

- **Market increased thanks to leading stocks**
- **Export activities in the first 6 months of 2014**
- **HSG: Update financial results**

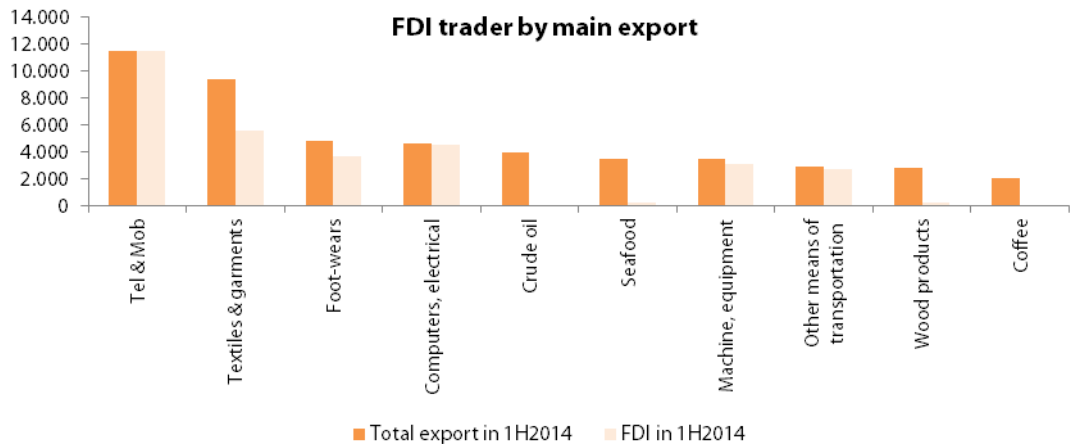
Market increased thanks to leading stocks

During this week, the market overall fluctuated in the context of investors’ stable to positive philosophy as expected. VNIndex increased slightly, closed at 596.26 (+1.71% compared with last week) while HNX-Index obtained 79.49 (+2.08% compared with last week). Information that HD981 oil rig in the middle of week affected negatively on the market but the effect did not last long. At the end of today’s session, thanks to the major tickers such as VNM, FPT, PVD, the market increased to exceed the foundation of 595 in VNIndex. The ticker VNM, as result of the issue of bonus stock at the rate of 20%, increased by VND4,000 (+3.1%). The rumor about cooperation between FPT and Apple push FPT’s price to the ceiling price of VND52,500. So far, the quarterly financial results for most companies on the exchanges have been declared. On the upward trend during the prior weeks, VNIndex was expected to continue rising and would fluctuate around 600 of this week.

Export activities in the first 6 months of 2014

General Department of Vietnam Customs has just released statistic data about Vietnam’s import and export in 1H2014. The top exporting sectors by value were mobile phones and components, textile, shoes and sandals, computers and accessories, crude oil, fishery, etc. Fishery brought home USD3,550mn with highest growth rate of 27.7% YoY. Export value of computers, gadgets, tools and components was USD4,610mn, reduction of 3.35% YoY.

“Market increased thanks to leading stocks”



Source: General Department of Vietnam Customs

In term of industries whose export value less depended on FDI companies’ contribution, aquatic products and textile were outstanding in top 10 industries on export value. They were also two of prospective sectors discussed in Strategy report of July.

According to VASEP, total amount of exported seafood has maintained its upward trend thanks to shrimp contributors of nearly 50% total values. Moreover the upward trend is relatively remarkably, especially Whiteleg shrimp (+212% to the same period). In our analyst’s opinion, the seafood market had been still in the middle of hardship stage, re-aquaculture activity has not been encouraged due to fluctuated prices influencing to fishermen’s sentiment. However, some

seafood companies such as Vinh Hoan (VHC), Hung Vuong (HVG) still witnessed optimistic perspectives thanks to their own Pangasius supplies of over 70% and the adjustment of antidumping duty. Particularly after the brief review of the tenth Administrative Reviews (POR10) of the US Department of Commerce (DOC), VHC continued to advance a rate of 0% for Pangasius meanwhile HVG group suffers a lower rate of 0.58 USD/kg, compared to 1.2 USD/kg of the prior period.

