

JULY

28

MONDAY

*"2Q2014  
earnings  
results have  
cooled down"*

ADVISORY DIARY

- **2Q2014 earnings results have cooled down**
- **Surged shrimp prices and a chance for Vietnamese exporters**

#### **2Q2014 earnings results have cooled down**

Starting the first session of this week, the market witnessed the plummet on both boundaries. VNIndex dropped with large sell volume and inconsiderable demand at the low price. Most of major stocks decreased in today's session, the deepest decreasing tickers were VNM (-0.7%), MSN(-1.1%), GAS(-2.6%). Today's downward trend was explained merely as "simultaneous" profit-taking.

After a week announcing result earnings in 2Q2014, outperformed companies, especially Oil and Gas industry, surged dramatically and rapidly. This supporting information had been dispersed largely and consequently made the market "cool-down" and decrease considerably. Additional, the adjustment did not bring us a surprise expect a largely dispersed and rapid decline, spreading on positively estimated earnings results in upcoming quarters.

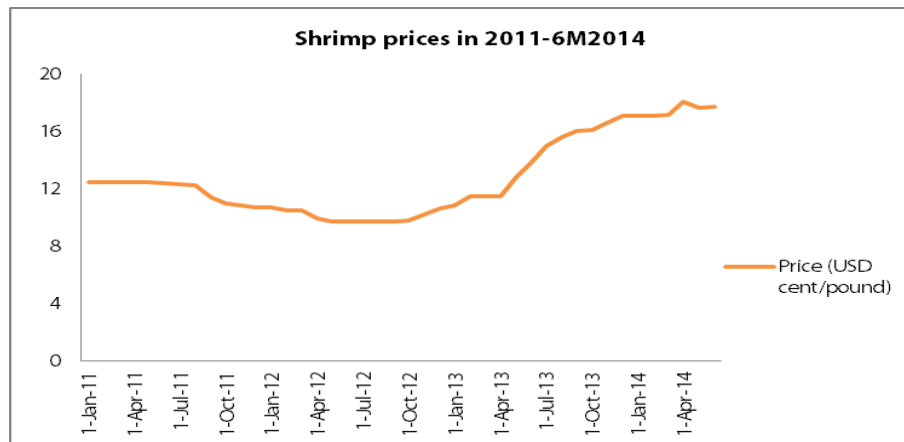
For the whole week, we maintained our opinions in July strategic report that VNIndex would fluctuate in the regime of 580-605 with the supporting level of 580. At this level, investors was definitely able to consider an increase in stock percentage in their portfolio.

#### **Surged shrimp prices and a chance for Vietnamese exporters**

According to the import-export figures in the first-half year announced by General Department of Vietnam Customs, fishery has still maintained its top-ten ranking. Moreover, accompanied by a rise of 27.7%, it was also the highest growth with a value of USD3,550; in which shrimp contributed nearly 50% of the total export values. Moreover the upward trend in shrimp products was relatively remarkably, especially Whiteleg shrimp (+133% to the same period).

According to the advisory diary on June 17, we had mentioned the opportunity for Vietnamese shrimp industry as a scandal related to the slavery-like working conditions and trafficking activities was revealed. As a result, Carrefour, the second largest retail brand in the US (after Walmart) has just halted all shrimp purchases, direct and indirect, from Charoen Pokphand (CP) company. Thus it could have created favorable environment for Vietnamese exporters to increase their positions as demands in one of the largest market declined.

Furthermore, EMS disease has been occurring in most primary export countries such as Thailand, Indonesia, China, Mexico. As a result, a significant fall in supply might cause shrimp price to reach a fourteen-year low in the first half year. Accounting for 6 months in 2014, the price has been risen of 46% compared to the average of the same period.



Source: *Indxmundi*

To forecast for the second-half year, EMS disease would maintain its impact on shrimp supplying. Therefore, the price is expected to keep its gain momentum and brings motivation to Vietnamese shrimp companies this year.

