

OCTOBER

13

MONDAY

“Drastic sales by foreign investors”

Diem My Tran

+ 84 8 6299 2006 | Ext: 344

my.ttd@vdsc.com.vn

ADVISORY DIARY

- **PXS – Updated result**
- **Drastic sales by foreign investors**

PXS – Updated result

Today, Petroleum Equipment Assembly-Metal Structure Corp (HSX: PXS) has just announced Q3 earning result. To be specific, revenue reached about VND450 bn (+48% yoy) and PAT reached VND41 bn (+23%yoy). For 9 months, company’s revenue was VND1,330 bn and PAT was VND103 bn, exceeding the annual targets of PVC by 26%.

Besides, gross profit margin in Q3 improved significantly compared to 1H2014 thanks to H5 project. This project contributed 25% to revenue (~VND110 bn) with high margin (above 30%). Thus, PAT in Q3 maintained high though revenue decreased slightly (-14% qoq). Meanwhile, Thai Binh Thermal Power project contributed most in Q3’s revenue, accounting for 29%, equivalent to VND130 bn. This project started in May, 2014 and was under Purchasing stage so not making much profit. As a result, this factor influenced a lot to Q3’s profit margin.

By completing the annual plan in the first 9 months of this year, PXS’ business result in 2014 is expected to be bright. However, investors should notice that Thai Binh Thermal Power project will contribute at high proportion in next Q4 result. At quite low margin, this project could impact negatively to earnings in the following quarters. Our analysts revised up this year PAT from VND124 bn to VND130 bn thanks to positive result in the first 9 months. Based on this, EPS is estimated at 2,617 VND in 2014.

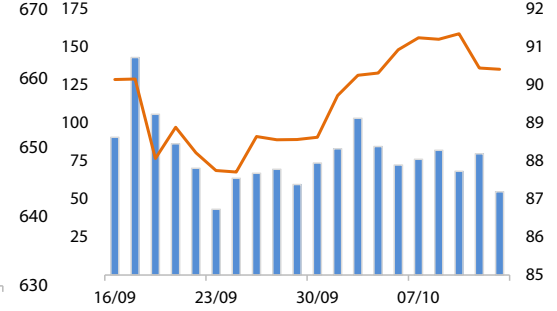
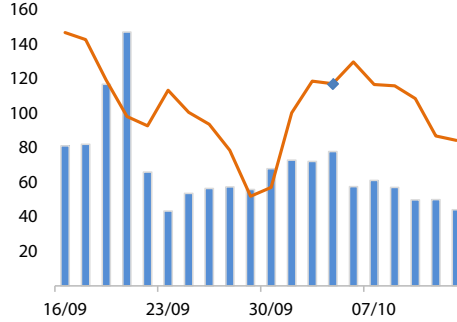
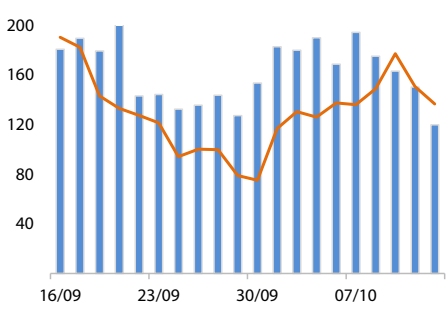
Related to the outlook for next year, as we mentioned before, revenue and profit are guaranteed a mass of new projects such as foreign project with MCPecom, Long Son or Vung Ro Thermal Power... Thus, we still appreciate the future of Company, but we think this prospect is priced in for recent 2 months that PXS share increased by 35%. This is the reason why we think current market price is about 5% higher than our target price for PXS.

Drastic sales by foreign investors

At the end of trading session, we saw that a number of ups and downs on both exchanges are quite similar. However, a majority of downs were large-caps, this led VNIndex decreased by 3.5 points and closed at 614.22 points, while HNX-Index went down to 90.42 points. With a VND281 billion - net sought value on both exchanges, concentrating on some stocks in VN30 such as PVD, VCB, DPM and HAG, a strong selling pressure of foreigners caused a drop in this group. PVD and GAS accounted for about 50% of selling value, adding 2.73 points in a total 3.5 decreased points of VNIndex. Although there were some gainers in VN30 such as VIC (+0.41%), KDC (+0.85%), market sentiment continued to go down. Therefore, decreasing trend witnessed in many tickers on both exchanges.

