

Vietnam Sector Outlook

Báo cáo triển vọng ngành (part 1)



BSC

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TABLE OF CONTENTS

2015 Sector Investment Strategy Review.....	1
1. BSC's view on the market and sector in 2015.....	1
2. Growth in earnings and valuations.....	5
3. Comparison between sector growth and VN-index in 2015.....	6
3. Top stocks in 2015	8
4. Performance of recommended stocks	9
5. Sectors business performance in 9M2015.....	10
Banking Sector.....	12
Real Estate Sector	17
Construction Sector	19
Cement Sector	21
Ceramic Sector	23
Technology Sector	25
Seaport Sector	28
Automobile Sector.....	30
Non-life Insurance Sector.....	32
Textile Sector	35
Electricity Sector	38
Tire Sector	43
Plastic Sector	45
Pharmaceutical Sector	48
Steel Sector	50
Aquaculture Sector	55
Oil & Gas Sector	57
Fertilizer Sector.....	60
Sugar Sector	65
Marine Transportation Sector.....	68
Natural Rubber Sector	70

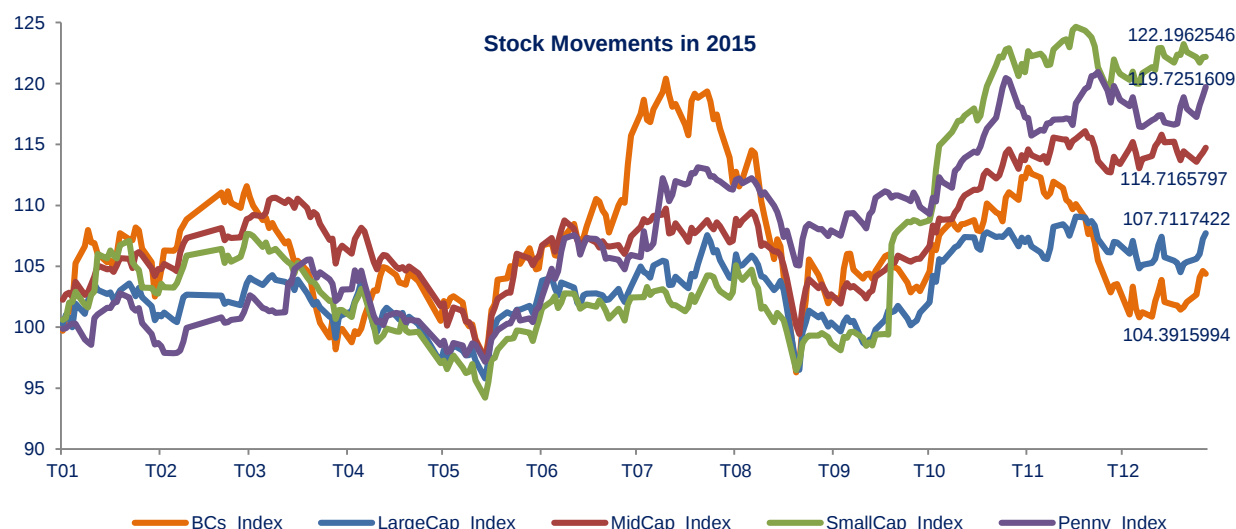
2015 SECTOR INVESTMENT STRATEGY REVIEW

1. BSC's view on the market and sector in 2015

In order to assess the accuracy and effectiveness of BSC's view in **The Sector Outlook Report 2015**, we consider different factors including (1) The market performance in 2015 and (2) Sector strategy

(1) The market performance in 2015

- **In terms of points:** The VN-Index closed at 579.02 points (+ 6.1%) on Dec 31st 2015, which falls under the Neutral scenario forecasted in our 2015 Macro and Stock market report. "We are in favor of Neutral Scenario in which VN-Index may finish at 600 pts, and if having various strong supporting news (Positive Scenario), this index is expected to end at 650 pts." BSC has predicted somewhat exactly end point of VN-Index in 2015 as comprehensively assessing that several good factors like TPP agreement, EU-Vietnam FTA, Korea-Vietnam FTA and stable Vietnam macro may significantly impact on the stock market.
- **In terms of market movements:** market fluctuations were close to our forecast. In our 2015 Macro and Stock market report, we stated that the market would perform positively in the first 6 months and bear major challenges in the last 6 months. In our 3Q report, we stated that the market would perform positively in October, sideways in November and decrease in December.
- **Information affecting VN-Index and stock market in 2015:** As we predicted, information had a positive impact on the market and enterprises was: stable macroeconomy, reduction in lending rates, joining FTAs, TPP and opening ownership room for foreign investors. The negative factors also happened as our forecast, such as the Fed rate hike in 2015, the economic stagnation of China, the risks from Circular 36, which led to money recession.
- **In term of Investment Strategy by cyclical timing.** We made the following assessment: **"During the first half of 2015, stock groups leading the market in terms of size are: Blue Chip and Large cap" and "in second half of 2015: stocks with the strongest performance are small cap and MidCap"** We assessed accurately the stock trend in 2015, with the first 6-month period was led by good growth BCs and LargeCap group, up by 10% and 1.5%; while MidCap and SmallCap went sideways during the first 3 quarters and only had a breakthrough in the last months of the year with growth of 14.7% and 22.2%.



