

DECEMBER

29

MONDAY

ADVISORY DIARY

Market lost focus, volume jumped in big losers

Market extended gains in the early trading session but the growth movement is unlikely to maintain. Market witness a strong reversal in the middle of day and some pennies closed in floor prices. It seems that with a strong drop in pennies, buying pressure remained relatively low. Therefore, liquidity remained at the same as last week. Two positive things are that foreign investors kept net bought ~VND102 billion and some blue-chips extended gains due to supporting information. VCB, MSN and HPG are three stock which enables to VN30 to close in green.

We observed that there were many large negotiable transactions for MSN at the price of VND 81,100/share (total volume of negotiable deals today went over 4.2 million shares) . Meanwhile, rumor about a possible M&A between VCB with another bank is well received by investors, including foreign investors reflected by the net buying number of reaching nearly 400,000 units in today session. In addition, information regarding Vietnam steel consumption reaching a record 1 million tons of construction steel shows that HPG continues to demonstrate strong business fundamentals and attracted large attention of investors today. HPG made known that though Invest Bank Fund (Private Equity New Markets II K/S) is selling HPG shares for the fund disbursement; however, Bank Invest is also establishing another fund to invest in company.

Advisory Diary- A look back to 2014

The share of today Advisory Diary will end a year of ups and downs investment in 2014. For RongViet Research, the Advisory Diary is the bridge between RongViet and investors. After nearly eight months of launch, we believe that Advisory Diary has become “a spiritual food” of not only customers of RongViet but also investors in Vietnam stock market. Hopefully, in 2015, Advisory Diary will be a companion of investors through self-improvement, innovation of the RongViet Research.

In addition, to focus the time and the resources for the upcoming Annual Report, RongViet Research will suspend the Strategy Report in January & February. As for your sympathy, we sincerely wish you well, starting a 2015 with full of enthusiasm and success.

RongViet Research would like to inform about the temporally stop publishing our Advisory Diary from tomorrow 30th December 2014 and we will be back on 5th January 2015.

Moreover, we also will suspend the Strategy Report in January and February; instead, we will publish our Annual Report 2015 at the beginning of February 2015.

Kind regards and we wish you all the best!

“Market lost focus, volume jumped in big losers”

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VIETNAM MACRO-ECONOMIC - A LOOK BACK TO 2014

With the social and economic report published by GSO last week, there is a chance for us to review economic movement in this year. FY 2014, as the most objective way, is such a “comfortable” year for macro environment with pros and cons. In this last “Advisory Diary” of 2014, RongViet Research wants to express some sparks of Vietnam economy in this year

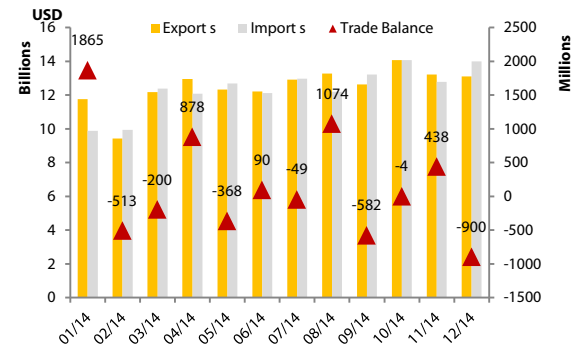
A strong jump in trade surplus

In 2014, GSO estimated that trade surplus would be maintained at 1.73 billion USD. This is the third consecutive year that Vietnam saw a trade surplus and hit its record.

This year, Vietnam trade balance benefit from oil price drop and the decrease in commodities prices. Specifically, export index increase by 0.79% compared with the same period last year while import index decrease by 1.02%

Thus, the value, FDI offsets national trade deficit, is less than the previous one.

Chart: Vietnam Balance trade in 2014



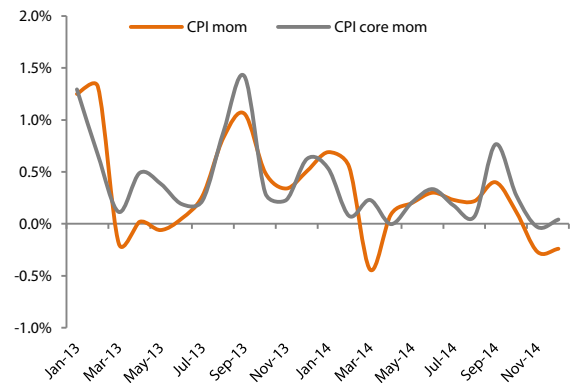
Sources: GSO, RongViet Research

Record low-inflation

World commodity prices also fell as an important factor affecting inflation in Vietnam this year. Annual inflation rose to 1.84% compared to 2013 and was the lowest inflation rate since 2002.

