

MAY

05

MONDAY

***“Cautious
sentiment
over market”***

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ADVISORY DIARY

- **First session of May, liquidity strongly increases while the indexes decline.**
- **HSBC’S Purchasing Manager Index for Vietnam manufacturing sector witnesses the largest increase sin April 2011.**
- **This week, Rongviet Research plans to public the Strategy Report for May 2014 with “Slightly positive” viewpoint.**

First session of May, liquidity strongly increases while the indexes decline.

After the ATO session, the key stocks have simultaneously declined and have negatively affected the general evolution of the market. However, contrary to the negative market index, the liquidity surge, more than 60% on the HSX and more than 80% on the HNX compared with the session on April 29th. Foreign investors maintain their slight net buyer position, focus on key tickers such as GAS, PVD and DPM.

HSBC’S Purchasing Manager Index for Vietnam manufacturing sector witnesses the largest increase sin April 2011.

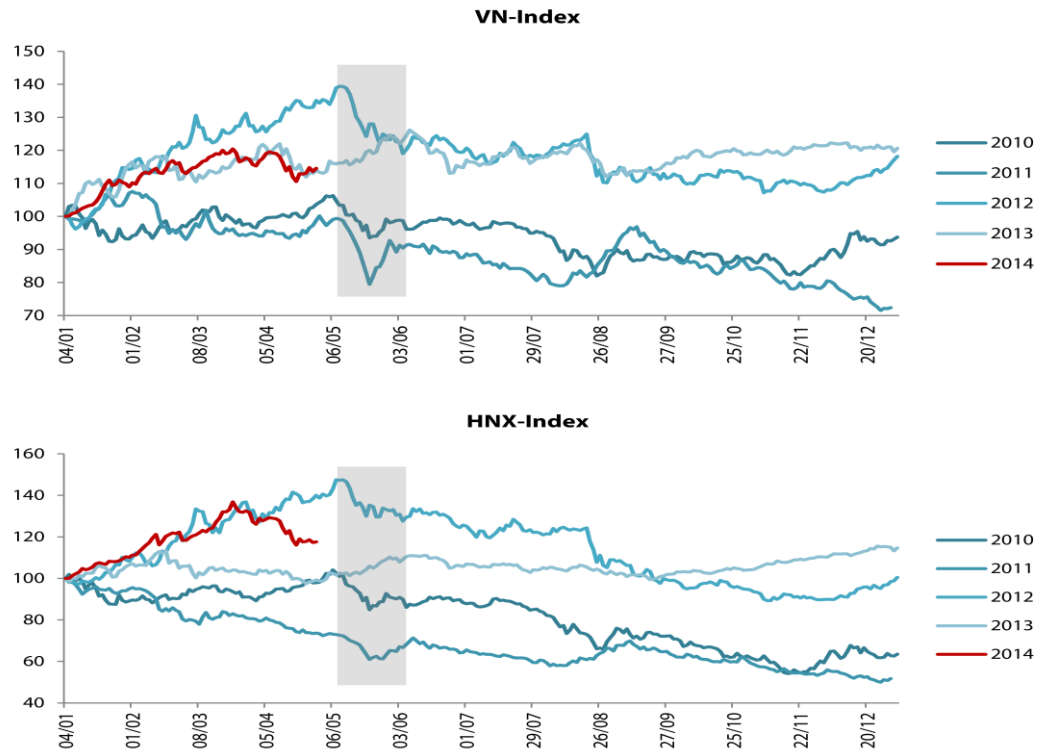
HSBC’S Purchasing Manager Index for Vietnam manufacturing sector climbed up to 53.1 in April from 51.3 in March, its largest one-month increase since the index initiation in April 2011. Despite rising input prices, that stable output prices helped stimulate consumer demand and increased orders from domestic and overseas purchasers was the main factor behind the record-high PMI growth last month.

