

MARCH

27

FRIDAY

“Red” week!

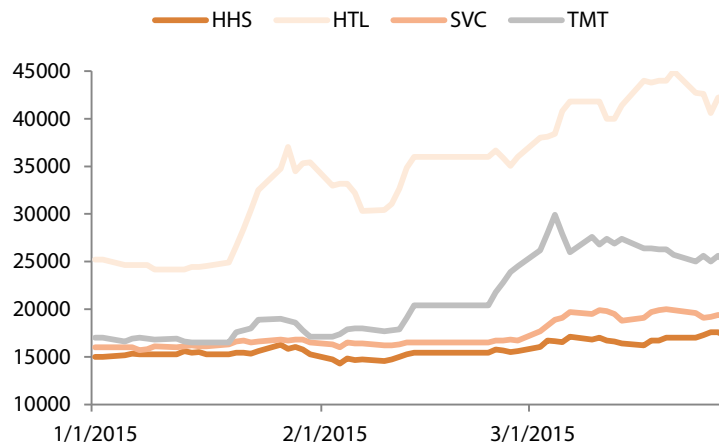
ADVISORY DIARY

- **SVC – Focus on promoting the core business activities**
- **“Red” week!**

SVC – Focus on promoting the core business activities

As mentioning in previous daily advisory, retail in automobile segment is appreciated thanks to huge growth in 2013 and 2014, with 20% and 40% respectively (VAMA report). In first three months of 2015, as well as uptrend in banking and real estate stocks, stocks of automobile retail firms have been highlighted in the market also.

Figure: Auto retail sector stocks



Source: RongViet Research

Among automobile retail stocks, Saigon General Service Corporation (HSX: SVC) is considered as a potential stock in 2015. In particular, SVC was named as District 1 Service Corporation before and established in 1982. SVC’s core business focuses on two lines, including automobile retail and real estate business. The Company’s business in 2014 is highlighted with VND7,939 bn in revenue and VND87.7 bn in NPAT, up by 20.3% (yoy) and 41% (yoy) respectively.

Vehicle distribution service. Currently, the Company has 25 outlets for distributing mid-class price cars (average price of VND700-800 million per unit) of Toyota, Ford, Chevrolet, and Hyundai. In 2014, SVC has sold about 13,300 cars, remaining its top position in the car distribution segment of the VAMA association. Also in the year, according to the sharing of SVC, the Company has upgraded all of its 3S-standard outlets to 4S with the capital expenditure of VND 5-7 billion per outlet. In 2015, the truck distribution segment will be also available for the above 2.5-ton trucks beside the current below 1-ton products. Plus, they have been enhancing their other businesses such as: the auto parts supply, auto repair, maintenance and insurance service, which is expected to account for about 7% of its revenue; and the secondhand auto business.

Real estate. With land-use rights at many well-located land bank in HCMC, the Company leases out or cooperate with other partners in some housing projects, which contributed largely to the Company bottom line in some year. However, to focus further on the core business of car distribution, the Company has divested a number of projects such as 56 Ben Van Don, District 4 for Novaland and a part of the residential project in Tam Binh - Hiep Phuoc - Thu Duc for DXG. The company also announced the BOD decision to transfer the land-use right of a land plot on Avenue 13, Thu Duc. However, with high acquisition cost of this land plot, the Company may not record

any profits from this transfer.

Table: Notable real estate projects in 2015

| Project | Location | Area |
|---|--|-----------|
| SAVICO Plaza | 115-117 Ho Tung Mau, District 1, HCM | 3,023 m2 |
| SAVICO Plaza | 104 Pho Quang, Tan Binh District, HCM | 9,028 m2 |
| Nam Cam Le | Pham Hung Avenue, Da Nang | 21,822 m2 |
| Bld 66-68 NKKN, District 1 HCM | 66-68 Nam Ky Khoi Nghia, District 1, HCM | 582.2 m2 |
| Bld 277-279 Ly Tu Trong, District 1 HCM | 277-279 Ly Tu Trong, District 1, HCM | 450 m2 |
| Hiep Binh Phuoc – Tam Binh Condo | Go Dua & no 12, Thu Duc District, HCM | 55,340 m2 |
| Resort Mecure Son Tra | Da Nang | 57,650 m2 |
| QL13 Condo, Thu Duc | Road no.13, Thu Duc District, HCM | 18,247 m2 |
| Hyundai Gia Lai project | | |

Source: RongViet Research

Overall, through discussions with businesses, we basically feel SVC is having changes to adapt to current fast changing market situations in order to achieve stability in growth. Besides, the dividend payment of SVC has been steady and higher than current deposit rate. More detailed analysis and outlook of SVC would be discussed in the forthcoming RongViet Research company report.

