

- Consumption decreased slightly – Macro picture has not changed much
- 590 points and then...

**Consumption decreased slightly – Macro picture has not changed much**

GSO has just issued socioeconomic report for July, 2014, in general, all macro indicators (IIP, industrial consumption, retail sales...) show improvements compared to the same period and stand at the highest level within 3 recent years.

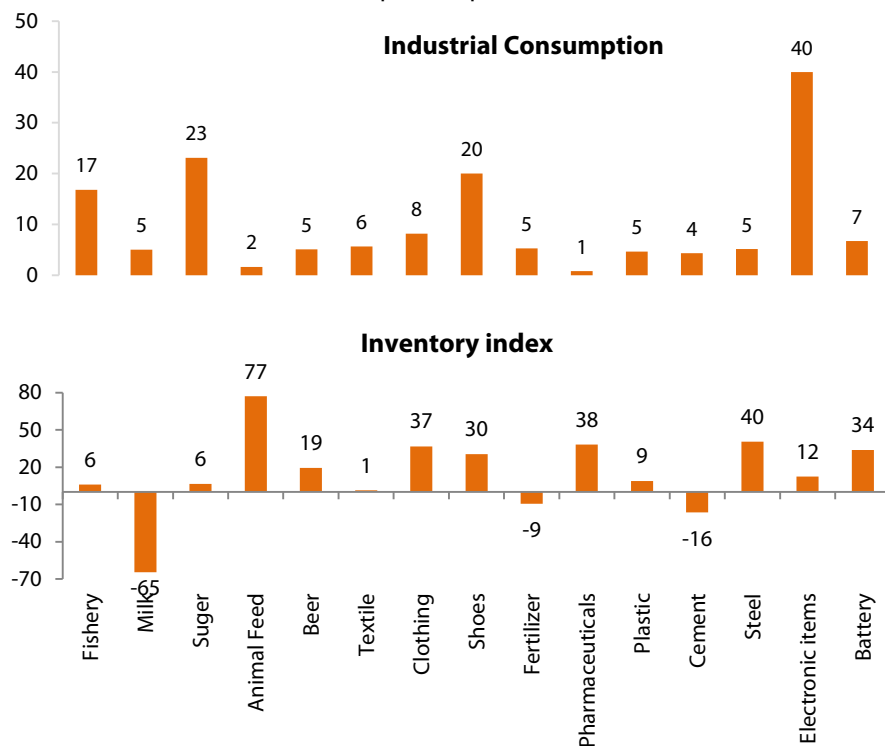
	7M-2013	7M-2014	Up/down
IIP (%)	5.2	6.2	+
Industrial consumption index (%)*	8.3	8.8	+
Retail sales (%)	4.9	6.3	+
Inventory index (%)	8.8	13.2	++
Disbursement FDI (USD billion)	6.7	6.8	+
Trade surplus/deficit (USD billion)	(1.1)	1.2	
Export (USD billion)	74.0	83.9	++
Import (USD billion)	74.6	82.7	++
CPI (%)	7.29	4.94	-
New establishment company	45,589	42,398	-
Dissolved and go out of business company	34,255	37,612	++

\*End of June

Source: GSO

“Macro picture has not changed much”

To go deep into details, we suppose that public demand is the most important factor of current macro environment. Both industrial consumption and retail sales decreased slightly compared to the last month, especially, inventory index stand at high, increased by 13.2% yoy while that of 2013 was just 8.8%. Narrowing statistic data to some industries which have listed company on Vietnam stock market, we notice some important points below:



Source: GSO, RongViet Securites

On the contrary, industries have higher rates in inventories in comparison with the same period such as animal feed (77%), steel (40.4%) and pharmacy (38.4%). According to our analyst, due to declined feed materials, feed companies took advantages to import ingredients and an improvement in consumption would be occurred in the second-half year. In term of pharmacy industry, the decision related to medicine auction regulation has been made negative impacts on revenues in companies among the industry; meanwhile the Steel industry has been facing surplus supply, and most of steel companies have not been full of capacity. Moreover, a decline in consumption usually happens in 3Q2014 as seasonable factor.

For retail sales, consumption in July decreased again (-4%) after the recovery in the previous three months. In the first 7 months of 2014, foreign sector recorded the highest growth (+26.1%), next was private sector (+11.3%) and last was own-stated (+7.8%). Retail sales in 7 months gained 6.3% (after excluding inflation) and higher than that of the same period in 2013 (~4.9%).

