

“Market  
hesitates  
around  
points  
of  
VNIndex”

630  
of

- After IPO, whether if Sasco’s business result is as effective as Masco’s or Nasco’s?
- Market hesitates around 630 points of VNIndex

**After IPO, whether if Sasco’s business result is as effective as Masco’s or Nasco’s?**

Tomorrow, on September 18, 216 investors will join the initial public offering auction of Southern Airport Services company Tan Son Nhat (SASCO) at HNX exchange. With registration numbers more than 4.6 times than auction numbers, this IPO got more concerns from investors. One the one hand, SASCO is the biggest Airport services company in Vietnam, and another thing is that Airport services industry is a monopoly and high profit margin.

As our reference, In Vietnam, two other enterprises running the similar business to Sasco are Masco (Da Nang Airport Services Joint Stock Company) and Nasco (Noi Bai Airport Services Joint Stock Company), belong to Vietnam Airlines, separating areas into Middle and Northern of Vietnam. In particularly, Sasco is subsidiary company of ACV (Airports Corporation of Vietnam) and take over Southern Airports.

Two mainly differences between Sasco and Nasco is that Sasco’s size of equity as well as authorized capital is higher as many times as two others. Simultaneously, Sasco relatively diversifies their operating activities, whereas two others concentrate on their core business. Revenue of Nasco and Masco is constituted adequately by Airport and Flight catering services, taxi services, transport and loading services...in airport. Meanwhile, Sasco’s revenue almost comes from duty free shop and Sasco Tan Son Nhat commercial center. Additionally, Sasco also expand their business to Real Estate, Travel, Entertainment and Transporting. Net asset value of Sasco is relatively high, including fixed asset and financial investment. We believe that low efficiency from these investments might leads to devaluation of Sasco, as compared to Nasco and Masco.

**Table: Financial ratios of SASCO, MASCO và NASCO**

	Unit: bn VND					
	2012			2013		
	SASCO	MASCO	NASCO	SASCO	MASCO	NASCO
Revenues	1,809.7	127.6	591.1	2,008.4	173.6	573.2
PBT	109.6	13.1	208.0	122.5	30.6	210.1
PAT	98.9	9.7	53.5	92.4	22.8	36.8
Equity	901.1	33.3	136.3	911.7	53.3	144.3
Total Asset	1,571.1	68.0	289.5	1,563.4	100.2	226.8
Outstanding share (mn)	79.8*	3.0	8.3	88.7*	3.0	8.3
Gross profit margin	6.1%	10.3%	35.2%	6.1%	17.6%	36.7%
Net margin	5.5%	7.6%	9.0%	4.6%	13.1%	6.4%
ROA	6.3%	14.3%	18.5%	5.9%	22.8%	16.2%
ROE	11.0%	29.2%	39.2%	10.1%	42.8%	25.5%
EPS (VND/share)	1,240	3,233	6,430	1,041	7,582	4,421

Source: RongViet Research

Our customers asked us whether IPO story of Sasco will be the same as Nasco and Masco. After initial public offering, Nasco (2005) and Masco (2006), both companies had strong improvement

in business activities with increasing revenue and profit. Nasco and Masco always maintained high ROE ratios, with 25.47% and 42.77% respectively in 2013, in contrast to 10.13% of Sasco.

We suppose that if shareholder structure and board governance did not change so much, it is difficult to offer positively benefit for the big company like Sasco. However, the effect of restructuring and improvement of Sasco are great and investment decisions on Sasco will put in the change.

### **Market hesitates around 630 points of VNIndex**

Today, both bourses showed a slight and evenly increase in the morning session, VNIndex exceeded 630 points many times yet the correction happened in the afternoon. Similar to what we observed from yesterday's trading session, a number of Oil&Gas stocks today again were traded below its reference price. Though there has seen a reducing pressure on demand for this group, but Oil& Gas stocks still closed in green at the end of the day. In fact, we saw that investor's sentiment has cooled down at this group today. Instead, cash flow focused more on securities' shares. Based on reasoning that securities companies could be favored when liquidity is maintaining high level, especially brokerage services and proprietary trading, investors are quite confidence to "put the money" to securities shares. That expectation was much supported as SSI announced 3QFY2014' EBT would lead the annual revenue guidance of VND600 billion. Overall turnover of listed securities' tickers reached VND 1,248 billion, increase by VND 925 billion compared to yesterday' session, the most strongest shares were KLS, SSI, HCM with total trading value of VND 851 billion.

In closing time, total trading value on both exchanges was VND 5,401.8 billion. In which, HNX bourse contributed to it with a spectacular amount of VND1,982.2 billion, the highest record since the early of this year. Similar to yesterday, foreign investors continued to net sell with a total value of VND 382.2 million on both exchanges. GMD and HAG relating to ETFs were net sought.