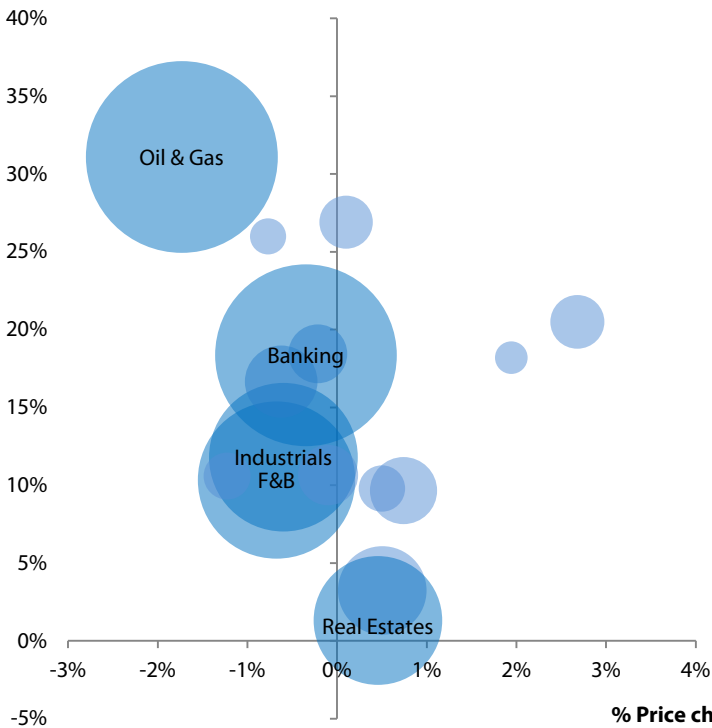
At noon, Ministry of Finance issued a circular to adjust petroleum prices, particularly, Ron A92 with a decrease of VND699 per liter, kerosene price and mazut oil by VND 878 per liter and VND724 per liter, respectively. According to our observation, investors became less optimistic with this information; therefore, under the circumstance of declined oil prices, it seems likely to match to the index drop. With the first session movement, we keep our outlook about the level of 625 points, which is a strong resistance level to VNIndex, the indice needs more time to accumulate in this month.

VNINDEX -0.57% 614.22 VN30 -0.10% 651.07 HNXINDEX -0.03% 90.42



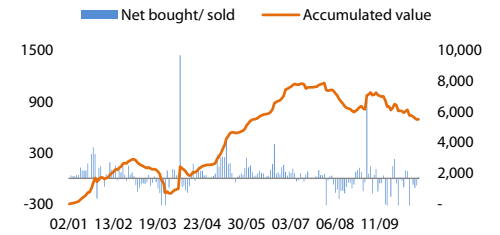
Industry Movement

Industry ROE

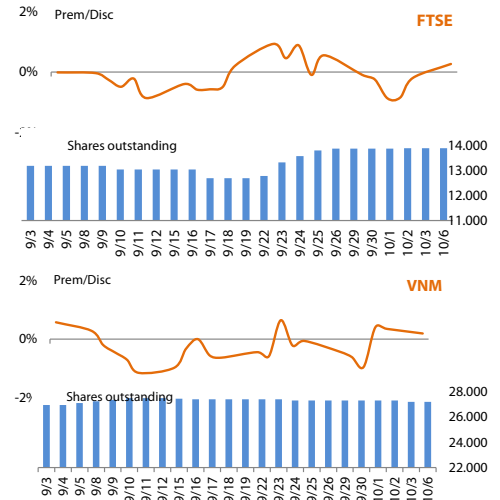


Industry	% change
Technologies	2.7%
Industrials	-0.6%
Constructions	0.5%
Oil & Gas	-1.7%
Distribution	1.9%
F&B	-0.7%
Household Goods	0.5%
Cars & Parts	-0.8%
Chemicals	-0.2%
Resources	0.1%
Insurances	-0.6%
Real Estates	0.5%
Financials	0.7%
Banking	-0.3%
Utilities	-0.1%
Healthcare	-1.2%

