

JULY

24

THURSDAY

“Investors were still excited about 2Q business results”

ADVISORY DIARY

- **CPI of July**
- **PXS – 2Q2014 Business Result & price adjustment**
- **FPT – 2Q2014**
- **PGS – 2Q2014**

CPI rose by 0.23% in July

General Statistic Office has just published result of the national CPI in July. Accordingly, this index has risen by 0.23% as compared with June, and increased by 4.94% as compared over the same period in previous year. For the first 7 months of 2014, CPI has advanced up to 1.62%. Notably, the oil price modification in July mainly reflects in 0.44% increase of transportation price; and this result is relatively close to our prediction in the previous advisory diary. In addition, housing and construction materials have significantly risen by 0.43%, and primarily contribute to the CPI growth in July. Whereas the food industry and telecommunication play the role of stabilizing price, the remaining industry categories increase slightly.

2Q2014 Business Result: Petroleum Equipment Assembly & Metal Structure JSC. (HSX – PXS)

PXS has just announced its financial report in 2Q/2014, and this result is relatively close to RongViet Research’s information on 16th July. Accordingly, the sales of PXS in 2Q/2014 reached VND524 billion (twice as much as the same time last year) and NPAT reached VND41 billion (four times larger than the 2013’s corresponding period). As a result, the company had completed 75% of 2014’s target.

For the prospect in next years, our industry suggests the PXS’s sales would be stable because many large projects in 2015-2016 are being negotiated. According to the company’s representative, in 2015, PXS will run a large project (VND532 billion of value), which is similar to EFCC P3P4 of the Ministry of Defense. Moreover, the Thai Binh thermoelectric plant II (VND1,055 billion of value) will be continued in 2015, and therefore, may produce VND700 billion of sales. The management also share that the company is looking for potential on-shore projects with foreign partners, which will be implemented in 2016.

For these reasons, in long-term, RongViet Research still keeps the positive view on the ability of implementing many big projects. However, through business result in the first 6 months, the gross profit margin tends to decrease from 24.5% in 2013 to 15-16% in 1Q and 2Q/2014. This decline resulted from the relatively low profit margin of P3P4 project, and therefore, influencing on PXS’s PAT. Our industry analyst also suggests that the sales of this project significantly contribute to 2014’s revenue (approx. 32%). Thus, the estimated NPAT is adjusted to reduce by 3%. As a result, the NPAT in 2014 is predicted as VND123 billion, and the sales still remain as VND1.658 billion. The estimated EPS in 2,476 VND/share, and the targeted price is 24,700 VND/share (+8.8% of the current price – 22,700 VND/share)

2Q2014 Business Result: FPT Corporation (HSX – FPT)

FPT Corporation has just announced the 2Q business result. Accordingly, for the first 6 months of the year, revenue reached VND15,211 billion (+22% yoy). High revenue growth was attributed to the Distribution and Retailing segments where revenue from iPhone distribution increased by four fold compared to the prior year period, reaching VND858 billion and the on-going expansion of the retailing segment has boosted revenue in 1H2014 by 81% yoy, to VND2,194

billion. NPAT reached VND1,040 billion and completed 99% of the 1H target. Besides, “Global expansion” strategy was still the developing focus of FPT. Specifically, the M&A deal in the June between FPT and RWE IT Slovakia – a subsidiary of RWE Group – a leading utilities company in Europe. For 1H2014, revenue from overseas market reached VND1,484 billion (+26yoy) and the enterprise aims at achieving USD340 million in 2016 in terms of overseas revenue.

