

“Strong correction due to the failure of leading shares”

- **Whether the disposal of large shareholder could lead share price going up**
- **Stock market: strong correction due to the failure of leading shares**

Whether the disposal of large shareholder could lead share price going up.

Recently, we heard a lot about stocks going up after the divestment of large shareholders' news (H.A.I Agrochem JSC (HSX – HAI) is a typical example after State Capital Investment Corp. (SCIC) sold all its holding shares at HAI as we mentioned in Advisory Diary 10/09). To gain insight into this issue, we do a small statistic about recent transfer. (See more at Appendix)

The picture which we rearrange is not too optimistic as many people think. Since the early of the year, SCIC have disposed of its shareholding interest in 12 listed companies on both exchanges. In which, HAI is the most outstanding deal with the positive price fluctuation before and after the time SCIC sold off its shares (a gain of 21.2% and 50.4%, respectively). Panoramicly, some stocks rose sharply after the execution time of SCIC but the price fluctuation of next 10 sessions is nothing striking, even as stocks fell sharply like the case of TET.

According to the latest plan, SCIC will continue to reduce the shareholding interest at other 7 listed companies from September to October, 2014. Browsing around these companies, we hardly see any compelling factors following the SCIC' divestment. For DBC, our analyst said that she still do not revise the target price for this share (VND28,000/share). Thus, at current market price, we reserve our rating of HOLDING for DBC.

A wave of recent large shareholders' divestment has been related to PVN' subsidiaries. To be specific, PVCombank is going to shrink its outside industry's investment by selling its share in non-core business companies including PVS, PVD, PVV, PVL, PV2, PCT. Among them, PVL had the most remarkable fluctuation before the time when PVCombank officially implemented its disposal, while the remaining stocks, however, almost had a slight increase in price. In general, we realize that most of divested stocks experienced a decline after the information that they are going to be excluded from portfolio of large investors. Although price depends on variation of the market and should not only to be impacted from transaction information of large shareholder, we believe this could be an element inhibiting price increasing ability of stocks that PVCombank is going to dispose its holding such as PVS and PVD.

On September 15, Prime Minister of the Government issued the Decree No. 51/2014 to ease difficulty in divesting non-core business investment and allow investors to sell at a lost. As a result, the divesting wave of large shareholders could remain as a hot topic next period. Nevertheless, we do not consider it as a motivation for affecting value of stocks in the market. Instead, investors having interest in this topic should focus on two main factors: (1) the fundamental factors of company and (2) whether there are any chances for new shareholders and partners to involve and create added value for the company after the disposal of large shareholder.

Stock market: strong correction due to the failure of leading shares

Based on our market analyst' experience, when securities stocks joined to the bullish wave meaning that it is the end of the wave. And it was tested in today's session, beside the decrease of securities stocks, recent increasing stock groups such as fishery, transportation... had also burdened a strong selling pressure.

We suppose that the reason why selling force did not reduce like the previous trading sessions is because of the weakness of oil & gas stocks, including leaders like GAS, PVD or stocks which long rallies in recent times such as PVC, PVE, PXS... According to our opinion, the gain of oil&gas stocks

during recent times caused those shares' market price become less attractive and we recommend investors should be prudent in previous sessions. Our analyst shared more information about PXS (which price went to the floor today), in particular, there are many registration to sell shares of internal shareholders during these days. This creates certain reluctance for investors to buy this share in the market. Meanwhile, PVS, on the other hand, was strongly bought by foreigners today with at the record bought value about VND79 bn.