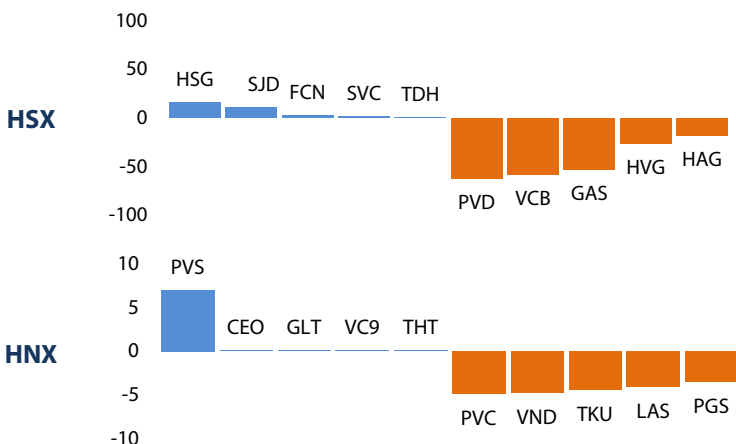
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



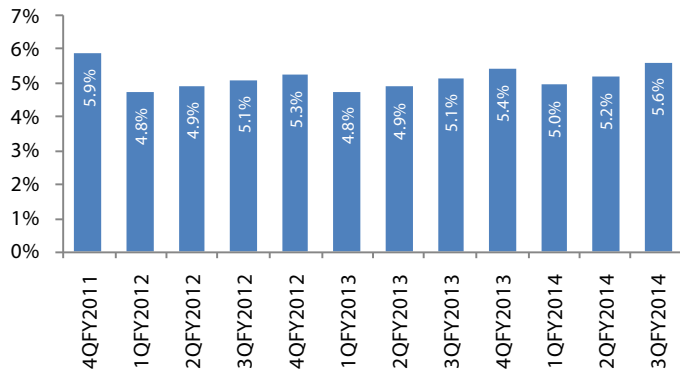
Top Active

Ticker	Price	Volume	% price change
OGC	13.0	8.56	2.4%
VHG	15.2	6.00	1.3%
SSI	31.0	5.54	1.6%
ITA	8.9	4.36	0.0%
KBC	16.8	3.93	2.4%

Ticker	Price	Volume	% price change
SHB	9.10	7.25	-2.2%
PVX	6.60	5.50	0.0%
ASA	21.20	3.10	9.8%
SHS	12.80	2.97	2.4%
FIT	25.00	2.74	-3.1%

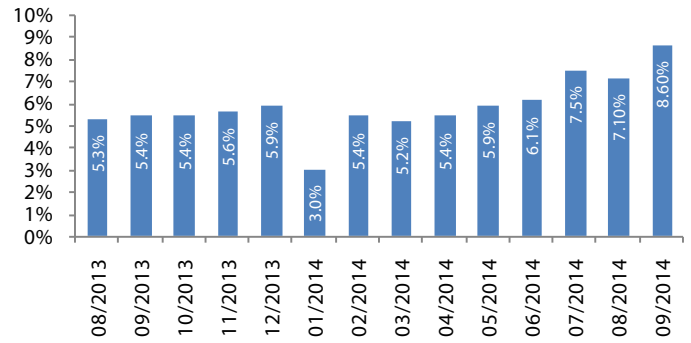
MACRO WATCH

Graph 1: GDP Growth



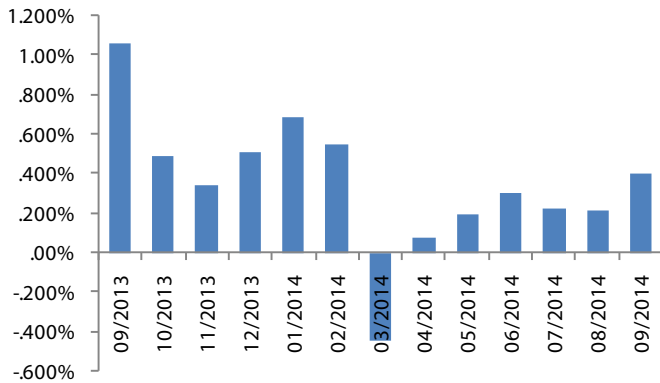
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



