

JUNE

17

TUESDAY

ADVISORY DIARY

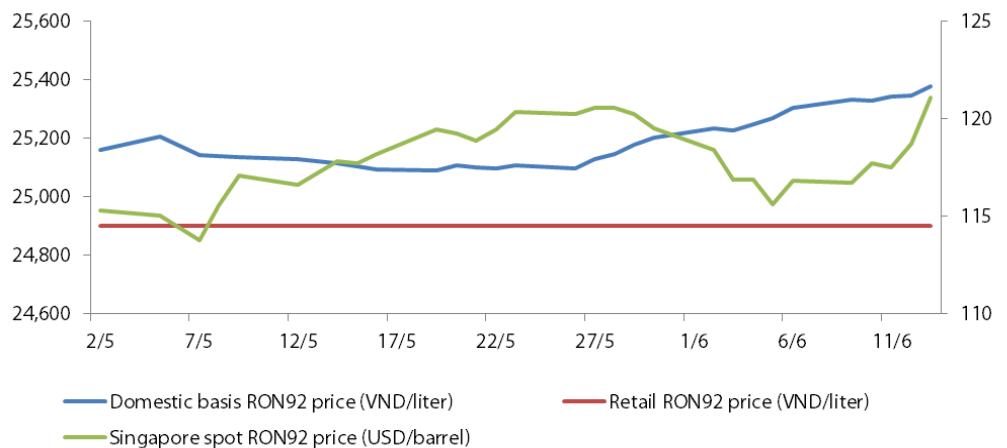
- **Gasoline price raise possible in global oil price surge**
- **Maseco's triumph against HCMC Tax Bureau sparks hope in BMP's case**
- **Thai fishery's latest slave labor scandal and the opportunity for Vietnamese prawns**
- **No excitement just yet**

Gasoline price raise possible in global oil price surge

The latest unrest in Iraq, the second largest oil exporter in the OPEC has driven the price of crude oil in the world's market in the past few days. As the oil price now stands at its 9-month high of USD113.2/barrel (WTI), we see a high chance that the government will raise domestic gasoline prices in the upcoming days.

On June 12, 2014, the Ministry of Finance approved more generous tapping of the petroleum price stabilization fund, from VND200/liter to VND440/liter for gasoline and from VND160/kg to VND410/kg for mazut (a type of low quality fuel oil). However, this could do little to ease worries over a coming increase in gasoline price now that the discrepancy between the current basis gasoline price and the retail price is as high as VND509/liter (16/06/2014). Therefore, if oil price remains at the current level, it would not be long before the retail RON92 gasoline price may be raised by another VND200-300 per liter.

Exhibit: Domestic basis RON92 price in relativity with RON92 spot price in Singapore



Source: Vietnam Petroleum Association

Maseco's triumph against HCMC Tax Bureau sparks hope in BMP's case

In the second trial yesterday June 16, 2014, the Hochiminh City People's Court invalidate the HCMC Tax Bureau's decision regarding the retrospective collection of income tax (for 2007 and 2008) and tax penalty of total VND10 billion against Phu Nhuan Service SJC – Maseco. Maseco has been among the many local businesses subject to the Tax Bureau retrospective tax collection since late 2014 for inappropriate application of income tax incentives in past periods. Most notable of them all was the case of Binh Minh Plastic (HSX-BMP), who was charged up to VND117.1 billion for both the retrospective income tax charges and tax fine.

"No excitement just yet"

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Having paid the portion of past-period tax in 2013, BMP had its complaints sent to the HCMC Tax Bureau, which was, however, rejected. Since then, the Company has appealed to the higher authorities, i.e. the General Taxation Department and the Finance Ministry. On admitting the case's complications, the General Taxation Department has elected to wait for the Finance Ministry's guidance before making the final decision, leaving BMP's complaints unanswered.

The triumph of the Maseco against the HCMC Tax Bureau actually lights a new hope to BMP's case. In the event all its complaints are disregarded, BMP can still resort to the court for settlement. In that case, the experience from Maseco will greatly add to Company's chance of winning given the similarities and close timing between the two cases.