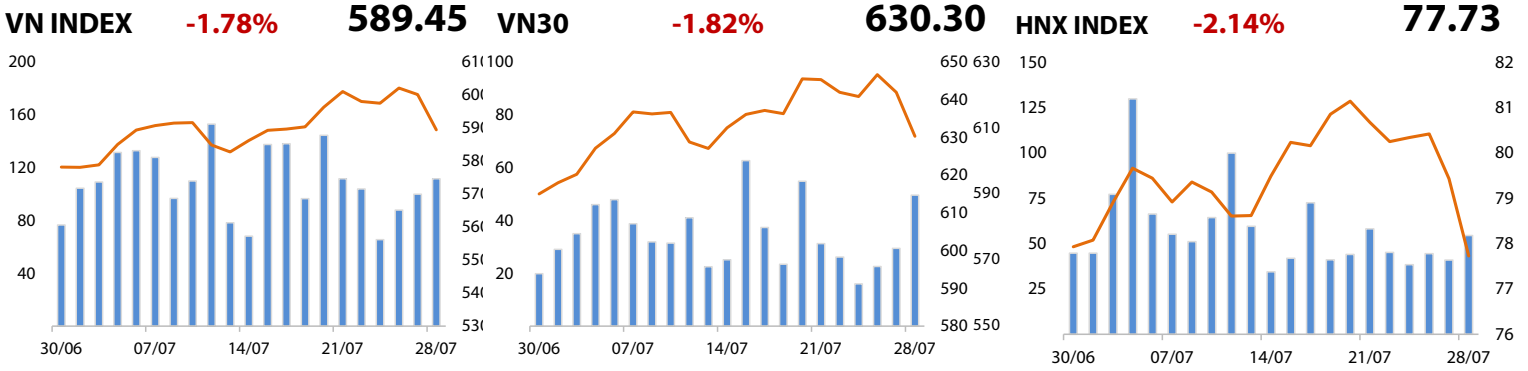
The positive prospect in shrimp products also matches to optimistic earnings result in shrimp exporters, especially FMC, MPC. Revenue and 2QNAT had been rapidly soared in which a rate of 52% in revenue and of 20 times in NAT in comparison with the same period. The first-half year demonstrated a significant rise to the past 17 years. It was derived from increasing export values (+70%), whereas US market constituted the highest proportions, of over 2 times to the same period.

Despite of MPC's financial results officially unpublished, 2Q2014 post-tax profit was likely to reach VND187 – 230 billion, significantly increasing more than the same period last year. This was caused by shrimp exporting advancement in the first 6 months (compared with the same period), export turnover of 6 months can be up to USD300 million. Remarkably, MPC has just declared its plans for dividend payout of 50% which showed relatively high dividend rate of 10.6%. Therefore, in two nearest sessions, this ticker has continuously reached the ceiling prices, with limited trading volume though. Indeed, because of positive industrial signs as business results, market price of shrimp export companies recently proved investors' optimistic expectation.

**Tam Bui**

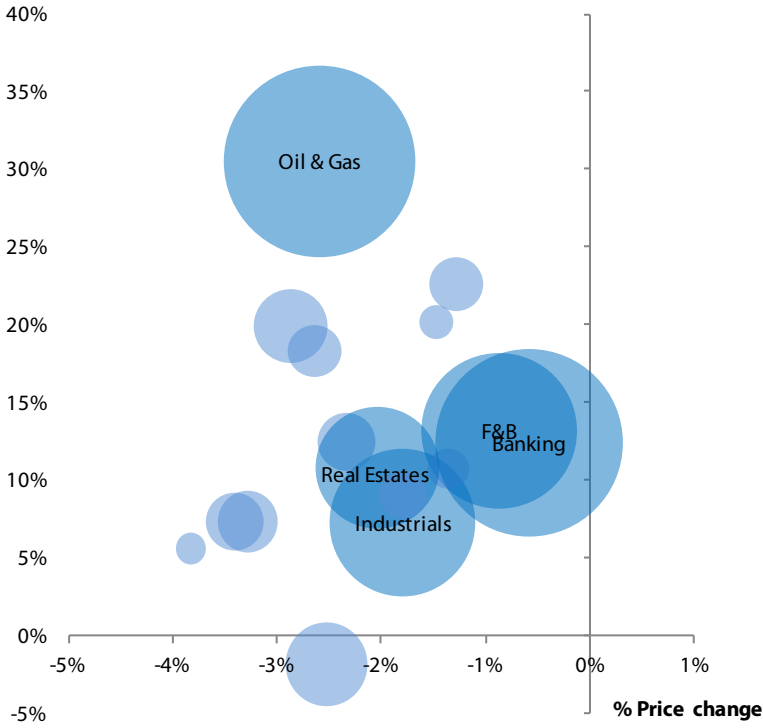
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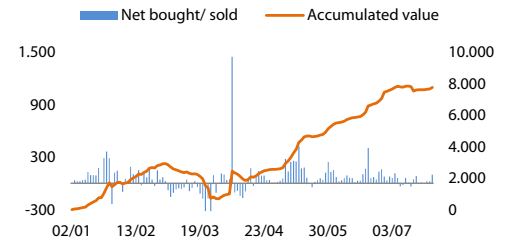


