

DECEMBER

02

TUESDAY

ADVISORY DIARY

- **Prediction of FTSE ETF and VNM ETF review results**
- **Liquidity does not support market**

Prediction of FTSE ETF and VNM ETF review results

Result of 2 ETF re-balancing, including FTSE Vietnam ETF (managed by Deutsche Bank) and Market Vector Vietnam ETF (managed by Van Eck), will be announced on 5/12 and 12/12 respectively. RongViet Securities recently calculated to see how these two portfolios will change. Our predictions are shown below:

(1) FTSE ETF: STB, DRC and VSH could be excluded in this review due to violate the rule of liquidity. Accordingly, average turnover on these tickers were lower than 20% of FTSE's average 3-month value. SSI is the unique ticker that could be considered to add in this review because its foreigner ownership was raised after ANZ decreased its ownership rate from 17.51% to 6.31% in October 2014.

Besides those mentioned adding/removing case above, some stocks' proportion is likely to be increased, such as VIC, HAG, VCB, ITA, PVT and OGC. In contrast, stocks with proportion predicted to be significant decrease are KBC and FLC. These stocks are noticeable when trading volume could be up to millions shares.

Table 01: Prediction about FTSE's review result in Dec 2014

FTSE						
Ticker	Price (26/11/2014)	Market Cap (26/11/2014)	Weight (26/11/2014)	Predicted weight	Predicted Buy/sell volume	
1 MSN	80,500	59,233	15.79%	16.10%	(861,470)	
2 VIC	48,300	70,255	12.92%	18.46%	3,780,671	
3 HPG	53,500	25,782	11.79%	11.45%	(125,313)	
4 PVD	75,500	22,879	10.41%	9.33%	(943,920)	
5 HAG	24,100	19,037	7.46%	7.54%	1,272,434	
6 KDC	53,000	13,524	6.29%	6.00%	(24,192)	
7 STB	18,600	21,251	5.84%	0.00%	(27,556,127)	
8 VCB	27,700	73,821	5.33%	6.15%	3,450,071	
9 DPM	29,200	11,094	4.01%	4.02%	836,066	
10 KBC	16,700	6,509	2.92%	2.36%	(1,549,157)	
11 ITA	8,900	6,398	2.80%	2.84%	3,000,124	
12 HSG	49,300	4,748	2.00%	2.11%	670,897	
13 BVH	36,600	24,905	1.83%	1.81%	581,903	
14 FLC	11,700	3,684	1.70%	0.83%	(4,451,974)	
15 PPC	25,100	7,986	1.56%	1.52%	792,941	
16 HVG	31,500	4,158	1.56%	1.53%	645,376	
17 PVT	17,400	4,452	1.39%	1.37%	1,275,487	
18 DRC	56,500	4,694	1.37%	0.00%	(2,125,398)	
19 CSM	44,000	2,961	1.34%	1.31%	475,411	
20 VSH	14,100	2,908	1.17%	0.00%	(7,295,643)	
21 OGC	8,400	2,520	0.51%	0.53%	2,939,732	
22 SSI	30,200	10,685	0.00%	4.74%	14,562,588	

Source: Rongviet Securities

(2) VNM ETF: In this review period, our calculation shows that VNM ETF will not remove any ticker out of their current portfolio. On the contrary, we anticipate that SSI will also include with proportion of 2.26%, equivalent to 8.4 million shares.

Despite no tickers out of VNM ETF, many stocks could be decrease weight, especially BVH, FLC,

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"Liquidity does not support market"

ITA, OGC, PPC, PVS, SHB, STB, VCB and VCG. The rising side includes IJC, PVD and PVT.

