

OCTOBER

22

WEDNESDAY

“Foreign investors came back”

ADVISORY DIARY

- **BMP – 3Q2014 Result update**
- **Foreign investors come back**

BMP – 3Q2014 Result update

Yesterday, RongViet research attended the regular analyst meeting for the funds and security companies of Binh Minh Plastic Joint Stock Company (BMP-HOSE). According to preliminary estimates of BMP, the consolidated revenue and output growrd positively in the first 9 months (revenue rose by 11%, output increased by 24% yoy) thanks to the recovery of residential and industrial construction nationwide. Consolidated Q3/2014 revenue was VND643 billion and PBT was VND107 billion. Thus, the company’s EBIT has reached only 70% of target value by the end of the third quarter. According to company executives, profit before-tax target this year will be difficult to achieve and is expected to be lowered by 2-4% due to the rise of the main raw materials (PVC prices increased by 6% in 9 months) while BMP has not adjusted its selling prices. Also, BMP has just released an announcement regarding the first dividend payment scheme for the FY2014 with a payout ratio of 10%, expected to be paid in the upcoming December.

A prominent news is that the plant project’s phase 1 in Long An (the fourth plant) is in the process of building and will be officially put into operation in 3Q2015. In the first phase, construction area is about 10,000 m2 with a VND150-160 billion total investment cost (excluding equipment). We suppose that BMP is more likely to use its ample capital to invest for this project. In the initial period, this plant will use most of equipment from Plant 2. Therefore, this phase is unlikely to contribute to revenue and profit for BMP, however, it will help reduce the overcapacity of Plant 2 (Song Than zone – Binh Duong) and upgrade the capacity of materials and enable BMP to expand the pipeline segment in Plant

In terms of refund corporate income tax related to BMP, BMP has to refund the tax in the 2009-2010 period due to official dispatch No. 14041/BTC-TCT in October 03 2014. In this dispatch, this refund will reduce because BMP paid dividends to SCIC. BMP will have discussion with Hochiminh Department of Taxation about refund money. We will update this information after having the result of this problem. According to our analyst, BMP stock is a fundamental stock with positive outlook, especially after Long An plant officially put into operation. Besides, divestment related to SCIC in the future will enable to increase BMP’s liquidity and become a attractive stock.

Foreign investors came back

Although GAS could not support market strongly as the way it did yesterday, trading activity on HSX was still excited. The assistance from blue-chips, i.e.: KDC (+3.36%), HPG (1.82%), PVD (2.17%), SSI (+3.81%) partly helped VNIndex closed in green, reaching 601.59 points. In term of HNX, depending on the leading of Oil & Gas stocks, such as PGS, PVC, PVS, HNX-Index also kept up with upward trend of VNIndex, closing up at 88.5 points.

In today session, foreigners also ended up the 7th consecutive session of net selling. A VND 55.8 billion buying value seems to be a positive signal, proving that foreign capital flow was back to market. However, the above figure may be still low in comparison with total value of the last 7 selling sessions (VND1,208 billion). Moreover, this buying activity could be a positive factor for sentiment of domestic investors, along with significantly improvement on liquidity against two recent sessions as well as the growth of 26% in trading volume today.

Investors also received CPI news related to CPI in two biggest cities. Among that, HCMC’s CPI