Nonetheless, when combined with other macroeconomic variables such as the IIP and the processing sector inventory level, we see that even though production has been expanding, firms are still troubled with sales. Like the PMI, the IIP reached its 3-month high of 5,4% last month whereas the average inventory level of the first quarter reached as high as 80.7%, much higher than the normal level of 65%.

This may be the reason which causes investors worried about the business prospects of listed companies in near future. In addition, while Vietnam investors spent a long holiday last week, the stock markets in some developed markets had declined. These factors may have negatively affected Vietnamese investors in the first session after the long holiday.

This week, Rongviet Research plans to public the Strategy Report for May 2014 with “Slightly positive” viewpoint.

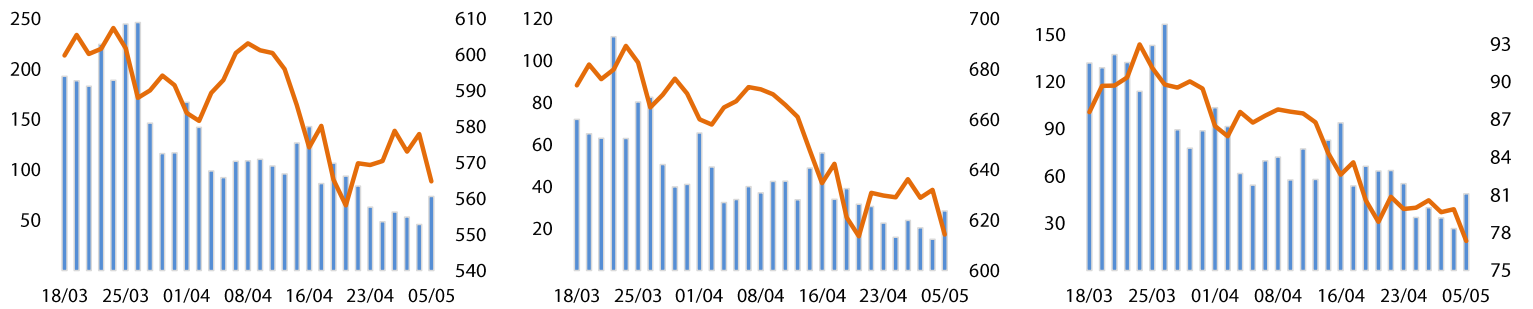
Slightly positive, as we think of it, does not mean that the market will rise. Instead, it would be the time for leisure shopping as compared to the bullish frenzy in at the peak of the uptrend as we have witnessed no more than a month ago. Given the recurring absence of supporting information, the market has gone downward in May three times in the last 4 years. Beside that phenomenon, this year, we see little chance for a substantial support from foreign investors’ trading. For those two reasons, we expect an even distribution of up and down days throughout the month. In that case, it would be unnecessary for investor to dump all the holdings of stocks but rather to start accumulating during “sale-offs” stocks that “should not be missed”, which, in our definition, are issues of companies with strengthened sales profits and confirmed improvements in their core business. A number of stocks falling into this category include HPG, TCM (recent updated by RongViet Securities), GDT, FMC, etc...



