

JANUARY

06

TUESDAY

ADVISORY DIARY

- **HMH - The beginning of the introduction of Logistics stocks**
- **The return of banking sector.**

HMH - The beginning of the introduction of Logistics stocks

Questions about the “king” sector of 2015 have repeatedly been on many news headlines in the first days of 2015. Especially in the context of slumping world oil prices in the past months, investors certainly have reasons to point finger at “logistics sector”, whose fuel expense accounts a relatively large proportion in total operational expenditure structure.

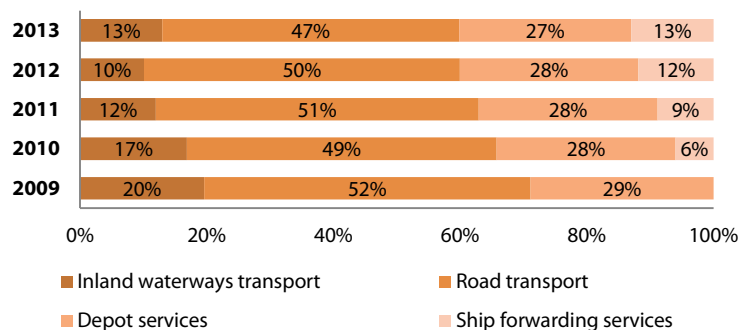
Actually, domestic petrol prices has dropped more than 25% after being adjusted 13 times in 2014 and prices is at the lowest level now since February 2011. And it is clear that, as world oil prices has shown no glimpse of recovery yet, further cuts in domestic petrol prices would be highly likely on the horizon. In addition, the imminent signing completion of various free trade agreements (FTA VN-Korea , Customs Union) in the first half of 2015 promises to boost trade activities and increases throughput volume at ports and demand for logistics services . Taken together, earnings of logistics companies in 2015 are expected to improve sharply in both volume (sales) and quality (profit margin).

Foreseeing this trend, RongViet Research is looking for investment opportunities in this sector to express to investors. Today, 6 January 2015, we have published the result update report on Hai Minh Corp (HMH), opening the report chain of logistics stocks

HMH’s four major operations include road transport, water transport, Depot services and shipping forwarding services. The company is known for stable earnings, healthy financial condition, and attractive dividend payout especially during the recession time. However, as HMH’s main business is transportation and warehousing, therefore fixed assets and equity investment value are relatively low. On the contrary, thanks to this factor, HMH always maintains profitability indicators as ROE, ROA at high levels compared to peers.

Road transport activity plays a very important role in HMH’s revenue and gross profit margin structure with 90 heads of trailers. In fact, this business contributes the highest proportion in the company’s revenue structure (~ 50 %). Therefore, forecast of further oil prices decline in 2015 would improve transport business operation in general and HMH’s gross margin in particular.

Exhibit 5: HMH’s Revenue structure



Source: HMH, RongViet Securities

“The return of banking sector”

In the long term, increasing Government investments in public infrastructure such as inland waterways, highways, new coastal routes would shorten delivery time and cost of maintenance, thereby improve the performance of transport enterprises as HMH. At the same time, the major trade agreements about to be signed as FTA and TPP will be a major driver for growth in demand for domestic freight. More importantly, HMH has proved more active than previously in expanding core-operation capacity. We realize this is a strategic step that can help businesses seize the opportunity to improve earnings from the growth of the whole industry. Therefore, we determine a reasonable price for HMH is **33,800 VND** per share and recommend **ACCUMULATION** shares in **LONG-TERM**.

The return of Banking sector.

After the first decreased session of this year, the market became “positive” when both floors today both closed in green color. VNIndex and HNX Index increased by 5.21 and 1.07. The global crude oil price continues to decline, which put more down price pressure on oil & gas stocks, such as PVD (-2.5%), GAS (1.4%), PXS (-2.3%), PVC (-1.2%). However, investor psychology became more stable, which made stocks not relating to oil & gas out of sell pressure.

The banking stocks were the most attractive of the today session with only one ticker closed at reference price and the others at green prices. Besides, the boosted volumes in this industry helped indexes to recover after deep decrease in the morning session, such as: VCB (+6.6%), MBB (+3.1%), STB (1.7%) in HOSE and ACB (+1.3%), SHB (+4.9%) in HNX.

