

SEPTEMBER

30

TUESDAY

*“Market
overview
underwater
waves
existed”* — *still*

ADVISORY DIARY

- **Shall we expect too much to credit package of Real Estate?**
- **Market overview – underwater waves still existed.**

Shall we expect too much to credit package of Real Estate?

Since the beginning of 2014, along with economic recovery, investors always expected Real Estate could be rebounded. Therefore, when preliminary figure of Real Estate in the first 9-month had published at recent economic meeting, this sector continued to be attractive.

According to Social and Economic Report of GSO in September, construction value in the last 9-month expectedly reached at VND 587,600 billion, with advancing 7% compared to the earlier year. In which, value of housing construction made up VND 206,100 billion, adding 6.7% as compared to the same period.

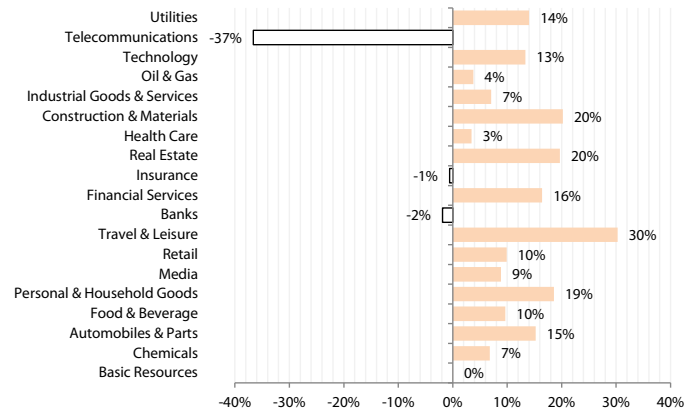
On the other hand, at the meeting of National Committees (September 29th 2014), The State Bank Governor showed that until mid-September, credit of Real Estate increased to 12% from 9.82% in July 2014. Additionally, credit package of VND 30,000 billion had been ensured to carry out by VND 5,900 and disbursed VND 3,200 billion, multiplied 3.5 times as the beginning of this year. Typically, according to decree 61/NQ-CP (August 28) due to delay loan term and extended loan criteria, it was expected to execute this credit package.

From Mid-September, we have seen increasing investment flowing to property-related stocks caused by some rumors that the State bank of Vietnam (SBV) was considering a stimulus credit package which is alleged to be structured with more favorable, less stringent lending requirement as compared to the current VND 30,000 credit package. However, in yesterday afternoon’s questioning session, the SBV Governor denied those rumors.

In fact, we do not set high expectation on monetary policy initiated by the SBV to facilitate the cash flow in the real-estate market. Instead, more importantly, we would rather see reformations and improvements in regulatory and legal aspects of such real-estate related policies to stimulate both demand and supply for this market. Of which, Land Law in 2013 and proposal for changes in residential property law and business law with some recommendations such as law for foreigner to buy properties in Vietnam, reduction in bureaucracy in granting certificate for right of land use, developing land fund for social housing, lending on future-formed -property assets...have receive many positive reactions from the general market. Besides, the commencement of major public infrastructure projects including Subways project (Ha Noi and HCMC), highway, suburban roads,... also help add value to property projects locating at the major gates to big cities as of the rule “properties mushroom where infrastructure is laid”.

Due to these positive signals, real estate related tickers have seen a spectacular increase by 20%, becoming the runner-ups amongst the largest increasing stocks in the last 3 months, only after tourism and entertainment tickers, in which VIC jumped 19%, NBB (27%), KDH (28%), PDR (26%), DXG (5%)...also saw solid gains.

Exhibit: Index of sections in last 3 months.



Sources: RongViet Research

Market overview – underwater waves still existed.

The last session of September closed with contrary trends on both exchanges. After the seasaw around 600 points, VNIndex ended up in “red” with 598.8 points. Meanwhile, HNIndex saw the bleak trading, going slightly to 88.63 points. For entire September, VNIndex lost 41.95 points, nearly “returned” to total increase of 42.75 points in August. However, we supposed the market could not be too negative as the way indices were recently been since the number of rising tickers was more than declining one, such as 110/98 of VNIndex and 17/9 of VN30. Also, proportion of constituted element recorded a decent raise. We believe that “underwater waves” still existed on market according to moving of capital flow each session, to be precise, Aquaculture and Rubber in today. Investors still have chances of getting profit from tickers having good fundamental and still being cheap in “red” sessions. Today’s liquidity climbed relatively high, getting VND3,633 billion on both exchanges, adding 24% as yesterday.