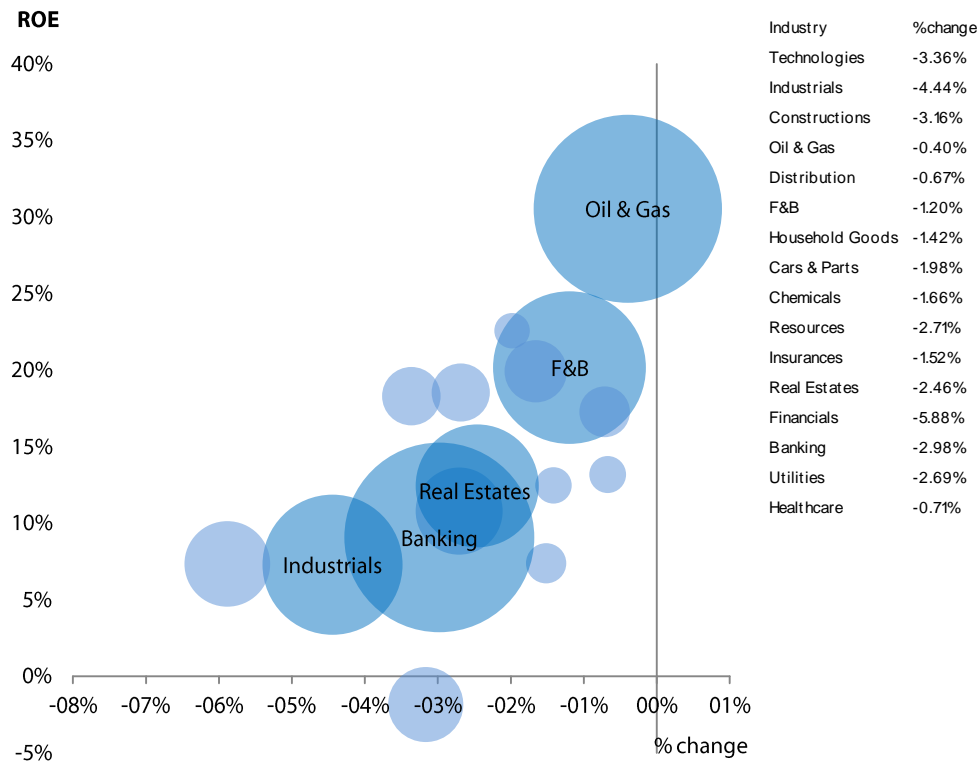
Source: RongViet Securities database

On the contrary, stocks of companies with sound fundamentals but the peak of the business cycle still ahead of them (probably after 2014), i.e. real estate and transport, are classified as “potential for later”. Exerting more prudence in market observation, investors can find good prices for stocks in this category.

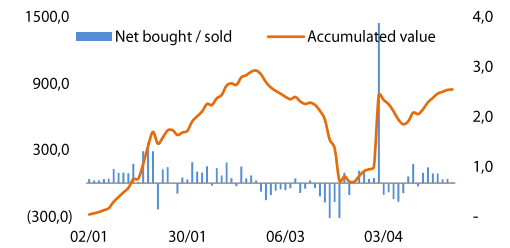
VNIndex -2.28% 564.85 VN30 -2.81% 614.36 HNIndex -3.15% 77.36



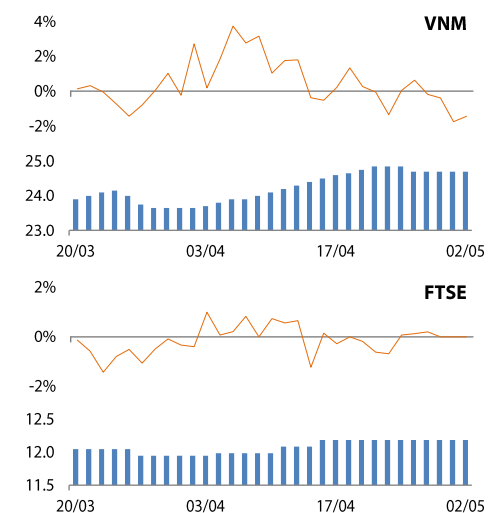
Industry Movement



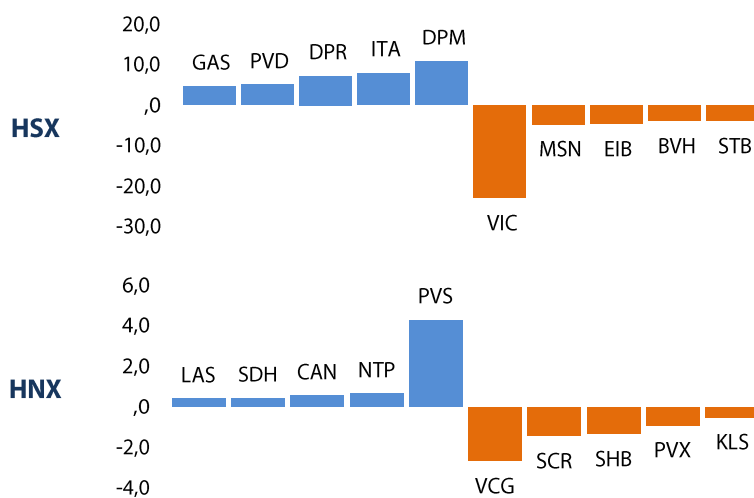
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