Table 02: Prediction about VNM's review result in Dec 2014

VNM						
Ticker	Price (26/11/2014)	Market Cap (26/11/2014)	Weight (26/11/2014)	Predicted weight	Predicted Buy/sell volume	
1	BVH	36,600	24,905	4.47%	2.29%	(6,704,444)
2	DPM	29,200	11,094	4.34%	4.15%	(736,739)
3	DRC	56,500	4,694	0.99%	1.14%	305,309
4	FLC	11,700	3,684	2.82%	1.66%	(11,231,938)
5	GMD	32,000	3,716	0.00%	0.00%	0
6	HAG	24,100	19,037	4.03%	3.98%	(229,239)
7	IJC	13,600	3,729	0.67%	1.00%	2,724,307
8	ITA	8,900	6,398	3.34%	3.23%	(1,408,261)
9	MSN	80,500	59,233	8.68%	8.00%	(951,859)
10	OGC	8,400	2,520	1.40%	1.04%	(4,887,937)
11	PPC	25,100	7,986	3.25%	2.63%	(2,780,279)
12	PVD	75,500	22,879	3.36%	6.50%	4,686,431
13	PVS	32,800	14,652	4.78%	4.43%	(1,214,859)
14	PVT	17,400	4,452	1.81%	2.18%	2,419,173
15	PVX	6,300	2,520	0.00%	0.00%	0
16	SHB	8,700	7,709	2.64%	2.51%	(1,734,909)
17	STB	18,600	21,251	6.77%	6.36%	(2,485,223)
18	VCB	27,700	73,821	7.59%	7.00%	(5,274,591)
19	VCG	14,300	6,316	2.37%	1.65%	(5,231,930)
20	VIC	48,300	70,255	7.86%	8.00%	326,618
21	SSI	30,200	10,685	0.00%	2.26%	8,427,150

Source: Rongviet Securities

Liquidity does not support market

After strong decreases last week, VNIndex has slight recovery in the first two sessions of this week. Today, indexes increased at the initial stage, which was caused by positive changes of large market capital tickers. GAS was an example. The previous decrease in momentum has paused temporarily and GAS, today, sometimes increased by VND 2,000 compared to reference price. Today, foreign investors continued to keep a net sold with a total value of over VND 11.4 billion, a sharply decrease as compared to the net-sole average of recent 5 sessions. Accompanying to GAS, increases of many other leading stocks such as BVH, PVD,... also supported significantly the increase of the market.

It was positive for market breadth with 123 gains and 94 losses on HSX, 112 gains and 87 losses on HNX. Penny and mid-cap stocks increased positively, especially stocks in real estate and securities industries. Oil and gas stocks reversed slightly due to the recovery of large cap stocks, namely GAS, PVD, PVS... However, it is possible that stock reduction to attractive price encouraged investors to buy rather than additional supporting information. Therefore, the investors' cautions seem not to be released completely, which may cause liquidity to decrease by 15% compared with the previous session.

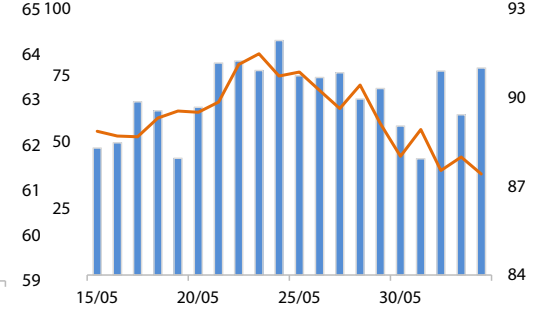
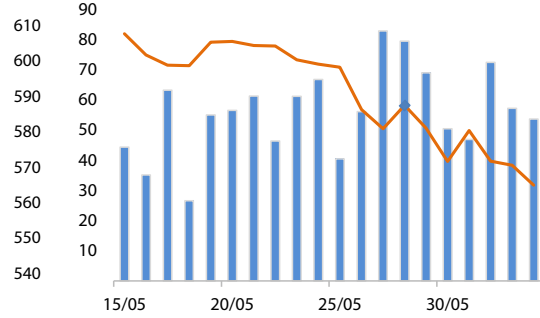
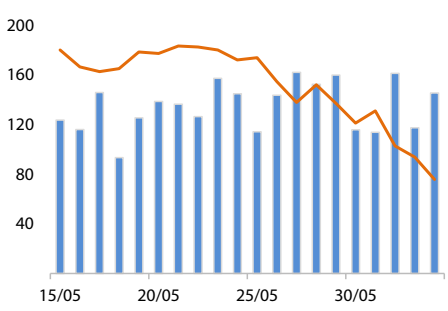
While the lack of supporting market information, concerns of Circular 36 is still a main cause for investor's cautious behavior. Fundamentally, we, however, find that macro factors are still supporting the current stable business conditions.