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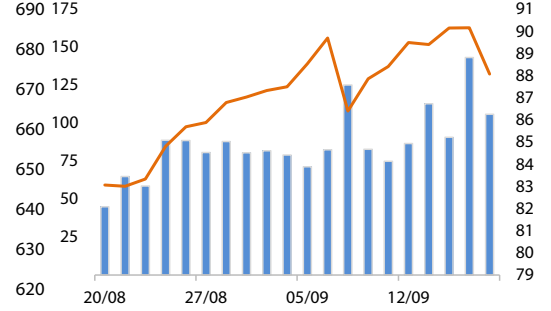
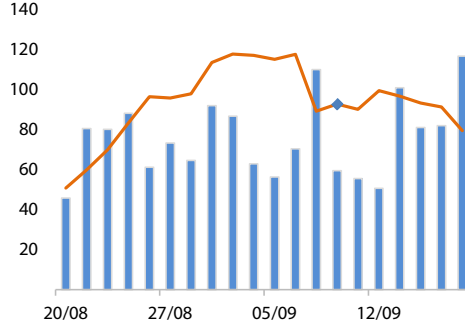
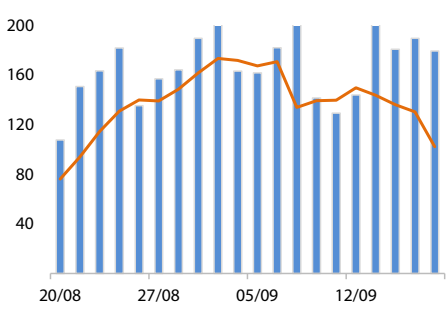
VNIndex currently was closer to the lower bound (610 points) of our recommendation in September 2014' market strategic report. We supposed that VNIndex could approach to this supporting level in the upcoming trading sessions, especially tomorrow will be the deadline for this ETF' review. We think that liquidity as well as trading volatility will be extremely impressive in the last trading day of this week, and the effect is expected to overcome negative movement of today's session.

No	Stock	Corporation	Bourse	CMP (18/09/2014)	P change before transferring date	P change after transferring date*	Estimated Selling shares	Reducing holding ratio (excuted/ estimated)	Sold shares	Result Excution time	Remaining ownership ratio
State Capital Investment Corporation SCIC											
1	TSC	Techno- Agricultural Supplying JSC	HSX	38.000	3,7%	-2,9%	3.500.000	42,1%	3,500,000	18/03/2014	0,0%
2	C47	Construction 47 JSC	HSX	16.300	1,0%	3,5%	2.076.427	21,6%	2,076,427	18/03/2014	0,0%
3	NSC	Vietnam National Seed Corporation	HSX	78.000	-2,5%	-3,8%	1.105.416	7,2%	1,105,416	08/04/2014	11,0%
4	TBC	Thacba Hydropower JSC	HSX	22.800	-1,1%	5,9%	15.240.000	24,0%	15,240,000	14/04/2014	0,0%
5	TET	North Farbic Garment JSC	HNX	18.100	44,8%	-16,0%	1.634.114	28,7%	1,634,114	22/04/2014	0,0%
6	BMP	Binh Minh Plastic JSC	HSX	69.000	-5,7%	-14,0%	224.980	0,5%	1,320	30/04/2014	29,5%
7	DNC	Hai Phong Assembly Electric Water JSC	HNX	16.200	23,5%	-9,9%	1.262.250	57,4%	1,262,250	16/05/2014	0,0%
8	INN	Agricultural Printing & Package JSC	HNX	33.400	-4,1%	9,0%	1.518.750	18,8%	1,518,750	03/06/2014	0,0%
9	LAF	Long An Food Processing Export JSC	HSX	14.800	16,7%	-3,6%	3.391.757	23,0%	3,391,757	11/06/2014	0,0%
10	RDP	Rang Dong Plastic JSC	HSX	18.700	19,5%	5,4%	6.233.682	43,4%	6,233,682	28/08/2014	0,0%
11	DQC	Dien Quang Lamp JSC	HSX	50.500	-4,0%	9,8%	3.900.000	16,0%	3,900,000	15/09/2014	0,0%
12	HAI	Hai Agrochem JSC	HSX	37.000	21,2%	50,4%	8.693.880	50,0%	8,693,880	08/09/2014	0,0%
13	DBC	Dabaco Group	HNX	28.000	10,3%	8,5%	6.000.000	9,7%		10/09-09/10/2014	
14	BED	Danang Books & School Equipment JSC	HNX	14.500	9,2%		1.115.280	37,2%		20/08-15/09/2014	
15	DBT	Ben Tre Pharimexco JSC	HNX	19.300			1.020.000	34,0%		Sep-Oct/2014	
16	VRC	Vung Tau Real Estate Construction JSC	HSX	5.700			910.641	19,3%		-	
17	SMA	Saigon Machinery Spare Parts JSC	HSX	5.600			409.200	2,5%		Sep/2014	
18	NSC	Vietnam National Seed Corporation	HSX	78.000			2.784.000	18,6%		Sep-Oct/2014	
19	AGF	An Giang Fisheries Import Export JSC	HSX	22.900			-	8,2%		Sep-Oct/2014	
PVCombank											
1	PVS	PetroVietnam Technical Services Corp PetroVietnam Drilling & Well services Corp	HNX	41.000	8,7%	2,2%	5.000.000	1,12%	5.000.000	4/9/2014	4,7%
2	PVD	PetroVietnam Real estate JSC	HSX	101.000	-3,9%	3,1%	4.000.000	1,45%	4.000.000	5/9/2014	1,7%
3	PVL	PetroVietnam Real estate JSC	HNX	4.200	16,7%	14,3%	550.000	1,10%	550.000	27/08/2014	5,1%
4	PVL	PetroVietnam Real estate JSC	HNX	4.200	19,4%	-2,3%	555.600	1,10%	555.600	8/9/2014	3,9%
5	PV2	PV2 Investment Company JSC	HNX	3.600	6,1%	2,9%	600.000	1,63%	600.000	10/9/2014	6,5%
6	PVV	Vinaconex Construction JSC	HNX	3.400	12,9%	-2,9%	1.000.000	3,34%	1.000.000	12/9/2014	3,3%
7	PCT	Transport Delta Petroleum JSC PetroVietnam Drilling & Well services Corp	HNX	6.100	6,9%	-1,6%	262.700	1,14%	262.700	15/09/2104	11,9%
8	PVD	PetroVietnam Real estate JSC	HSX	101.000	8,6%	-5,6%	4.550.000	1,65%		19/09-18/10/2014	
9	PVS	PetroVietnam Technical Services Corp	HNX	41.000	10,1%	-5,7%	10.000.000	2,24%		22/09-17/10/2014	
PetroVietnam Fertilizers & Chemicals Corporation & Halley Sicav											
1	PVC	Drilling Mud Corporation	HNX	36.800	18,3%	-9,8%	2.533.202	5,07%	2.533.202	15/09/2014	0,0%
2	PVC	Drilling Mud Corporation	HNX	36.800	17,2%	8,2%	300.000	8,35%	300.000	5/9/2014	7,75%