“Red” week!

Today trading session continues to be bearish with a closing index of 551.42 points. Thus, the market has fell nearly 20 points (-3.4%) this week with low trading volumes, about 120.9 million, down 6.6% compared to last week. As mentioned in our yesterday Advisory Diary, the main reason for the plunges of the market is from the net sold position of foreigners, especially the redemptions of VNM ETF’s share. Thus, the accumulated net value of foreign investors in 2015 is plus VND 226.7 billion, down 75.8% within 1 week.

However, we noticed sign of market bottom-fishing at some points during the week, but demand was relatively weak to absorb the selling pressure, especially from GAS and PVD. The five-consecutive days of down market with low liquidity could presumably suggest no sign of bottom-fishing from short-term investors. Conversely, this is the opportunity for long-term investors to accumulate bargaining stocks. Regarding specific sector’s outlook, please refer to our recently released “2015 Strategy Report”. Specifically, investors can filter out promising stocks with characterized company related stories” in the year to invest in the long term. We think it's time for investors to use the "rod" as mentioned in the report.

Nam Huynh

+ 84 8 6299 2006 | Ext: 321

Nam.hk@vdsc.com.vn

WEEKLY TECHNICAL VIEW

VN-Index

VN-Index plunged 24,02 points (or 4,17%), closed at 551,42. Trading volume decreased slightly with 442 million shares changed hands.

VN-Index tumbled for five consecutive sessions without any recovery on below average volumes. The support at 558 was also broken. Traders should watch for a move lower to new supports at 547 and 532 (equivalent to 61,8% and 78,6% Fibonacci Retracement). Any recovery will meet resistance at around 558.

Looking at technical indicators, both the MACD and the RSI remains bearish. The MACD are moving down far away the signal line while the RSI looks oversold.

The ADX indicator is raising shows that the downtrend is strengthening.

Traders should be patient and waiting for reversal signals appear.



HNX-Index

HNX-Index lost 2,73 points (or 3,2%), closed at 82,4. The liquidity decrease 10% with 182 million shares changed hands.

HNX-Index broke down the 200-day moving average as well as the long-term support trendline. HNX-Index is now moving towards its new support at around 80.

Looking at technical indicators, both the MACD and the RSI turned bearish. The ADX turned up, showing that the downtrend is developing.

On weekly chart, a red *marubozu* candlestick appeared, showing that the selling pressure dominated over the buying forces.

If HNX-Index turned up, the 84,5 will become its resistance.



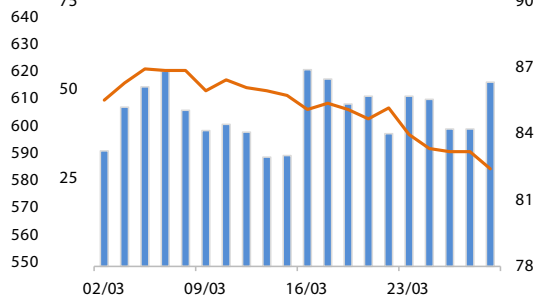
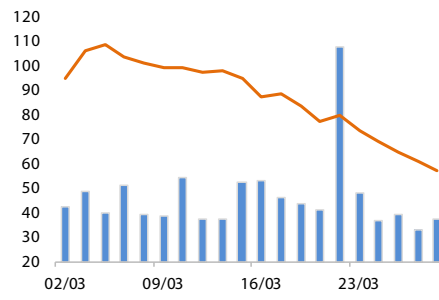
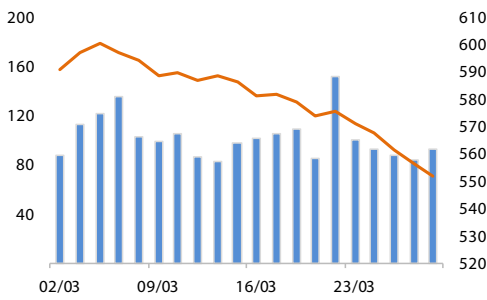
Recommendation: Both VN-Index and HNX-Index kept going down stronger on below average volumes. Traders should keep watching the markets and wait for reversal signals.