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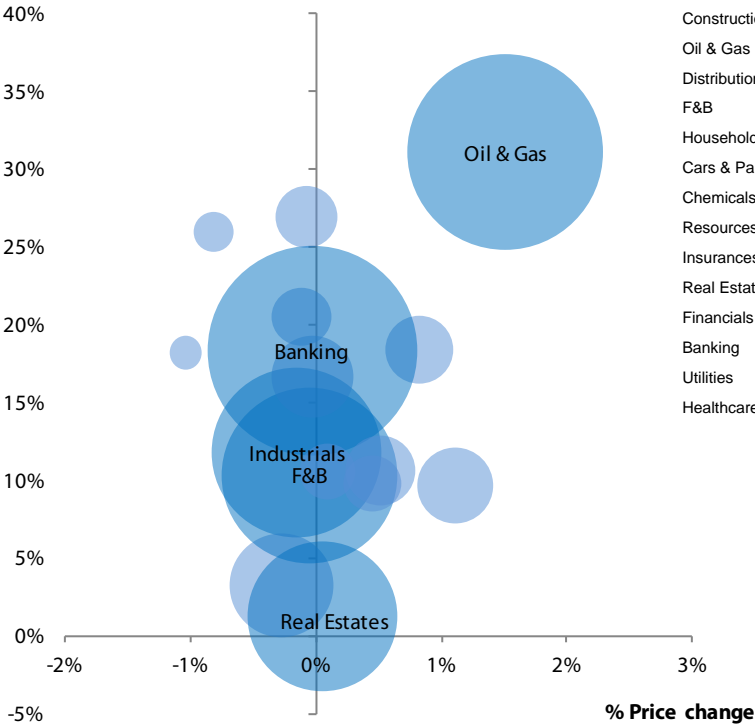
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VNINDEX 0.25% **569.43** **VN30** -0.14% **613.57** **HNXINDEX** 0.47% **87.85**



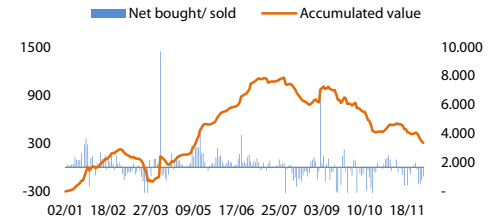
Industry Movement

Industry ROE

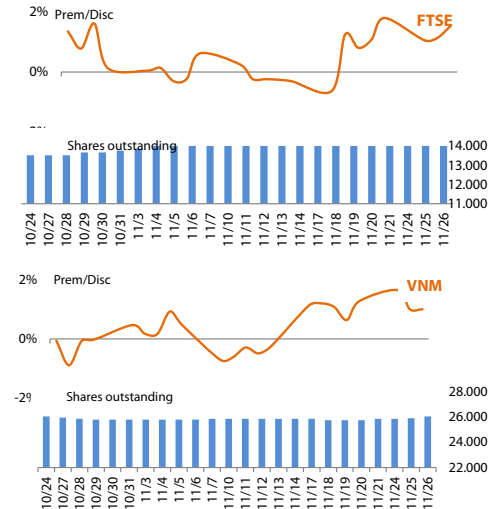


Industry	% change
Technologies	-0.1%
Industrials	-0.2%
Constructions	-0.3%
Oil & Gas	1.5%
Distribution	-1.0%
F&B	-0.1%
Household Goods	0.4%
Cars & Parts	-0.8%
Chemicals	0.8%
Resources	-0.1%
Insurances	0.0%
Real Estates	0.1%
Financials	1.1%
Banking	0.0%
Utilities	0.5%
Healthcare	0.1%

