

MAY

05

TUESDAY

*Keep calm and
"go fishing"*

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ADVISORY DIARY

- **Van Phat Hung Jsc-Emerging from its lowest**
- **Keep calm and "go fishing"**

Van Phat Hung Jsc-Emerging from its lowest

Today May 5th, 2015, RongViet Research has published result update report on Van Phat Hung Jsc. Despite its modest capital size, VPH has much experience in township development and has been a prominent name in the South-Saigon real estate market. 2014 saw the earliest signs of recovery in VPH's cash flows, bolstered by the sale of a building (block 5) at the La Casa project to An Gia Real Estate JSC and major progress in the negotiations to whole-sell 30ha at Nhon Duc Residential Area.

We expect VPH to continue seeing positive cash flows and strengthened revenue and earnings growth in 2015 thanks to the liquidation of Block 2 of La Casa, again to An Gia, for VND173 billion. The liquidation of a large part of the Nhon Duc project may also contribute to the cash inflows of this year. On top the cash from new equity issuance (offered to existing shareholders at face value by a ratio of 2:1), the transactions will help solidify the Company's financial capacity to the extent that it would enable a debt restructuring simultaneously with more aggressive investments in VPH's project pipeline.

We rate the stock as **BUY** in the **INTERMEDIATE TERM** with the target price of **15,300** VND/share

Keep calm and "go fishing"

Vietnamese economy is stepping in the "rapid and sustainable growth" phase – the statement of National Financial Supervisory Commission in the report published, recently. As the Commission, the economy is recovering sharply in the context of maintaining macro-economic balance. Particularly:

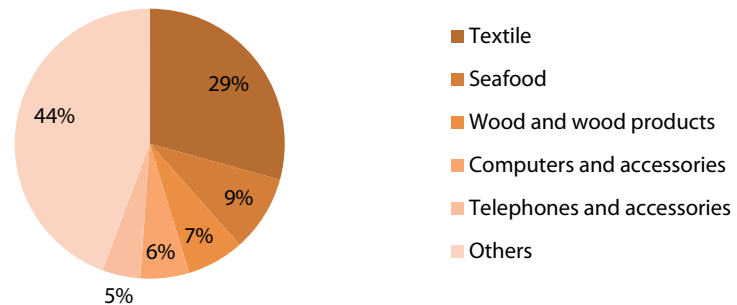
- (1) The total developing and investing capital in Q1 raised 9.1% yoy, approximately 3-times as high as the Q1/2014 growth. Additionally, the FDI in the first 4 months of 2015 reached USD 4.2 billion, up 4.2% yoy
- (2) The industrial index went up 9.4% yoy, while the processing and manufacturing industry soared 10.1% yoy. The construction and real estate industry – 2 sectors highly recommended by RongViet Research in 2015 Strategy report- also posted positive results. Particularly, the growth of construction and real estate industry respectively reached 4.4% and 2.55%
- (3) Credit growth in the first 4 months was the highest rate in 3 recent years, reached 2.78%

Despite the positive macroeconomic news has been announced, the concern coming from "familiar information" as Chinese rig' entering the Bien Dong or the fear of a bad debt increase has raised confusion for investors. Thus, right the ATO, selling pressure covered the market, bringing the index slump, especially in real estate midcaps as HAR, DLG, FLC. We witnessed that there were 2 times of VN30 green return. However, in the first one, the concern about "push up to sell" caused the VNIndex decline. In the second one, the green of VN30 (especially banking sector) and key midcaps spread the market with the increase of purchasing power.

In early afternoon, another positive strengthen gain momentum is that Vietnam-Korea FTA has been officially signed. Thus, RongViet Research has an affirm evidence to believe in growth in textile and sea food industry mentioned in 2015 strategic report as these industries are primary export items. Our analysts believe that business result of companies in both industries will be

improved in the next quarter such as TCM, KMR (textile), FMC (seafood).