Today, RongViet Research has issued the 2014 result update for the stock **of PetroVietnam Drilling and Wells Services Corp (PVD-HSX)** with an accumulation rating on the stock in the long-term. Our analyst supposed that business result of PVD had positive outlook due to oil and gas exploration activities in Vietnam as well as in the region in 2014 and next year. At the same time, PVD also invests to improve service capacity in terms of positive rig rent service and other services. The new thing of PVD result update is the deep analysis related to joint ventures with foreign partners. More detail with PVD analyst, Ha My Tran said that there was no reason to buy PVD at this time, however, it will be a good stock to accumulate or hold.

**Diem My Tran**

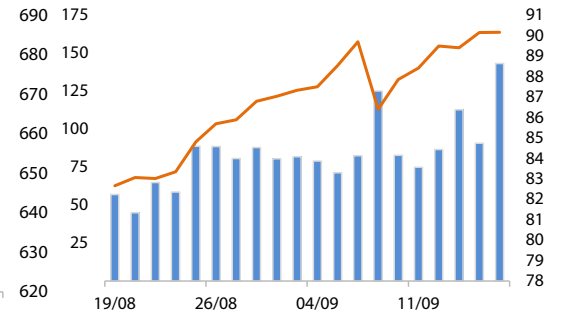
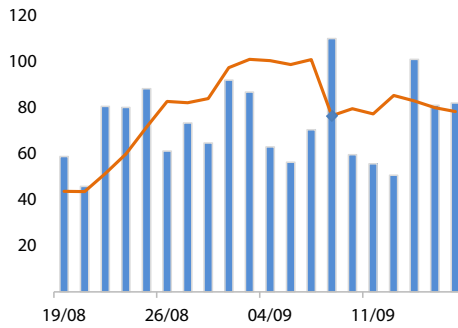
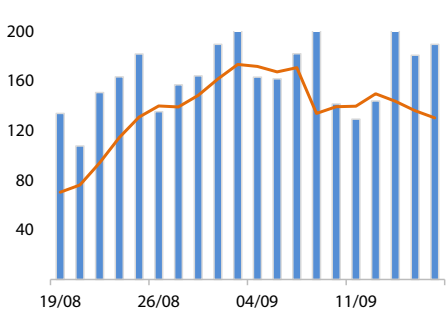
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**VNINDEX** -0.32% **625.66**

