

MARCH

09

MONDAY

“Foreign investors remained net-selling for the second session”

ADVISORY DIARY

- **Upcoming listing – Hai An Transport and Stevedoring JSC (HSX:HAH)**
- **Foreign investors remained net-selling for the second session**

Upcoming listing – Hai An Transport and Stevedoring JSC (HSX:HAH)

As the Vietnamese government signaling green light on divestment of greater state investments at State owned marine ports in the process of equitizing state owned enterprises has attracted more attention from local and international organizations interested in the field of marine port operation recently. On this occasion, RongViet Research would like to introduce to investors another port operator whose shares would be listed on HSX on March 11, 2015. That is Hai An Transport and Stevedoring JSC (HSX: HAH).

HAH’s main businesses are port services and sea transport with major operation at Hai An port (Hai Phong). Categorized to be a deep port, Hai An port (designed capacity of 250,000TEUS/ year) has various advantages such as located on Dinh Vu peninsula which makes it able to serve vessel weighed up to 1,800 TEUS (~ 20,000 DWT) . Hence, the port has achieved high utilization rate over the past years. In particular, we appreciate the fact that HAH’s warehousing and Depot system (CFS area: 4,000m2 and Depot area: 55,000m2) are technologically run by logistics management software (typically container locating software). This would significantly save waiting time, improve the quality of services and competitiveness for HAH relatively to other ports in Hai Phong area.

	+/- 2014 Revenue change	+/- 2014 NPAT change	2014 NPAT margin
VSC	12%	9%	28%
DVP	8%	16%	42%
DXP	-16%	-26%	25%
CLL	18%	-11%	33%
GMD	18%	-22%	5%
HAH	93%	61%	31%

Source: RongViet Research

In domestic transportation segment, HAH invested and commenced operation of Hai An Park ship (800TEUS) in 05/2014 and Hai An Song ship (1121TEUS) in 10/2014 on Hai Phong - Ho Chi Minh-Hai Phong route. They are new ships with designed speed of 18-20 knots/ hour, which is higher than the average of 11 knots/hour in Vietnam. This would be an advantage for HAH’s ships to save transporting time and be able to meet mother ship timetable even in bad weather conditions. Hence, it would minimize the unexpectedly airised cargo loading and storage expenses. Despite operating in short length of 2014, the total transporting volume in 2014 amounted to ~ 45,000TEUS. Therefore, the 2015E container shipping volume is targeted to increase by three times (y-o-y).

With North provinces’ trading activities expected to rise significantly due to import-export demand of electronics multi-national companies, throughput volume of Hai Phong port area in general and the port of Hai An in particular would likely grow considerably in coming years. However, there are some constraints on the growth potential of HAH. Firstly, the current single docking berth reduces the port’s ability in arranging and attracting more ships in the future.

Secondly, although demand is forecasted to increase greatly, oversupply situation is likely to occur after phase 1 of Lach Huyen port commencing operation in 2016 (Capacity: 1 million TEUS / year).

In the long term, with expected increasing competition in the port services sector, we rate highly HAH's BOD decision to choose domestic transport to be its strategic operation segment in the years to come due to (1) the Company's highly connected logistics supply chain of port-ship-transport fleet-stevedoring equipment's, (2) the ability to apply technology and good management experience to operation and (3) room for growth of domestic transport remains high.

Foreign investors remained net-selling for the second session

Today market closed in red across many share groups with more than 2/3 of the HSX listed tickers losing and nearly 80% of shares on HNX closed either falling or staying unchanged. Liquidity also declined with total daily volume and turnover on HSX falling respectively by 12.4% and 14.5%. Noticeably, VN-Index dipped below the 590 mark witnessed since the end of Lunar New Year holiday and especially the "absence" of the main pillars, for example; securities, mineral and Oil & Gas shares group seen in last week. Regarding VN30 -Index, only STB and HPG gained today. HPG gained 2.9% in today session as the company released information on its 2015 business and dividend payout plan. Specifically, HPG's dividend distribution would include 10 % cash and 20% in stock. In an important development, foreign investors remained to be net-sellers for the second session since the Lunar New Year holiday totaling nearly VND115 billions of net selling value.