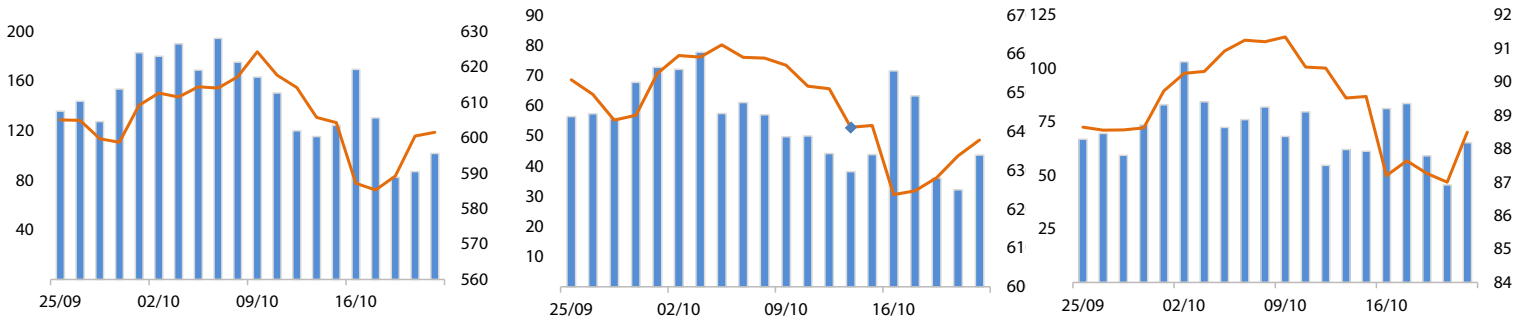
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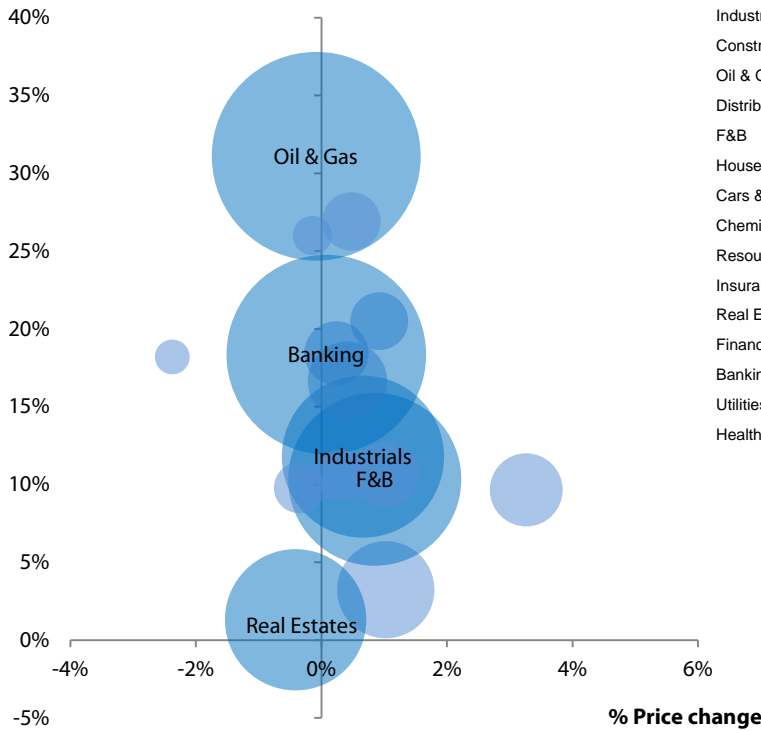
recorded a loss of 0.03% in October compared to September. In contrast, Hanoi's CPI slightly increased by 0.04%. Therefore, our analyst supposed that Vietnam's CPI is expected to increase by 3.1%-3.2% and accumulated CPI in October increase by 3.1-3.2%. Besides, CDS 5 years Vietnam also decreased significantly in today's session to 195.04 points (~17.46 points as compared to yesterday), we suppose that a decrease in CDS and stable macroeconomic figure might be reasons of the coming back of foreign investors.