Source: Bloomberg, BSC

(2) Sector strategy 2015

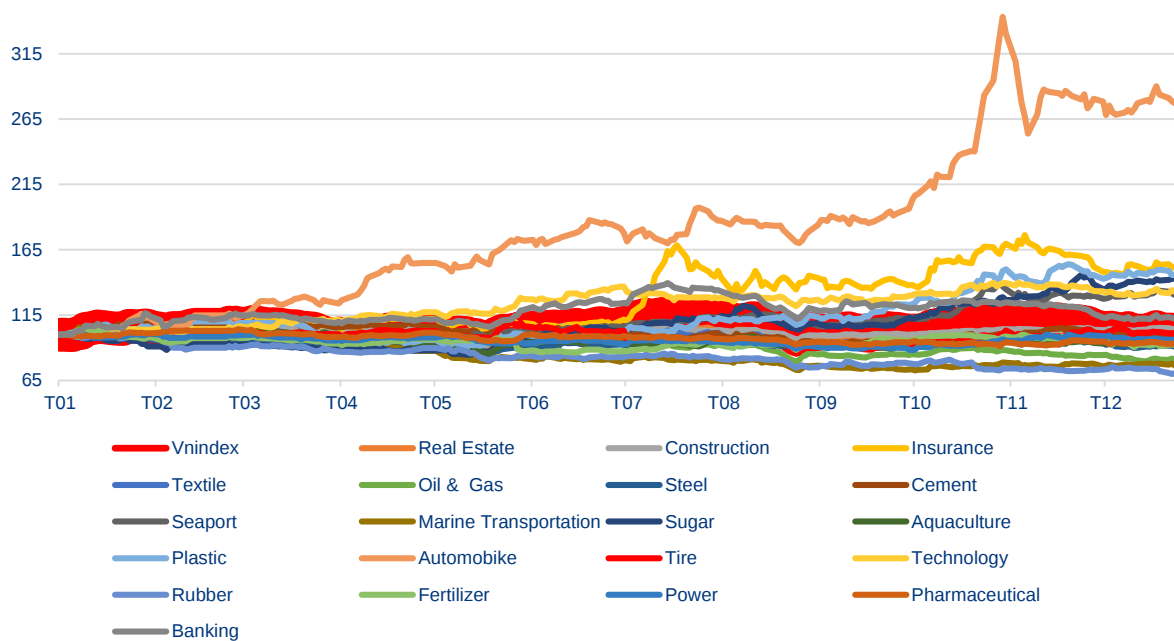
Five notable investment topics in 2015: we gave 5 investment topics in 2015 and they had a strong impact on VN- Index for the year. Moreover, most of our recommended stocks outperformed Vn-index in 2015.

- First, the recovery of macro economy was more evitable and the finance sectors benefited from this trend. At year end, Banking sector increased by 12.1% (VCB, BID), Insurance increased by 51.23% (BIC, BMI)
- Second, real estate recovered with rising liquidity. This led to opportunities for downstream sectors such as construction, materials, and furnitures. The strongest growth belonged to enterprises located in the South, thanks to the boost in civil investment and the FTAs. At year end 2015, investors who followed this topic may gain profit from the BSC's recommended stocks or leading stocks of the sectors such as Construction (CTD, HBC), Real estate (VIC, DXG), Materials (BMP, NTP), Cement (HT1, BCC), Brick (CVT, VSC, VIT)...
- Third, energy price fell and electricity price increased, leading to an improvement in earnings of sectors such as transportation, automobile, fertilizer, thermal, chemical, ... due to the low input prices; In 2015, our recommended stocks also had good growth in the Chemicals sector (PLC), Electricity (NT2), Fertilisers (DPM); transportation (GSP), ...
- Fourth, the expansionary monetary policy of ECB and the JCB caused depreciation in JPY and EUR. BSC's assessment was relatively accurate for this trend, although enterprises with large EUR loans such as HT1, BCC, BTS and NT2 only recognized exchange rate gain in Q1 / 2015, and recorded losses in the remaining quarters. Considering all of 2015, these businesses have been recorded foreign exchange rate gains (HT1 and NT2 recorded strong growth in 2015)

Vietnam Sector Outlook 2016
Part 1

- Fifth, the Free Trade Agreements (FTAs), in which ACFTA effective in Jan 1st 2015 negatively affected the pharmaceutical and steel sectors, stock price movements for these sectors were not positive in 2015. Meanwhile, our most expected sectors such as Logistics (GMD), ports (VSC, HAH), and industrial (KBC, LHG) offered strong growth. Textile, a sector expected by investors, did not yield significant growth.