RongViet Research attributes today market's decline to the following possible causes (1) VN-Index unable to break the resisting mark of 600 despite an exciting trading last week could blame on investors' fragile sentiment today especially at the session closing with strong selling pressure, (2) a revision of Circular 210/2012 / TT-BTC relating to Article 14 (Par 1, point b) regarding the increasing oversight of securities brokerage firms operation including possible suspension of securities firms operation having no improvement after having previous warning and incurring gross loss of over 50% of the chartered capital or having equity capital lower than legal threshold required for normal operation, (3) rumors on possible gasoline prices hike in the next coming days.

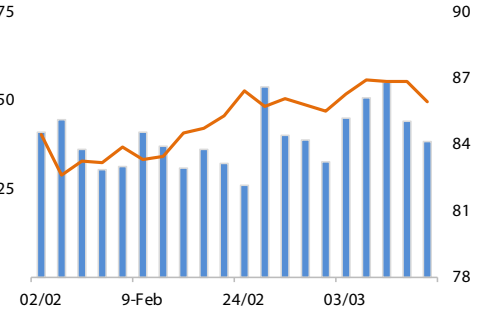
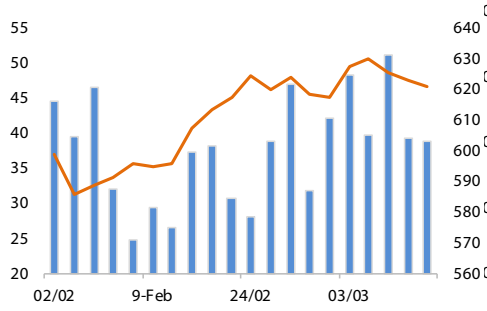
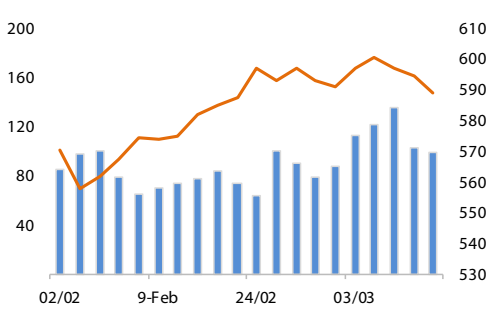
Despite today market's decline, we have seen neither a sign of widespread pessimism and leading share groups in the market. Therefore, investors are recommended to still hold shares, keep monitoring incoming market developments and updates further releases of companies' business plan in 2015 to assist shares accumulating decision amid possible correction sessions ahead.

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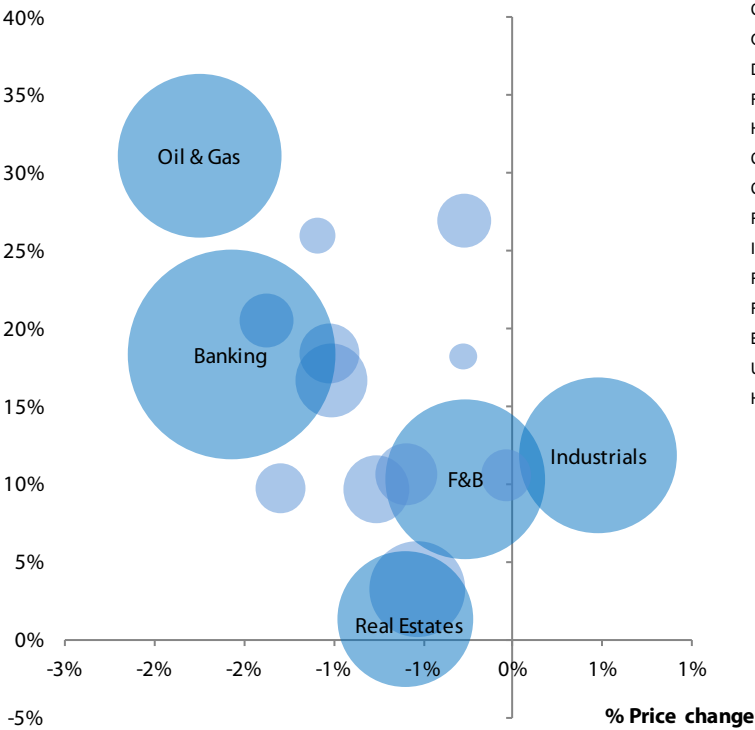
Hoang.nh@vdsc.com.vn