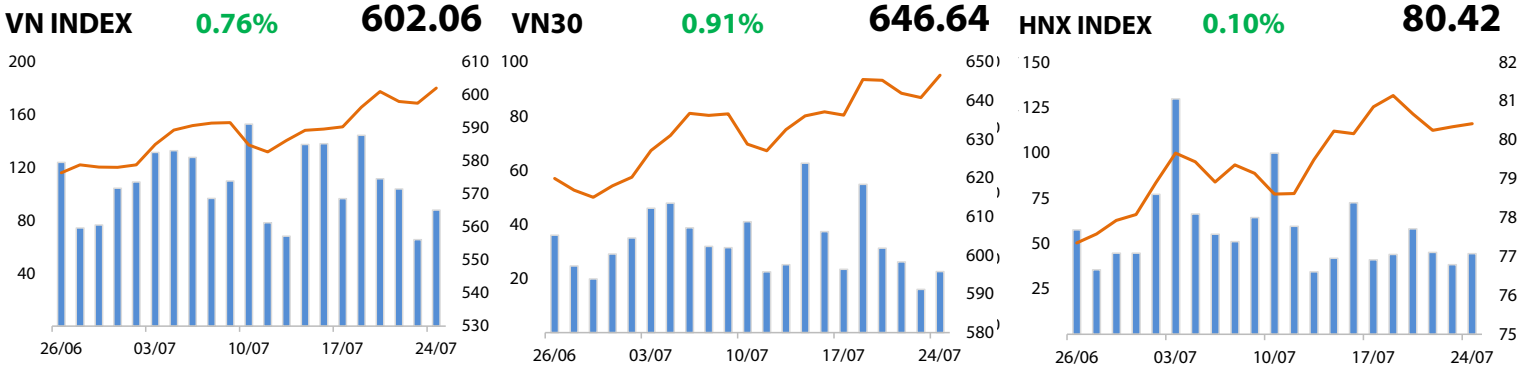
Investors were still excited about 2Q business results, especially of oil and gas firms

The information about the 2Q’s business result continues to support the market. In today’s session, the PV GAS South (PGS) is one of the most remarkable stocks. After three consecutive sessions of decline, PGS increased at high level of liquidity (3.2 million shares traded) due to the optimistic quarterly result. Accordingly, in 2Q/2014, NPAT of the parent company reached VND51.6 billion (+ 36% yoy) and hence the 6-months accumulated profit is VND90 billion (+2.8% yoy), and revenue reached VND1,469 billion (+21% yoy). In term of consolidated result, NPAT in the first half year reached VND92.4 billion, equivalent to 95.6% of 2014’s target. Our industry analyst explains PGS, in the rest of 2014, still has many positive factors in term of price (both CNG and LPG), as mentioned in advisory diary of 25th June.

Thuy Nguyen

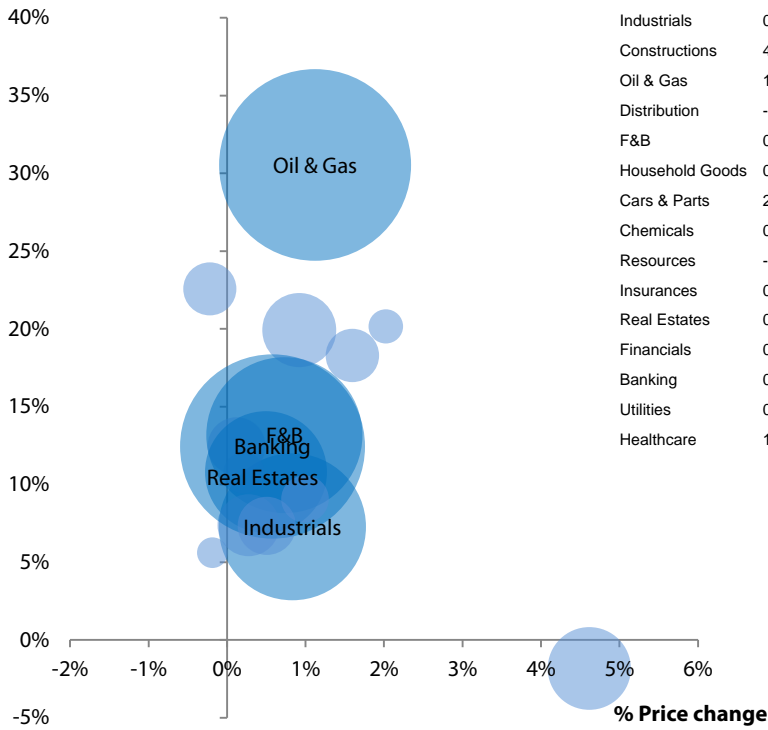
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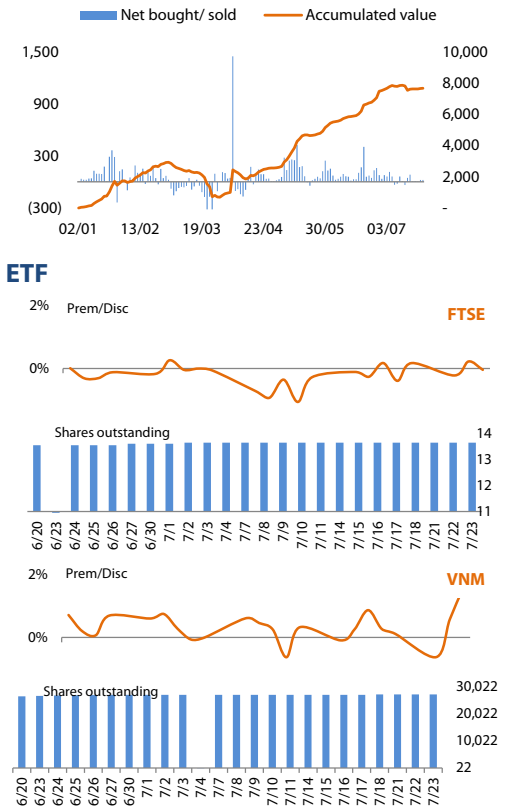