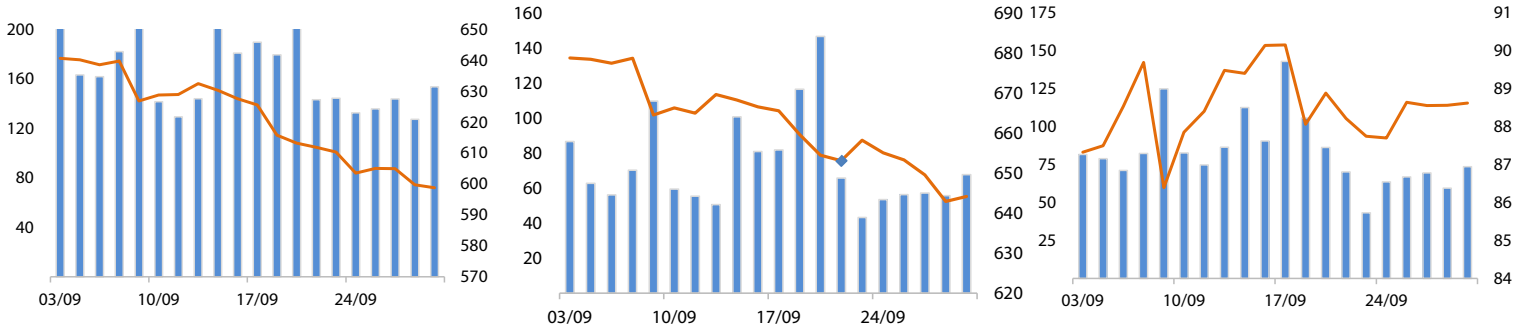
Foreign investors kept net selling of VND 105 billion on 2 exchanges. For entire September, they were net selling VND 1,129 billion, 4 times as high as August’s selling value. The world stock market in September continued to go up thanks to positive news from FED and US economy. That’s why foreign investors might pay attention to big markets like EU, US and “neglected” frontier markets like Vietnam.

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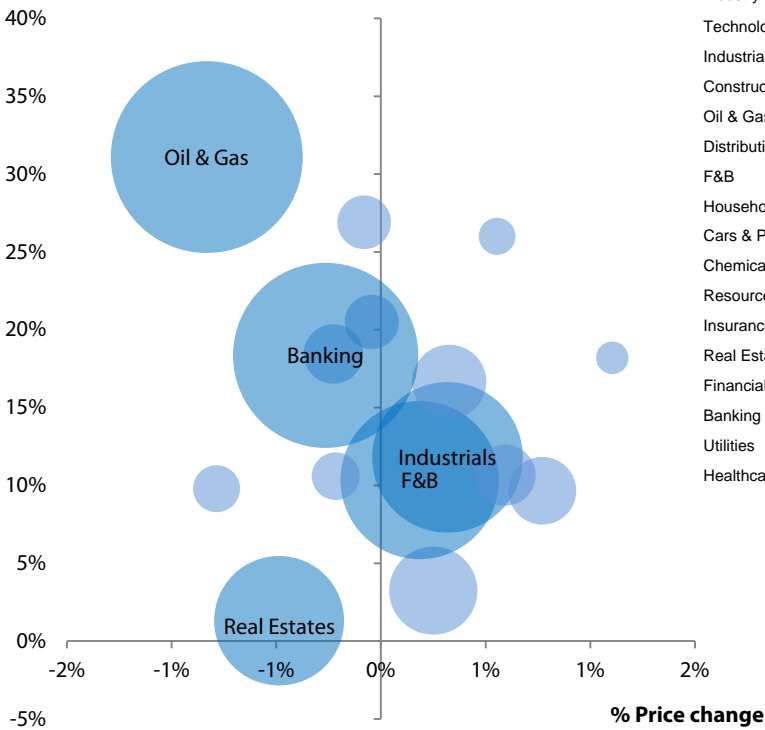
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VNINDEX -0.16% **598.80** **VN30** 0.20% **644.25** **HNXINDEX** 0.07% **88.63**