VNINDEX -0.93% 588.44 **VN30 -0.30% 620.88** **HNXINDEX -1.03% 85.90**



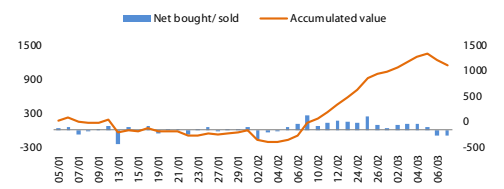
Industry Movement

Industry ROE

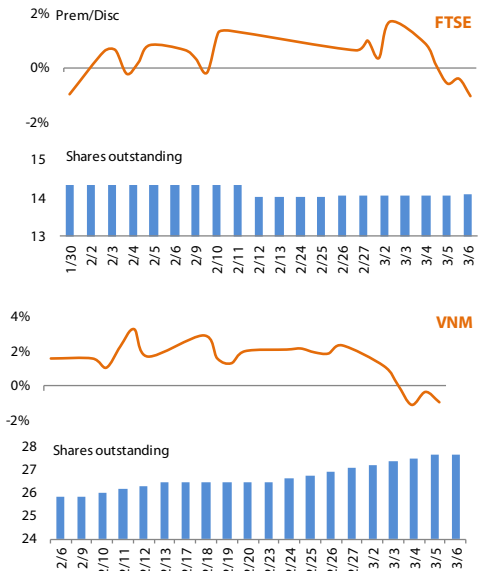


Industry	% change
Technologies	-1.4%
Industrials	0.5%
Constructions	-0.5%
Oil & Gas	-1.8%
Distribution	-0.3%
F&B	-0.3%
Household Goods	-1.3%
Cars & Parts	-1.1%
Chemicals	-1.0%
Resources	-0.3%
Insurances	-1.0%
Real Estates	-0.6%
Financials	-0.8%
Banking	-1.6%
Utilities	-0.6%
Healthcare	0.0%

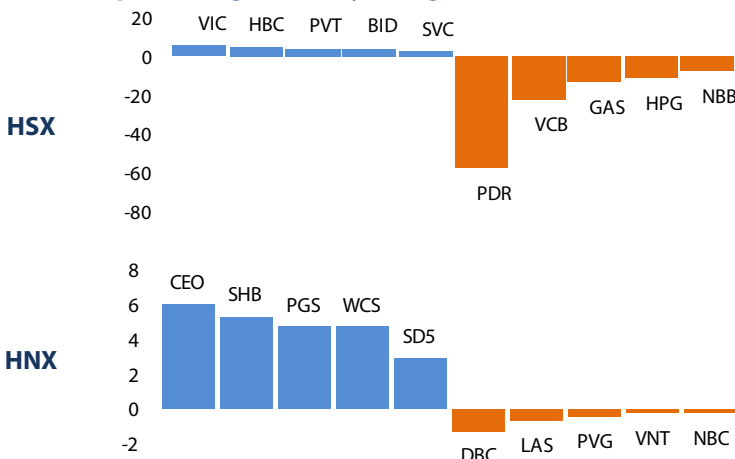
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



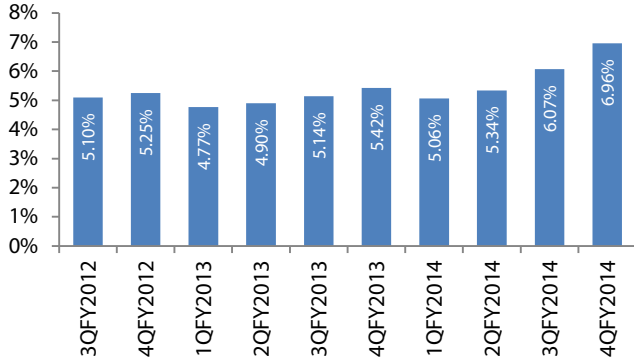
Top Active

Ticker	Price	Volume	% price change
FLC	11.1	10.57	-0.9%
HQC	7.1	7.69	1.4%
KBC	16.9	5.57	-0.6%
HAI	15.5	4.06	-6.6%
JVC	23.2	3.25	2.7%

Ticker	Price	Volume	% price change
KLF	10.5	5.42	-1.9%
VIX	15.4	2.75	-3.1%
SHN	3.8	2.42	8.6%
PVX	5.1	1.79	-3.8%
FIT	17.8	1.66	-2.2%