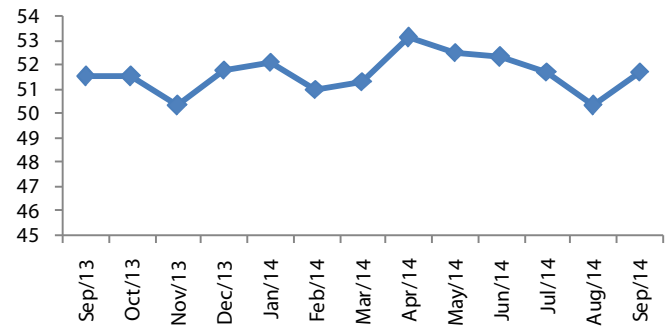
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



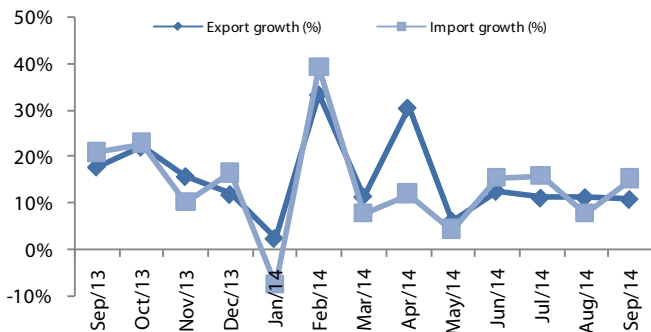
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



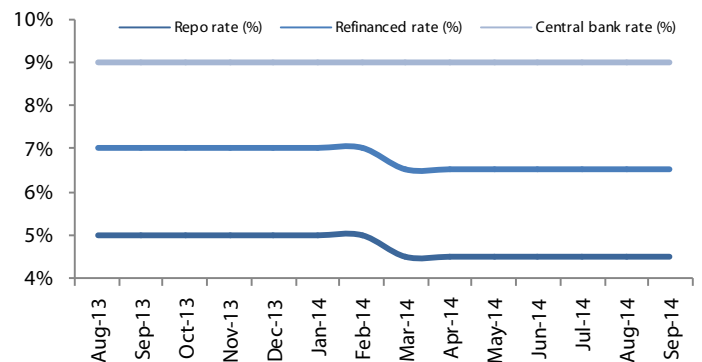
Sources: GSO. Rongviet Securities database

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
DHC - Restructuring yielded juicy fruits	Sep 29 th , 2014	Buy – Intermediate term	25,200
DCL – Chances as bad debts to be solved	Sep 22 th , 2014	Neutral – Long term	37,000
PVD – Busy O&G exploitation brought warmth	Sep 17 th , 2014	Accumulate – Long term	122,00
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

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	30/09/2014	0-0.75%	0-2.5%	11,743	11,702	0.35%
VF1	08/10/2014	0.20% - 1.00%	0.50%-1.50%	23,723	23,714	0.04%
VF4	01/10/2014	0.20% - 1.00%	0.00%-1.50%	10,415	10,541	-1.2%
VFA	03/10/2014	0.20% - 1.00%	0.00%-1.50%	7,767	7,690	1.01%
VFB	03/10/2014	0.30% - 0.60%	0.00%-1.00%	11,761	11,709	0.45%
ENF	26/09/2014	0.00% - 3.00%		10,763	10,761	0.02%

ANALYSTS

Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 314

truc.dtt@vdsc.com.vn

Ngoc Chung

+ 84 8 6299 2006 | Ext: 318

ngoc.cb@vdsc.com.vn

Lam Nguyen

+ 84 8 6299 2006 | Ext: 318

lam.ntp@vdsc.com.vn

Ha My Tran

+ 84 8 6299 2006 | Ext: 348

my.tth@vdsc.com.vn

Tai Nguyen

+ 84 8 6299 2006 | Ext: 315

tai.ntp@vdsc.com.vn

Diem My Tran

+ 84 8 6299 2006 | Ext: 344

my.ttd@vdsc.com.vn

Trien Le

+ 84 8 6299 2006 | Ext: 339

trien.lh@vdsc.com.vn

Tam Bui

+ 84 8 6299 2006 | Ext: 348

tam.bt@vdsc.com.vn

Huong Pham

+ 84 8 6299 2006 | Ext: 317

huong.pt@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



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