Source: SCIC, RongViet Securities Summary

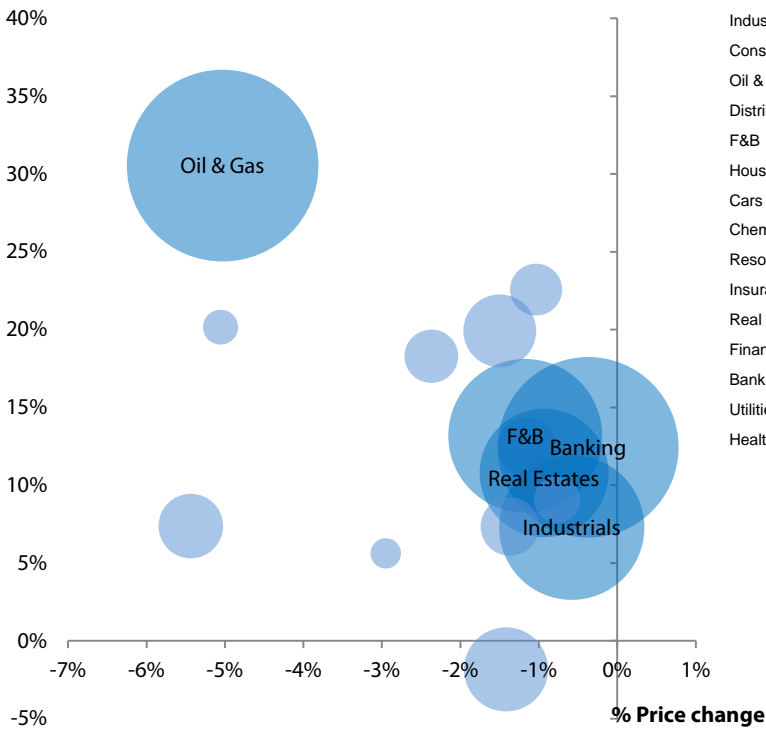
(*) For transactions not yet been implemented, taking into account price fluctuations present time