VNIndex and Sectors

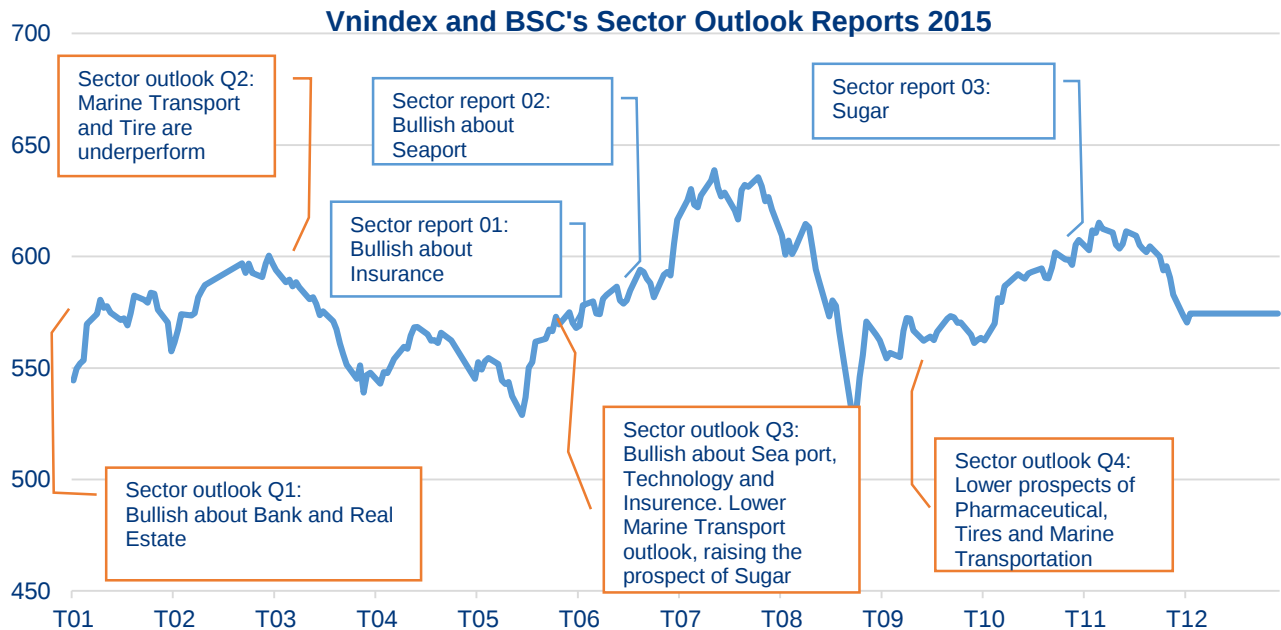


Source: Bloomberg, BSC

2015 Sector outlook.

- We had commented, " Please note that Real estate and Bank are likely to lead VNIndex in 2015, replacing Oil and Gas position". In fact, at the beginning the year, the banking sector had strong increase, totaled 12.1% in 2015. terms of capitalization, the banking sector was the largest group with the leading role. The proportion of the banking group's capitalization (VCB - CTG - BID - STB - EIB - MBB) increased from 22.85% (05.01.2015) to 27.55% (29.12.2015), in which VCB is the 2nd largest, accounting for 10.28% of total market capitalization. On the other hand, the real estate sector did not grow as we expected, with 2.93% decrease in the year. However, recommended real estate stocks had very good growth VIC (+ 20.37%), DXG (+ 61.02%) and KDH (+ 24.42%).
- In addition, in 2015, the BSC is one of the first securities companies bullish on sectors of IT, seaports, Insurance. With Seaports and insurance sectors, while being less attractive in the

- eyes of investors, BSC had published the report in June 2015 with Positive rating, before the rise of these sectors in July ([link Seaports report](#), [links insurance report](#)).
- We did not assess correctly for sugarcane and tire sectors in early 2015. However, in our update report, we lowered our ratings for tire and sugar and the ability of related stocks to be included in ETF of SBT and BHS ([link to report](#)). We also did not assess correctly for the sector with strongest growth in 2015, which was automobile sector.



Source: BSC

2. Growth in earnings and valuations

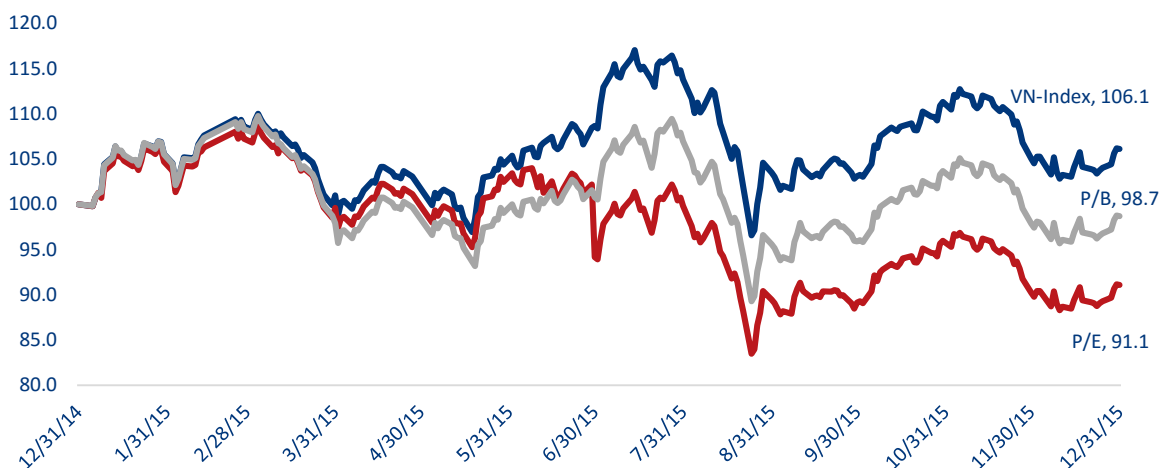
VN30 only yield a slight growth, VN MidCap recovered in earnings

Macroeconomic stability continues, high GDP growth had a positive impact on listed businesses. Manufacturing activities expanded and with improvement in profitability in 2015. Average EPS trailing of the market by the end of Q3/2015 reached 2,430 VND, up 9.7% compared to the 2014 EPS. If excluding the abnormal profit from asset sales of KDC, trailing EPS 2015 would have been VND 2,230, up 4.5% compared with 2014). In the last 2 years, average EPS growth of the market reached over 5%. However EPS of VN30, the group with high influence on the market did not sustain an equivalent growth. VN30 EPS in 2013, 2014 and trailing 2015 were respectively VNDF 2,167; 2,096; and 2,077 (excluding the abnormal profit from asset sales of KDC). Sluggish profit growth is one reason VN30 stocks can not play the leading growth in 2015 market.

Liquidity decline caused VN-Index price movement not comparable to the improved profits and book value of listed stocks in the last 7 months.