Khai Tran

+84 8 6299 2006 | Ext: 208

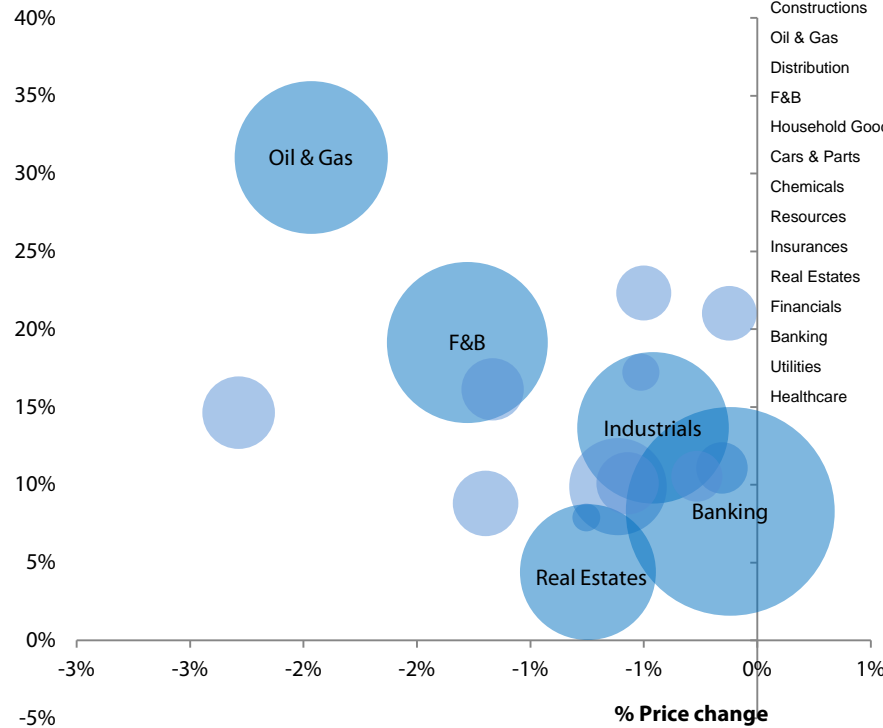
khai.tq@vdsc.com.vn

VNINDEX -0.85% 551.42 VN30 -0.63% 583.02 HNXINDEX -0.89% 82.40

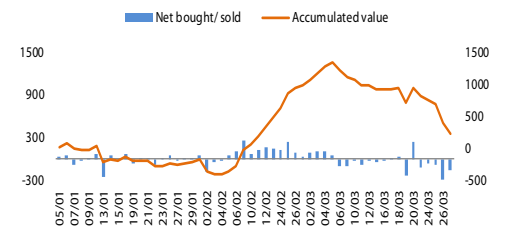


Industry Movement

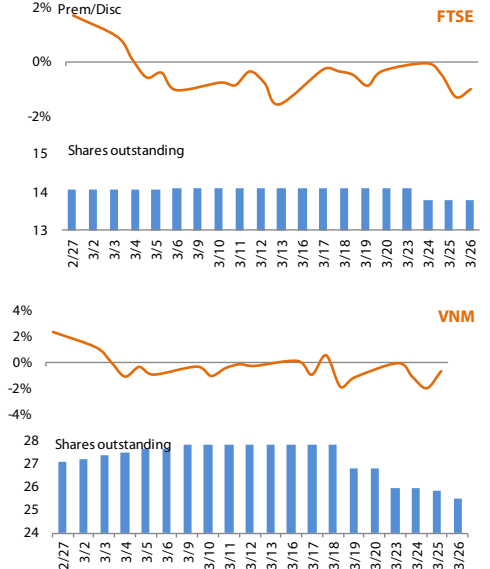
Industry ROE



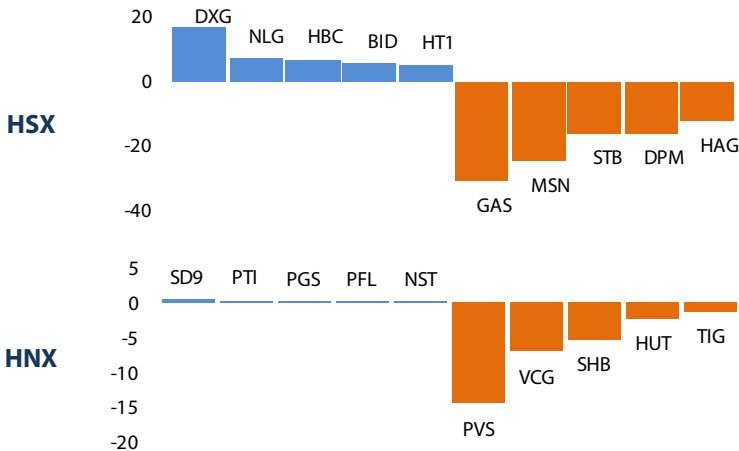
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