Contrary to cautious sentiment from the decline of crude oil price, foreign investors were net buyers of PVD and GAS. Since the beginning of last week, PVD and GAS have been net bought with value of VND27.2 billion and ~ VND14.1 billion. Besides blue chips such as BVH, KDC, MSN, TRC, DLG also attracted foreign investors’ capital.

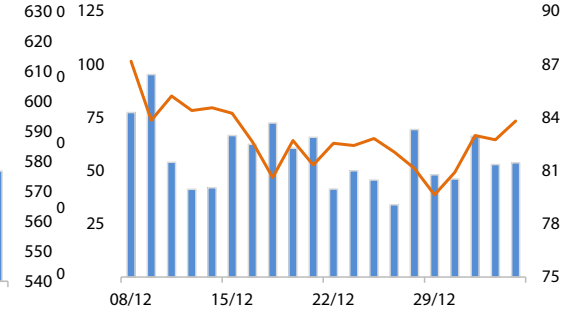
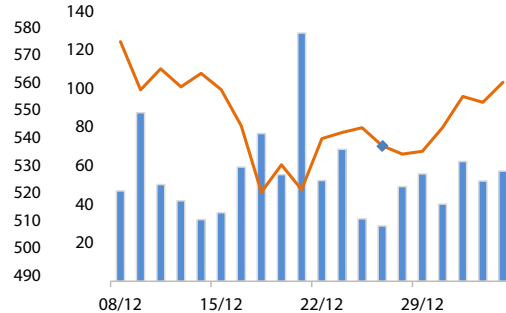
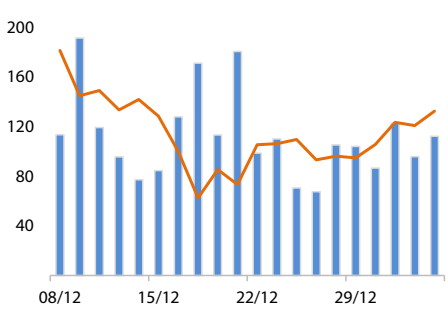
Although having received much positive macro-news from the last days of 2014, but investors’ sentiment remains very cautious. The overarching sentiment in the market is able to wait for the stability of the world oil price before any real breakthrough could materialize. Currently, there are a number of potential tickers under our observations trading at prices lower than recommended. However, we believe that these tickers could only recover when investors stay optimistic before volatility of oil prices.