Because of the low inflation, interest rates are gradually pulled down low, businesses and citizens also more "breathable" in loans. At the same time, retail sales also grew better than last year.

Chart: CPI movement in 2013-2014



Sources: GSO, RongViet Research

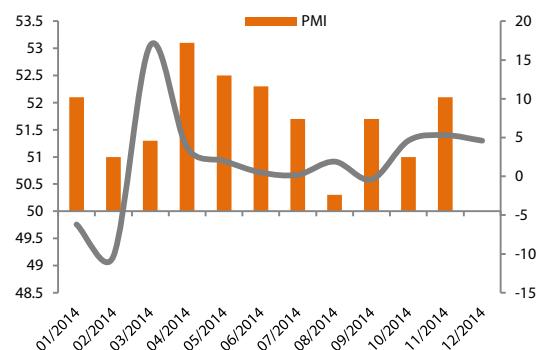
Significant recovery of IIP

For the whole year, the IIP increased by 7.6% over the same period (compared with a rise of 5.9% in 2013). Besides, consumption indicators have an impressive growth accumulated 11 months with ~11.1% over the same period.

Based on the PMI released by HSBC, the production of Vietnam has many positive changes to maintain above 50 points in 15 consecutive months.

The recovery of manufacturing activity also helps the processing industry growth (~ 8.5% over the previous year). Since, it contribute significantly to GDP growth in 2014 (~ 5.98%).

Chart: Change in IIP and PMI



Sources: GSO, HSBC, RongViet Research

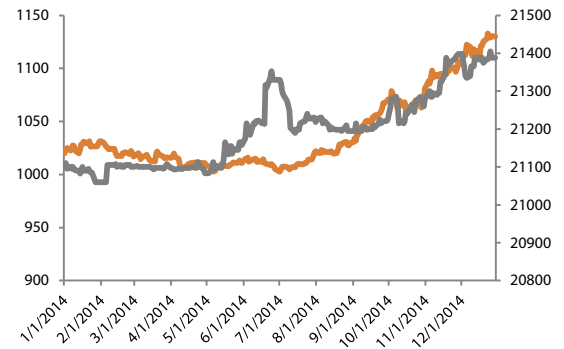
Exchange rate – support for confidence

In 2014, Euro, Yen and US dollar witnessed a significant change. Due to a growth of US economy, USD Bloomberg Index jumped by 10.8% as compared to the early year. Meanwhile, Yen and Euro witnessed a strong drop.

In terms of VND, market witnessed some wave under the surface. With regard to impact on demand – supply, we supposed the believe related to confidence of VND’s stability is uncertain. With a SBV’s ability and globalization, USD/VND remained stable with one adjustment (+1%) seems successful.

However, we concern that the adjustment of exchange rate in 2015 witnessed many difficult while US Dollar would extend a strong gain.

Chart: Bloomberg US dollar index and USD/VND



Sources: Bloomberg, RongViet Research

(*) Bloomberg US dollar (orange line chart), USD/VND (grey line chart)

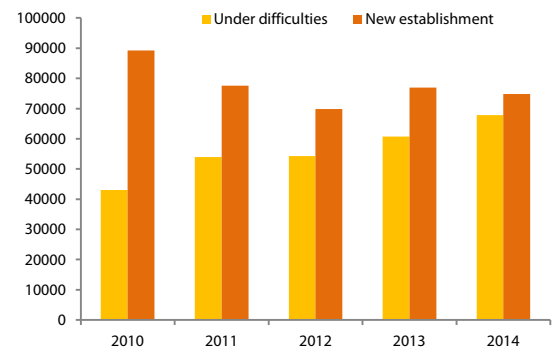
Private sector: a continued elimination

Not considering fully restructure process in this year, statistics of enterprise business operations, however, also give us in part the essence of this sector.

According to GSO, in 2014, there are 74,842 new registered enterprises with total registered capital of VND 432,200 billion, decreased by 2.7% in number of enterprise and increased by 8.4% in registered capital. Meanwhile, there are 67,823 enterprises having problems, up by 11.7% as previous year. Most of dissolved enterprises are small cap.