### **590 points and then...**

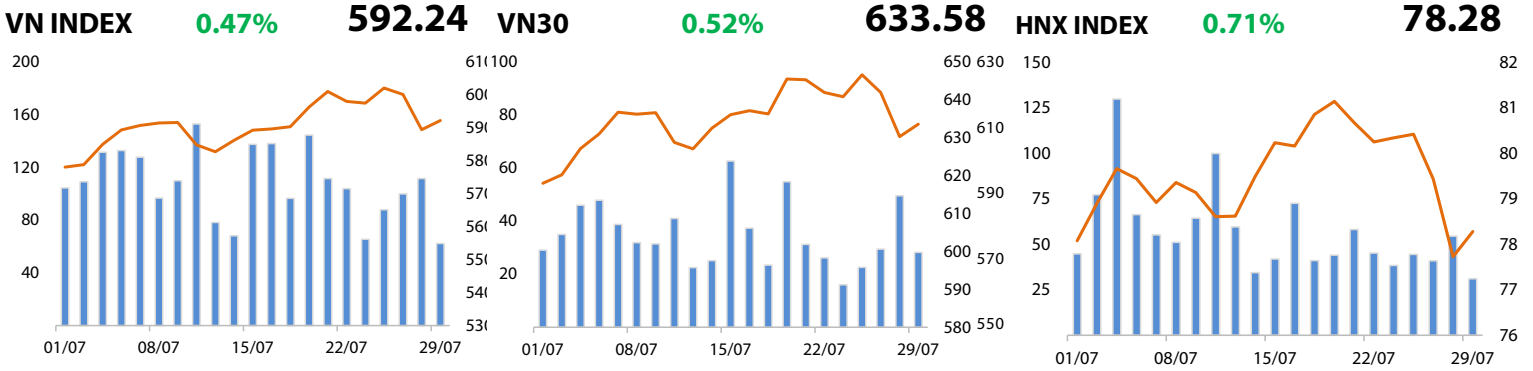
We do believe just a single adjustment yesterday is not enough to create an attractive price for many stocks. However, market sentiment have been improved significantly due to Moody's has today upgraded Vietnam rating (from B2 to B1 – stable outlook). VNIndex thus got over 590 points thanks to many leaders like BVH, MSN, VNM, VIC and VCB, on HNX bourse, PVS was still the most outstanding shares.

According to the statistic on both bourses, there has been 388/661 listed companies publishing 2Q2014 business results. The influence in 2Q2014 earnings updates seems to be familiar with investors in recent days and newly supporting information is unlikely to be appeared. However, we expect that it would bring positive impacts as capital flows is believed to be sustainable on both markets in the remaining months this year. Thus, the investor that had taking-profit partly and had high proportion in cash should observe to re-disburse into tickers having optimistic revenue and profit in the second-half year.

**My Tran**

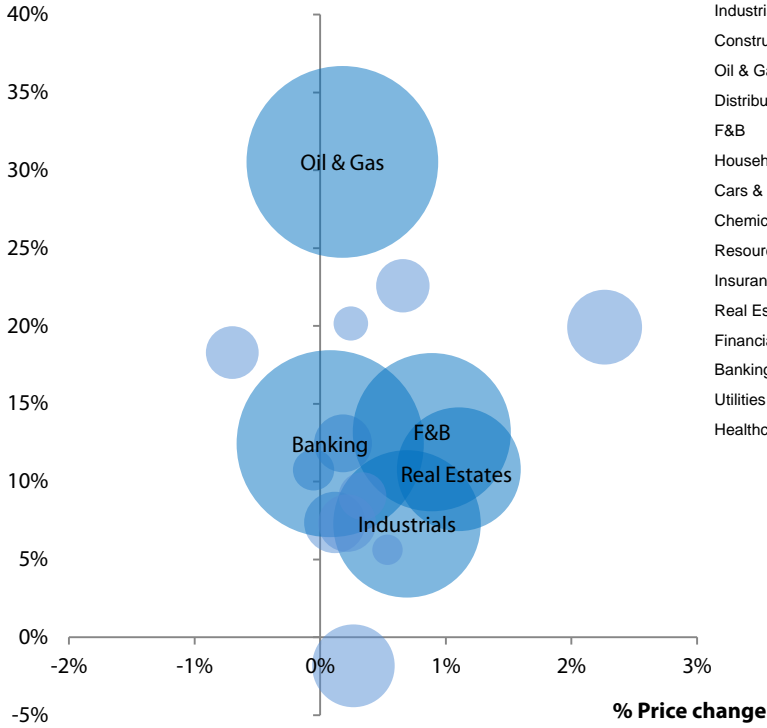
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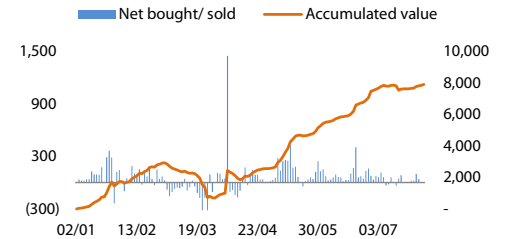