Export value of textile sector increased 19.8% YoY. FDI companies maintained 60% proportion of total export value in the situation that foreign companies have been investing in textile factories and product lines in Vietnam in anticipation of TPP. However, according to our analysts, the FDI proportion in textile exporting value has not increased is due to the time-consuming of building and putting into operation for a textile production line. Hence, in the coming years, FDI companies are expected to boost textile exporting values and also Vietnam's textile exporting values.

HSG: Update financial results

HSG has just announced Q3 earning results of the fiscal year of 2013-2014, to be specific, revenue was about VND4,322.7 bn (+32% yoy), nonetheless, EAT was just VND110.7 bn (-40% yoy). It is worthy to note that sales volume in this quarter increased sharply (+32% qoq) thanks to the peak season of building materials market (i.e. April and May), in addition, new cold rolling line No.4 came into operation in the early of June. Export volume maintained quite stable in the first three quarters (about 28,500 tons of finished products per month).

In the first three quarters of this fiscal year, HSG' revenue was reported about VND10,963.3 bn (+28% yoy) and EAT was about VND281.3 bn (-47% yoy). The gain of revenue came from high selling volume (+37% yoy), reached 595,411 tons. On the other hand, the dramatic drop of profit is because company has no longer taken benefits from material speculation, we estimate gross margin downed to around ~12% in comparison to 16% of the same period.

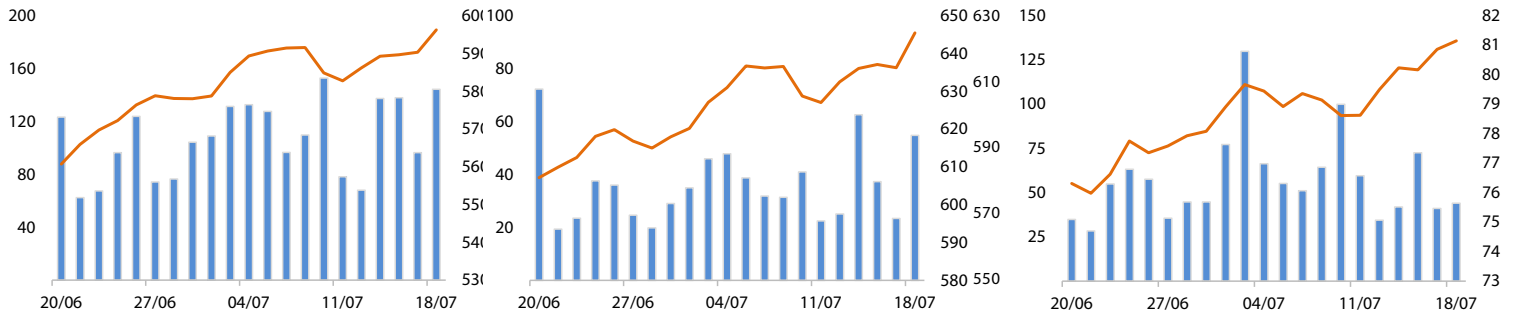
According to seasonal effects, gross margin of the last quarter usually decreases due to the low consumption season in domestic as well as exports (Ramadan holiday will begin in August at some important markets of HSG – typically Indonesia). However, we expect gross margin will be maintained thanks to: (1) negative effects from materials speculation is discounted into the first three quarters of this fiscal year; (2) cold rolling line No.5 is expected to run into operation in August, 2014 which will decrease outside service expenses. Estimated EAT for FY2013-2014 is about VND404 bn (-30% yoy), equivalent to EPS about VND4,013. Estimated P/E is 11.3 times, if just looking into FY 2013-2014 earning results only, we do not rate HSG as an attractive stock. However, from FY2014-2015 (from October, 2014), when new production lines ran into operation stably, we think HSG' business prospect would be improved. Thus, investors should FOLLOW this share in the next 3-6 months in order to find out reasonable investment time.

