

FEBRUARY

06

FRIDAY

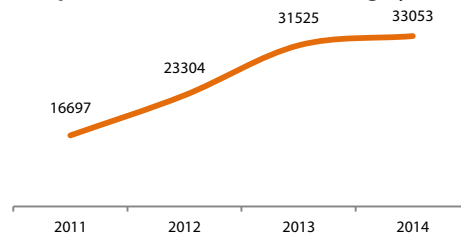
ADVISORY DIARY

- **Company introduction- STK**
- **Market saw equal recovery in the week's closing session**

Company introduction- STK

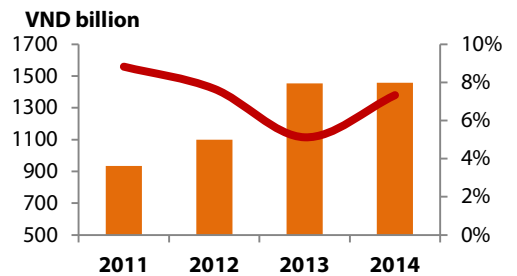
Today, textile stocks traded actively after there has been important progress in TPP talks. Among that, TCM (+4.7%), TNG (+), and GMC (+) witnessed significant increases. Today, our analyst had a brief talk with STK's representative (Century Synthetic Fiber Corp.), which is one of the greatest fiber producers having listed plan in 2015.

Graph 1: Production volume through years



Source: STK, RongViet Research

Graph2 : Revenue and NPAT margin



Source: STK, RongViet Research

“Market saw equal recovery in the week's closing session”

STK specializes in manufacturing and trading products such as high quality Polyester fabric (POY, DTY, and FDY), which were used by many brand-name companies such as Nike, Adidas, Reebok, Columbia,... In 2014, volume, revenue and NPAT remained positive with reaching at 33,053 tons (96% of 2014 guidance), VND1,457 billion (92% of 2014 guidance) and VND 106.7 billion. Although not achieving 2014 guidance, NPAT jumped by 13% yoy, (114,7 of 2014 guidance). The mixed movements this year was due to the fact that STK focused on improving product quality and the production of high-quality fiber. This product line embedded better margins is not practically feasible to be produced in mass as conventional fibers. Besides, STK also benefits from falling prices of inputs. It is known that particles polyester chips' price, the main raw material of STK, has fallen an average of 7 % in 2014 due to the impact of oil prices slump. Meanwhile, the company only reduced about 3-4 % of its product's selling price which could improve its overall profitability.

Relating to the Trang Bang 3 plant project, STK has expected to finish this project by the end of February 2015. Also, equipment has been installed for producing DTY in order to put the plant into operation by the early 2015Q3. The total capital expenditure of the plant is estimated at VND715 billion, with VND131 billion for the plant construction cost and VND551 billion for equipment. Since the plant is unlikely to be operated with full designed capacity (15,000 DTY tons / year), we estimate the new plant will make STK to generate revenue in 2015 and further years at higher levels by approximately 10% and 40 % compared to the 2014 figure.

Through the Company's news, the 2015 business plan will be reported to the shareholder meeting with revenue of VND1,846 billion (+ 27% compared to 2014) and volume of 42,658 tons (+ 29%) and the PAT at VND147, 7 billion (+ 8%). However, our industry analyst has judged that the targets are quite cautious because the new plant would be not operated in full-capacity so STK's profit margin would probably be not high. Plus, the salary is also planned, by the Company, to be increased by 10-12% compared to the current monthly average at VND5.5 million per person.

One of the market expectations is the STK's listed schedule. In the recent issue of 3 million shares, STK was quite successful when those shares were wholly bought off at the average price of VND

24,124 per share, 34% higher than the original price. However, the number of shareholders was only 300 which was not sufficient to be listed under the HSX's provisions. Therefore, the Company has intended to sell entire treasury stocks for their employees. As expected, STK can be listed on the floor in the early 2015Q3. With the free float at 41%, STK would likely to be traded actively.

Market saw equal recovery in the week's closing session

This week market's trading activities were relatively conservative probably caused by widespread observing and low investor sentiment especially following Circular 36 taking effect at the start of the week. The so-called "waiting" status from the majority of investors resulted in the whole week's trading value slumping nearly by a thirds compared to last week. Regarding the indices' major components development, banking stocks continued to attract most of investors' attention, which saw mixed movements through the week when rallying strongly after a flooring session subsequent to the announcement of Vietnam Construction Bank (VNCB) going into administration by the State Bank of Vietnam without any outlay. Concern over VNCB's collaterals at other commercial banks could possibly turn into bad debts proving to a major shake to investor's confidence in that chaotic midweek trading session.