**Industry Movement**

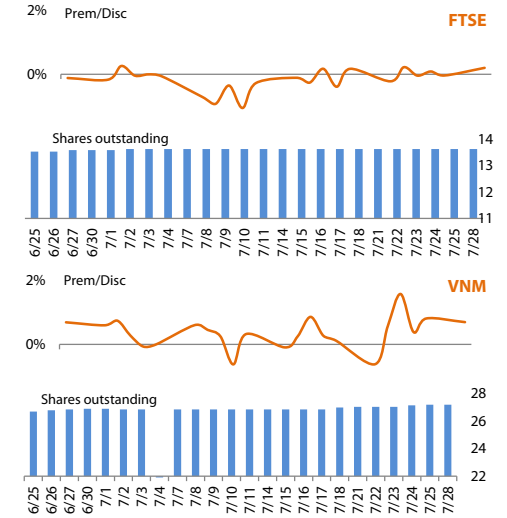
**Industry ROE**



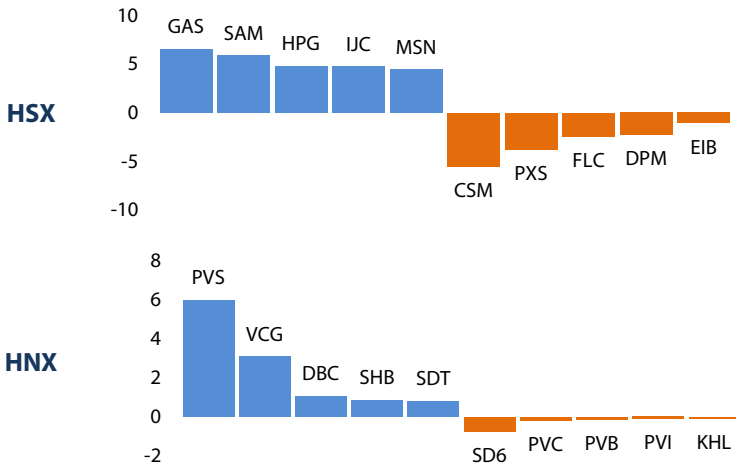
**Foreign Investors Trading**



**ETF**



**Top net bought/sold by foreigners (VND bn)**



**Top Active**

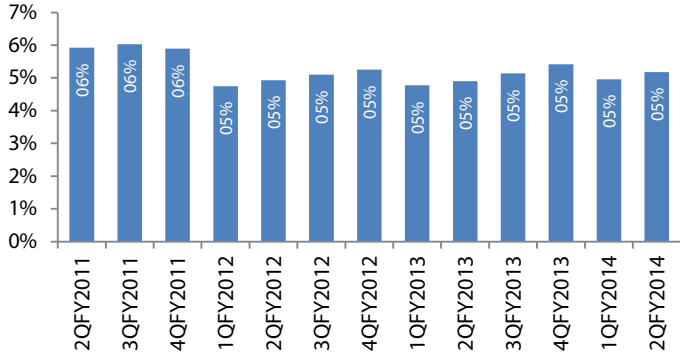
Ticker	Price	Volume	% price change
FLC	12.50	9.96	0.0%
VHG	9.00	2.92	-2.2%
HQC	7.40	2.81	4.2%
SAM	10.00	2.31	3.1%
ITA	7.70	2.29	1.3%

Ticker	Price	Volume	% price change
KLS	11.00	3.22	1.4%
PVX	4.40	2.68	-0.2%
KLF	11.00	2.53	0.8%
SCR	8.30	1.94	0.8%
PVS	32.60	1.71	-0.6%