Industry Movement

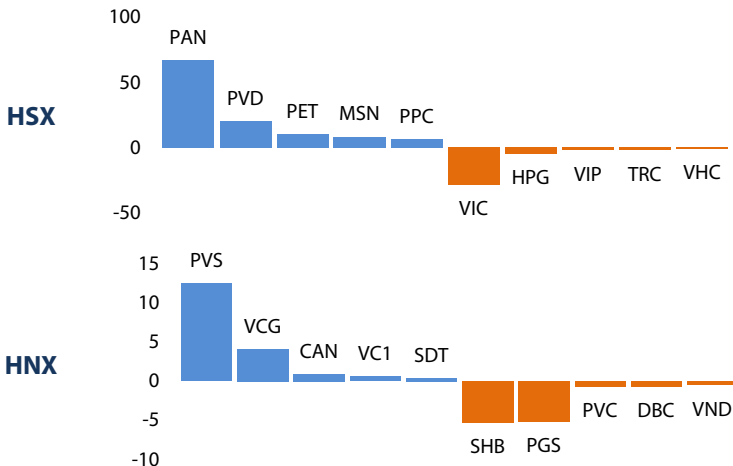
Industry ROE



Foreign Investors Trading



Top net bought/sold by foreigners (VND bn)



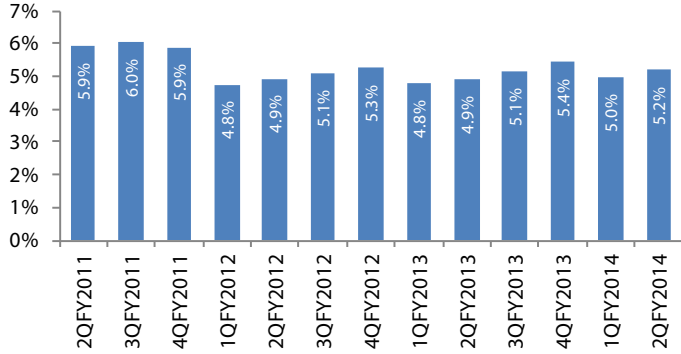
Top Active

Ticker	Price	Volume	% price change
FLC	12.50	22.71	6.8%
HQC	7.90	3.87	-1.3%
VHG	10.00	2.76	-2.0%
PET	18.60	2.76	3.3%
PVT	13.70	2.58	3.0%

Ticker	Price	Volume	% price change
PVX	4.40	6.91	1.7%
KLF	11.60	3.91	-0.7%
PGS	34.50	3.35	3.4%
SHB	8.90	3.20	0.1%
PVC	23.20	2.74	3.7%