This week, foreign investors continued last week's action to remain net sellers of many VN30's tickers including HPG, CSM, KDC & HAG. On the other hand, VCB, BVH, DRC & DPM kept on to be net bought by foreign investors. Our market analyst argued that foreign investors' trading activities remaining unchanged of ~VND1700 billion despite the significant fall in total trading value, showed limited participation of domestic investor's capital flow as Tet holiday approaching.

In order to provide investors a preliminary view of the after-Tet holiday market developments, we have done a gathering of several market statistics as the following:

VN-Index	Price change compared toTet holiday eve's session		Trading value change compared toTet holiday eve's session	
	5 sessions after Tet holiday	10 sessions after Tet holiday	5 sessions after Tet holiday	10 sessions after Tet holiday
2012	7.7%	8.6%	77.0%	81.0%
2013	-3.3%	-3.4%	75.6%	44.4%
2014	1.4%	3.9%	66.4%	83.3%
HNX-Index				
2012	5.8%	7.3%	154.8%	76.8%
2013	-3.2%	-5.2%	53.1%	17.6%
2014	3.4%	10.9%	91.0%	154.7%

Our market analyst believed that the share market's movements would rather be more positive after the Tet holiday in both price and liquidity. Objectively, Vietnam share market in 2015's growth catalysts would be: (1) Vietnam's economy continues to improve with GDP growth target of 6.2 % in 2015; (2) interest rates remain low with room to adjust downward further and oil prices expectedly remain low for a while enabling enterprises to reduce production costs and improve profitability; (3) the imminent signing of many Free Trade Agreement such as TPP help promote export activities of Vietnam in the coming years .

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Rong Viet Research would like to inform to our investors and internal clients that we would temporarily stop providing our daily Advisory Diary from 9th February and will be back on services from 2th March 2015.

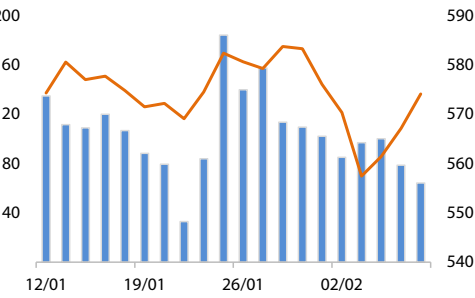
We hope that our Advisory Diaries have accompanied you well through the Horse year full of emotions. Your feedbacks, constructive idea, compliments and comments are highly welcomed and are the motivation for our analysts to continue to improve and increase the quality of service to meet your highest demand.

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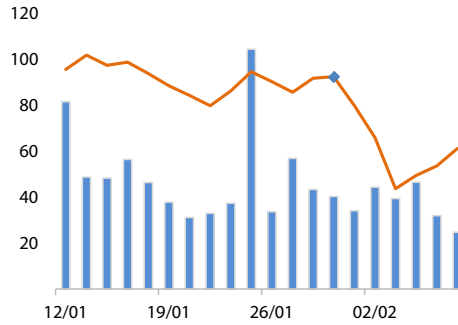
On this occasion, we would like to also inform that our Strategy Report 2015 will be published at the beginning of March 2015 with some highlights in macro and industry outlook. We would love to contribute a perspective and a professional opinion about an overall picture of macro-economic as well as Vietnam stock market in 2015.

Finally, we wish you and your family success and have a good health and prosperity in New Year. Happy New Year!!!