VNINDEX -1.58% 615.80 **VN30 -0.88% 659.79** **HNXINDEX -2.32% 88.07**



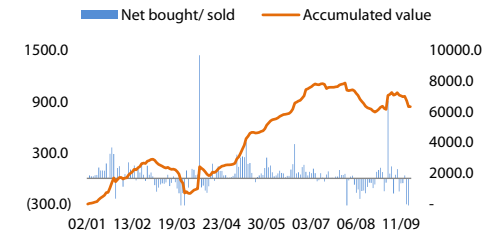
Industry Movement

Industry ROE

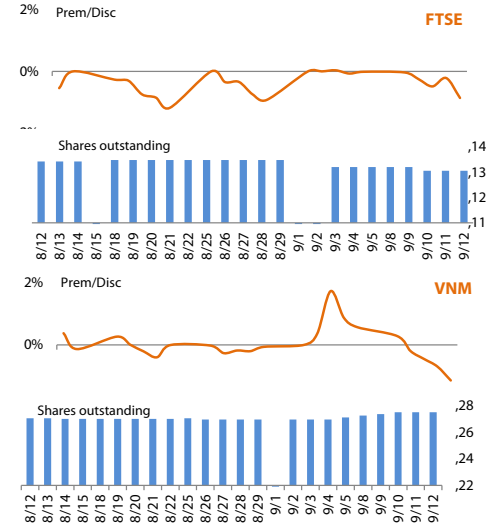


Industry	% change
Technologies	-2.4%
Industrials	-0.6%
Constructions	-1.4%
Oil & Gas	-5.0%
Distribution	-2.9%
F&B	-1.2%
Household Goods	-1.0%
Cars & Parts	-5.1%
Chemicals	-1.2%
Resources	-1.0%
Insurances	-1.5%
Real Estates	-0.9%
Financials	-5.4%
Banking	-0.4%
Utilities	-1.4%
Healthcare	-0.8%

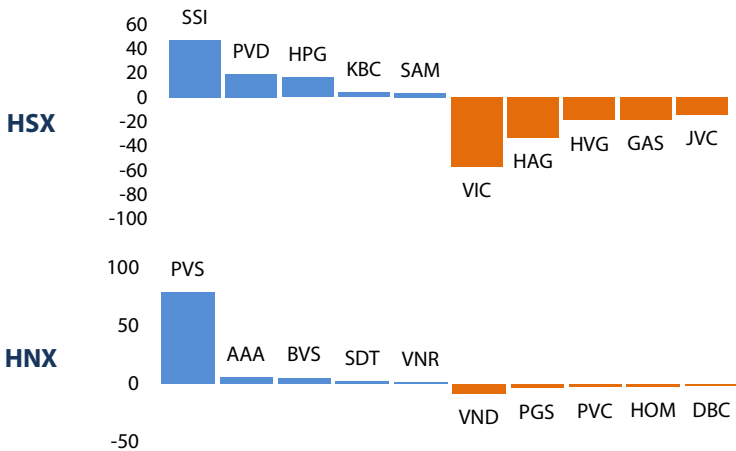
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



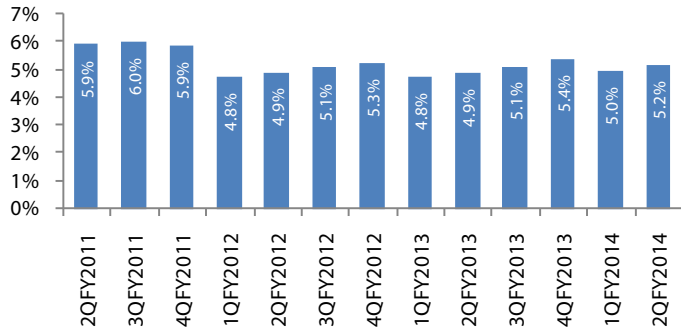
Top Active

Ticker	Price	Volume	% price change
FLC	11.7	17.16	-2.5%
HAG	24.4	10.05	2.1%
SAM	11.6	8.25	-4.9%
ITA	8.5	7.56	-3.4%
SSI	29.6	6.12	-4.2%

Ticker	Price	Volume	% price change
PVX	6.00	12.35	-4.8%
KLF	13.30	9.67	1.5%
PVS	41.00	8.68	-5.8%
SHS	11.80	7.86	-9.9%
SHB	9.30	5.34	0%