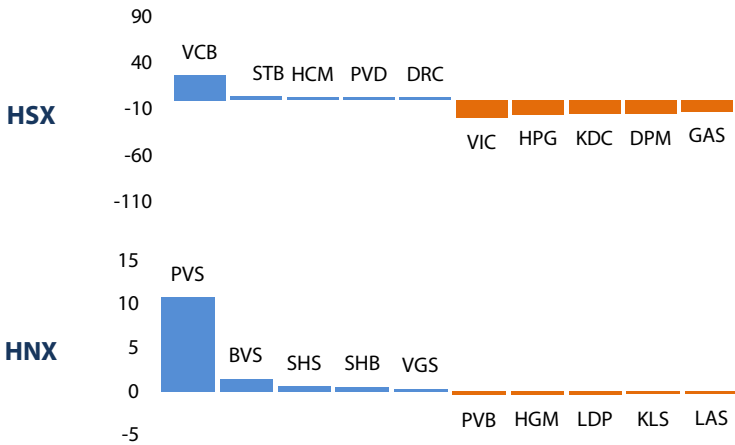
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



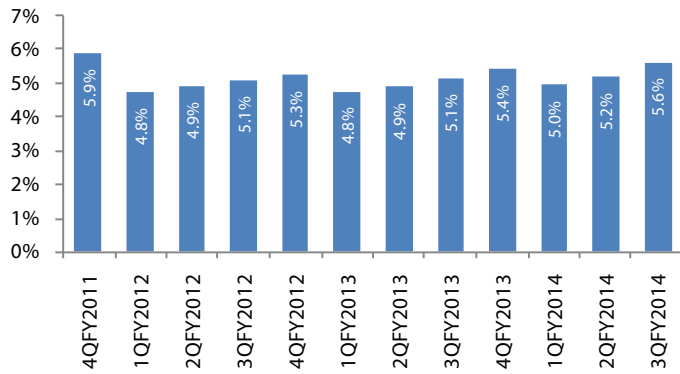
Top Active

Ticker	Price	Volume	% price change
FLC	11.5	17.45	0.0%
HAG	24.1	5.17	-0.8%
SSI	30.3	4.42	1.0%
ITA	8.8	4.07	0.0%
VHG	14.3	3.88	-0.7%

Ticker	Price	Volume	% price change
KLF	13.0	9.74	0.0%
SCR	10.5	3.40	1.0%
PVS	34.4	3.17	4.9%
PVX	6.2	2.37	-1.6%
FIT	25.6	2.00	2.4%

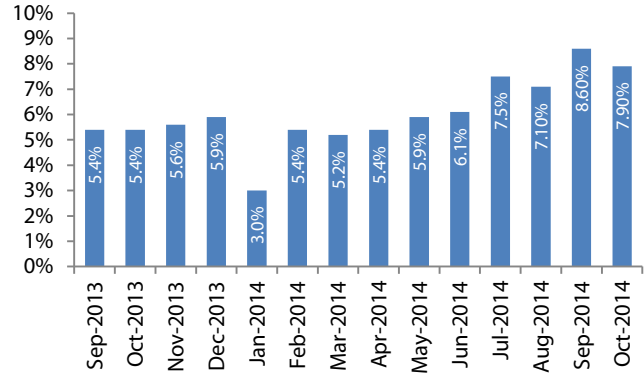
MACRO WATCH

Graph 1: GDP Growth



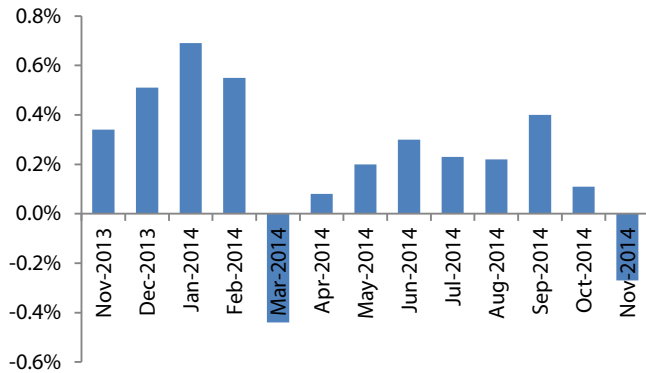
Sources: GSO. Rongviet Securities database
(* Comparison price in 1994)

