

Oil&Gas shares - "Easy up, easy down"

- **GSP – the prominent company of PVTrans**
- **Oil&Gas shares - "Easy up, easy down"**

GSP – the prominent company of PVTrans

RongViet Research has recently had a discussion with GSP to get updated information about the company's business result. According to 2Q2014 financial report, 1H2014 GSP's revenue was VND447.38 billion (+14.48% yoy), while NPAT was down by 9.47%. This decrease in NPAT was caused by the fact that Dung Quat oil refinery had been temporarily shut down for 2-months in 2Q2014 for maintenance and GSP also began scheduled periodic maintenance for the two vessels namely Cuu Long Gas and Sai Gon Gas. Nevertheless, given the stable nature of LPG transporting demand, GSP said that its transporting vessel fleet would get back to normal operation in the last two quarters of this year. As discussion with GSP board member, up to September, the company also informed that estimated revenue will reach at VND800 billion (~98.77% of business plan) with after-tax profit of VND50 billion (~70.4% of expected business plan). According to our analyst, in the third quarter, GSP usually has the highest profit. Therefore, we estimated that total GSP revenue for 2014 would be VND1,056 billion (~+22% as compared to previous year) and the parent company's NPAT could achieve VND50 billion (~+8% compared to last year).

Due to many reasons, GSP is unlikely to invest new vessels in 2014, however, we supposed that GSP will be able to buy a new vessel of 5,000-7,000 DWT with an investment value of USD 10-12 million. From 1Q2015, the domestic demand for LPG transportation is expected to increase due to GAS recently signed a new contract with the pipeline in order to transport a part of LPG from Nam Con Son to Dinh Co oil refinery with increasing this factory's capacity. For the GSP outlook in 2015, we supposed that it also has both advantages and disadvantages. The increasing demand of LPG transportation, reduction cost program and high profit margin of Spot contracts will be advantageous point for GAS. In contrast, GSP is likely to decrease transportation price for PVGas and it has 4 vessels docked next year.

In general, we supposed that the GSP performance will still maintain stable in 2015, and in the upcoming years, GSP will efficiently operate due to many refinery projects with increasing LPG transports and the recovery of marine transportation industry.

Our analyst estimated that GSP prospect is unlikely to be the attractive reason to invest in GSP stock with recent trading price. However, with stable dividend (10-12%) and 7.6% dividend yield, GSP will be a suitable stock for risk-averse investors.

Oil&Gas shares - "Easy up, easy down"

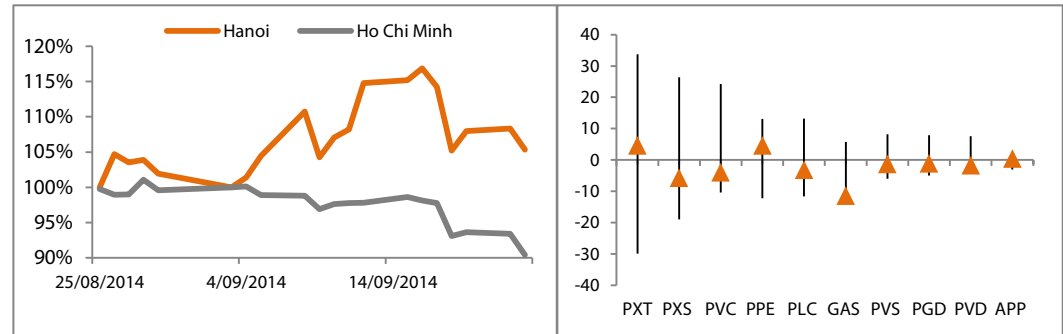
Though market breath was quite good today with 113 gainers versus 95 losers, however, VNIndex extended loss the eight day in a row. At the end of the day, VNIndex broke the supporting level of 610 points and closed at 603.59 points. In today session, "Culprit" was GAS (-4,000). As we calculated, without GAS, VNIndex just decreased by 0.47%. On HNX bourse, HNIndex made a small correction, decreased to 87.71 points.