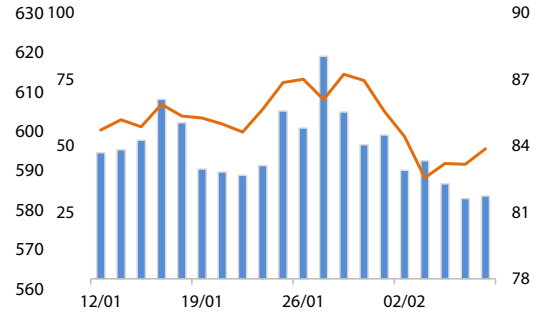
VNINDEX 1.23% **574.13**



VN30 0.75% **595.69**

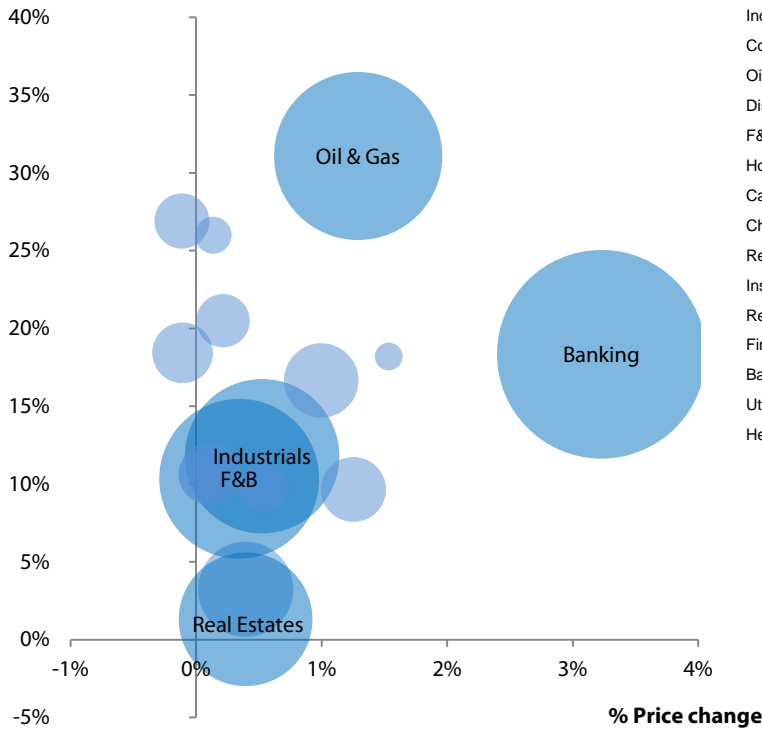


HNXINDEX 0.84% **83.87**

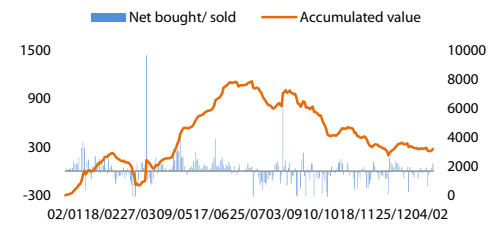


Industry Movement

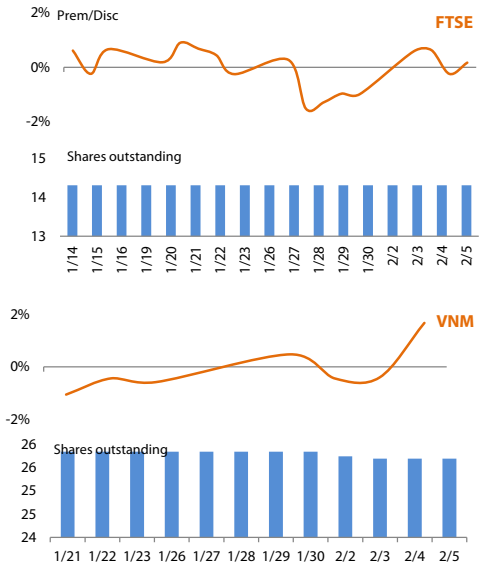
Industry ROE



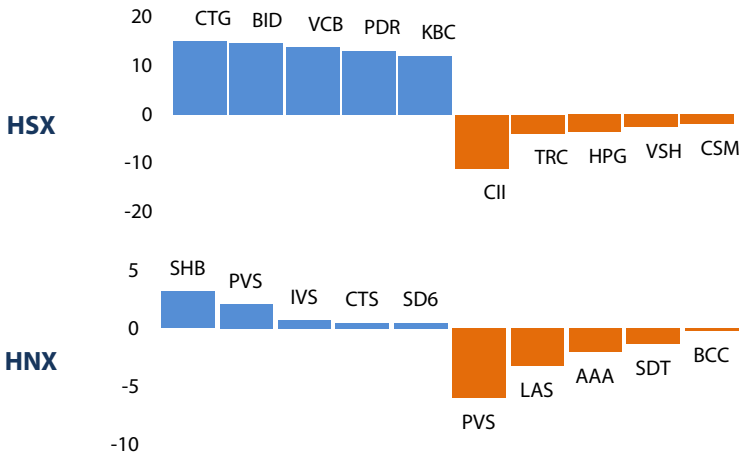
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



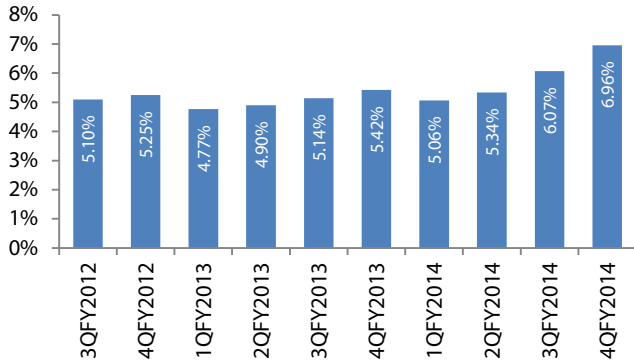
Top Active

Ticker	Price	Volume	% price change
FLC	10.4	5.45	-1.9%
CTG	17.7	3.18	3.5%
OGC	5.2	2.89	4.0%
HAI	15.6	2.75	0.6%
CI	19.0	2.73	2.2%

