

SEPTEMBER

15

MONDAY

*“Pennies heat in Oil & Gas and Fishery still remains”*

ADVISORY DIARY

- **ETF - VNM announced the review result**
- **Pennies heat in Oil & Gas and Fishery still remains**

**ETF - VNM announced the review result**

Last weekend, VNM ETF has announced the result of the third review in 2014. As our estimates, FLC and IJC were added with a proportion of respectively 2.67% and 0.65% whereas GMD were excluded since it did not meet the criteria related to the proportion of foreigner investors. Thus, VNM ETF is expected to buy 28.3 million shares of FLC and 5.6 million shares of IJC, respectively and sold 3.3 million shares of GMD. As of September 12, Vietnamese stocks in VNM ETF constitute of 71.04%; thus, in the third review, selling activity might overwhelm. Beyond these above stocks, most stocks are in the selling list of the review including ITA (~ 9.2 million units), VCG (~ 8.6 million units) and PVS (~ 6 million units). In contrast, the stocks are bought including PPC (~ 7.5 million units) and MSN (~ 3.1 million units).

|    |     | VNM ETF* | FTSE ETF** | Estimated selling/buying volumes | Estimated selling/buying values |
|----|-----|----------|------------|----------------------------------|---------------------------------|
| 1  | FLC | x        | x          | 34.272.555                       | 20.204.142                      |
| 2  | KDC |          | x          | 9.113.238                        | 25.755.735                      |
| 3  | MSN | x        | x          | 6.834.674                        | 26.726.559                      |
| 4  | PPC | x        | x          | 6.563.147                        | 7.243.449                       |
| 5  | IJC | x        |            | 5.634.321                        | 4.114.581                       |
| 6  | VCB | x        | x          | 529.456                          | 710.141                         |
| 7  | PVT | x        | x          | 422.764                          | 357.116                         |
| 8  | VIC | x        | x          | 219.622                          | 643.093                         |
| 9  | CSM |          | x          | (286.555)                        | (599.296)                       |
| 10 | HVG |          | x          | (445.020)                        | (595.316)                       |
| 11 | HSG |          | x          | (461.473)                        | (965.116)                       |
| 12 | HAG | x        | x          | (478.184)                        | (510.166)                       |
| 13 | VSH |          | x          | (924.277)                        | (639.985)                       |
| 14 | PVD | x        | x          | (930.625)                        | (4.367.144)                     |
| 15 | DRC | x        | x          | (1.530.036)                      | (4.148.845)                     |
| 16 | BVH | x        | x          | (2.855.247)                      | (6.232.064)                     |
| 17 | HPG |          | x          | (3.178.342)                      | (8.608.322)                     |
| 18 | KBC |          | x          | (3.846.163)                      | (2.645.030)                     |
| 19 | OGC | x        | x          | (3.989.279)                      | (2.264.902)                     |
| 20 | SHB | x        |            | (5.181.864)                      | (2.297.619)                     |
| 21 | DPM | x        | x          | (5.588.334)                      | (8.955.342)                     |
| 22 | PVS | x        |            | (6.032.047)                      | (12.775.421)                    |
| 23 | DIG |          | x          | (6.318.806)                      | (3.928.791)                     |
| 24 | STB | x        | x          | (6.818.489)                      | (6.352.318)                     |
| 25 | VCG | x        |            | (8.572.249)                      | (5.782.225)                     |
| 26 | GMD | x        | x          | (9.763.637)                      | (15.777.772)                    |
| 27 | ITA | x        | x          | (11.272.478)                     | (4.843.542)                     |

Sources: RongViet Securities

(\*): Based on data on Sep 12 2014

(\*\*): Based on data on Sep 11 2014

Last week, VNM ETF issued additionally 400,000 fund certificate units, increasing the outstanding unit amount of fund up to 27.5 million units. In contrast, ETF FTSE was withdrawn 150,000 units, so number of outstanding unit reached 13.06 million units. According to the latest figures, both funds are trading respectively at a discount of 1.15% and 1.09%