VNINDEX 0.17% **601.59** **VN30** 0.64% **637.85** **HNXINDEX** 1.72% **88.50**



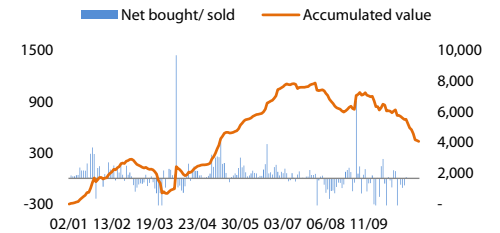
Industry Movement

Industry ROE

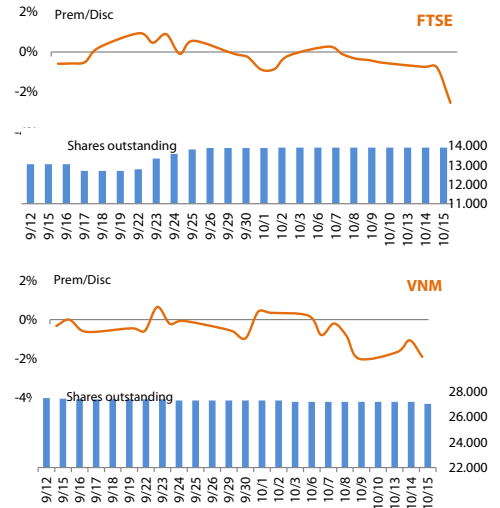


Industry	% change
Technologies	0.9%
Industrials	0.7%
Constructions	1.0%
Oil & Gas	-0.1%
Distribution	-2.4%
F&B	0.8%
Household Goods	-0.3%
Cars & Parts	-0.1%
Chemicals	0.2%
Resources	0.5%
Insurances	0.4%
Real Estates	-0.4%
Financials	3.3%
Banking	0.1%
Utilities	1.0%
Healthcare	0.3%

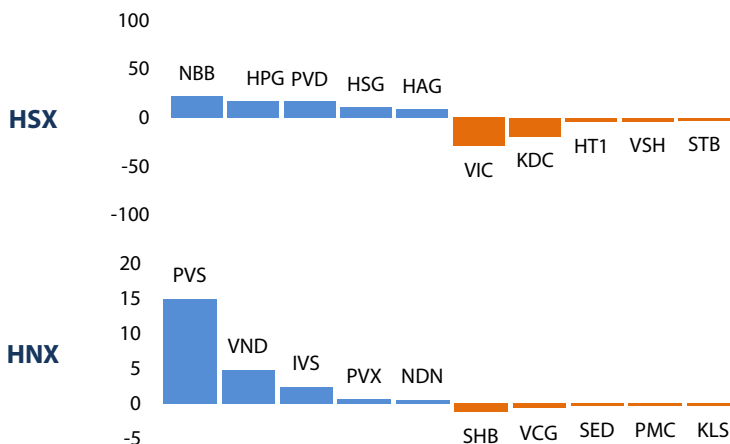
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



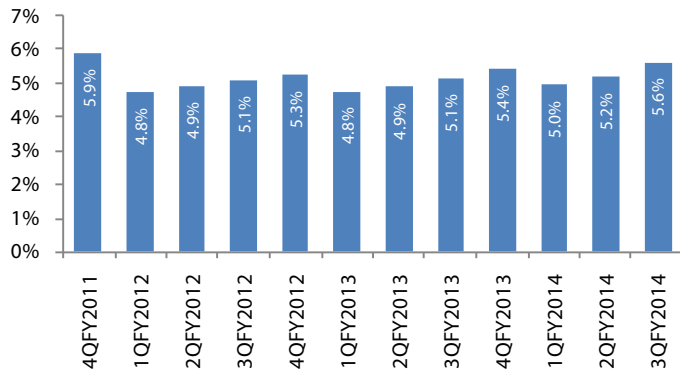
Top Active

Ticker	Price	Volume	% price change
FLC	11.2	9.00	-0.9%
OGC	12.0	6.45	-1.6%
SSI	30.0	5.74	3.8%
DLG	11.9	4.51	0.8%
KBC	16.5	4.42	3.8%

Ticker	Price	Volume	% price change
KLF	11.9	11.08	1.4%
SHB	8.8	9.12	0.2%
PVX	6.1	6.97	3.7%
FIT	27.2	3.48	1.0%
SCR	10.1	3.15	2.7%