Thai fishery's latest slave labor scandal and the opportunity for Vietnamese prawns

According to Agromonitor, Carrefour, the second largest retail brand in the US (after Walmart) has just halted all shrimp purchases, direct and indirect, from Charoen Pokphand (CP) Foods (Thailand). This came shortly after an investigation by the Guardian (UK) revealed the slavery-like working conditions and trafficking activities on fishing vessels that harvest "trash" or inedible fish used for the production of prawn feed. The news provider also pointed out C.P as one of the main purchasers of prawn feed from these sources.

C.P prawns are now consumed all over the world, distributed in stores and supermarkets of large retail brands such as Walmart, Costco, Tesco, etc... After the release of such information, the retailers said that they would implement social audits of prawn suppliers from Thailand and work closely with C.P with regard to with matter.

This is a hard blow to Thailand's prawn exports as well as a warning to all fisheries producers in the region, including Vietnam, with regard to social welfares and labor conditions aside from technological and environmental matters when selling to developed markets. However, it is also a chance for Vietnamese prawn producers to increase their shares in exports market as demand for Thai prawns subdues after the revelation.

No excitement just yet

In the northern market, stocks of HNX30 added moderately and were the main growth driver for the market index for the entire session. However, the winning side outnumbering the losing side by only a small margin and whole-day volume being no more than 49 million shares validated our feeling of a lack of enthusiasm across the groups of stocks in the HNX.

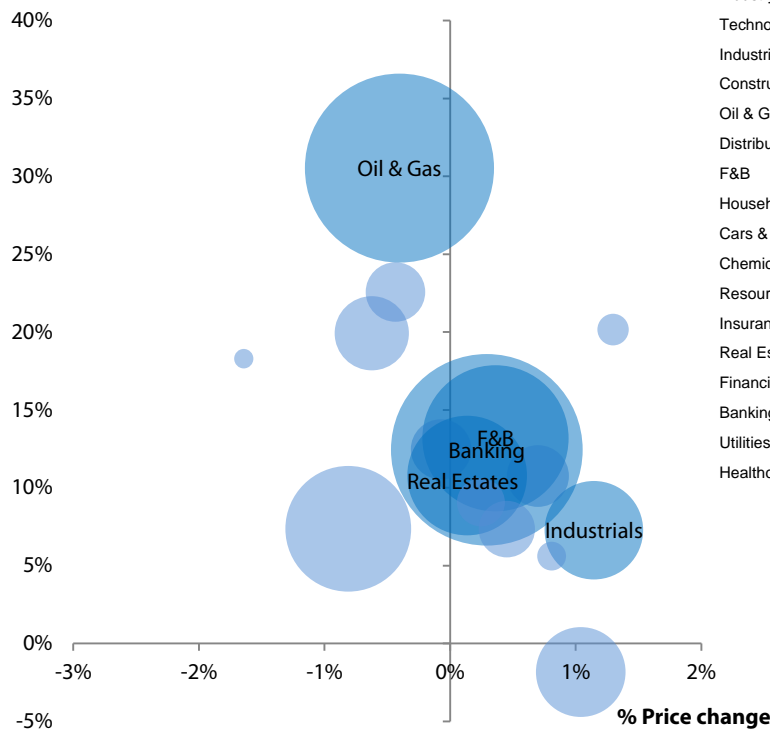
On the contrary, the southern exchange saw a high degree of unanimity among mid-caps and stocks of VN30. Yet VNIndex struggled around 572 and ended lower 0.02% for the day as some of the largest-caps, i.e. GAS, MSN and VCB, retreated. Much like in the HNX, whole-day volume in the HSX was little changed at 108.6 million shares.

Despite unexciting movements of the market as a whole, we were very pleased with the substantial rises of many stocks in our favorite list, i.e. HPG, TCM, DBC and PXS; PXS even ended at the upper limit of the price band. These are all issues of sound fundamentals with optimistic Q2 earnings outlooks. With the current absence of supporting information, the shift to or accumulation of stocks like these during market retracements can relieve investors of daily worries and leave them with all their minds on the heating World Cup.