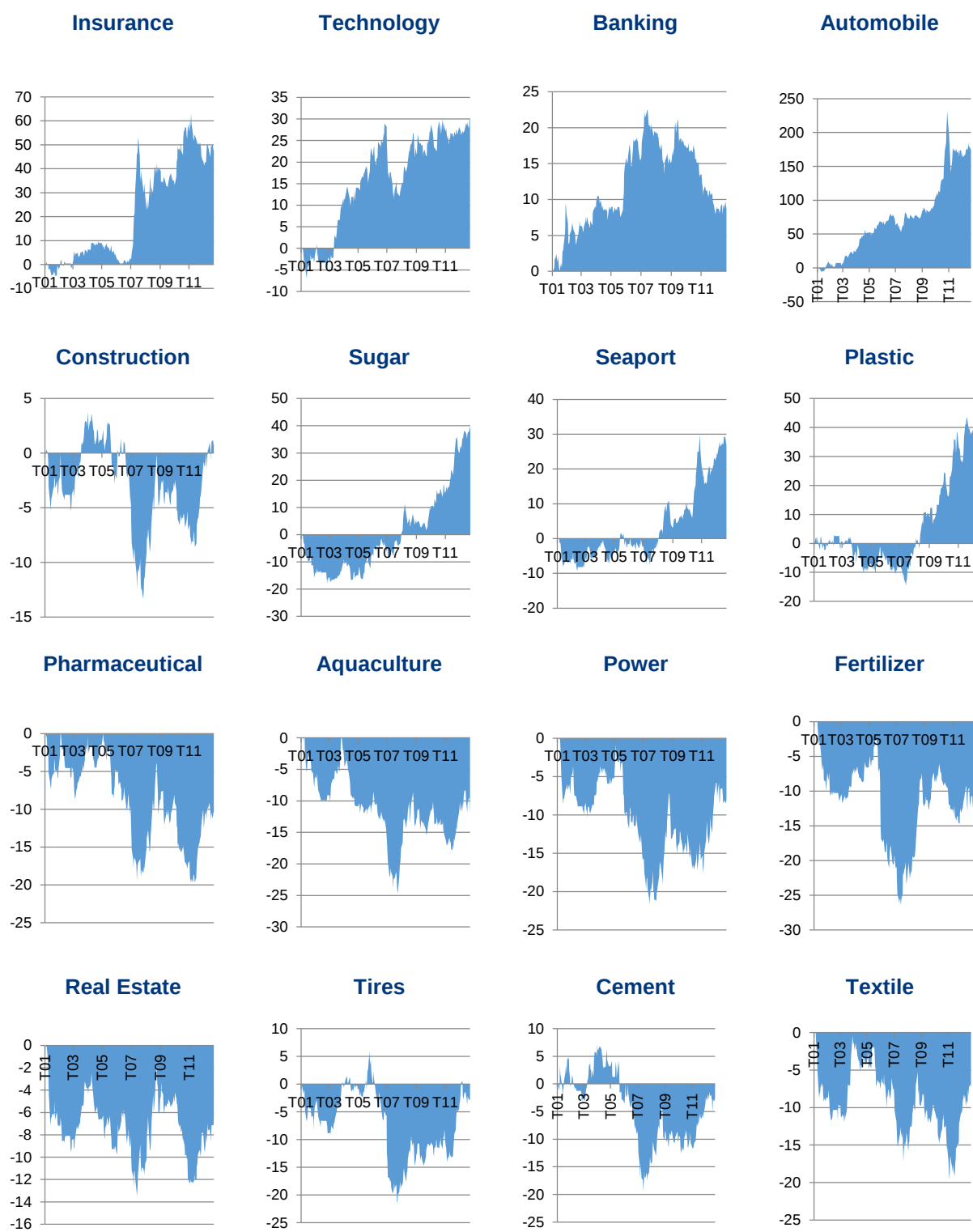
VN-Index has relatively closely correlated to PE and PB movements in the first 5 months of 2015. However, the gap gradually widened in June and maintained throughout the year. End of 2015, VN-Index increased by 6.1% while P/E declined by 8.9% and PB decreased by 1.3%. This data shows that the movement in 2015H2 prices did not keep up with the improvement in fundamental factors such as EPS and BVPS.

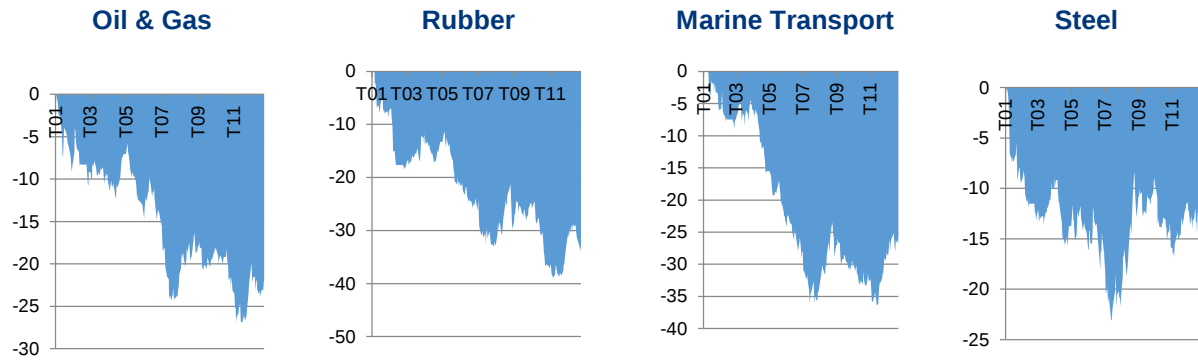
Correlation between VN-Index and P/E, P/B in 2015



Source: Bloomberg, BSC Research

3. Comparison between sector growth and VN-index in 2015





Source: Bloomberg, BSC Research

3. Top stocks in 2015

TOP 5 MOVERS POSITIVE ON VN - INDEX			
CK	Giá 31/12/2015	Thay đổi giá trong 12T (%)	Index pt
VNM	128.000	+ 62.1	+31.1
VCB	43.900	+42.8	+20.1
BID	20.600	+69.3	+13.7
BVH	53.000	+70.3	+8.3
VIC	45.700	+22.8	+5.5
TOP 5 MOVERS NEGATIVE ON VN - INDEX			
CK	Giá 31/12/2015	Thay đổi giá trong 12T (%)	Index pt
GAS	36.200	-48.2	-34.4
PVD	26.500	--51.2	-5.0
HAG	10.400	-47.8	-4.1
KDC	24.300	-49.8	-3.4
HPG	29.200	-13.3	-1.7
TOP 5 LEADERS ON VN-INDEX (Price > 10,000 dong. Average volume >70,000 share/session)			
CK	Giá đầu năm	Giá cuối năm	%Chg
SVC	16.000	41.400	158
TTF	10.300	29.000	181
VSC	41.600	77.000	85
BMP	73.000	131.000	79
SBT	12.900	24.100	86
TOP 5 LAGGERS ON VN-INDEX (Price > 10,000 dong. Average volume >70,000 share/session)			
CK	Giá đầu năm	Giá cuối năm	%Chg
JVC	16.700	5.300	-68
HAI	11.700	5.200	-56
PVD	56.000	26.500	-53
HAG	22.100	10.400	-53
PPI	10.600	5.300	-50
TOP 5 VOLUME LEADERS ON VN-INDEX			
CK	KLGD BQ / phiên	CK	GTGD BQ / phiên
FLC	11.596.354	FLC	92.603.817.814
OGC	6.631.183	CII	84.455.271.255
HHS	4.383.816	SSI	70.022.121.457
SBT	3.820.263	HHS	43.587.093.117
HQC	3.686.493	VIC	42.305.380.563