**Industry Movement**

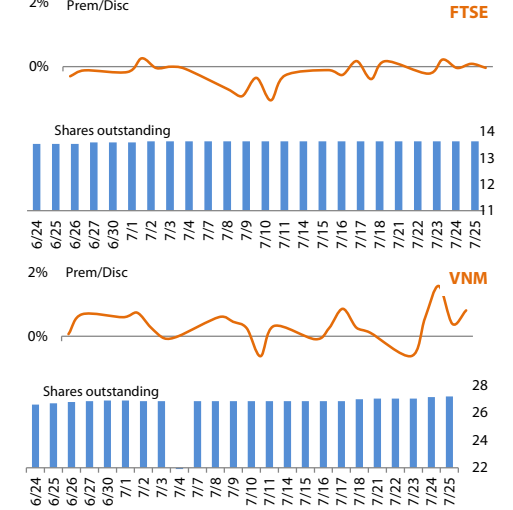
**Industry ROE**



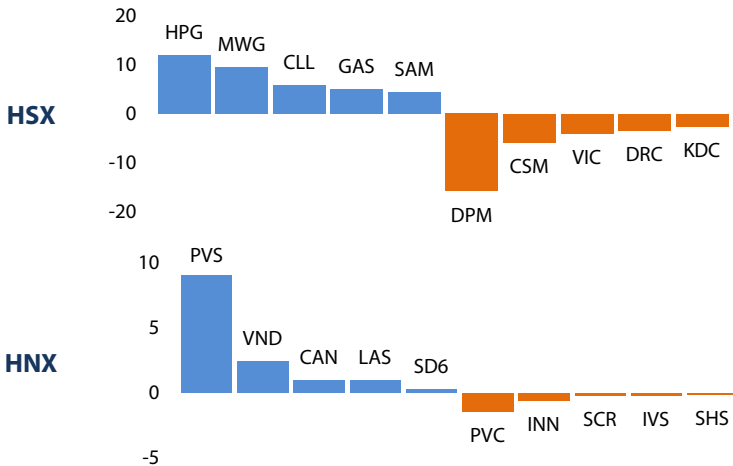
**Foreign Investors Trading**



**ETF**



**Top net bought/sold by foreigners (VND bn)**



**Top Active**

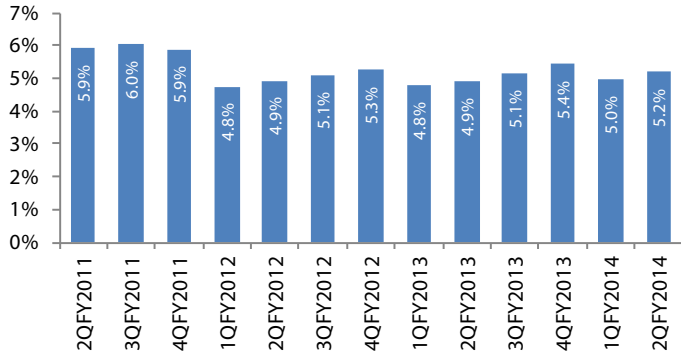
Ticker	Price	Volume	% price change
FLC	12.50	11.46	-0.8%
ITA	7.60	6.85	-3.8%
HQC	7.10	4.68	-6.6%
SSI	25.50	3.71	-2.7%
HAG	25.20	3.00	-2.7%

Ticker	Price	Volume	% price change
PVX	4.30	5.57	-2.7%
SCR	8.20	4.88	-2.6%
SHB	8.60	4.65	-1.8%
KLF	10.80	4.59	-3.8%
SHS	8.10	3.86	-3.6%