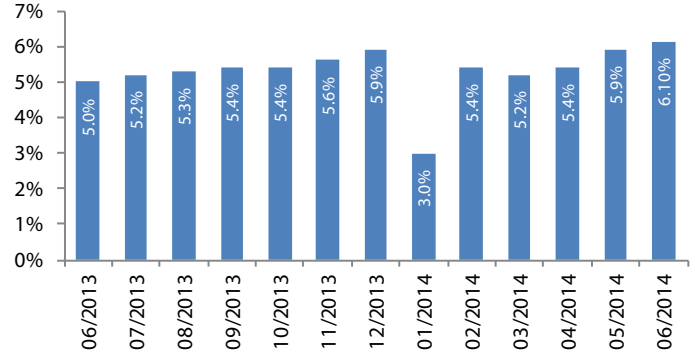
MACRO WATCH

Graph 1: GDP Growth



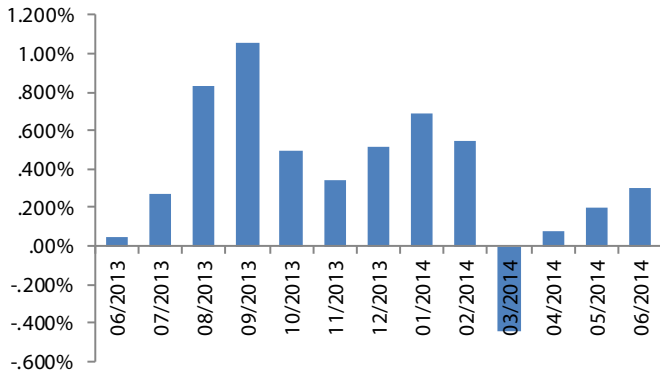
Sources: GSO, Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



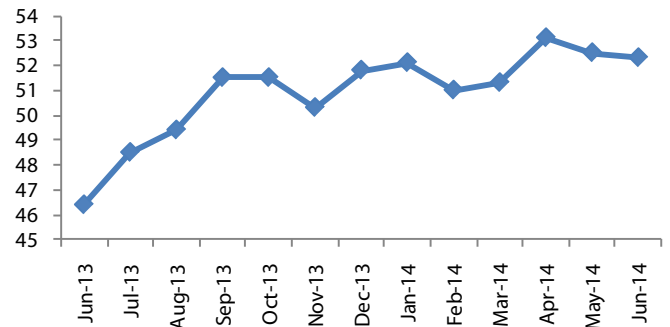
Sources: GSO, Rongviet Securities database

Graph 3: Monthly CPI



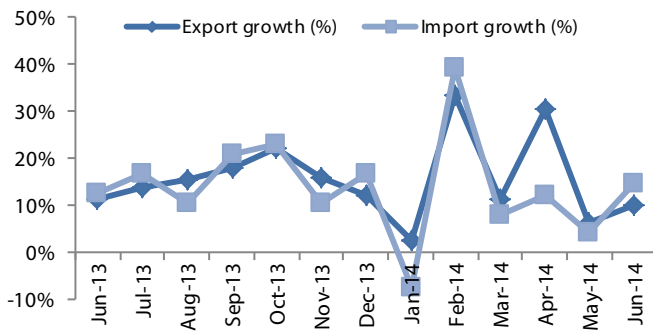
Sources: GSO, Rongviet Securities database

Graph 4: HSBC - PMI



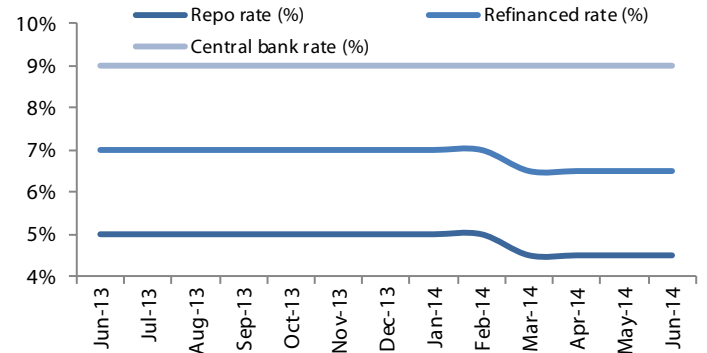
Sources: GSO, Rongviet Securities database

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
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	15/07/2014	0.75%	0.75%	11,000	10,898	0.94%
VF1	17/07/2014	0.20% - 1.00%	0.50%-1.50%	21,961	21,738	1.03%
VF4	16/07/2014	0.20% - 1.00%	0.00%-1.50%	9,975	9,906	0.69%
VFA	18/07/2014	0.20% - 1.00%	0.00%-1.50%	7,479	7,396	1.12%
VFB	18/07/2014	0.30% - 0.60%	0.00%-1.00%	10,975	10,887	0.81%
ENF	11/07/2014	0.00% - 3.00%		10,009	10,031	-0.22%

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