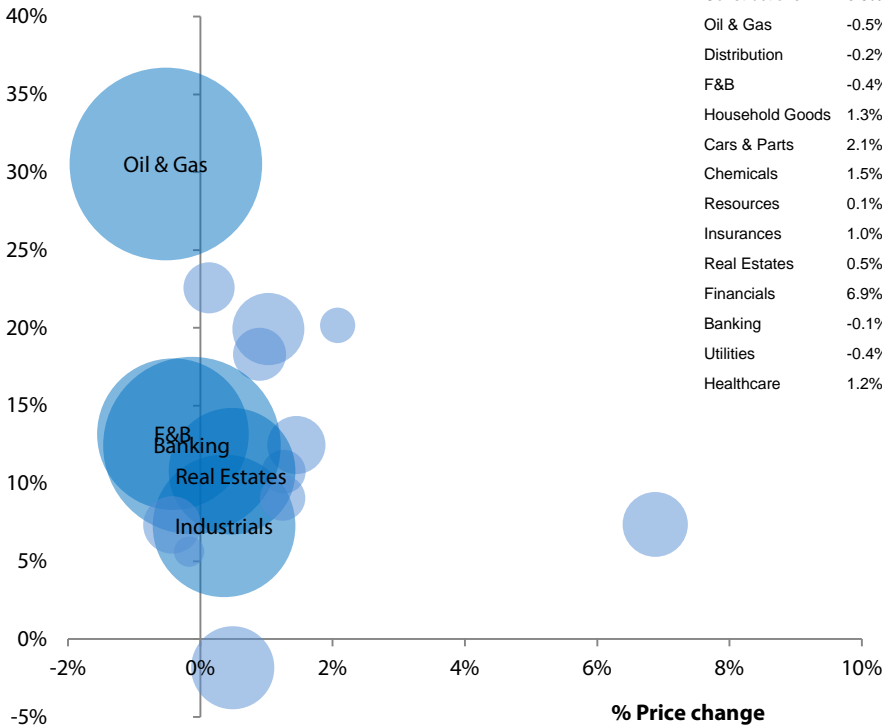
**VN30** -0.15% **665.66**

**HNXINDEX** 0.01% **90.16**

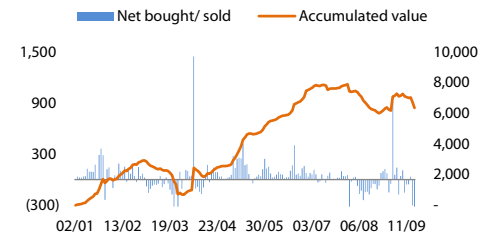


**Industry Movement**

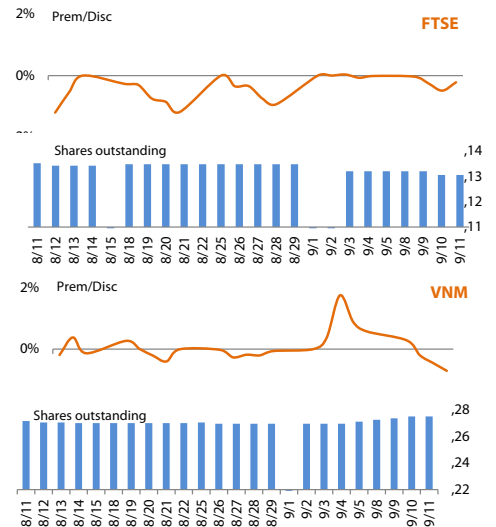
**Industry ROE**



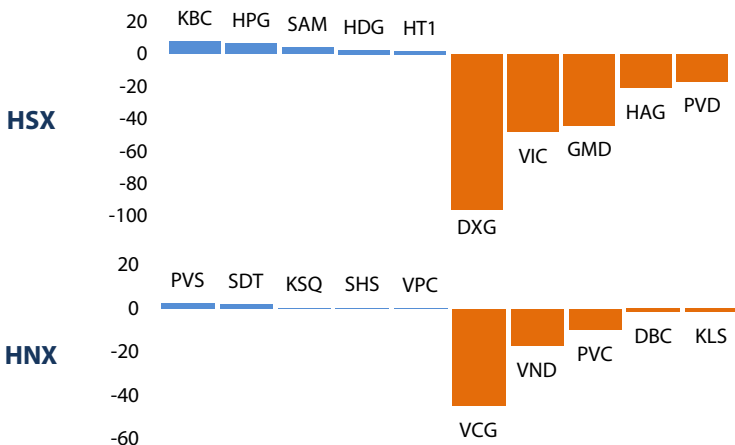
**Foreign Investors Trading**



**ETF**



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



**Top Active**

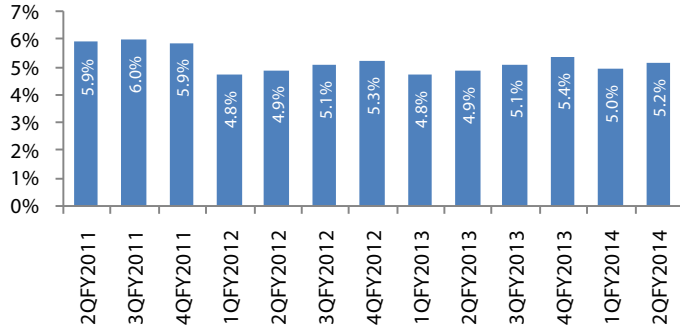
Ticker	Price	Volume	% price change
FLC	12.0	21.81	0.8%
SSI	30.9	14.44	6.9%
DXG	15.7	8.21	-3.7%
VHG	10.9	6.80	6.9%
ITA	8.8	6.46	0.0%

Ticker	Price	Volume	% price change
KLS	13.70	19.04	9.6%
PVX	6.30	15.31	-1.6%
KLF	13.10	11.23	0.8%
SCR	10.40	7.90	4.0%
SHS	13.10	6.95	4.8%

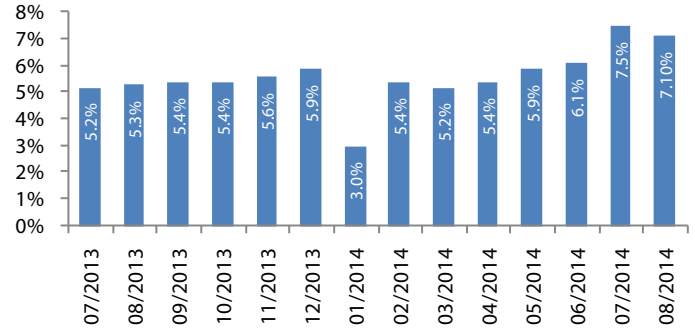
**MACRO WATCH**

**Graph 1: GDP Growth**



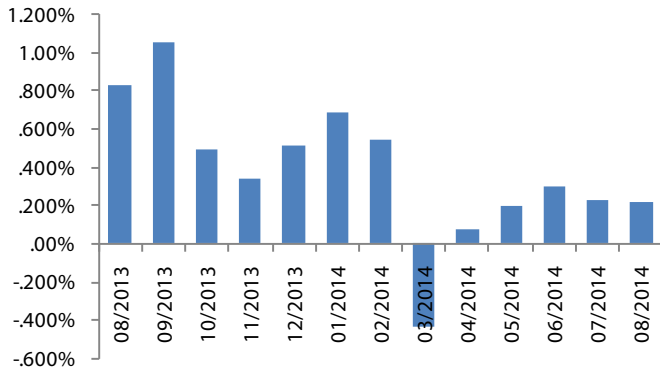
Sources: GSO. Rongviet Securities database  
(\* Comparison price in 1994)