Ticker	Price	Volume	% price change
KLF	10.4	5.72	1.0%
FIT	19.4	3.06	3.7%
PVS	28.0	1.75	2.6%
SCR	7.8	1.34	0.0%
SHB	8.7	1.29	1.2%

MACRO WATCH

Graph 1: GDP Growth



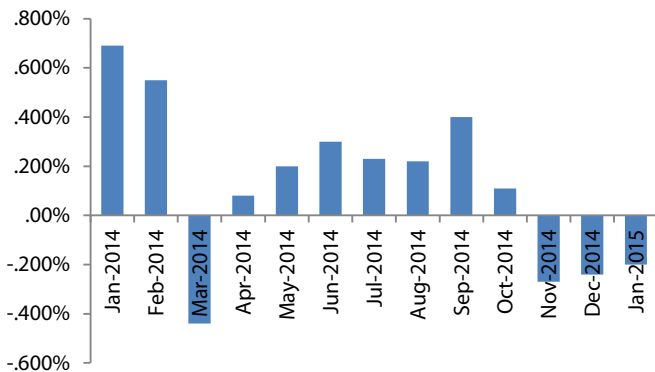
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



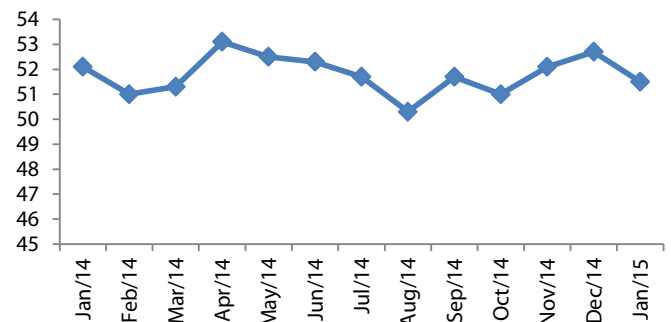
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



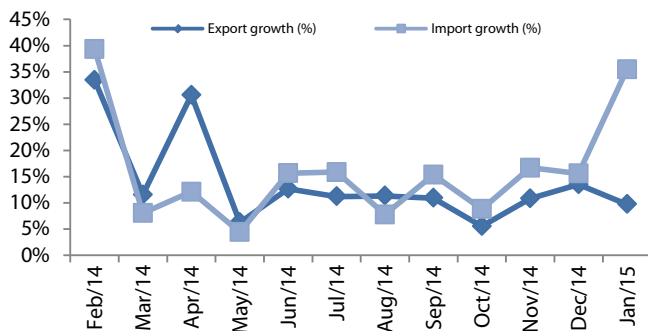
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



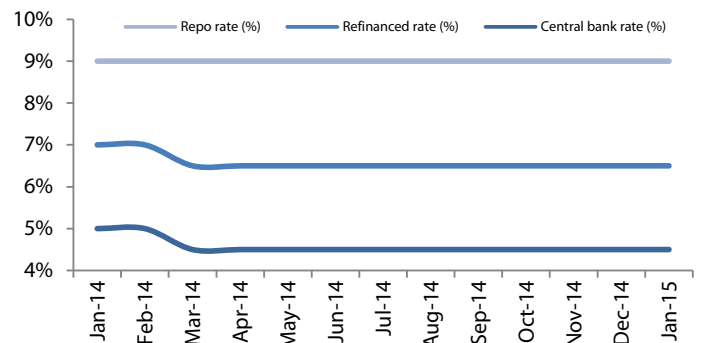
Sources: GSO. Rongviet Securities database

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
BT6- Restructuring scheme to bring a brighter prospect	Jan 26 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
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

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	27/01/2015	0%-0.75%	0%-2.5%	11,583	11,454	1.13%
VEOF	27/01/2015	0%-0.75%	0%-2.5%	9,627	9,567	0.63%
VF1	30/01/2015	0.2% - 1%	0.5%-1.5%	21,515	21,452	0.29%
VF4	28/01/2015	0.2% - 1%	0%-1.5%	9,337	9,218	1.29%
VFA	30/01/2015	0.2% - 1%	0%-1.5%	7,415	7,371	0.58%
VFB	30/01/2015	0.3% - 0.6%	0%-1%	12,015	11,912	0.86%
ENF	23/01/2015	0% - 3%	0%	10,481	10,790	-2.86%
MBVF	22/01/2015	1%	0%-1%	11,115	11,176	-0.54%
MBBF	21/01/2015	0%-0.5%	0%-1%	11,880	11,921	-0.34%

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