Figure: The exporting value proportion to Korea in 2014 under product



Source: GSO

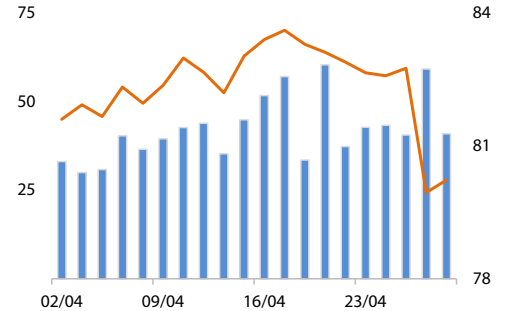
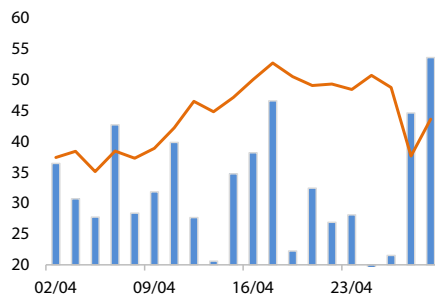
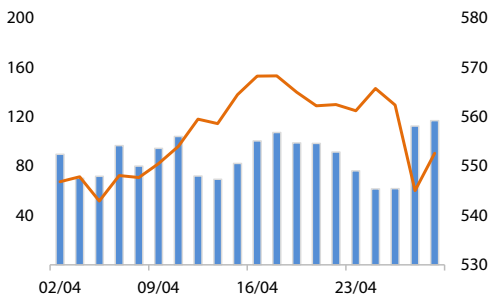
Therefore, after selling activity of domestic investors proceeding from unclear purpose within 1.5 days, the market rebounded. It is the result of optimistic macro information as well as foreign net-buying of VND 176 billion. The market closed in green color as VNIndex increase of 1.39% and HNIIndex increase of 0.36%; meanwhile trading volume climbed by 26%. However, we believe that the market hardly take part in a “marathon”; thus, slight fluctuation in tomorrow’s session is expected to make indices gain in upcoming days. As mentioned in yesterday’s advisory diary, strong corrections are good opportunities for investors to “go fishing” outperformed stocks in order to limit “panic sentiment” that resulted in lack of trust in intrinsic value of the business.

Table: Effective recommendations of RongViet Securities

Sticker	Today reference price	Target price	Gap
FPT	49,400	69,000	40%
NBB	22,100	26,800	21%
TCM	29,500	42,500	44%
DPM	29,600	36,000	22%
VPH	11,300	15,300	35%
BMP	75,000	87,700	17%
PLC	32,400	40,000	23%
HMH	21,300	33,800	59%
GDT	38,000	41,300	9%
GMD	28,000	44,400	59%
DHC	21,400	26,200	22%