There were large put-through deals happened today, including MSN (~3.8 million shares, a worth of VND315.2 bn) and SBT (~4.3 million shares, a worth of VND54.18 bn). Some bluechips which maintained in green such as CII, CSM, HAG, MSN, KDC while Oil&Gas tickers lose ground like GAS, PVD, PXS, PVT, PGD, PGS... This made investors' sentiment not in a good mood today.

According to our market analysts, recently, oil and gas stocks have widely fluctuated on both

stock exchanges in the way we told that “easy up, easy down”. Optimistic view of analysts about this field seemed to be over-responded. Rapidly and strongly changes of some tickers of this group could cause concern for value-investing investors, who might not create “hot craze” but are essential element for sustainable growth of the market.

Exhibit: Change in Oil&Gas stock index and price change(*)



Source: Bloomberg, RongViet Research

(*): Price range and price change in 1-month period

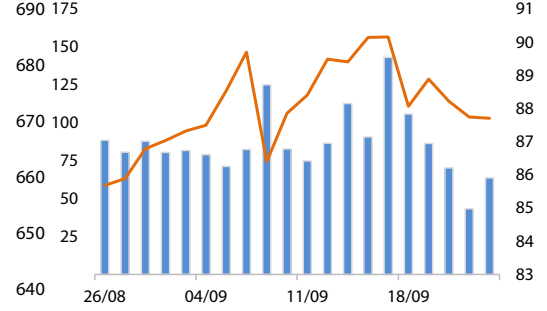
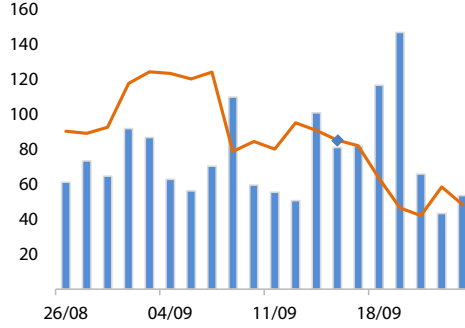
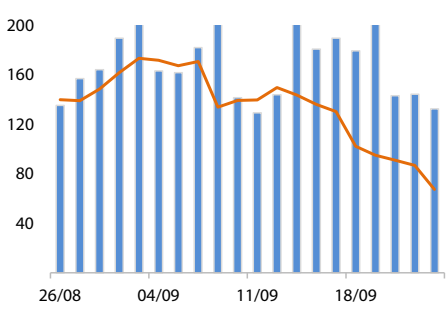
Diem My Tran

+ 84 8 6299 2006 | Ext: 344

my.ttd@vdsc.com.vn

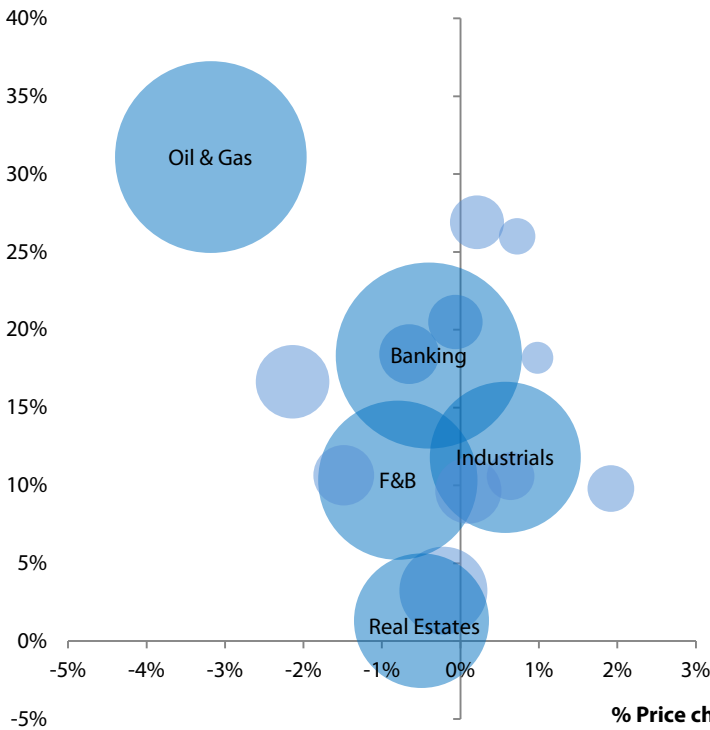
Today, GSO has announced national CPI in September, with CPI reaching the highest point since February 2014, adding 0.4% as compared to August and 3.62% y/y. In which, educational element had the highest increase of 6.38% as opposed to August's. As we mentioned in our advisory diary on September 22 about CPI in Ha Noi and Ho Chi Minh City, we did not surprise about this result and remained our annual expected CPI at around 5%.