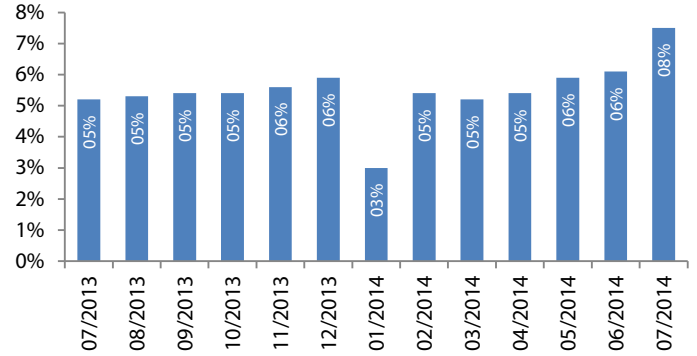
**MACRO WATCH**

**Graph 1: GDP Growth**



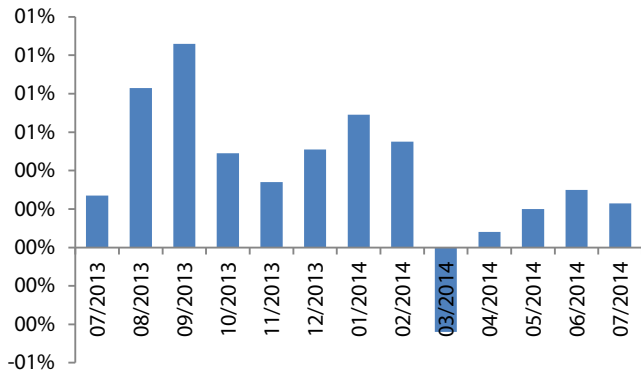
Sources: GSO, Rongviet Securities database  
(\* Comparison price in 1994)

**Graph 2: IIP**



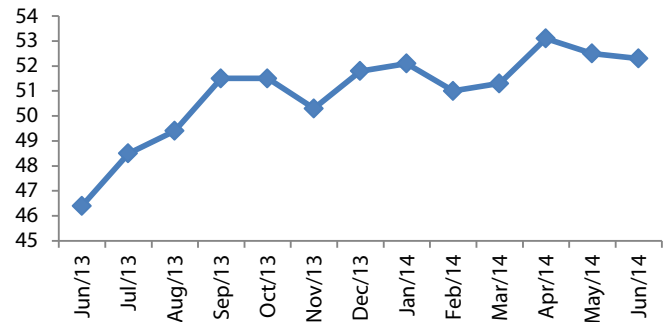
Sources: GSO, Rongviet Securities database

**Graph 3: Monthly CPI**



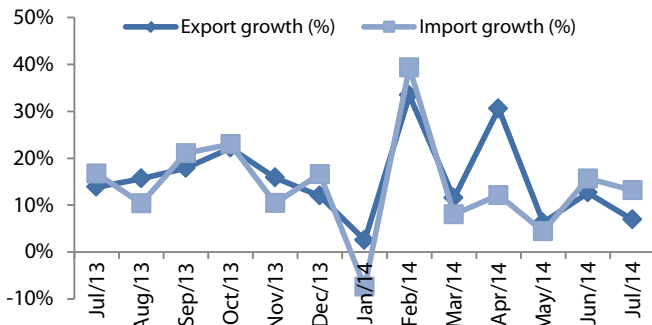
Sources: GSO, Rongviet Securities database

**Graph 4: HSBC - PMI**



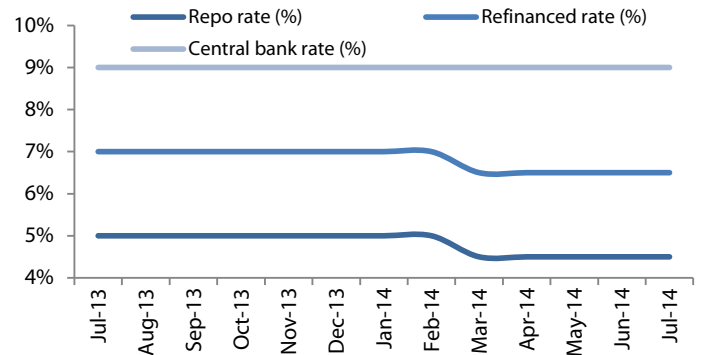
Sources: GSO, Rongviet Securities database

**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
DBC-Benefit from decline in material price	May 27 <sup>th</sup> , 2014	Buy – Long-term	28,000
FPT-Leaping revenue	May 27 <sup>th</sup> , 2014	Accumulate – Intermediate-term	51,600
NBB-Strengthened cash flows	May 07 <sup>th</sup> , 2014	Buy – Long-term	36,300
DIG-Reboot	April 28 <sup>th</sup> , 2014	Accumulated – Long-term	19,200
HPG-Sustainable Development	April 24 <sup>th</sup> , 2014	Accumulated – Intermediate-term	55,100

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	22/07/2014	0.75%	0.75%	11,065	11,000	0,59%
VF1	24/07/2014	0.20% - 1.00%	0.50%-1.50%	22,261	21,961	1,36%
VF4	23/07/2014	0.20% - 1.00%	0.00%-1.50%	10,157	9,975	1,83%
VFA	25/07/2014	0.20% - 1.00%	0.00%-1.50%	7,516	7,479	0,50%
VFB	25/07/2014	0.30% - 0.60%	0.00%-1.00%	10,982	10,975	0,07%
ENF	18/07/2014	0.00% - 3.00%		10,105	10,009	0,96%

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