**MACRO WATCH**

**Graph 1: GDP Growth**



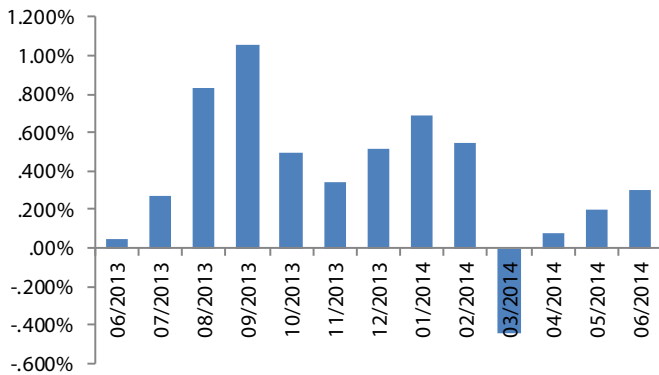
Sources: GSO, Rongviet Securities database  
(\* Comparison price in 1994)

**Graph 2: IIP**



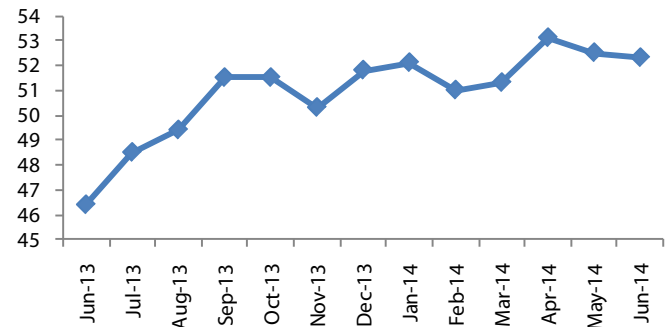
Sources: GSO, Rongviet Securities database

**Graph 3: Monthly CPI**



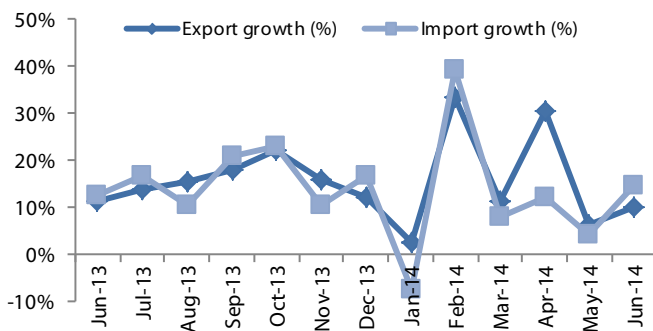
Sources: GSO, Rongviet Securities database

**Graph 4: HSBC - PMI**



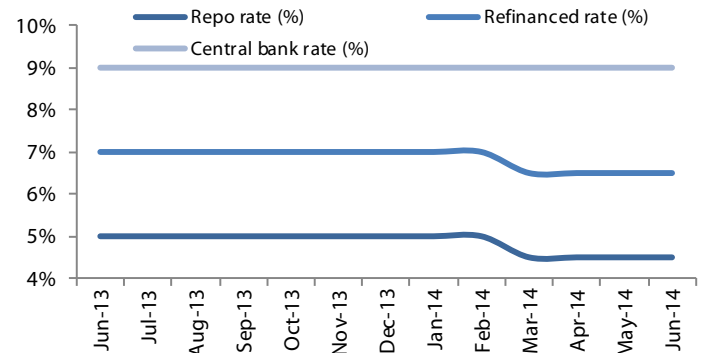
Sources: GSO, Rongviet Securities database

**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
DBC-Benefit from decline in material price	May 27 <sup>th</sup> , 2014	Buy – Long-term	28,000
FPT-Leaping revenue	May 27 <sup>th</sup> , 2014	Accumulate – Intermediate-term	51,600
NBB-Strengthened cash flows	May 07 <sup>th</sup> , 2014	Buy – Long-term	36,300
DIG-Reboot	April 28 <sup>th</sup> , 2014	Accumulated – Long-term	19,200
HPG-Sustainable Development	April 24 <sup>th</sup> , 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	22/07/2014	0.75%	0.75%	11,065	11,000	0,59%
VF1	24/07/2014	0.20% - 1.00%	0.50%-1.50%	22,261	21,961	1,36%
VF4	23/07/2014	0.20% - 1.00%	0.00%-1.50%	10,157	9,975	1,83%
VFA	25/07/2014	0.20% - 1.00%	0.00%-1.50%	7,516	7,479	0,50%
VFB	25/07/2014	0.30% - 0.60%	0.00%-1.00%	10,982	10,975	0,07%
ENF	18/07/2014	0.00% - 3.00%		10,105	10,009	0,96%

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