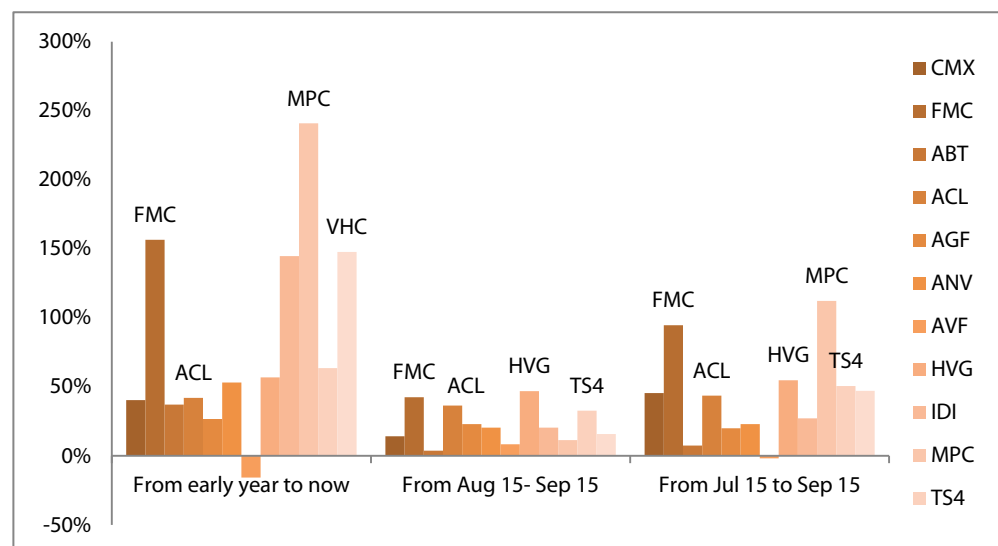
The summary of the review result and the gap between NAV and two-ETF-price, we hardly expect that the two funds will be poured more capital in this week. Investors can track our preliminary calculations (in Appendix) about purchasing/selling ability of two funds in the week of 15 / 09-19 / 09, from which will lead investment opportunities for stocks of VNM ETF fund and ETF FTSE portfolio. The net selling value of both ETFs this week is estimated approximately \$6.5 million (~137 billion VND)

**Pennies heat in Oil & Gas and Fishery still remains**

Optimism in prior week keeps its momentum and overwhelms the beginning of this week, improving by remarkable liquidity of over VND5,000 billion on both bourses. Noticeably, after the announcement of ETF review, FLC and IJC were in the top liquidity. However, we recognize that domestic investors dominated the most whereas the proportion of foreigner investors only constituted of 8% (FLC) and 21% (IJC).

Despite capital flow has still been poured into the market today, the indices seesaw dramatically, especially in the session ended as profit taking occurring in Blue-chips. A variety of VN30 stocks declined remarkably such as KDC (-2.4%), VNM (-0.9%), VIC (-1.8%). Meanwhile, Pennies still remain its heat, particularly in Oil & Gas and fishery industry. Many stocks reached ceiling prices such as FMC, CMX, HVG, ACL, AGF, ANV, PXT, ASP. Observing price data from the beginning of the year to today (Sep 15), MPC, FMC, VHC had the highest increase in prices. The performance results in these companies were evaluated to have good fundamentals. Meanwhile, an increase price in earlier 1 month from stocks such as HVG, ACL, TS4, ACL demonstrates a heat in Pennies spreading into smaller tickers. A huge gap in prices otherwise show increasing heat in Pennies. Thus, investors should be cautious as “participate” into the heat currently in order to avoid unexpected risks.

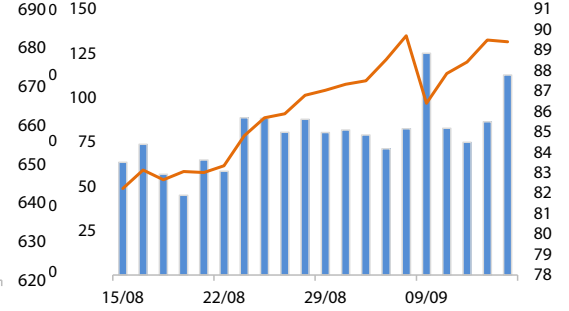
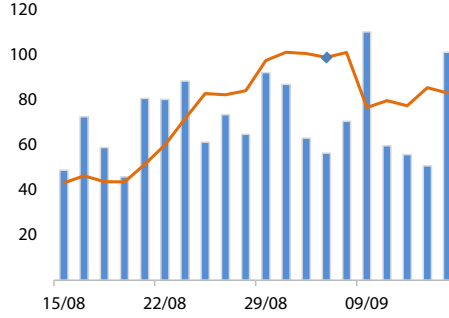
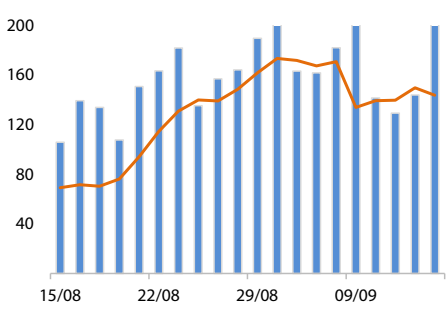
Graph: The increase in prices in Fishery industry