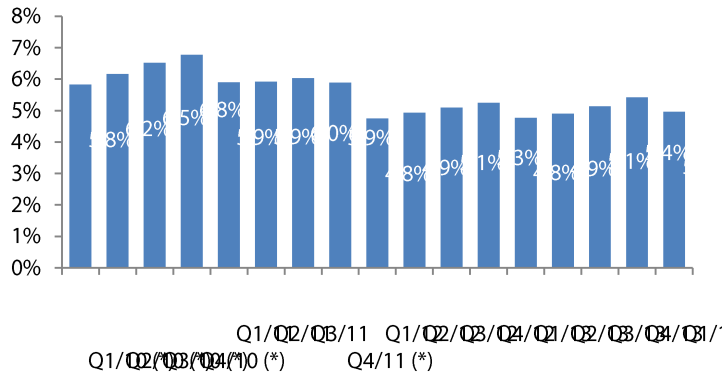
Top Active

Ticker	Price	Volume	% P change
FLC	10.20	5.88	-3.77%
ITA	8.10	5.57	-3.57%
HQC	6.60	3.91	-5.71%
SSI	25.00	3.16	-6.37%
OGC	10.30	3.16	-5.50%

Ticker	Price	Volume	% P change
SHB	8.90	7.43	-8.25%
PVX	4.70	6.54	-7.84%
SCR	8.30	4.62	-8.79%
KLS	10.90	3.74	-7.63%
SHS	9.00	2.10	-10.00%

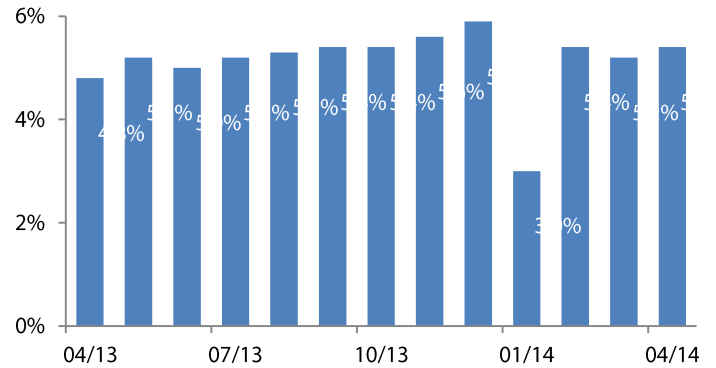
MACRO WATCH

Graph 1: GDP Growth



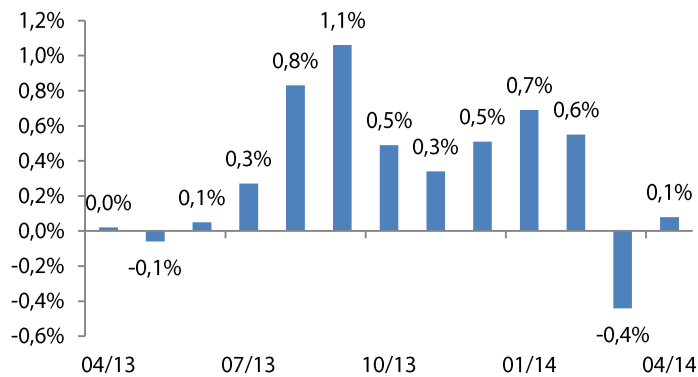
Sources: GSO, Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