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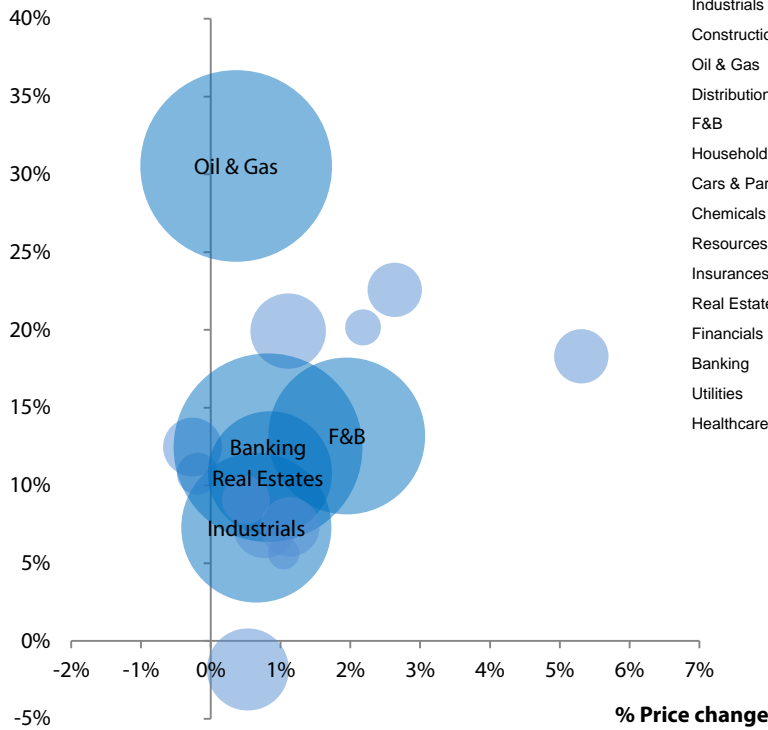
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VN INDEX 1.00% **596.26** **VN30** 1.45% **645.52** **HNX INDEX** 0.36% **81.14**

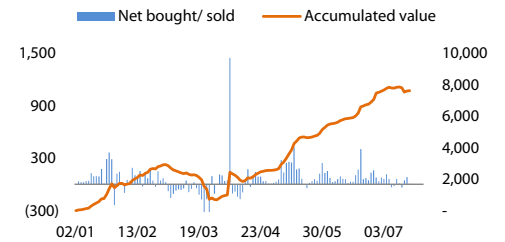


Industry Movement

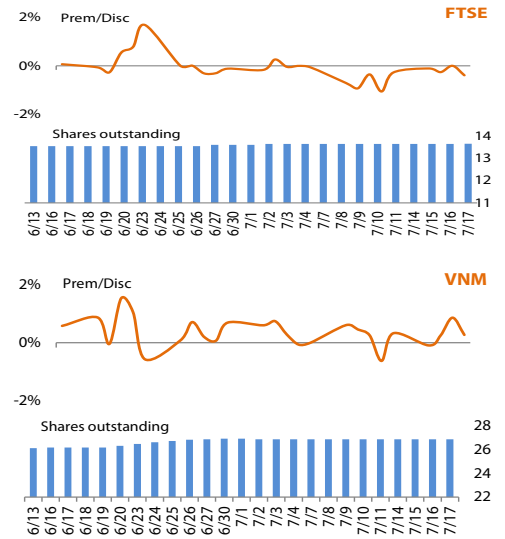
Industry ROE



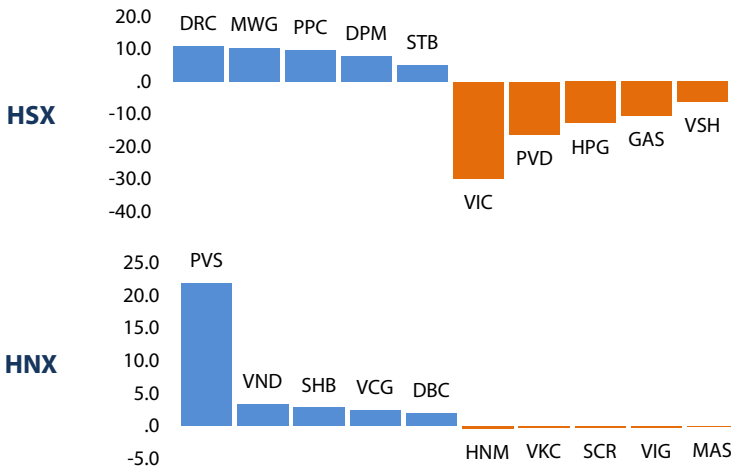
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