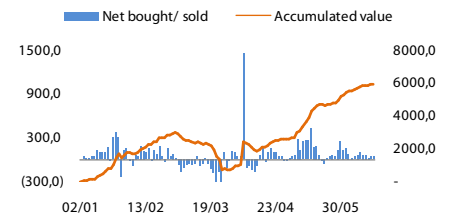


Industry Movement

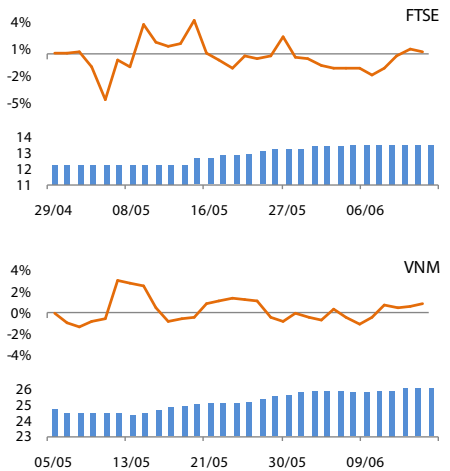
Industry ROE



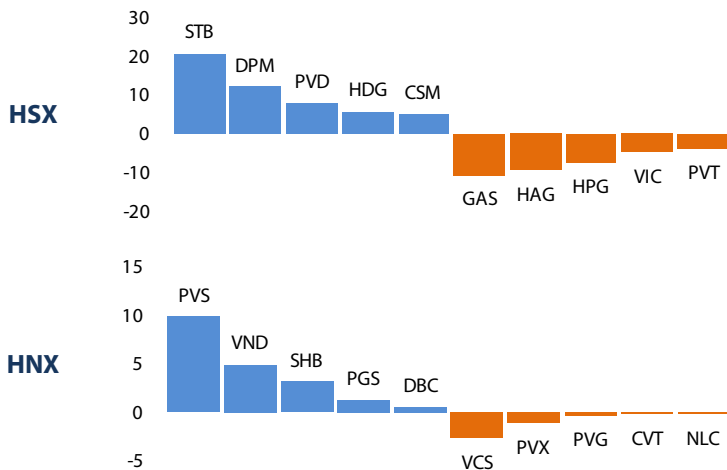
Foreign Investors Trading



ETF



Top net bought/sold by foreigners (VND bn)



Top Active

Ticker	Price	Volume	% price change
FLC	11.10	11.46	1.8%
ITA	8.30	9.58	3.8%
HQC	7.90	8.85	6.8%
SSI	26.10	3.98	3.2%
SAM	10.10	3.26	5.2%

Ticker	Price	Volume	% price change
KLF	11.70	6.82	-0.4%
KLS	12.30	5.25	2.4%
SCR	8.80	4.51	0.8%
PVX	4.30	4.25	0.0%
SHB	9.20	3.53	0.9%

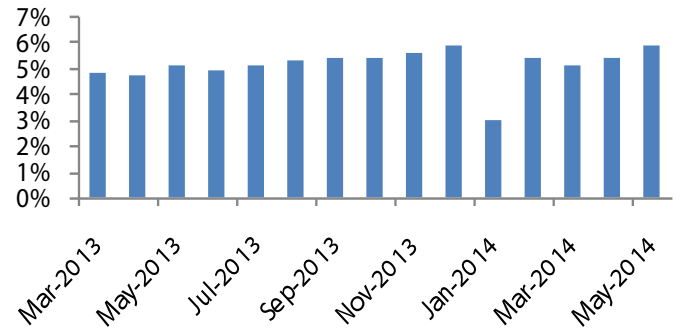
MACRO WATCH

Graph 1: GDP Growth



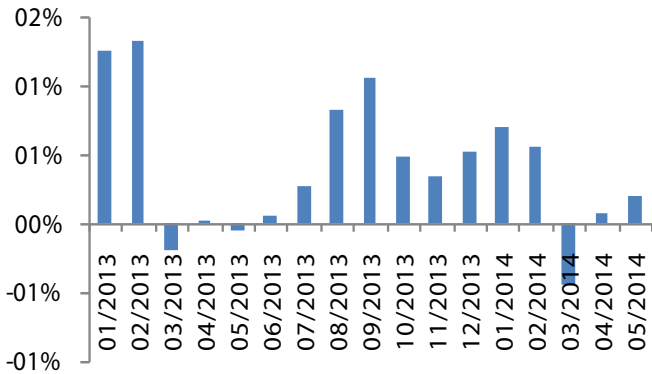
Sources: GSO, Rongviet Securities database
(*) Comparison price in 1994