TOP 5 MOVERS POSITIVE ON HNX - INDEX			
CK	Giá 31/12/2015	Thay đổi giá trong 12T (%)	Index pt
ACB	19.800	+25.9	+2.2
VCS	74.000	+157.0	+1.3
PVI	25.500	+41.0	+0.9
PHP	21.100	+32.5	+0.9
DGC	52.000	+110.0	+0.6
TOP 5 MOVERS NEGATIVE ON HNX - INDEX			
CK	Giá 31/12/2015	Thay đổi giá trong 12T (%)	Index pt
PVS	16.700	-35.3	-2.4
OCH	12.500	-48.6	-1.5
SHB	6.500	-18.4	-0.7
KLS	6.600	-34.3	-0.4
NVB	6.000	-10.5	-0.3
TOP 5 LEADERS ON HNX (Price > 10,000 dong. Average volume >20,000 share/session)			
CK	Giá đầu năm	Giá cuối năm	%Chg
VCS	27.100	74.000	173
CTX	10.100	24.500	142
PTI	15.600	23.900	53
TPP	13.500	19.600	45
CHP	14.400	20.100	39
TOP 5 LAGGERS ON HNX (Price > 10,000 dong)			
CK	Giá đầu năm	Giá cuối năm	%Chg
ITQ	28.000	5.700	-80
NDF	13.800	2.700	-80
VMI	30.600	6.400	-79
SDP	10.900	4.600	-58
KLF	10.100	4.400	-57
TOP 5 VOLUME LEADERS ON HNX			
CK	KLGD BQ / phiên	CK	GTGD BQ / phiên
SHB	4.332.562	KLF	37.825.011.741
SCR	3.748.853	PVS	34.860.947.656
KLF	3.529.267	SCR	23.522.970.968
TIG	3.167.114	SHB	22.059.446.769
PVX	1.961.516	PVC	19.593.705.474

Source: BSC Research

4. Performance of recommended stocks

Sector	Ticker	Closing price 05/01/2015	Closing price 31/12/2015	% change	Average trading volume 2015
Bank	VCB*	31,200	43,900	40.71%	865,492
	BID*	11,600	20,600	77.59%	108,366
	CTG	13,200	18,600	40.91%	2,150,014
	MBB*	12,200	14,600	19.67%	2,587,447
	ACB	14,700	19,800	34.69%	386,714
Real Estate	VIC*	37,800	45,700	20.90%	1,024,665
	DXG*	11,810	18,900	60.04%	1,489,485
	KBC*	15,600	13,100	-16.03%	1,832,880
	KDH	17,200	21,600	25.58%	184,011
	UNI	8,400	10,100	20.24%	38,295
Construction	LCG*	8,500	7,000	-17.65%	340,366
	HBC	10,800	19,000	75.93%	629,502
	CMS	9,900	10,300	4.04%	57,022
	HUT*	12,321	11,300	-8.29%	1,085,985
Cement	BCC*	14,600	13,400	-8.22%	232,171
	HT1*	17,400	26,800	54.02%	237,622
	BTS*	7,600	9,000	18.42%	N/A
Technology - Telecom	FPT	39,900	48,300	21.05%	758,815
	CMG	8,700	14,900	71.26%	90,604
	ITD	8,100	17,500	116.05%	74,085
	HIG	4,300	5,900	37.21%	N/A
Seaport	VSC	40,200	77,000	91.54%	91,736
	HAH	43,800	43,200	-1.37%	N/A
	GMD	27,200	42,400	55.88%	256,989
Insurance	PTI	15,800	23,900	51.27%	60,511
	BIC	12,500	18,500	48.00%	161,430
	PGI	9,000	16,700	85.56%	56,485
Textile	TCM*	31,400	30,800	-1.91%	539,316
	TNG*	15,100	19,000	25.83%	322,124
	STK*	28,100	31,900	13.52%	N/A
Power	NT2*	17,900	26,600	48.60%	1,152,166
	CHP	13,400	20,700	54.48%	63,550
	SJD	29,000	25,900	-10.69%	17,414
	SHP*	19,200	19,000	-1.04%	42,479
Tire	DRC*	48,500	43,600	-10.10%	54,582
	CSM*	33,700	24,700	-26.71%	196,481
Plastic	BMP*	69,900	131,000	87.41%	66,723
	NTP*	46,800	60,200	28.63%	33,225
Pharmaceutical	TRA	70,200	88,500	26.07%	3,752
	IMP	40,200	37,500	-6.72%	16,395
Steel	NKG*	13,200	12,600	-4.55%	80,796
	HSG*	34,800	31,500	-9.48%	347,259
	HPG*	34,500	29,200	-15.36%	1,245,299
Aquaculture	FMC*	18,000	25,800	43.33%	105,804
	VHC*	36,500	29,200	-20.00%	106,130
Oil & Gas	PXS	17,200	11,600	-32.56%	536,728
	PVS*	24,800	16,700	-32.66%	1,438,076
	CNG	26,800	31,400	17.16%	21,269
	PGS	18,000	17,500	-2.78%	249,580

	PGD	19,300	36,200	87.56%	860,019
	DPM*	27,300	29,100	6.59%	638,415
Fertilizer	LAS	29,600	31,000	4.73%	181,044
	DCM	13,600	12,900	-5.15%	N/A
	LSS	9,000	9,000	0.00%	216,137
Sugar	SBT	12,400	24,100	94.35%	1,457,043
	NHS	11,700	15,800	35.04%	N/A
Average				25.23%	

Source: BSC Research

Notice: (1) “*” stands for tickers mentioned in Sector outlook report 2015, these other stocks were added quarterly (2) HAH, STK, DCM calculated on listed days. NHS calculated on delisted day.

In 2015, our recommendation and notice stocks witnessed average growth of 25.23%. If only calculated stocks recommended in Report in early 2015, average growth was 11.9%, still higher than VN-Index return of 6.1%.

In our recommendation list, ITD witnessed the most significant growth at 116.05%. Besides, there were total 14 stocks with growth over 50%, mainly among stocks in IT, Bank, Seaport and Insurance sectors. These were sectors and stocks BSC recommended during the year. Furthermore, in 56 stocks noticed by BSC, there were 19 with minus return in 2015. PVS and PXS had the largest losses due to oil's downtrend price.