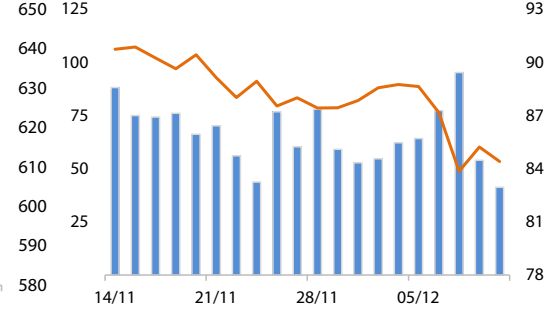
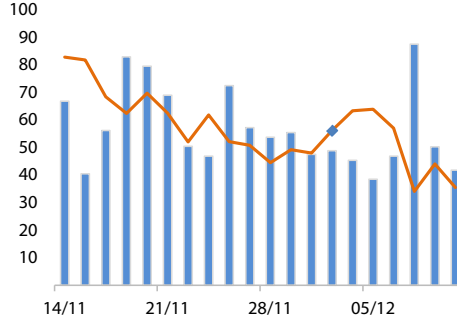
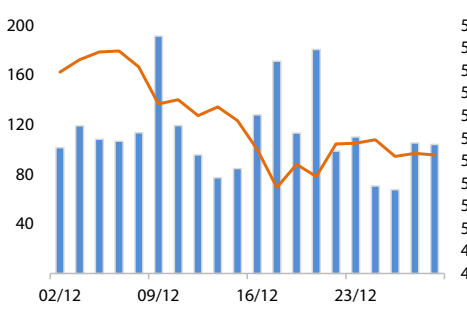
In 2014, we suppose that the expansion of the scale of investment in private sector is still cautious. In coming years, with interest rate remaining low and a stability of commodity prices, we expect that this sector is more likely to have positive outlook.