Graph 2: IIP



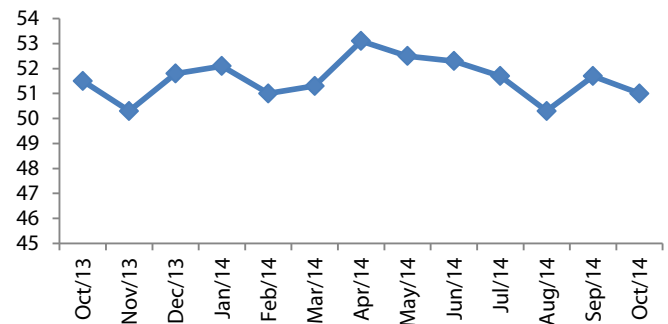
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



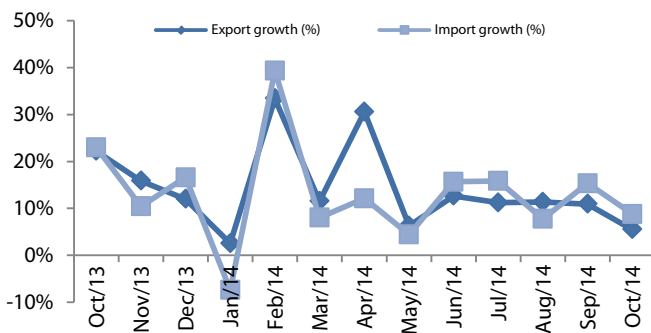
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



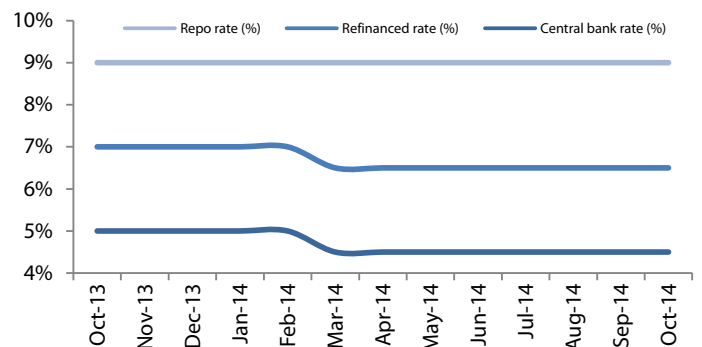
Sources: GSO. Rongviet Securities database

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
GDT - Still being on upward trend	Nov 27 th ,2014	Accumulate – Long term	41,300
PGS - 2015: A year of challenge	Nov 24 th ,2014	Neutral - Long term	37,800
NBB - A turning point with City Gate Towers	Nov 14 th ,2014	Buy - Long term	26,800
CMI-Project restarts spark new hopes	Nov 13 th , 2014	Monitor	
CNG - Potential growth from building materials industry's well-being	Nov 10 th , 2014	Accumulate – Long term	46,000

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	25/11/2014	0-0.75%	0-2.5%	11,766	11,765	0.01%
VEOF	25/11/2014	0-0.75%	0-2.5%	10,091	10,223	-1.29%
VF1	01/12/2014	0.20% - 1.00%	0.50%-1.50%	21,610	21,999	-1.77%
VF4	26/11/2014	0.20% - 1.00%	0.00%-1.50%	9,906	10,131	2.22%
VFA	28/11/2014	0.20% - 1.00%	0.00%-1.50%	7,429	7,522	-1.24%
VFB	28/11/2014	0.30% - 0.60%	0.00%-1.00%	11,823	11,961	-1.15%
ENF	21/11/2014	0.00% - 3.00%		10,943	11,064	-1.09%
MBVF	20/11/2014	1%	0%-1%	11,075	11,096	-0.19%
MBBF	19/11/2014	0-0.5%	0-1%	11,752	11,742	0.09%

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