5. Sectors business performance in 9M2015

Sector	Total revenue (VND bil)	%yoy	Total PAT (bil dong)	% yoy	Notice
Bank			19,193	7.58%	Profit before provision increased by 73%, provision accounted for 41% of before-provision profit; VCB, MBB had high provision ratio, PAT BID increased by 23.5%
Real Estate	15,900	24.00%	3,600	230.00%	Group with outstanding PAT growth: DXG (74% yoy), KDH (142% yoy), CEO (114% yoy)
Construction	65,600	22.00%	2,900	260.00%	Improved performance in civil construction (CTD, HBC), industrial construction (LCG, VCG), infrastructure construction (CII)
Cement	12,993	2.75%	884	283.86%	HT1 grew the fastest with PAT in 9M2015 reaching VND 534.6 bil (+487.47%yoy)
Tiles	3,082	-0.41%	83	32.68%	GPM improved thanks to gas and coal price. 4/7 companies profited.
Technology - Telecom	30,757	16.35%	1,780	8.99%	14.17 firms profited. ITD, CMG gross profit margin improved. FPT grew faster than 2014.
Seaport	7,182	31%	1,655	9%	Except mutant of GMD 2014 earnings, most seaport firms witnessed growth in revenue and PAT.

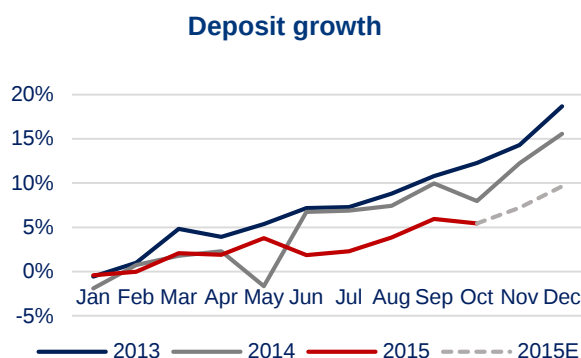
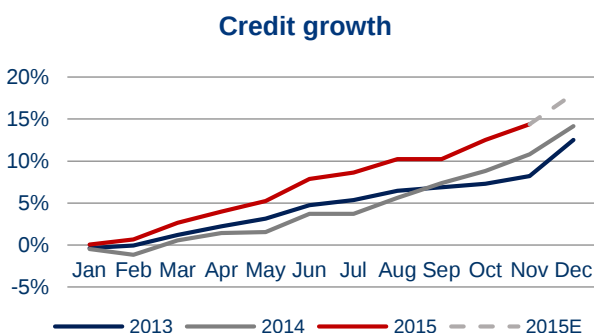
Automobile	14,917	77.30%	826	427%	Sector with the highest growth in revenue and PAT
Insurance	24,006	18.28%	1,542	6.80%	Directly written premium increased. Performance diversified.
Textile	7,605	7.8%	466	11.7%	10/10 firms profited but only TNG and EVE grew dramatically compared with 2014.
Power	15,771	5.66%	2,155	1.09%	Performance diversified due to El Nino
Tires	5,972	12.00%	564	1.32%	Core business performance decreased, PAT decreased.
Plastic	10,529	16.20%	803	29.40%	Most firms witnessed growth in revenue and PAT, construction plastic improved fast.
Pharmaceutical	8,367	1.29%	926	6.85%	Mostly no growth in revenue
Steel	54,892	3.30%	3,613	12.25%	PAT mostly belonged to HPG (VND 2,938 bil, +6.67%yoy), fastest PAT growth were HSG (71.02%yoy) and NKG (79.71%yoy).
Aquaculture	25,238	10%	648	-41%	GPM decreased, financial expenses increased fast.
Oil & Gas	97,602	-16.46%	11,642	-15.39%	Revenue mostly decreased, except for PXS, PVE, PVB. PAT increased: PVS, PGC, PVB, PVE.
Fertilizer	28,443	3.69%	1,902	9.00%	Revenue mostly decreased. DPM's had improved PAT thanks to low oil price.
Sugar	9,995	5.9%	459	-7.9%	Season 2014/15: 7/2014-6/2015, 6/6 firms profited, in which BHS and SLS improved fast.
Marine Transport	9,169	-4.60%	243	-45%	Revenue decrease slightly, PAT decreased fast due to exchange rate.
Rubber	2,142	-17.50%	364	-32%	Revenue decreased fast, PAT decreased except for firms with disposal of rubber plants
Dairy	30,050	15.7%	5,871	35.3%	VNM's performance improved significantly.

Source: BSC Research

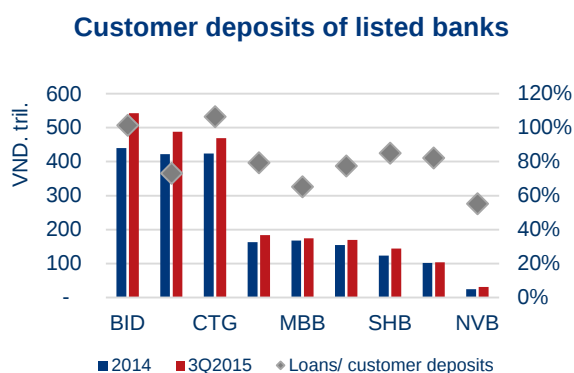
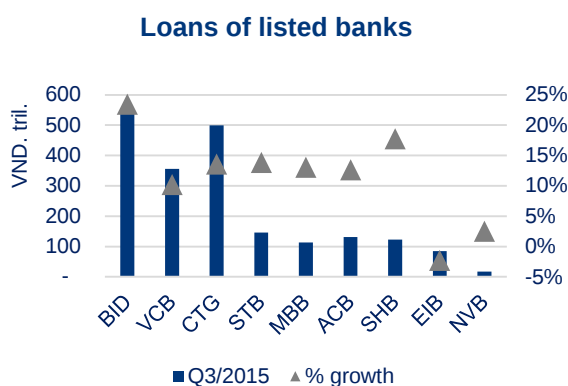
Banking Sector [Banking system restructuring]

- Credit grew by 17.17% till December, 21st, 2015, while, deposit growth was 6.38% till October, 31st, 2015.
- Good results of the scheme of restructuring the credit institution system: NPL ratio declined to 2.72% by November, 30th, 2015, accumulated NPL sold to VAMC from 2013 till December, 14th, 2015 was VND102,350 billion; liquidity improved.
- Positive performance, high provision for NPLs.