Trien Le

+ 84 8 6299 2006 | Ext: 325

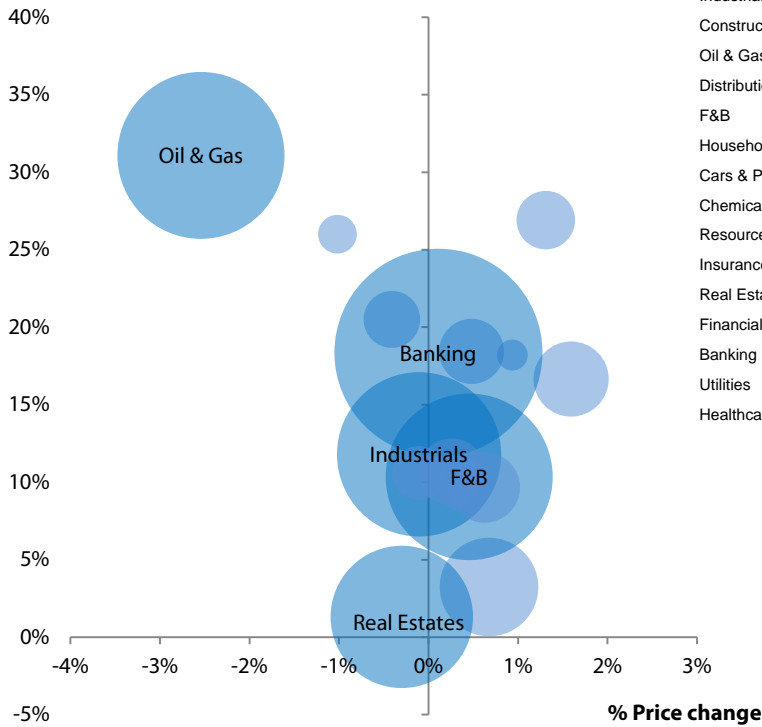
trien.lh@vdsc.com.vn

VNINDEX 0.96% 549.66 VN30 1.11% 606.37 HNXINDEX 1.29% 83.81



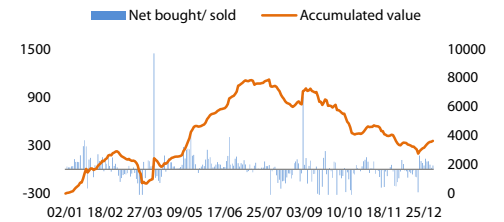
Industry Movement

Industry ROE

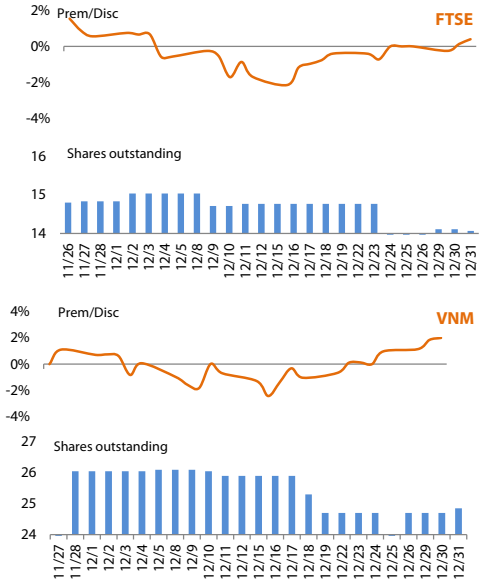


Industry	% change
Technologies	-0.4%
Industrials	-0.1%
Constructions	0.7%
Oil & Gas	-2.5%
Distribution	0.9%
F&B	0.5%
Household Goods	0.4%
Cars & Parts	-1.0%
Chemicals	0.5%
Resources	1.3%
Insurances	1.6%
Real Estates	-0.3%
Financials	0.6%
Banking	0.1%
Utilities	0.3%
Healthcare	-0.1%

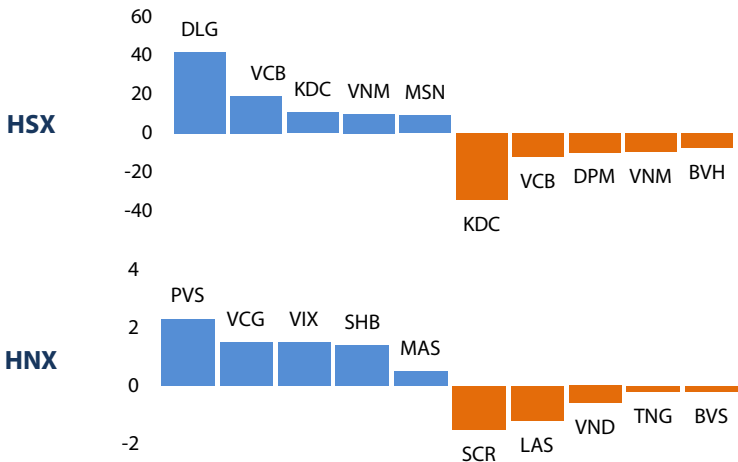
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



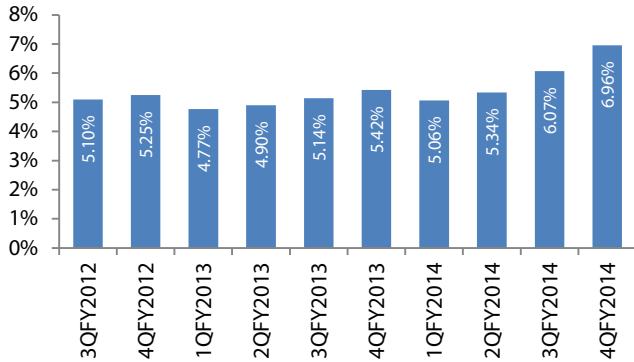
Top Active

Ticker	Price	Volume	% price change
FLC	11.1	9.16	0.9%
ITA	8.2	6.84	2.5%
VHG	12.7	6.28	6.7%
OGC	7.4	5.63	1.4%
KBC	16.2	3.42	3.8%

Ticker	Price	Volume	% price change
KLF	11.5	11.77	5.5%
PVX	5.2	5.58	0.0%
SHB	8.5	4.65	4.9%
SCR	9.5	4.58	3.3%
HUT	14.6	2.32	5.8%