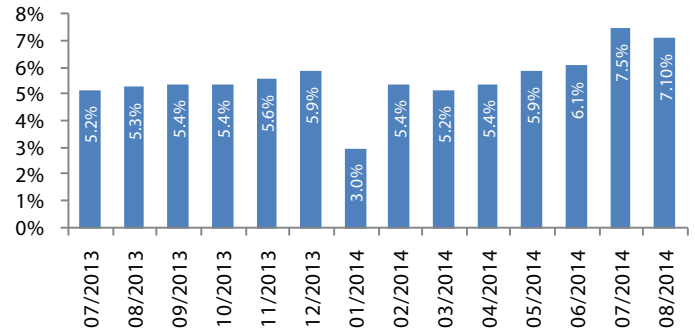
MACRO WATCH

Graph 1: GDP Growth



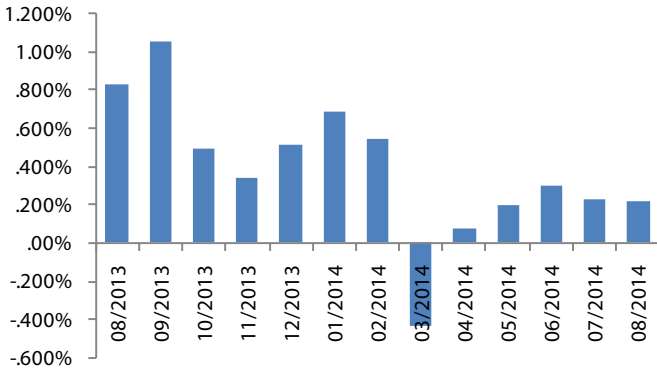
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



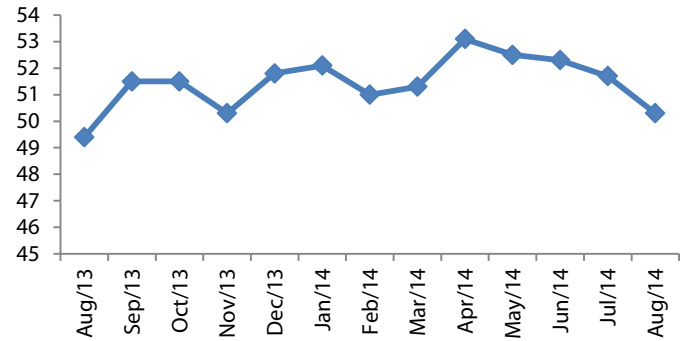
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



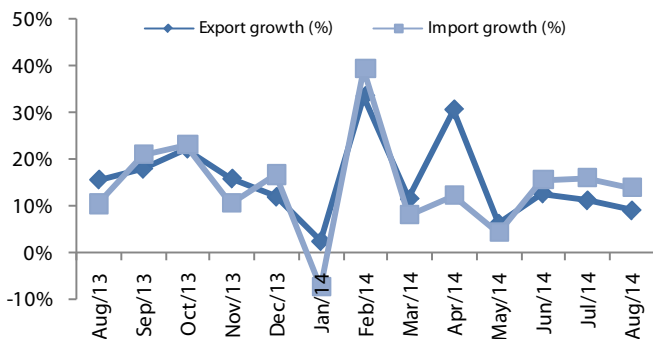
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



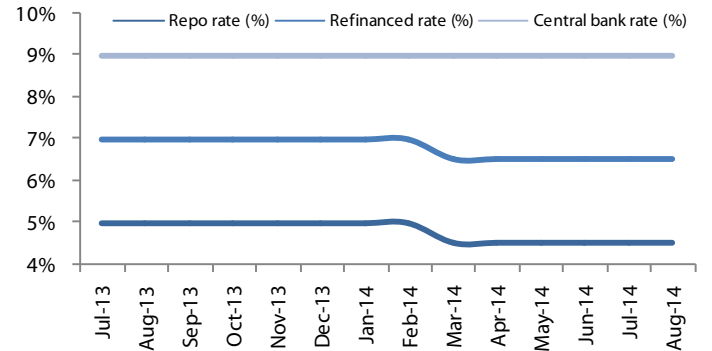
Sources: GSO. Rongviet Securities database

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 th , 2014	Neutral - Long term	29,700
HSG - The hard part has gradually done!	Aug 21 st , 2014	Accumulate – Intermediate term	48,100
HPG - On the way to dominate nationwide’ market shares	Aug 12 th , 2014	Accumulated – Intermediate-term	66,400
NBB - A new chapter with co-investment	Jul 31 st , 2014	Buy – Intermediate term	27,400
DBC- Benefit from decline in material price	May 27 th , 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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