The highest credit growth since 2011. From the beginning of 2015 till December, 21st, 2015, credit grew 17.17%, disbursed VND 4,652 trillion. While credit grew slowly in the first months, then accelerated in the last month of the year 2013 and 2014; in 2015, the credit grew confidently month by month. This signal shows that the demand for credit is more reliable than before. The State bank of Vietnam (SBV) estimate that credit growth 2015 may be at above 18%.



Source: SBV, BSC estimates

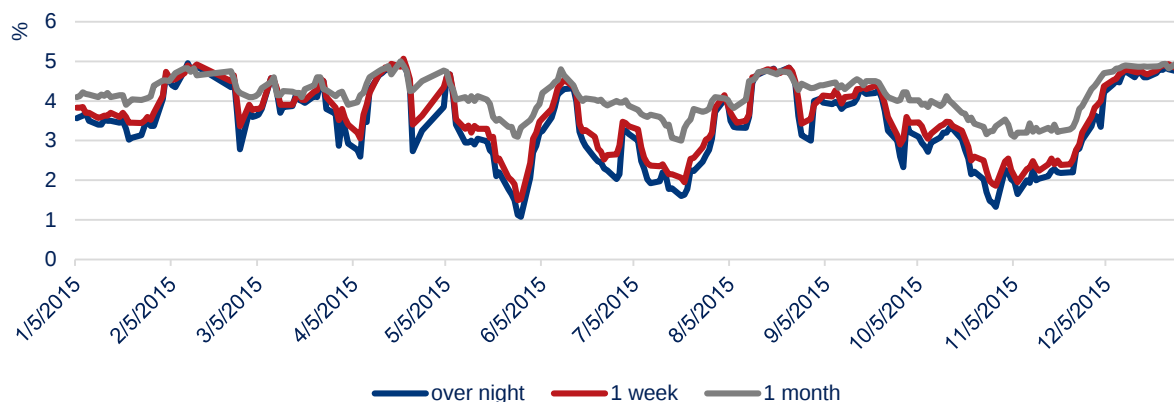


Source: Financial statement of listed banks

Liquidity improved but to be noticed. This come from: (1) high credit growth while lower customer deposit growth of 5.96% by 30th September, 2015. (2) Expectation of USD appreciation raise demand for USD.

- **The ratio of credit out of deposit increases to 88.54%** on 30th September, 2015, higher than it was on 31st December, 2014 at 83.67% and above the SBV's orientation (80% for Commercial joint stock banks and 90% for State-owned Commercial banks)
- **The ratio of short deposit lending for medium and long-term rose to 28.48%** on 30th September, 2015, higher than it was on 31st December, 2014 at 20.15%. However, this ratio is still lower than the rate stipulated in Circular No. 36 at 60%.
- **Vietnam interbank interest rate fluctuated sharply.** Although interbank interest rate is deeply lower than it was during 2009-2012, the rate fluctuated from 1.08% to 4.95% in 2015 due to USD appreciation.

Vietnam interbank interest rate in 2015



Source: BSC Research

NPLs is under control and reflect more exactly the credit quality of credit institutions. As we mentioned in our “Vietnam sector outlook 2Q2015” and “Vietnam sector outlook 3Q2015”, NPL ratio increase during 6M2015. Because: (1) the regulation on loan classification according to CIC; (2) loan classification combines qualitative methods and quantification; and (3) termination of debt restructuring, of remaining debt group from April, 1st, 2015. We assess that the current NPL ratio under reports of credit institution reflecting more correctly intrinsic credit quality, more close to loan classification under supervision by SBV. NPL ratio was 2.72% at the end of November, 2015. Till November, 30th, 2015, credit institution solved VND 463 trillion, equivalent to 99.6% of NPLs determined in September, 2012. In which:

- **49% of the NPLs were sold to VAMC.** Till 14th, December, 2015, VAMC bought VND 102,350 billion of principal loans outstanding (issue special bond worth VND 93,622 billion). Accumulated from 2013 to 20th October, 2015, VAMC has bought VND 228,416 billion of NPLs.

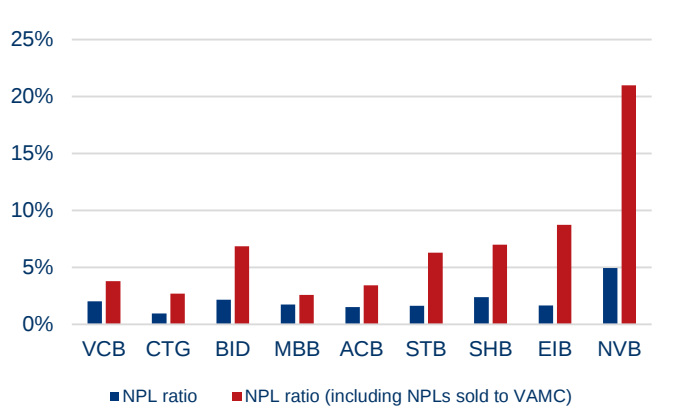
However, VAMC only withdraw VND 18 trillion, representing 7.91% of NPLs bought. Selling NPLs to VAMC improve asset quality in balance sheet of credit institution, push NPL ratio to the target of below 3%. However, the activity increase provision expense of these institutions. Some banks have high NPLs sold to VAMC including BIDV (about VND 28 billion), CTG (VND 9 billion), STB (VND 7 billion), EIB (approximately VND 7 billion), SHB (VND 6 billion) and NVB (over VND 3 billion out of total loans outstanding of VND 17 trillion).

- **51% of the NPLs were solved through writing-off NPLs, foreclosure.** Solving NPLs were boosted by banks in 2015. VCB solved VND 8,400 billion, following by BID (VND 4,200 billion), MBB (VND 3,000 billion), VPBank (over VND 2,000 billion) and SHB (VND 1,100 billion).