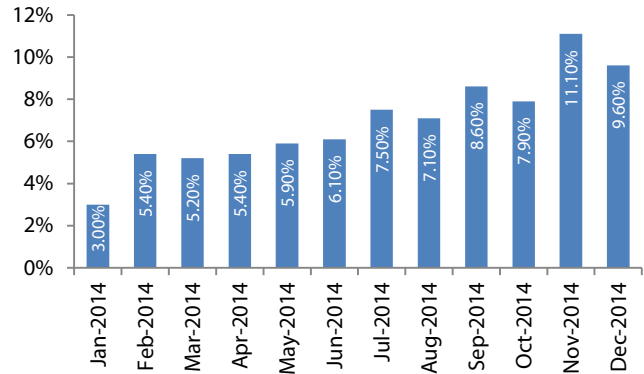
MACRO WATCH

Graph 1: GDP Growth



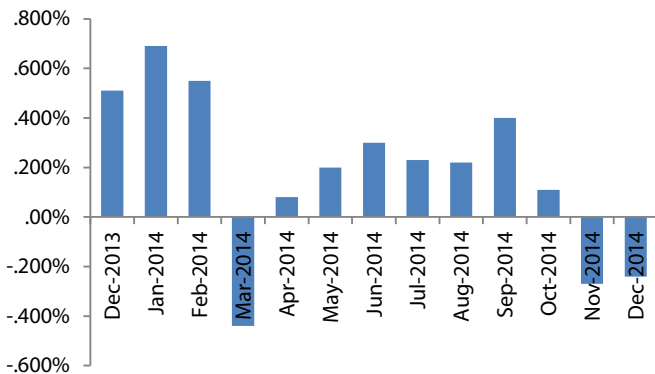
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



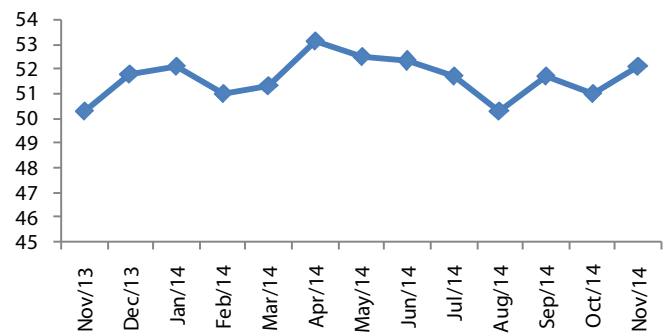
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



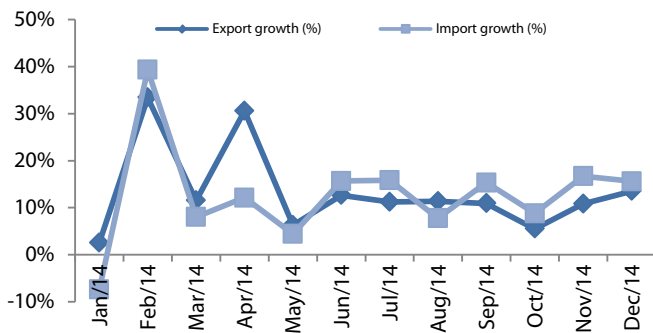
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



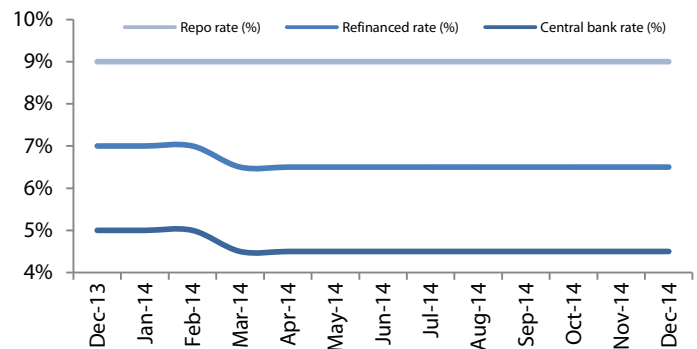
Sources: GSO. Rongviet Securities database

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
DPM - Tail wind from crude oil	Dec 26 th , 2014	Buy – Intermediate term	36,100
VNM - 2014 - At the pit stop	Dec 19 th , 2014	Accumulate – Long term	110,000
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