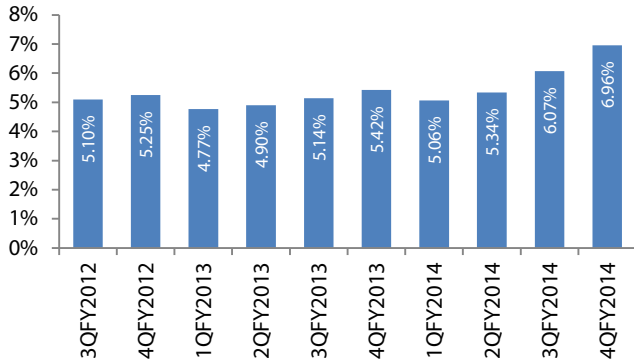
Top Active

| Ticker | Price | Volume | % price change |
|--------|-------|--------|----------------|
| HAI | 12.6 | 12.17 | -3.8% |
| FLC | 11.4 | 8.87 | -1.7% |
| HQC | 6.5 | 3.33 | -1.5% |
| ITA | 7.1 | 3.05 | -1.4% |
| KBC | 16.1 | 2.69 | 0.0% |

| Ticker | Price | Volume | % price change |
|--------|-------|--------|----------------|
| SHB | 8.5 | 12.08 | 1.2% |
| KLF | 10.4 | 4.87 | -1.0% |
| FIT | 18.5 | 2.62 | -2.6% |
| PVS | 22.6 | 1.58 | -1.3% |
| SCR | 7.4 | 1.55 | -2.6% |

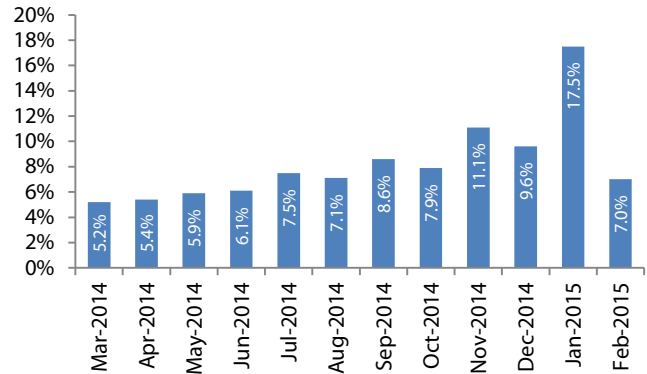
MACRO WATCH

Graph 1: GDP Growth



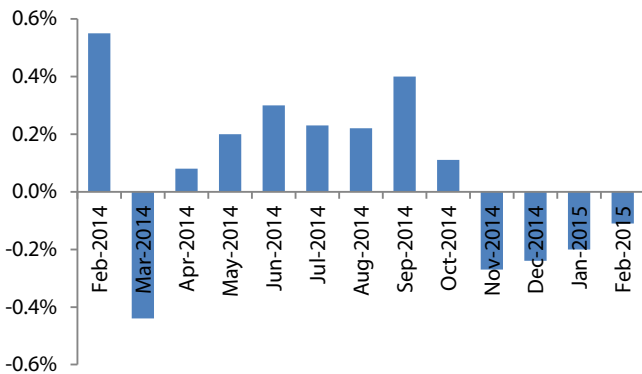
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



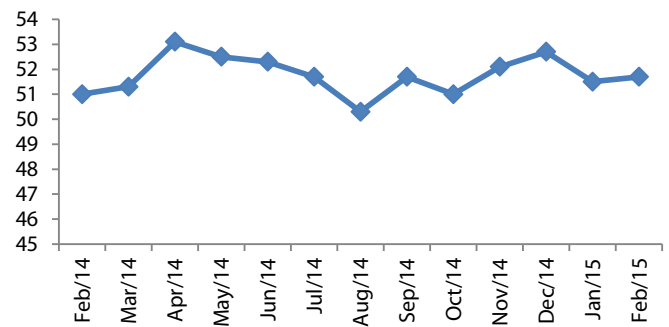
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



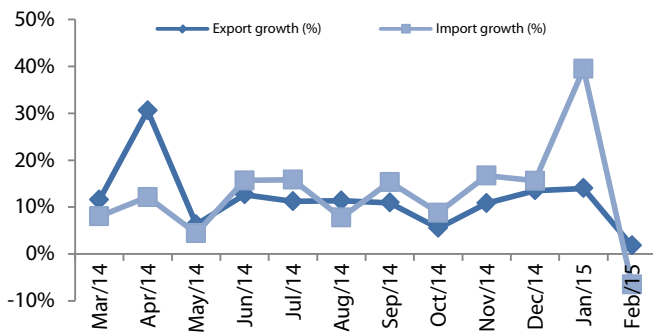
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