Graph 2: IIP



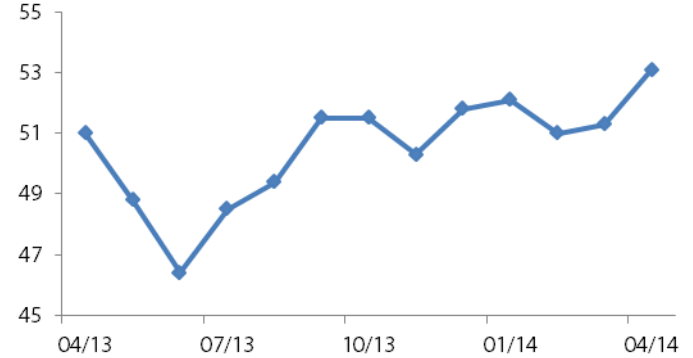
Sources: GSO, Rongviet Securities database

Graph 3: Monthly CPI



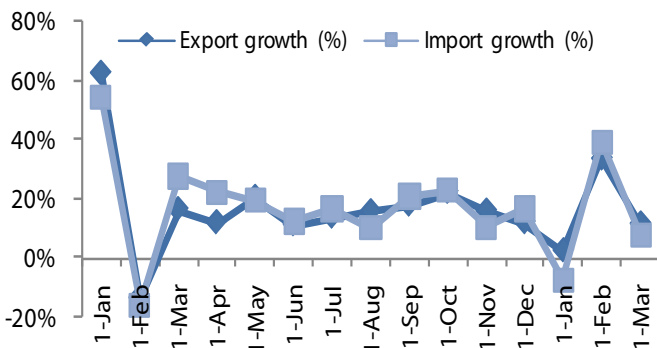
Sources: GSO, Rongviet Securities database

Graph 4: HSBC - PMI



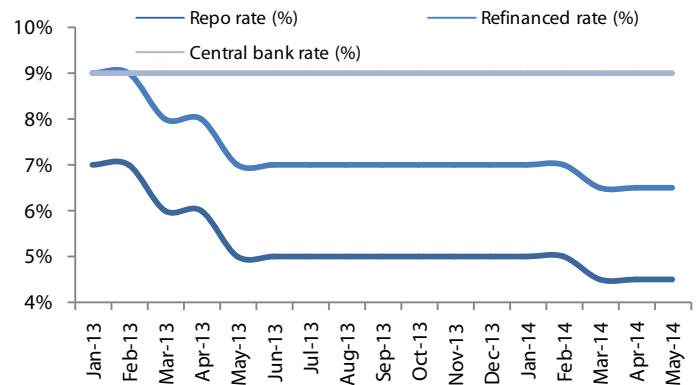
Sources: GSO, Rongviet Securities database

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 th , 2014	Buy – Long-term	28,000
FPT-Leaping revenue	May 27 th , 2014	Accumulate – Intermediate-term	51,600
NBB-Strengthened cash flows	May 07 th , 2014	Buy – Long-term	36,300
DIG-Reboot	April 28 th , 2014	Accumulated – Long-term	19,200
HPG-Sustainable Development	April 24 th , 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	10/06/2014	0.75%	0.75%	10,761	10,766	-0.05 %
VF1	12/06/2014	0.20% - 1.00%	0.50%-1.50%	20,784	20.384	1.96 %
VF4	11/06/2014	0.20% - 1.00%	0.00%-1.50%	9,395	9.318	0.83 %
VFA	13/06/2014	0.20% - 1.00%	0.00%-1.50%	7,363	7.345	0.24 %
VFB	13/06/2014	0.30% - 0.60%	0.00%-1.00%	10,799	10.771	0.26 %
ENF	06/06/2014	0.00% - 3.00%		9,609	9.706	-1.00 %

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