Sources: RongViet Research compiled

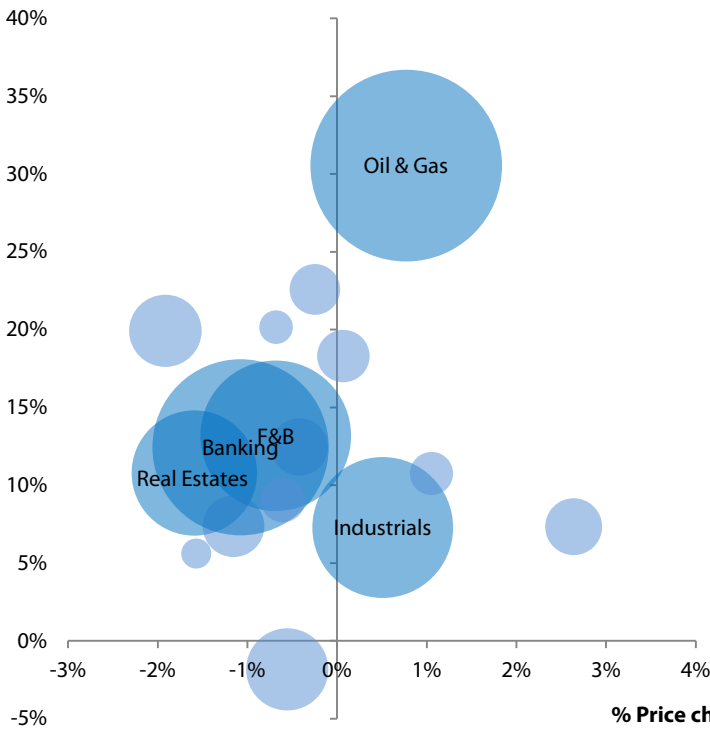
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**VNINDEX -0.34% 630.34**    **VN30 -0.20% 668.42**    **HNXINDEX -0.09% 89.41**



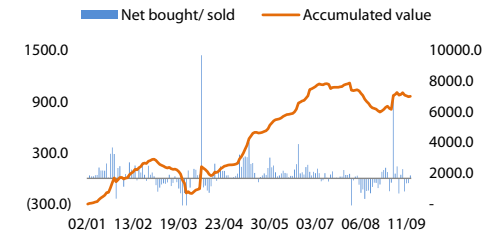
**Industry Movement**

**Industry ROE**

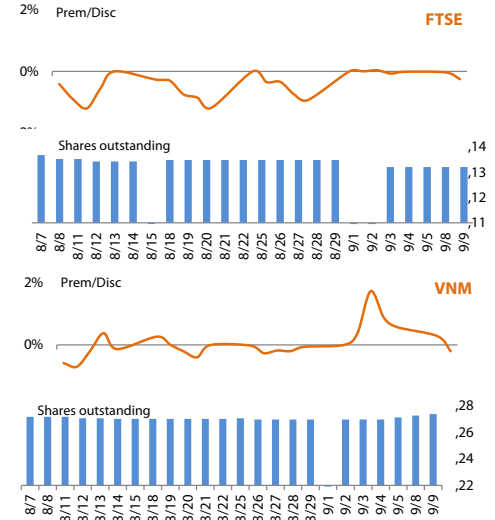


| Industry        | % change |
|-----------------|----------|
| Technologies    | 0,1%     |
| Industrials     | 0,5%     |
| Constructions   | -0,6%    |
| Oil & Gas       | 0,8%     |
| Distribution    | -1,6%    |
| F&B             | -0,7%    |
| Household Goods | 1,1%     |
| Cars & Parts    | -0,7%    |
| Chemicals       | -0,4%    |
| Resources       | -0,2%    |
| Insurances      | -1,9%    |
| Real Estates    | -1,6%    |
| Financials      | -1,2%    |
| Banking         | -1,1%    |
| Utilities       | 2,6%     |
| Healthcare      | -0,6%    |