VNINDEX -1.11% 603.59 **VN30 -0.48% 655.14** **HNXINDEX -0.05% 87.71**



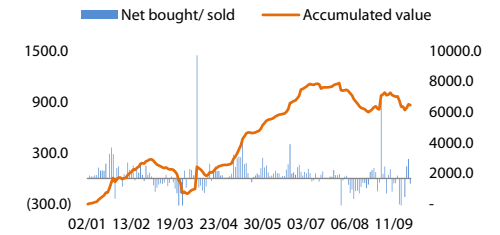
Industry Movement

Industry ROE

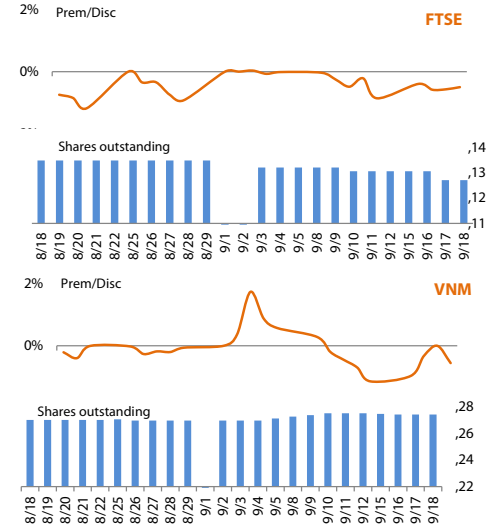


Industry	% change
Technologies	-0.1%
Industrials	0.6%
Constructions	-0.2%
Oil & Gas	-3.2%
Distribution	1.0%
F&B	-0.8%
Household Goods	1.9%
Cars & Parts	0.7%
Chemicals	-0.7%
Resources	0.2%
Insurances	-2.1%
Real Estates	-0.5%
Financials	0.1%
Banking	-0.4%
Utilities	-1.5%
Healthcare	0.6%

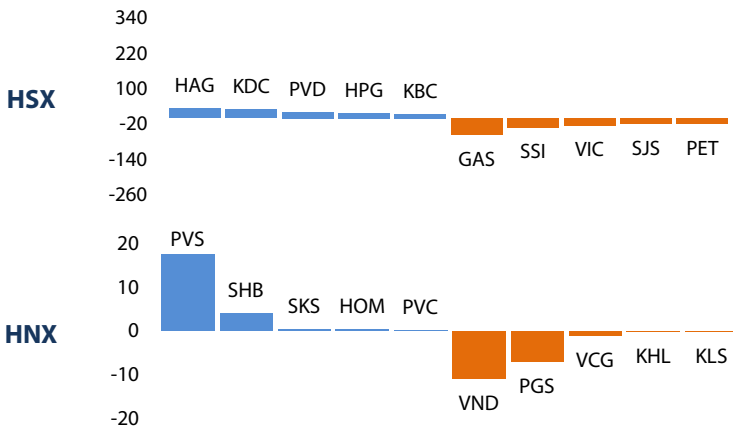
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



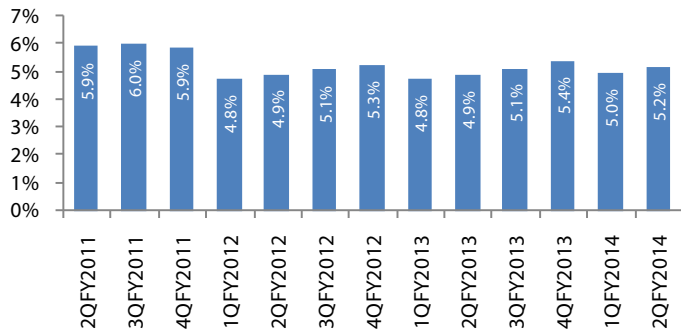
Top Active

Ticker	Price	Volume	% price change
FLC	11.5	8.56	-1.7%
ITA	8.6	5.28	-1.2%
SSI	28.3	5.13	-3.1%
KBC	14.4	3.38	0.0%
DIG	14.0	3.38	2.9%