Top Active

Ticker	Price	Volume	% price change
FLC	13.20	26.70	0.8%
HQC	8.30	11.40	2.5%
FPT	52.50	4.00	6.3%
SSI	26.80	3.10	1.9%
OGC	11.80	2.80	3.5%

Ticker	Price	Volume	% price change
KLS	12.30	4.60	0.0%
SCR	9.30	3.80	0.0%
PVX	4.60	3.40	0.0%
SHB	9.20	2.90	1.1%
PVS	34.40	2.90	1.8%

WEEKLY TECHNICAL VIEW

VN-Index

VN-Index gained 13,49 points (or 2,3%), closed at 586,26. Trading volume reduced slightly with 510 million shares changed hands.

After moving down to support area at around 581, VN-Index turned up and passed its resistance at 595. Traders should watch for an extended move higher to upper trend line of the current price channel at 603 or a move back to its resistance at 581 to rebase before a move higher.

Looking at technical indicators, the RSI recoved and approached previous peak while the MACD has been trading roughly even. On weekly chart, a bullish moving average crossover occurred when the MACD moved above the signal line.

Potential negative divergences between VN-Index and MACD and RSI appeared but this is only



HNX-Index

HNX-Index rose 2,52 points (or 3,2%), closed at 81,14. Liquidity reduced slightly (11%) with 223 million shares changed hands.

From its support at 78, HNX-Index recovered strongly and move higher past its resistance at 79,5. Traders should watch for an extended move higher to 82 or a move back to retest the 79,5 threshold.

Looking at technical indicators, the MACD appears relatively neutral while the RSI is slightly overbought at 67,9.

Unlike VN-Index, there was no potential negative divergence on HNX-Index.



Recommendation:

Both VN-Index and HNX-Index turned up strongly from their supports and now are moving towards higher targets. Traders consider holding stocks longer for higher profits.

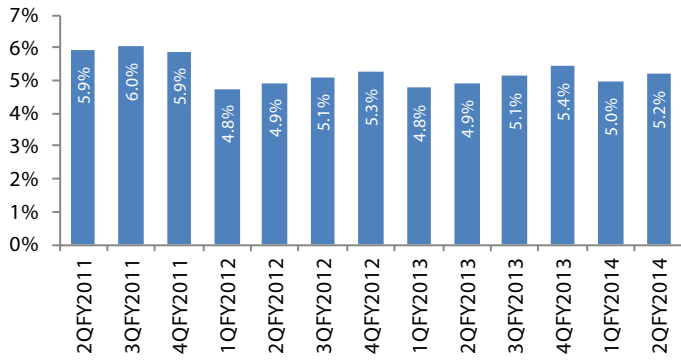
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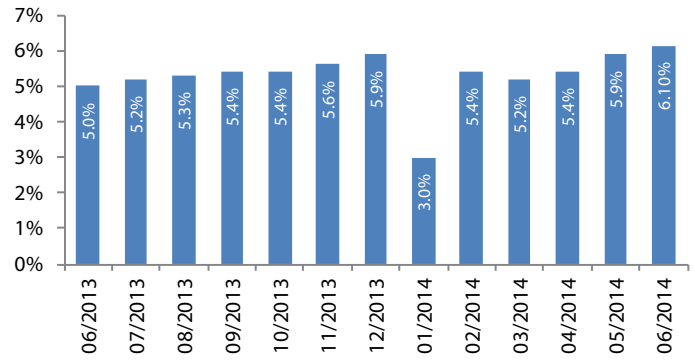
MACRO WATCH