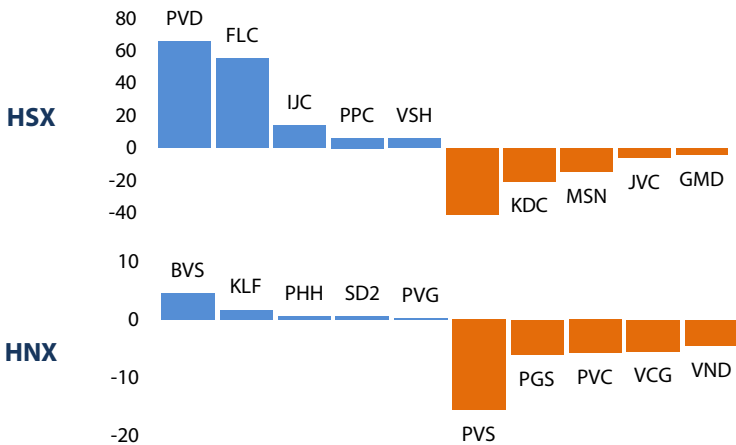
**Foreign Investors Trading**



**ETF**



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



**Top Active**

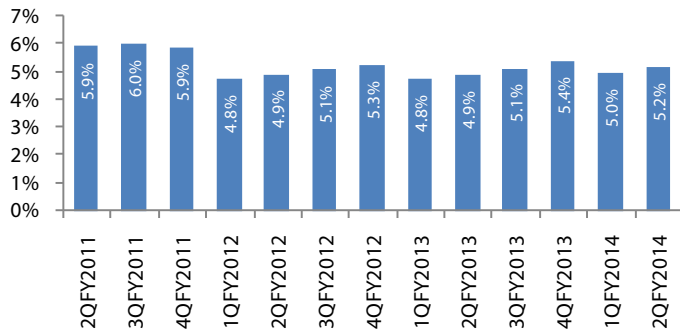
| Ticker | Price | Volume | % price change |
|--------|-------|--------|----------------|
| FLC    | 12.3  | 50.52  | -0.8%          |
| ITA    | 8.8   | 10.98  | -3.3%          |
| PVT    | 18.4  | 6.05   | 7.0%           |
| PTL    | 4.5   | 5.04   | 2.3%           |
| SAM    | 12.4  | 4.85   | -1.6%          |

| Ticker | Price | Volume | % price change |
|--------|-------|--------|----------------|
| PVX    | 6.30  | 14.92  | 1.6%           |
| KLF    | 13.00 | 11.87  | 0.8%           |
| PVS    | 44.80 | 6.70   | 0.2%           |
| SHB    | 9.20  | 6.59   | 2.1%           |
| SHS    | 11.40 | 5.79   | 3.4%           |

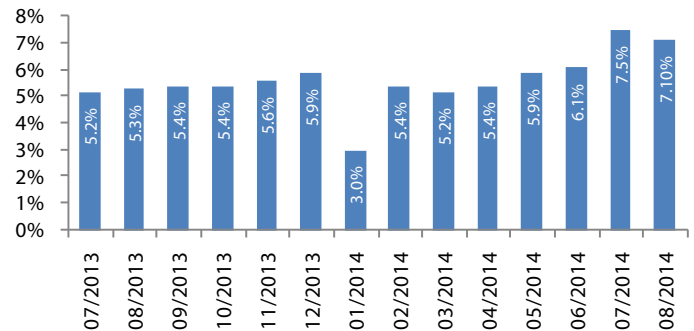
**MACRO WATCH**

**Graph 1: GDP Growth**



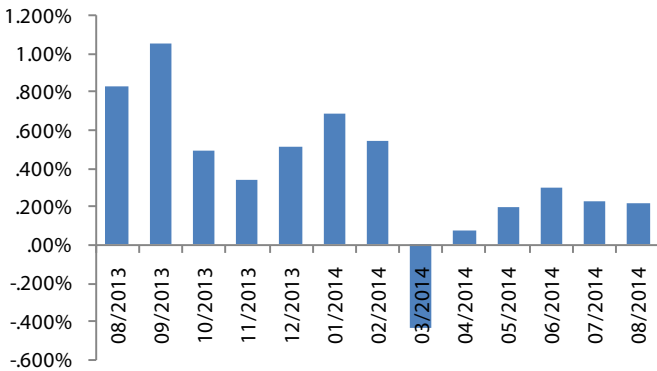
Sources: GSO. Rongviet Securities database  
(\* ) Comparision price in 1994