**Graph 2: IIP**



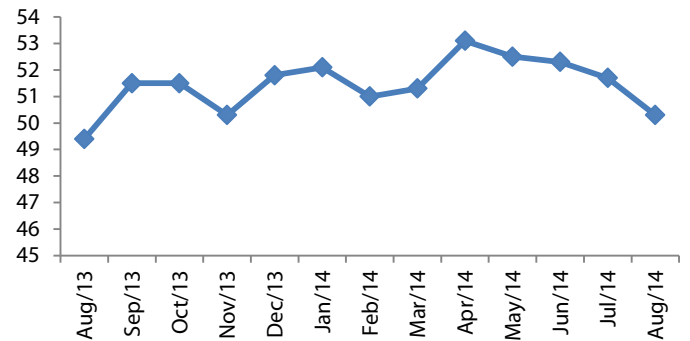
Sources: GSO. Rongviet Securities database

**Graph 3: Monthly CPI**



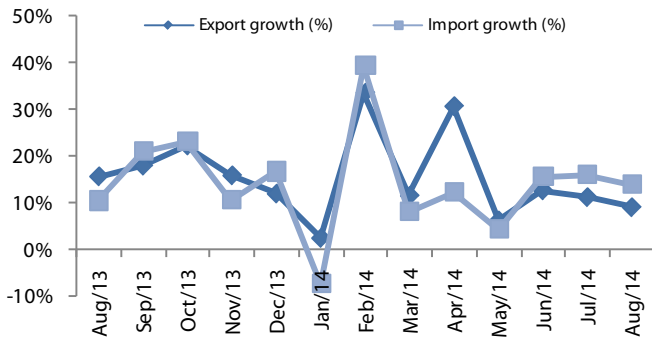
Sources: GSO. Rongviet Securities database

**Graph 4: HSBC - PMI**



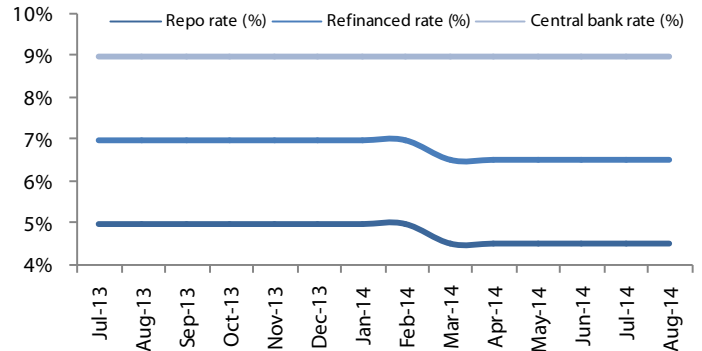
Sources: GSO. Rongviet Securities database

**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
REE - Solid ground s for sustainable growth	Sept 9 <sup>th</sup> , 2014	Neutral - Long term	29,700
HSG - The hard part has gradually done!	Aug 21 <sup>st</sup> , 2014	Accumulate – Intermediate term	48,100
HPG - On the way to dominate nationwide’ market shares	Aug 12 <sup>th</sup> , 2014	Accumulated – Intermediate-term	66,400
NBB - A new chapter with co-investment	Jul 31 <sup>st</sup> , 2014	Buy – Intermediate term	27,400
DBC- Benefit from decline in material price	May 27 <sup>th</sup> , 2014	Buy – Long-term	28,000

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	09/09/2014	0-0.75%	0-2.5%	11,476	11,440	0.31%
VF1	11/09/2014	0.20% - 1.00%	0.50%-1.50%	23,531	23,744	-0.90%
VF4	10/09/2014	0.20% - 1.00%	0.00%-1.50%	10,733	10,900	-1.53%
VFA	12/09/2014	0.20% - 1.00%	0.00%-1.50%	7,777	7,830	-0.67%
VFB	12/09/2014	0.30% - 0.60%	0.00%-1.00%	11,451	11,262	1.67%
ENF	05/09/2014	0.00% - 3.00%		10,740	10,703	0.35%

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