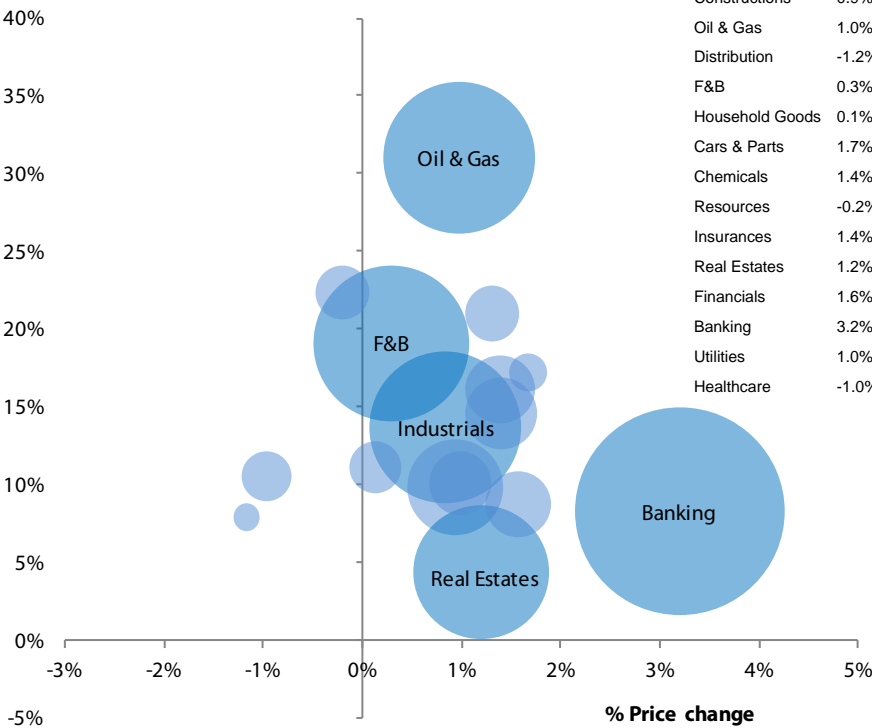
Source: RongViet

VNINDEX 1.39% 552.65 VN30 1.55% 585.45 HNXINDEX 0.35% 80.23

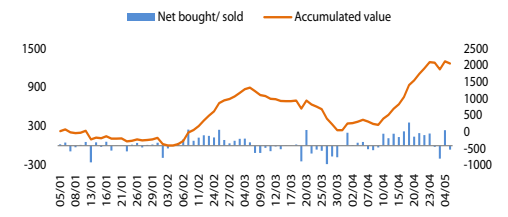


Industry Movement

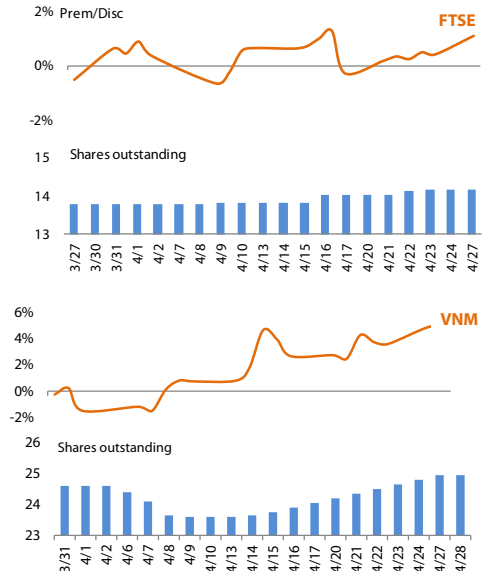
Industry ROE



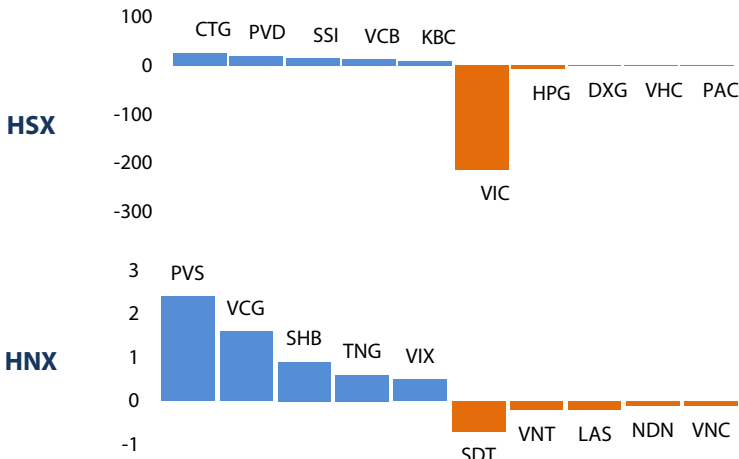
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



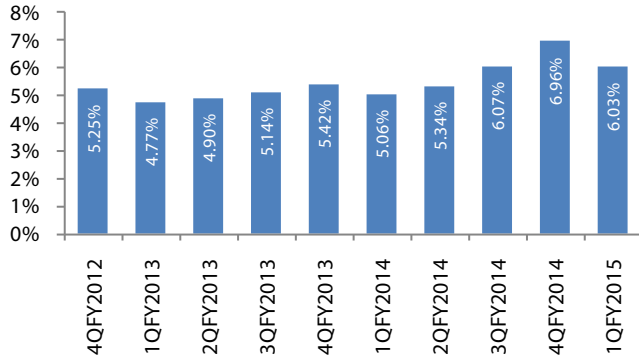
Top Active

Ticker	Price	Volume	% price change
FLC	10.1	13.42	4.1%
HQC	5.7	6.95	-5.0%
HAI	9.7	6.26	0.0%
HHS	19.9	5.18	3.6%
DLG	8.1	5.00	-4.7%

Ticker	Price	Volume	% price change
KLF	8.2	8.94	1.2%
FIT	13.3	3.40	0.8%
PVX	4.1	2.38	2.5%
SHN	4.5	1.93	9.8%
SHB	8.1	1.63	0.0%

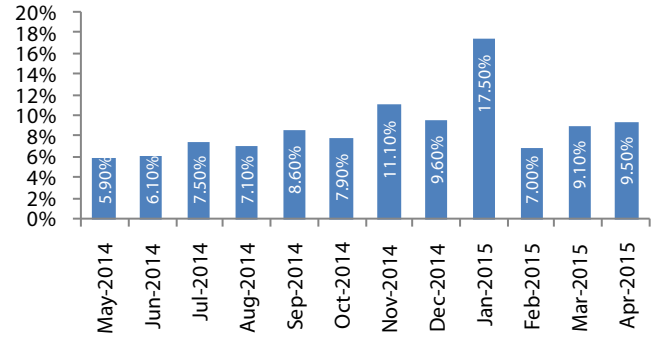
MACRO WATCH

Graph 1: GDP Growth



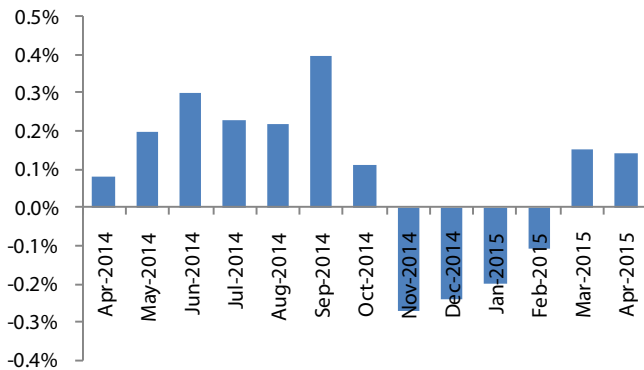
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