Ticker	Price	Volume	% price change
PVX	6.30	8.28	1.6%
SHS	11.80	5.26	2.6%
SCR	9.90	5.07	1.0%
PVS	41.30	4.13	0.2%
FIT	18.50	3.96	2.2%

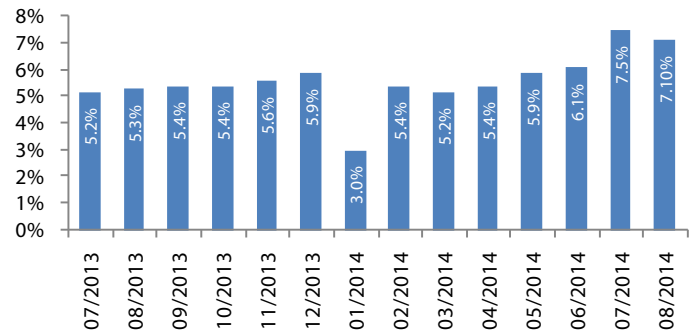
MACRO WATCH

Graph 1: GDP Growth



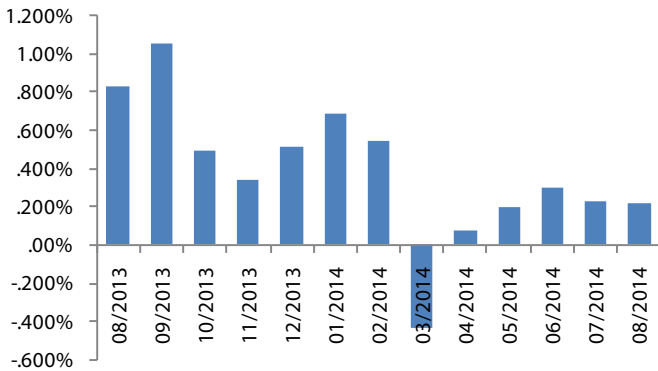
Sources: GSO. Rongviet Securities database
(*) Comparision price in 1994

Graph 2: IIP



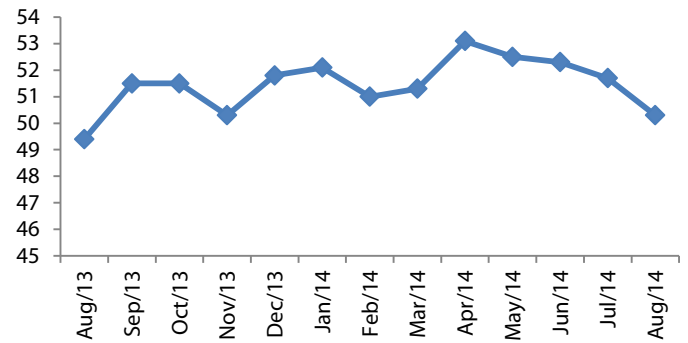
Sources: GSO. Rongviet Securities database

Graph 3: Monthly CPI



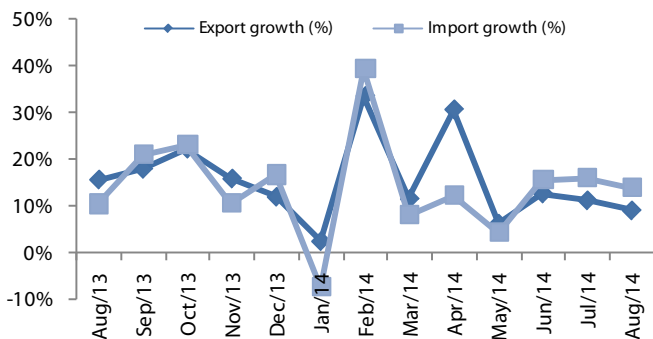
Sources: GSO. Rongviet Securities database