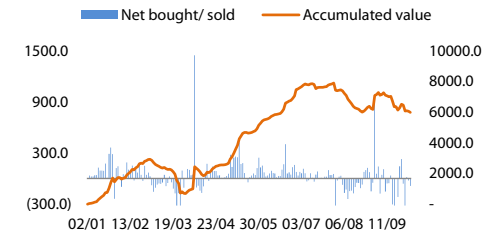


Industry Movement

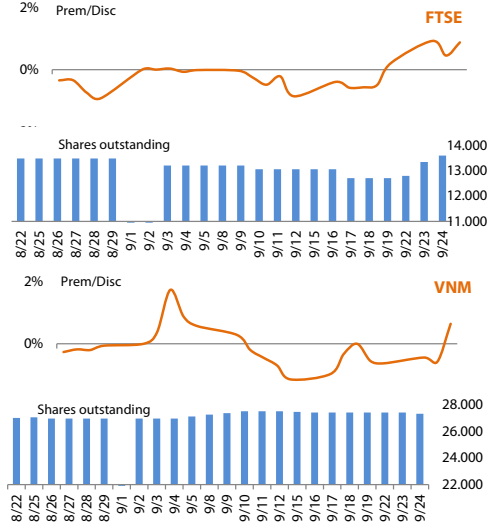
Industry ROE



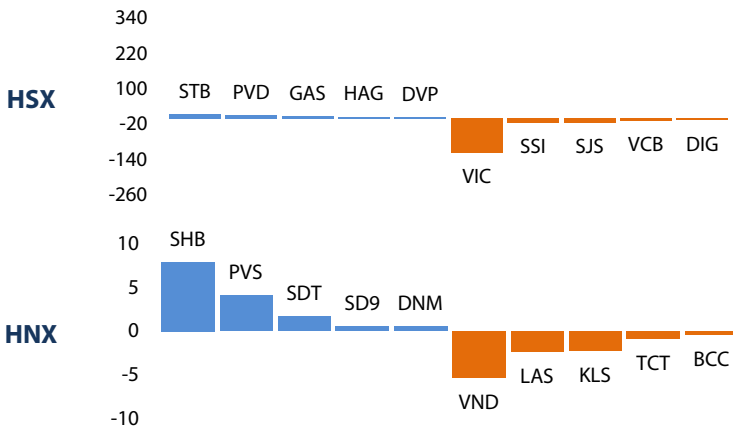
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



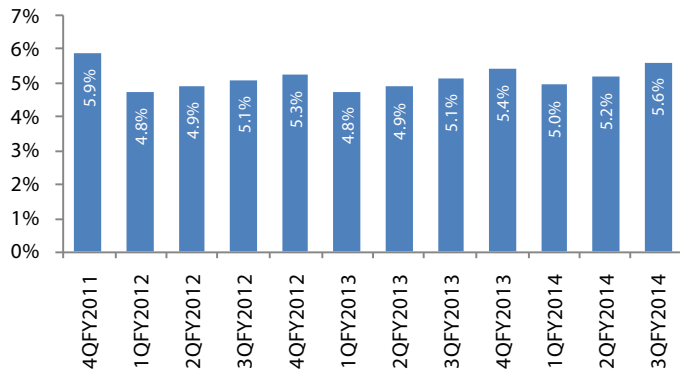
Top Active

Ticker	Price	Volume	% price change
FLC	11.7	22.36	4.5%
OGC	12.2	7.10	2.5%
ITA	8.8	7.05	1.2%
VHG	12.0	6.96	4.4%
SSI	30.9	5.95	0.7%

Ticker	Price	Volume	% price change
KLF	12.20	11.06	2.5%
PVX	6.80	7.74	-1.5%
FIT	23.60	3.65	8.8%
PVS	40.20	3.46	-1.2%
SHB	9.20	3.27	1.1%