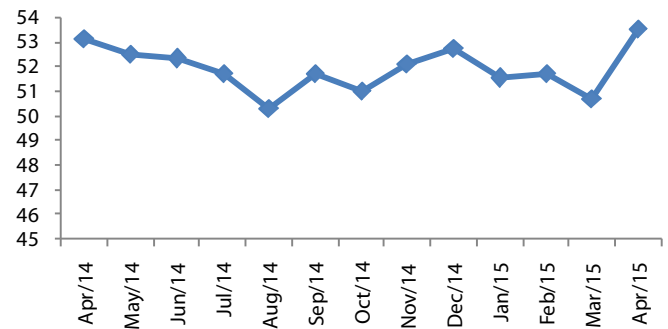
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



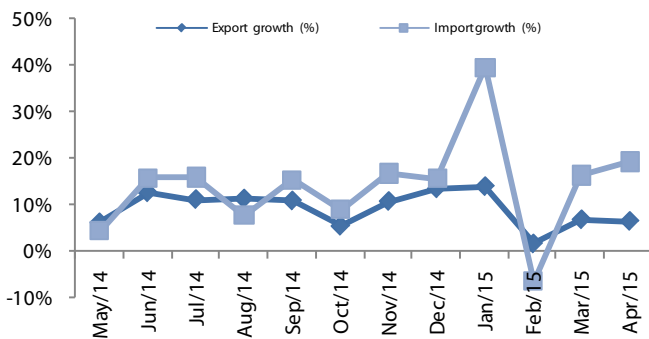
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



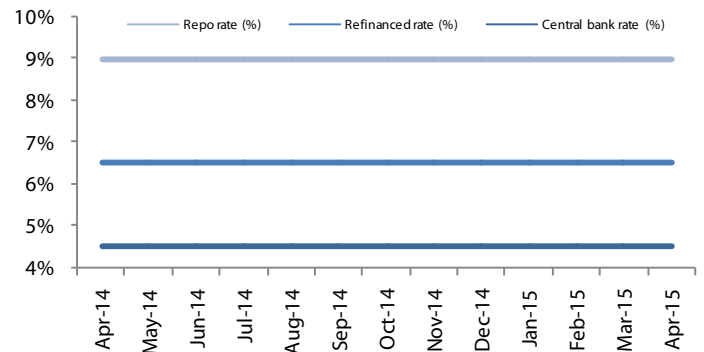
Sources: GSO. Rongviet Securities database

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
DHC-Giao Long factory (phase 2) adds lights to the long-term plan	April 24 th , 2015	Buy – Intermediate term	26,200
PLC - A firm foothold	April 14 th , 2015	Accumulate – Intermediate term	40,000
BT6 - Restructuring scheme to bring a brighter prospect	Jan 27 th , 2015	Monitor	
PAC- Opportunities along with challenges	Jan 14 th , 2015	Accumulate – Intermediate term	27,500
HMH - Positive outlook from various supporting factors	Jan 06 th , 2015	Accumulate – Long term	33,800

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	21/04/2015	0% - 0.75%	0% - 2.5%	11,741	11,793	-0.44%
VEOF	21/04/2015	0% - 0.75%	0% - 2.5%	9,630	9,607	0.24%
VF1	24/04/2015	0.2% - 1%	0.5%-1.5%	21,052	21,178	-0.59%
VF4	22/04/2015	0.2% - 1%	0%-1.5%	9,166	9,097	0.76%
VFA	24/04/2015	0.2% - 1%	0%-1.5%	7,168	7,217	-0.68%
VFB	24/04/2015	0.3% - 0.6%	0%-1%	12,049	12,154	-0.86%
ENF	17/04/2015	0% - 3%	0%	10,826	10,798	0.26%
MBVF	09/04/2015	1%	0%-1%	10,267	10,854	-5.41%
MBBF	15/04/2015	0%-0.5%	0%-1%	12,080	12,083	-0.02%

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