Chart: The situation of the business activities



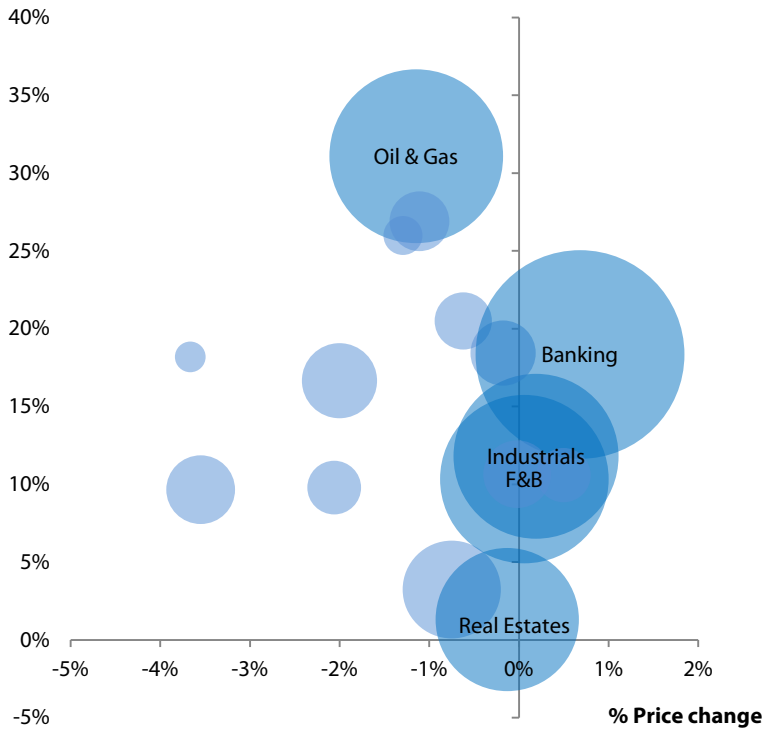
Sources: GSO, RongViet Research

VNINDEX -0.13% 532.68 VN30 0.16% 583.36 HNXINDEX -1.85% 79.64



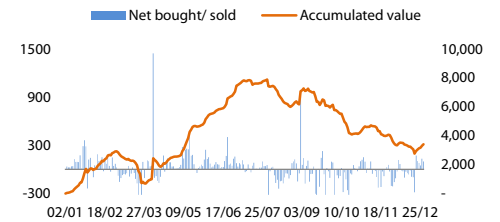
Industry Movement

Industry ROE

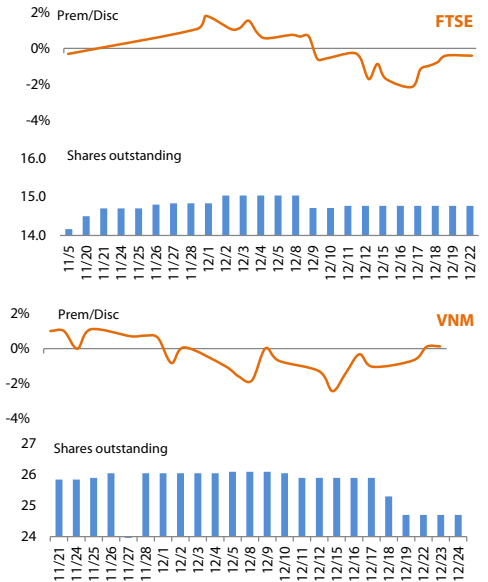


Industry	% change
Technologies	-0.6%
Industrials	0.2%
Constructions	-0.7%
Oil & Gas	-1.1%
Distribution	-3.7%
F&B	0.1%
Household Goods	-2.1%
Cars & Parts	-1.3%
Chemicals	-0.2%
Resources	-1.1%
Insurances	-2.0%
Real Estates	-0.1%
Financials	-3.5%
Banking	0.7%
Utilities	0.0%
Healthcare	0.5%

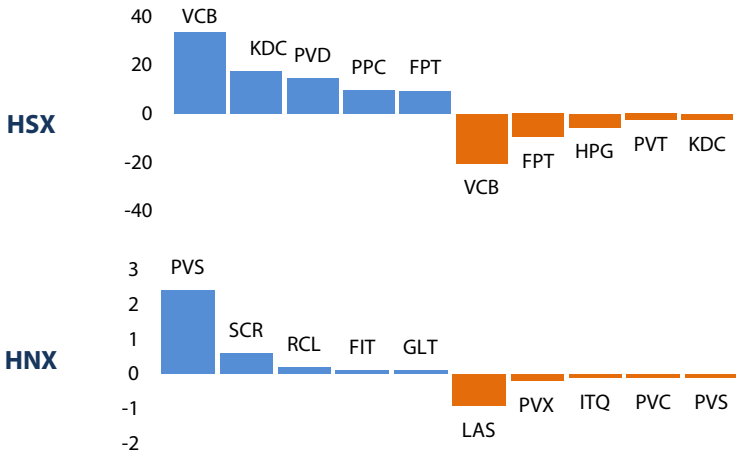
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



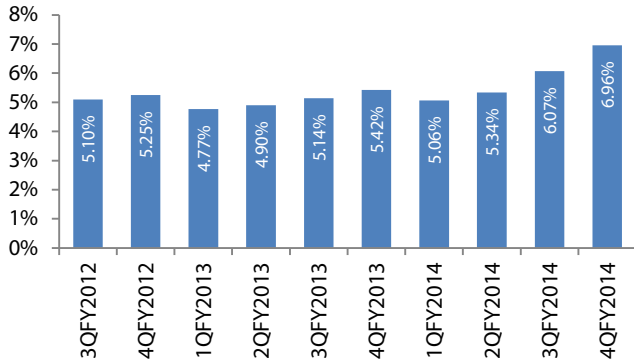
Top Active

Ticker	Price	Volume	% price change
FLC	10.1	18.45	6.3%
OGC	6.3	6.38	-4.5%
ITA	7.3	5.27	-1.4%
VHG	10.4	3.05	-5.5%
KBC	15.0	2.95	2.7%

Ticker	Price	Volume	% price change
KLF	9.5	8.55	-3.1%
SCR	8.0	4.54	-3.6%
SHB	7.7	4.35	-3.8%
PVX	4.2	3.54	2.4%
HUT	12.6	2.15	-1.6%