Graph 4: HSBC - PMI



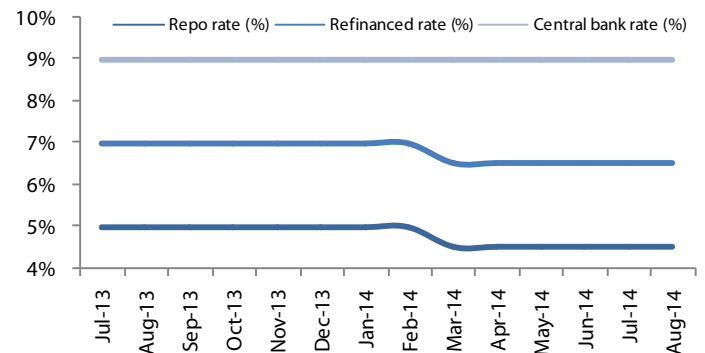
Sources: GSO. Rongviet Securities database

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
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
HSG - The hard part has gradually done!	Aug 21 st , 2014	Accumulate – Intermediate term	48,100
HPG - On the way to dominate nationwide' market shares	Aug 12 th , 2014	Accumulated – Intermediate-term	66,400
NBB - A new chapter with co-investment	Jul 31 st , 2014	Buy – Intermediate term	27,400

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	16/09/2014	0-0.75%	0-2.5%	11,645	11,476	1.47%
VF1	18/09/2014	0.20% - 1.00%	0.50%-1.50%	23.917	23.531	1.64%
VF4	17/09/2014	0.20% - 1.00%	0.00%-1.50%	10.868	10.733	1.26%
VFA	18/09/2014	0.20% - 1.00%	0.00%-1.50%	7.709	7.777	-0.88%
VFB	18/09/2014	0.30% - 0.60%	0.00%-1.00%	11.532	11.451	0.72%
ENF	12/09/2014	0.00% - 3.00%		10.705	10.740	-0.33%

ANALYSTS

Truc Doan – Head of Research

+ 84 8 6299 2006 | Ext: 314

truc.dtt@vdsc.com.vn

Ngoc Chung

+ 84 8 6299 2006 | Ext: 318

ngoc.cb@vdsc.com.vn

Lam Nguyen

+ 84 8 6299 2006 | Ext: 318

lam.ntp@vdsc.com.vn

Ha My Tran

+ 84 8 6299 2006 | Ext: 348

my.tth@vdsc.com.vn

Tai Nguyen

+ 84 8 6299 2006 | Ext: 315

tai.ntp@vdsc.com.vn

Diem My Tran

+ 84 8 6299 2006 | Ext: 344

my.ttd@vdsc.com.vn

Trien Le

+ 84 8 6299 2006 | Ext: 339

trien.lh@vdsc.com.vn

Tam Bui

+ 84 8 6299 2006 | Ext: 348

tam.bt@vdsc.com.vn

Huong Pham

+ 84 8 6299 2006 | Ext: 317

huong.pt@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



This report is prepared in order to provide information and analysis to clients of Rong Viet Securities only. It is and should not be construed as an offer to sell or a solicitation of an offer to purchase any securities. No consideration has been given to the investment objectives, financial situation or particular needs of any specific. The readers should be aware that Rong Viet Securities may have a conflict of interest that can compromise the objectivity this research. This research is to be viewed by investors only as a source of reference when making investments. Investors are to take full responsibility of their own decisions. VDSC shall not be liable for any loss, damages, cost or expense incurring or arising from the use or reliance, either full or partial, of the information in this publication.

The opinions expressed in this research report reflect only the analyst's personal views of the subject securities or matters; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or opinions expressed in the report.

The information herein is compiled by or arrived at Rong Viet Securities from sources believed to be reliable. We, however, do not guarantee its accuracy or completeness. Opinions, estimations and projections expressed in this report are deemed valid up to the date of publication of this report and can be subject to change without notice.

This research report is copyrighted by Rong Viet Securities. All rights reserved. Therefore, copy, reproduction, republish or redistribution by any person or party for any purpose is strictly prohibited without the written permission of VDSC.