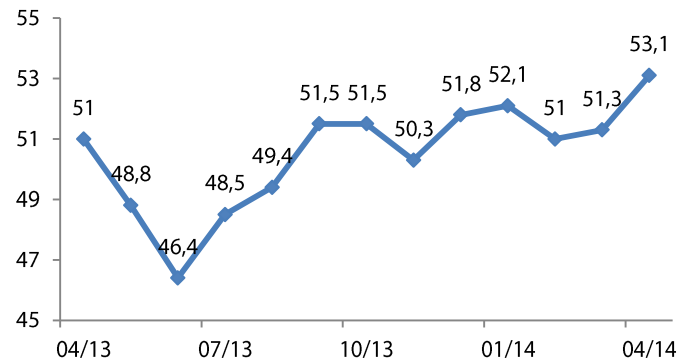
Sources: GSO, Rongviet Securities database

Graph 3: Monthly CPI



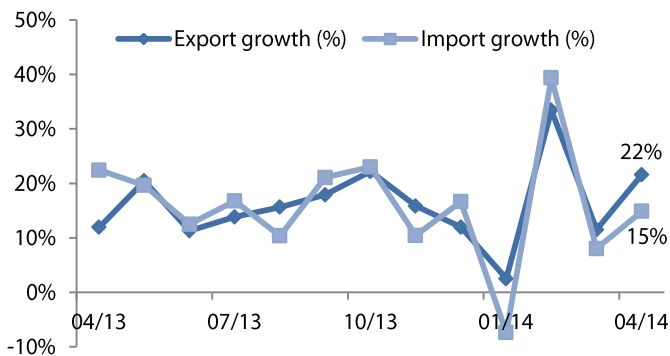
Sources: GSO, Rongviet Securities database

Graph 4: HSBC - PMI



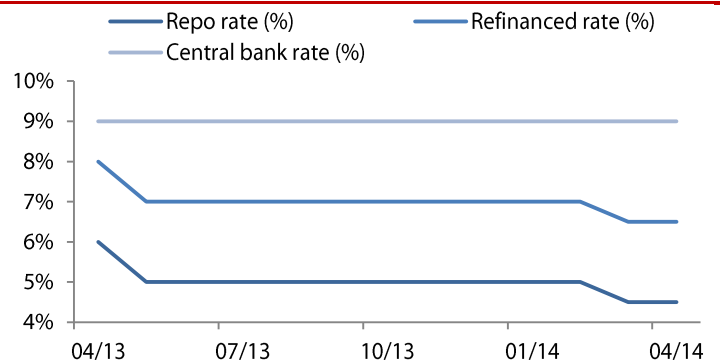
Sources: GSO, Rongviet Securities database

Graph 5: Trade Growth



Sources: GSO, Rongviet Securities database

Graph 6: Interest



Sources: SBV, Rongviet Securities database

RONG VIET NEWS

COMPANY REPORTS (5 Most Recent)	Issued Date	Recommend	Target Price
DIG-Reboot	April 28 th , 2014	Accumulated – Long-term	19,200
HPG-Sustainable Development	April 24 th , 2014	Accumulated – Intermediate-term	55,100
CSM-Radial and long-term growth	April 4 th , 2014	Neutral – Intermediate-term	46,700
PPC-Stay firm	April 4 th , 2014	Neutral – Long-term	25,200
BMP- Stable in hardship	April 4 th , 2014	Neutral – Intermediate-term	87,700

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	29/04/2014	0.75%	0.75%	10,727	10,610	1.10%
VF1	24/04/2014	1.00%	0.50%-2.00%	21,500	21,844	-1.58%
VF4	23/04/2014	1.00%	0.50%-2.00%	9,812	10,137	-3.21 %
VFA	25/04/2014	1.00%	0.50%-2.00%	7,379	7,442	-0.85%
VFB	25/04/2014	1.00%	0.50%-2.00%	10,765	10,720	0.42%
ENF	25/04/2014	0.30%-1.00%		9,773	9,878	-1.06 %

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