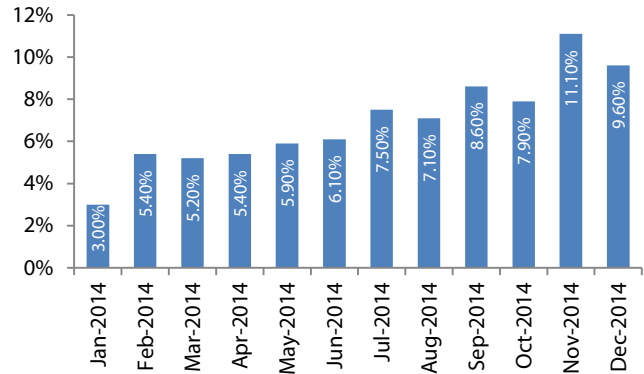
MACRO WATCH

Graph 1: GDP Growth



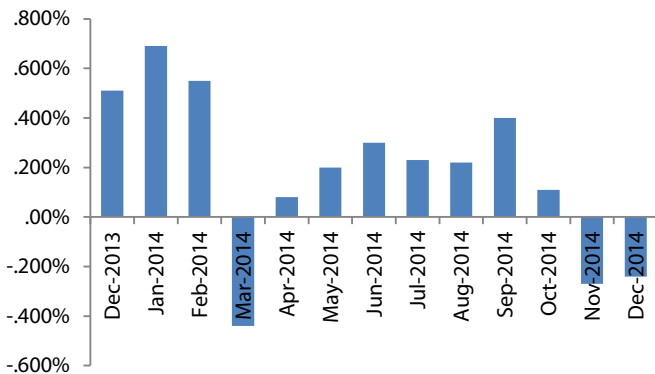
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



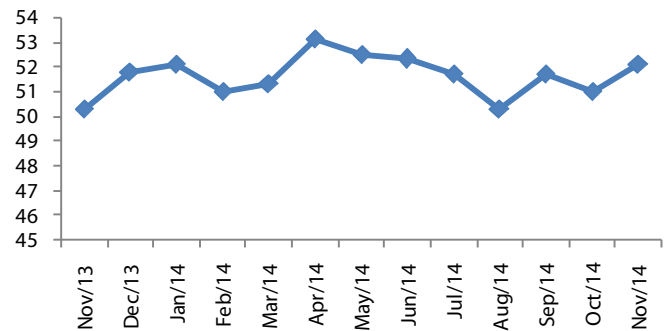
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



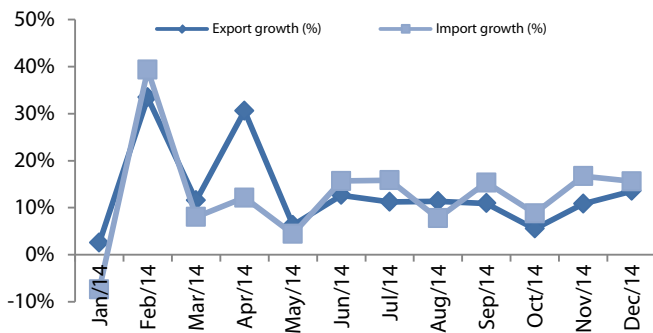
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



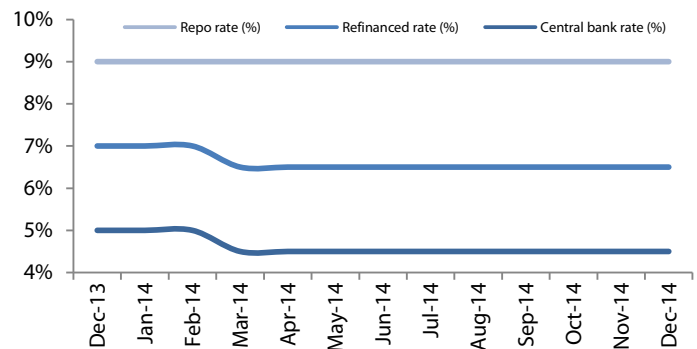
Sources: GSO. Rongviet Securities database

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
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	
FPT - Growth driver expected from retails	Dec 3 rd , 2014	Accumulate – Long term	61,000
GDT - Still being on upward trend	Nov 27 th , 2014	Accumulate – Long term	41,300

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	16/12/2014	0%-0.75%	0%-2.5%	11,522	11,378	1.27%
VEOF	16/12/2014	0%-0.75%	0%-2.5%	9,775	9,800	-0.26%
VF1	26/12/2014	0.2% - 1%	0.5%-1.5%	20,250	20,467	-0.58%
VF4	24/12/2014	0.2% - 1%	0%-1.5%	8,835	8,875	-0.45%
VFA	26/12/2014	0.2% - 1%	0%-1.5%	7,262	7,277	-0.2%
VFB	26/12/2014	0.3% - 0.6%	0%-1%	11,856	11,849	0.06 %
ENF	19/12/2014	0% - 3%	0%	10,367	10,651	-2.67%
MBVF	18/12/2014	1%	0%-1%	10,979	11,083	-0.94%
MBBF	17/12/2014	0%-0.5%	0%-1%	11,892	11,766	1.07%

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