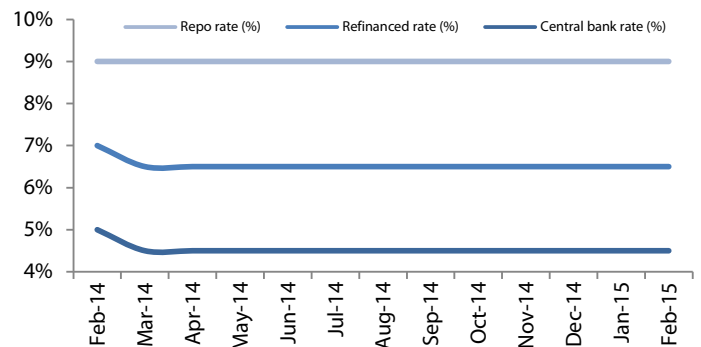
Sources: GSO. Rongviet Securities database

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 |
|--|-----------------------------|--------------------------------|--------------|
| 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 | 10/03/2015 | 0%-0.75% | 0%-2.5% | 11,730 | 11,725 | 0.04% |
| VEOF | 10/03/2015 | 0%-0.75% | 0%-2.5% | 9,871 | 9,695 | 1.82% |
| VF1 | 16/03/2015 | 0.2% - 1% | 0.5%-1.5% | 21,715 | 21,772 | -0.26% |
| VF4 | 11/03/2015 | 0.2% - 1% | 0%-1.5% | 9,530 | 9,552 | -0.23% |
| VFA | 13/03/2015 | 0.2% - 1% | 0%-1.5% | 7,402 | 7,457 | -0.73% |
| VFB | 13/03/2015 | 0.3% - 0.6% | 0%-1% | 12,187 | 12,179 | 0.06% |
| ENF | 06/03/2015 | 0% - 3% | 0% | 10,951 | 10,868 | 0.76% |
| MBVF | 26/02/2015 | 1% | 0%-1% | 11,081 | 11,100 | -0.17% |
| MBBF | 11/03/2015 | 0%-0.5% | 0%-1% | 12,032 | 11,966 | 0.55% |

ANALYSTS

Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 355

truc.dtt@vdsc.com.vn

Hoang Nguyen

+ 84 8 6299 2006 | Ext: 328

Hoang.nh@vdsc.com.vn

Lam Nguyen

+ 84 8 6299 2006 | Ext: 323

lam.ntp@vdsc.com.vn

Tuan Huynh

+ 84 8 6299 2006 | Ext: 326

Tuan.hm@vdsc.com.vn

Ha My Tran

+ 84 8 6299 2006 | Ext: 319

my.tth@vdsc.com.vn

Tai Nguyen

+ 84 8 6299 2006 | Ext: 319

tai.ntp@vdsc.com.vn

Diem My Tran

+ 84 8 6299 2006 | Ext: 320

my.ttd@vdsc.com.vn

Van Binh

+ 84 8 6299 2006 | Ext: 324

Van.btt@vdsc.com.vn

Trien Le

+ 84 8 6299 2006 | Ext: 325

trien.lh@vdsc.com.vn

Tam Bui

+ 84 8 6299 2006 | Ext: 324

tam.bt@vdsc.com.vn

Huong Pham

+ 84 8 6299 2006 | Ext: 323

huong.pt@vdsc.com.vn

Nam Huynh

+ 84 8 6299 2006 | Ext: 321

Nam.hk@vdsc.com.vn

HỘI SỞ TẠI TP.HCM

Tầng 1-2-3-4, tòa nhà Viet Dragon
141 Nguyễn Du, P.Bến Thành, Q.1, TP.HCM

- T** +84 8 6299 2006
- F** +84 8 6291 7986
- E** info@vdsc.com.vn
- W** www.vdsc.com.vn

CHI NHÁNH HÀ NỘI

2C Thái Phiên, Q.Hai Bà Trưng, Hà Nội

- T** +84 4 6288 2006
- F** +84 4 6288 2008
- E** info@vdsc.com.vn
- W** www.vdsc.com.vn

CHI NHÁNH NHA TRANG

50 Bis Yersin, TP.Nha Trang, Khánh Hòa

- T** +84 058 3820 006
- F** +84 058 3820 008
- E** info@vdsc.com.vn
- W** www.vdsc.com.vn

CHI NHÁNH CẦN THƠ

08 Phan Đình Phùng, Q.Ninh Kiều, TP.Cần Thơ

- T** +84 0710 381 7578
- F** +84 0710 381 7789
- E** info@vdsc.com.vn
- W** www.vdsc.com.vn



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