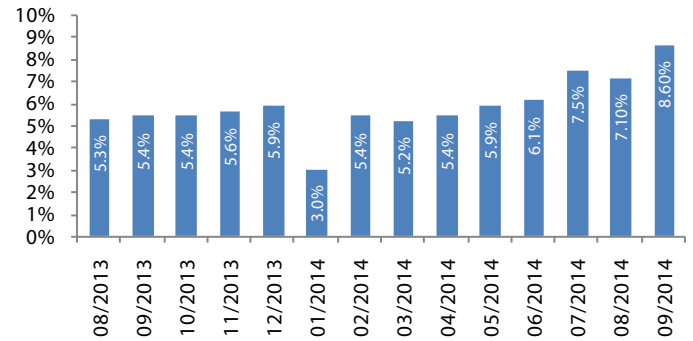
MACRO WATCH

Graph 1: GDP Growth



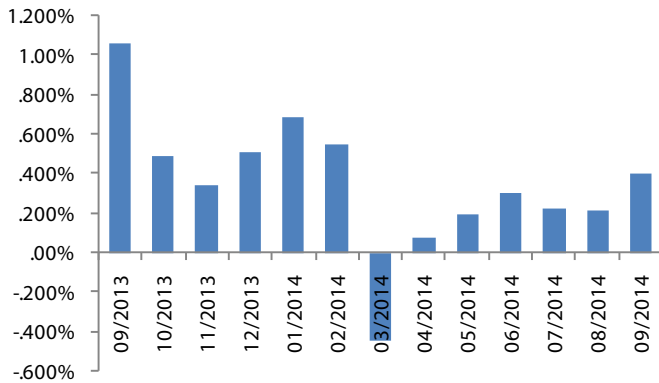
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



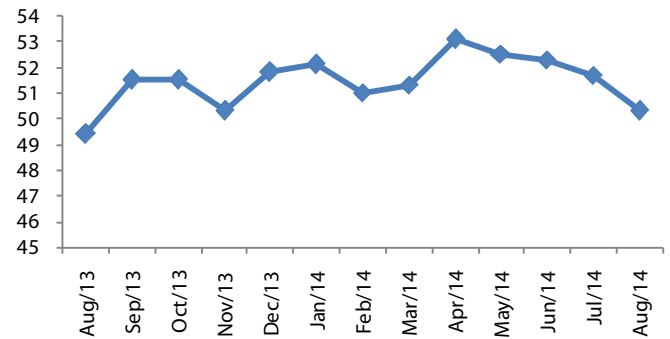
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



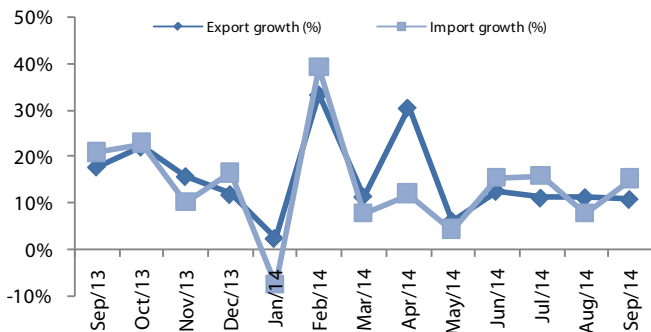
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



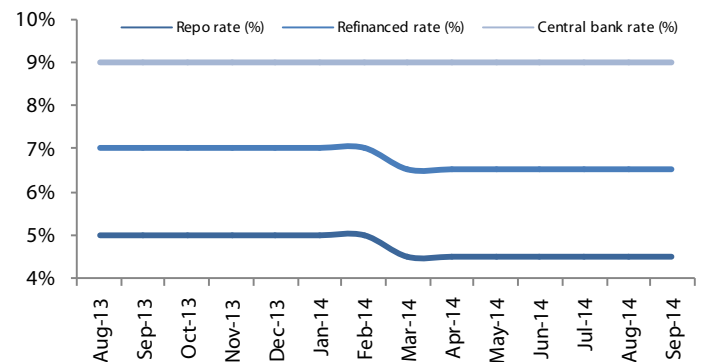
Sources: GSO. Rongviet Securities database

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
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
HPG - On the way to dominate nationwide’ market shares	Aug 12 th , 2014	Accumulated – Intermediate-term	66,400

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	23/09/2014	0-0.75%	0-2.5%	11,702	11,645	0.49%
VF1	26/09/2014	0.20% - 1.00%	0.50%-1.50%	23,267	23,041	0.98%
VF4	24/09/2014	0.20% - 1.00%	0.00%-1.50%	10,541	10,868	-3.01%
VFA	26/09/2014	0.20% - 1.00%	0.00%-1.50%	7,690	7,709	-0.25%
VFB	26/09/2014	0.30% - 0.60%	0.00%-1.00%	11,709	11,532	1.53%
ENF	19/09/2014	0.00% - 3.00%		10,761	10,705	0.52%

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