**Graph 2: IIP**



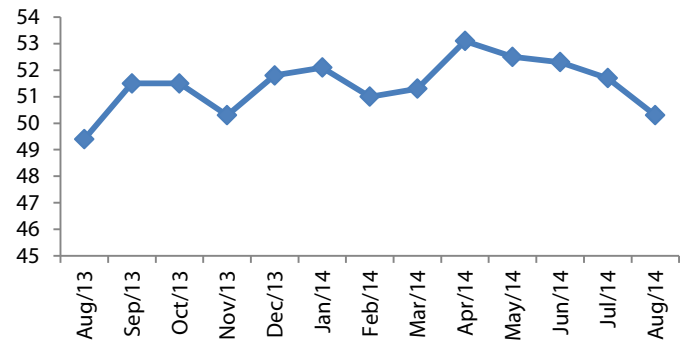
Sources: GSO. Rongviet Securities database

**Graph 3: Monthly CPI**



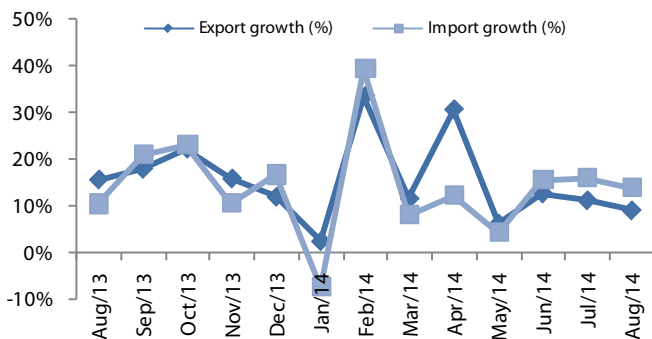
Sources: GSO. Rongviet Securities database

**Graph 4: HSBC - PMI**



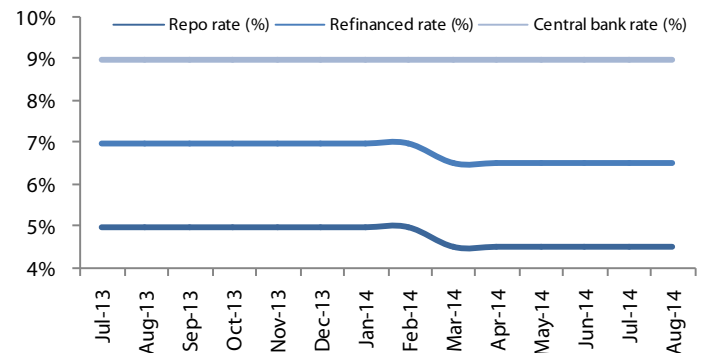
Sources: GSO. Rongviet Securities database

**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 |
|--|-----------------------------|---------------------------------|--------------|
| REE - Solid ground s for sustainable growth            | Sept 9 <sup>th</sup> , 2014 | Neutral - Long term             | 29,700       |
| HSG - The hard part has gradually done!                | Aug 21 <sup>st</sup> , 2014 | Accumulate – Intermediate term  | 48,100       |
| HPG - On the way to dominate nationwide’ market shares | Aug 12 <sup>th</sup> , 2014 | Accumulated – Intermediate-term | 66,400       |
| NBB - A new chapter with co-investment                 | Jul 31 <sup>st</sup> , 2014 | Buy – Intermediate term         | 27,400       |
| DBC- Benefit from decline in material price            | May 27 <sup>th</sup> , 2014 | Buy – Long-term                 | 28,000       |

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       | 09/09/2014  | 0-0.75%                               | 0-2.5%                              | 11,476                         | 11,440                           | 0.31%         |
| VF1       | 11/09/2014  | 0.20% - 1.00%                         | 0.50%-1.50%                         | 23,531                         | 23,744                           | -0.90%        |
| VF4       | 10/09/2014  | 0.20% - 1.00%                         | 0.00%-1.50%                         | 10,733                         | 10,900                           | -1.53%        |
| VFA       | 12/09/2014  | 0.20% - 1.00%                         | 0.00%-1.50%                         | 7,777                          | 7,830                            | -0.67%        |
| VFB       | 12/09/2014  | 0.30% - 0.60%                         | 0.00%-1.00%                         | 11,451                         | 11,262                           | 1.67%         |
| ENF       | 05/09/2014  | 0.00% - 3.00%                         |                                     | 10,740                         | 10,703                           | 0.35%         |

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