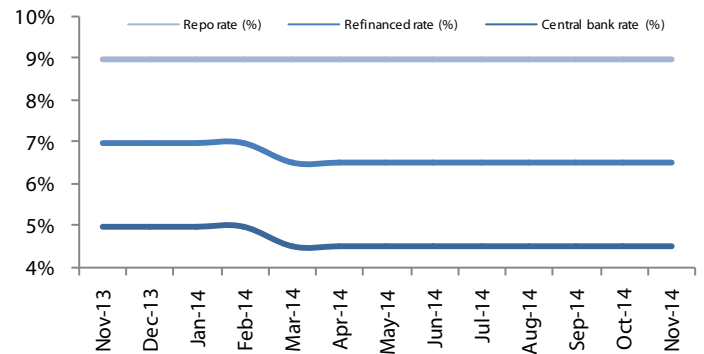
Sources: GSO. Rongviet Securities database

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
PCT – Restructuring	Dec 11 th , 2014	Monitor	
FPT - Growth driver expected from retails	Dec 3 rd , 2014	Accumulate – Long term	61,000
GDT - Still being on upward trend	Nov 27 th , 2014	Accumulate – Long term	41,300
PGS - 2015: A year of challenge	Nov 24 th , 2014	Neutral - Long term	37,800
NBB - A turning point with City Gate Towers	Nov 14 th , 2014	Buy - Long term	26,800
CMI-Project restarts spark new hopes	Nov 13 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	09/12/2014	0%-0.75%	0%-2.5%	11,378	11,576	-1.71 %
VEOF	09/12/2014	0%-0.75%	0%-2.5%	9,800	9,815	-0.15%
VF1	12/12/2014	0.2% - 1%	0.5%-1.5%	20,890	21,111	-1.05%
VF4	10/12/2014	0.2% - 1%	0%-1.5%	9,102	9,565	-4.84%
VFA	12/12/2014	0.2% - 1%	0%-1.5%	7,373	7,443	-0.95%
VFB	12/12/2014	0.3% - 0.6%	0%-1%	11,841	11,832	0.08 %
ENF	05/12/2014	0% - 3%	0%	10,889	10,807	0.76%
MBVF	04/12/2014	1%	0%-1%	11,135	11,060	0.68%
MBBF	10/12/2014	0%-0.5%	0%-1%	11,766	11,768	-0.02%

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