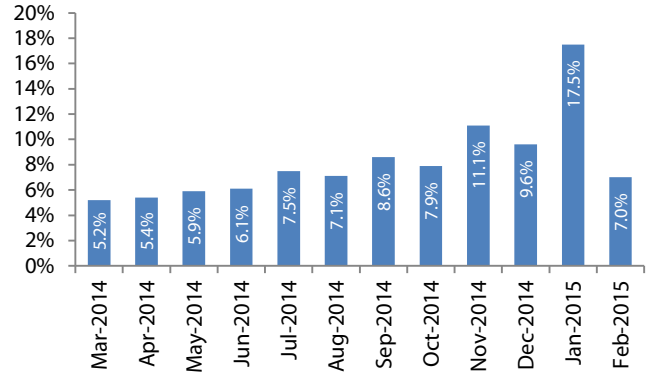
MACRO WATCH

Graph 1: GDP Growth



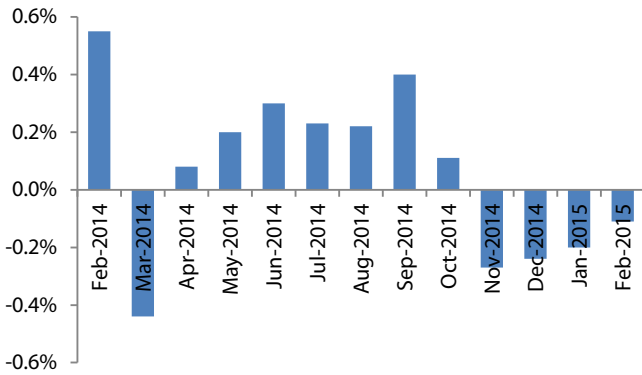
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



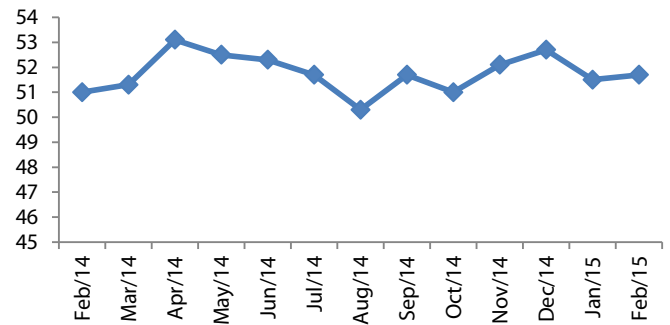
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



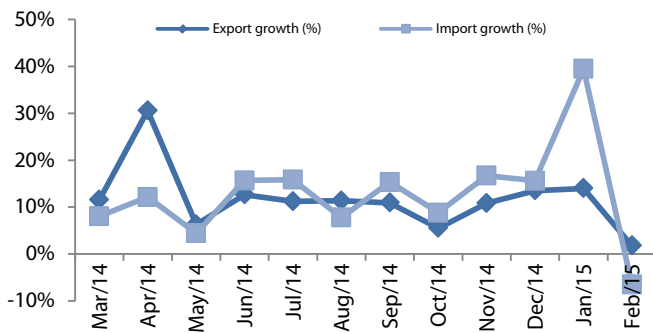
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



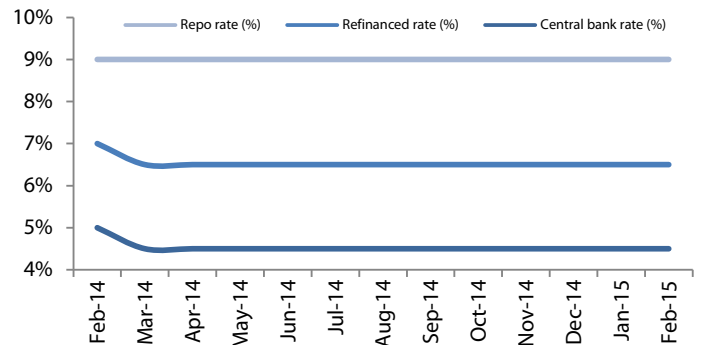
Sources: GSO. Rongviet Securities database

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
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
PCT – Restructuring	Dec 11 th , 2014	Monitor	

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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