Graph 1: GDP Growth



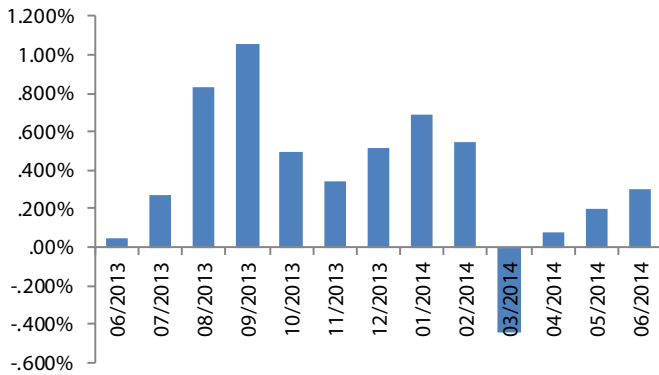
Sources: GSO, Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



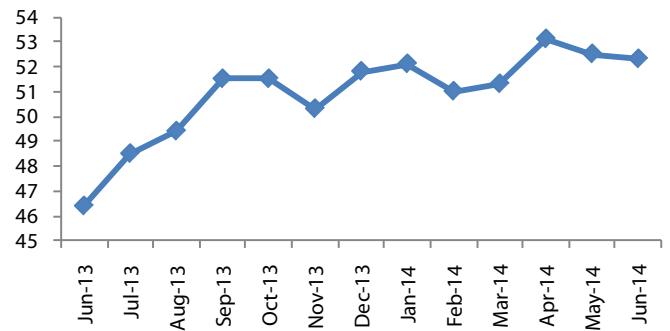
Sources: GSO, Rongviet Securities database

Graph 3: Monthly CPI



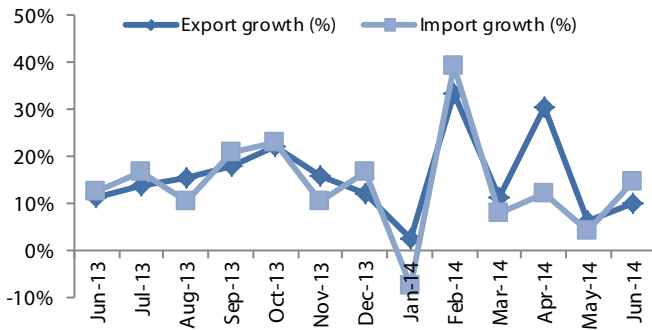
Sources: GSO, Rongviet Securities database

Graph 4: HSBC - PMI



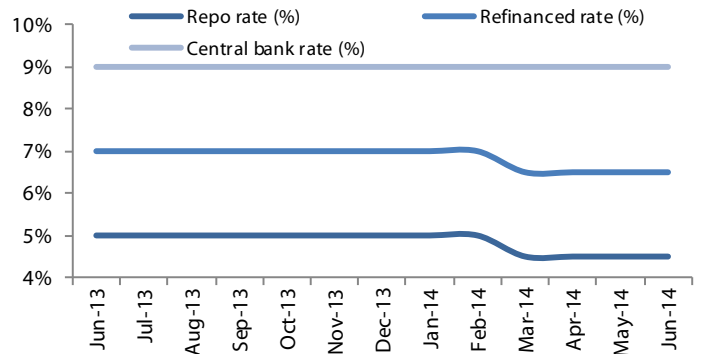
Sources: GSO, Rongviet Securities database

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 th , 2014	Buy – Long-term	28,000
FPT-Leaping revenue	May 27 th , 2014	Accumulate – Intermediate-term	51,600
NBB-Strengthened cash flows	May 07 th , 2014	Buy – Long-term	36,300
DIG-Reboot	April 28 th , 2014	Accumulated – Long-term	19,200
HPG-Sustainable Development	April 24 th , 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	01/07/2014	0.75%	0.75%	10,881	10,833	0.44%
VF1	03/07/2014	0.20% - 1.00%	0.50%-1.50%	21,377	21,100	0.60%
VF4	02/07/2014	0.20% - 1.00%	0.00%-1.50%	9,704	9,527	1.86%
VFA	04/07/2014	0.20% - 1.00%	0.00%-1.50%	7,411	7,377	0.47%
VFB	04/07/2014	0.30% - 0.60%	0.00%-1.00%	10,853	10,799	0.50%
ENF	27/06/2014	0.00% - 3.00%		9,888	9,785	1.05%

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