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	23/12/2014	0%-0.75%	0%-2.5%	11,398	11,522	-1.08%
VEOF	23/12/2014	0%-0.75%	0%-2.5%	9,432	9,775	-3.51%
VF1	30/12/2014	0.2% - 1%	0.5%-1.5%	20,106	20,149	-0.21%
VF4	24/12/2014	0.2% - 1%	0%-1.5%	8,835	8,875	-0.45%
VFA	26/12/2014	0.2% - 1%	0%-1.5%	7,262	7,277	-0.2%
VFB	26/12/2014	0.3% - 0.6%	0%-1%	11,856	11,849	0.06 %
ENF	26/12/2014	0% - 3%	0%	10,402	10,367	0.34%
MBVF	25/12/2014	1%	0%-1%	11,109	10,979	1.18%
MBBF	24/12/2014	0%-0.5%	0%-1%	11,893	11,892	0.01%

ANALYSTS
Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 355

truc.dtt@vdsc.com.vn

Hoang Nguyen

+ 84 8 6299 2006 | Ext: 328

Hoang.nh@vdsc.com.vn

Lam Nguyen

+ 84 8 6299 2006 | Ext: 323

lam.ntp@vdsc.com.vn

Tuan Huynh

+ 84 8 6299 2006 | Ext: 326

Tuan.hm@vdsc.com.vn

Ha My Tran

+ 84 8 6299 2006 | Ext: 319

my.tth@vdsc.com.vn

Tai Nguyen

+ 84 8 6299 2006 | Ext: 319

tai.ntp@vdsc.com.vn

Diem My Tran

+ 84 8 6299 2006 | Ext: 320

my.ttd@vdsc.com.vn

Van Binh

+ 84 8 6299 2006 | Ext: 324

Van.btt@vdsc.com.vn

Trien Le

+ 84 8 6299 2006 | Ext: 325

trien.lh@vdsc.com.vn

Tam Bui

+ 84 8 6299 2006 | Ext: 324

tam.bt@vdsc.com.vn

Huong Pham

+ 84 8 6299 2006 | Ext: 323

huong.pt@vdsc.com.vn

Nam Huynh

+ 84 8 6299 2006 | Ext: 321

Nam.hk@vdsc.com.vn

HỘI SỞ TẠI TP.HCM

Tầng 1-2-3-4, tòa nhà Viet Dragon
141 Nguyễn Du, P.Bến Thành, Q.1, TP.HCM

- T +84 8 6299 2006
- F +84 8 6291 7986
- E info@vdsc.com.vn
- W www.vdsc.com.vn

CHI NHÁNH HÀ NỘI

2C Thái Phiên, Q.Hai Bà Trưng, Hà Nội

- T +84 4 6288 2006
- F +84 4 6288 2008
- E info@vdsc.com.vn
- W www.vdsc.com.vn

CHI NHÁNH NHA TRANG

50 Bis Yersin, TP.Nha Trang, Khánh Hòa

- T +84 058 3820 006
- F +84 058 3820 008
- E info@vdsc.com.vn
- W www.vdsc.com.vn

CHI NHÁNH CẦN THƠ

08 Phan Đình Phùng, Q.Ninh Kiều, TP.Cần Thơ

- T +84 0710 381 7578
- F +84 0710 381 7789
- E info@vdsc.com.vn
- W www.vdsc.com.vn



This report is prepared in order to provide information and analysis to clients of Rong Viet Securities only. It is and should not be construed as an offer to sell or a solicitation of an offer to purchase any securities. No consideration has been given to the investment objectives, financial situation or particular needs of any specific. The readers should be aware that Rong Viet Securities may have a conflict of interest that can compromise the objectivity this research. This research is to be viewed by investors only as a source of reference when making investments. Investors are to take full responsibility of their own decisions. VDSC shall not be liable for any loss, damages, cost or expense incurring or arising from the use or reliance, either full or partial, of the information in this publication.

The opinions expressed in this research report reflect only the analyst's personal views of the subject securities or matters; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or opinions expressed in the report.

The information herein is compiled by or arrived at Rong Viet Securities from sources believed to be reliable. We, however, do not guarantee its accuracy or completeness. Opinions, estimations and projections expressed in this report are deemed valid up to the date of publication of this report and can be subject to change without notice.

This research report is copyrighted by Rong Viet Securities. All rights reserved. Therefore, copy, reproduction, republish or redistribution by any person or party for any purpose is strictly prohibited without the written permission of VDSC.