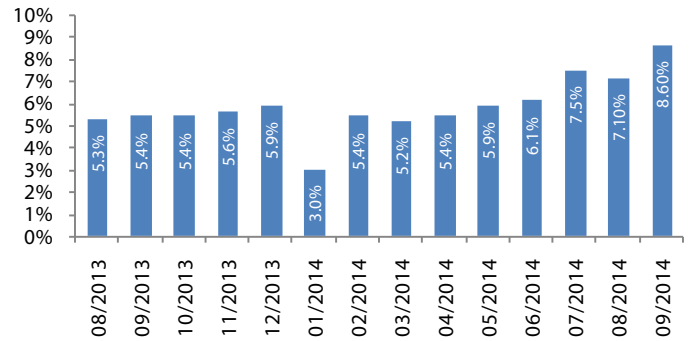
MACRO WATCH

Graph 1: GDP Growth



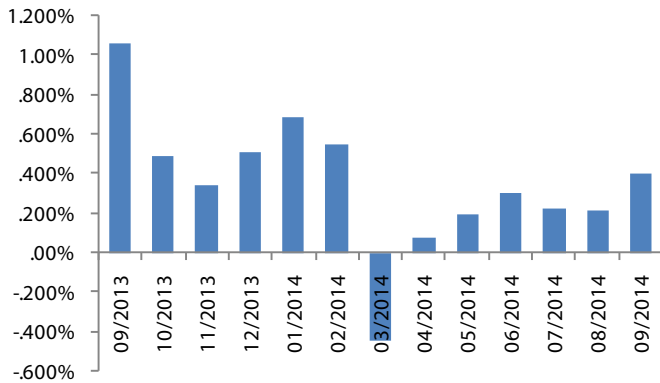
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



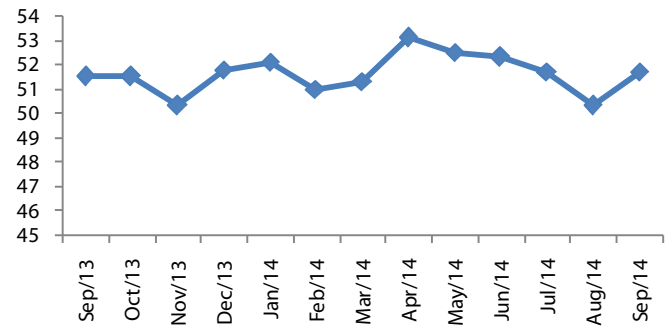
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



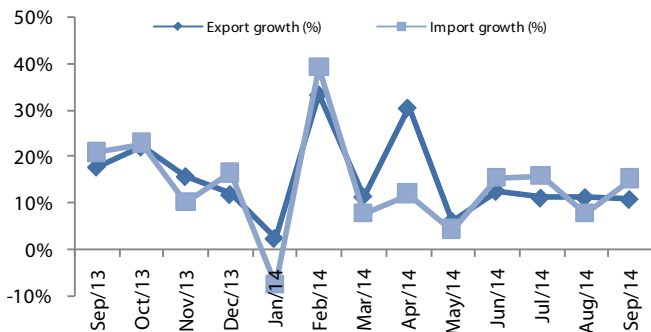
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



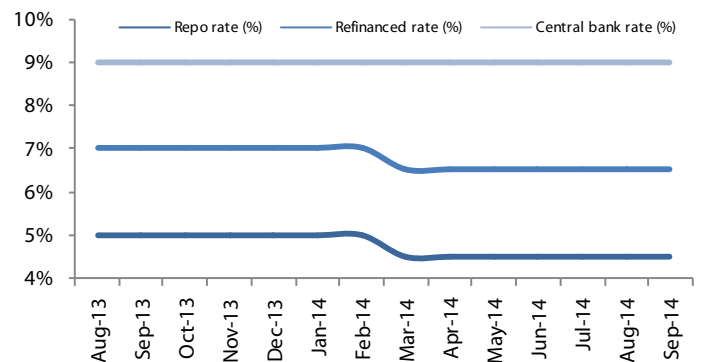
Sources: GSO. Rongviet Securities database

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
TCM - Moving up the value chain	Oct 14 th , 2014	Accumulate – Long term	42,500
DHC - Restructuring yielded juicy fruits	Sep 29 th , 2014	Buy – Intermediate term	25,200
DCL – Chances as bad debts to be solved	Sep 22 th , 2014	Neutral – Long term	37,000
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

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	14/10/2014	0-0.75%	0-2.5%	11,859	11,886	-0.23%
VF1	17/10/2014	0.20% - 1.00%	0.50%-1.50%	22,346	23,083	-3.19%
VF4	15/10/2014	0.20% - 1.00%	0.00%-1.50%	10,475	10,744	-2.5%
VFA	17/10/2014	0.20% - 1.00%	0.00%-1.50%	7,509	7,787	-3.57%
VFB	17/10/2014	0.30% - 0.60%	0.00%-1.00%	11,943	11,983	-0.33%
ENF	10/10/2014	0.00% - 3.00%		11,149	11,094	0.5%

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