NPL ratio of credit institutions

NPL ratio	Supervision by SBV	Under credit institution reports
12/2014	4.83%	3.25%
01/2015	4.55%	3.49%
02/2015	4.75%	3.59%
03/2015	3.81%	3.81%
06/2015	N/A	3.22%
08/2015	N/A	3.21%
09/2015	N/A	2.93%
10/2015	N/A	2.91%
11/2015	2.72%	2.72%

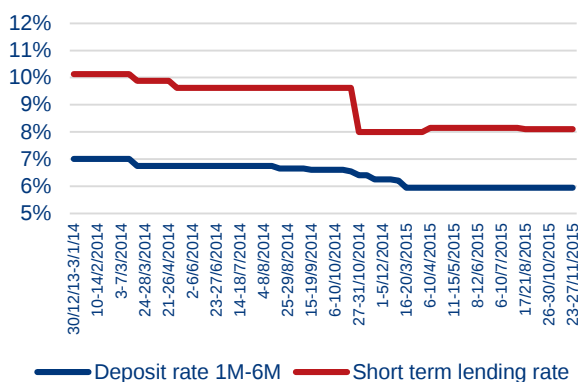
NPL ratio of listed commercial banks by 3Q2015



Sources: SBV, Financial reports of Commercial banks,
BSC collects and estimates

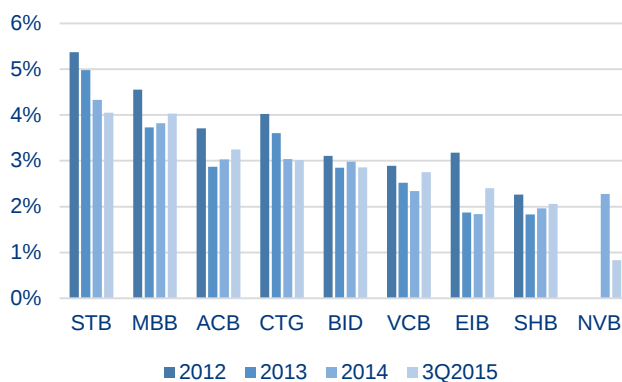
Net interest margin (NIM) decrease gradually from 2012-3Q2015 because the interest spread between lending and mobility falls, Banks disburse more prudently. Till the end of the third quarter, 2015, some listed banks have NIM (trailing 12 months) increase including VCB, MBB, ACB, SHB, EIB.

Deposit and lending rate 2014-2015



Source: SBV

NIM (TTM) of listed banks from 2012-3Q2015



Source: Financial reports of listed banks

Banking system restructuring by acquisition 3 banks at the price of VND 0 by SBV and other M&As.

8 M&A conducted during 4 years of 2011-2015. The number of banks decrease from 42 to 34 and may continue to shorten. In 2015, SBV acquired 3 banks including VNCB, Oceanbank, GPbank at the price of VND 0 per share and put DongA Bank under special control. Other M&A includes MHB was merged into BIDV at the ratio of 1:1, Southern Bank was merged into STB at a ratio of 1: 0.7, MDBank was merged into Maritime Bank and PGbank will be merged into Vietinbank at ratio 1: 0.9 (under proposal). In addition, many banks such as VPbank, Techcombank, SHB, MBB, etc completed/ submitted the proposal of consumer finance acquisition/ establishment.

Business performances in 9M2015 were divergence, high provision expenses. End of the third quarter, 2015, total listed banks' assets were VND 3,076 trillion (+10.58% ytd). Customer loans grew strongly by 14.74% ytd (at VND 2,021 trillion). Some listed banks have high lending growth is BID (+ 23.47%), SHB (+ 17.74%) and NVB (+ 16.68%). Hence, bank performance was positive in 9M2015. Operating income before credit provision expenses of listed banks rose 73% to VND 41 trillion. However, because of huge provision expenses for debts which presents 41% of operating income before credit provision expenses (VND 17 trillion), net profit only increase by 7.58% to VND 19 trillion. BID is the highest growth stock in net profit among listed banks (+27.81% yoy), following by VCB (+5,34% yoy), MBB (+4,62% yoy) và CTG (+ 4,32% yoy), ACB (+1,8% yoy). Meanwhile, some banks such as NVB (-82,18% yoy), EIB (-28,4% yoy), STB (-11,19% yoy) và SHB (-3,4% yoy) witness earnings decline.

Listed banks' performance till 30th September, 2015

	VCB	CTG	BID	MBB	ACB	STB	SHB	EIB	NVB
Size									
Charter capital (VND. Bil.)	26,650	37,234	34,187	16,000	9,377	12,425	9,486	12,355	3,010

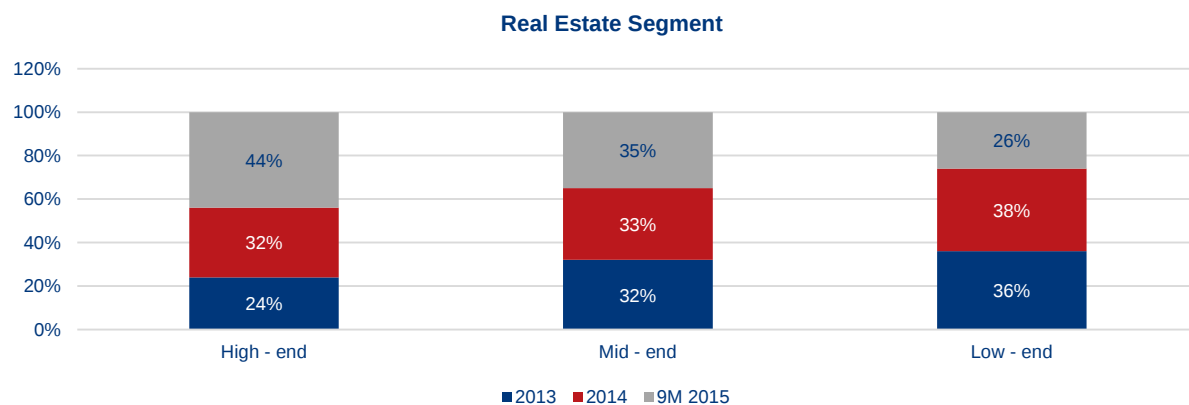
Total assets (VND. Bil.)	615,575	710,692	786,161	207,978	192,997	213,077	183,309	126,983	39,394
Equity/ total assets	7.15%	7.83%	5.05%	10.65%	6.54%	9.15%	6.04%	11.46%	8.16%
Growth (ytd)									
Asset growth	6.69%	7.50%	20.88%	3.74%	7.45%	12.26%	8.44%	-21.18%	6.94%
Loan growth	10.23%	13.58%	23.47%	13.06%	12.63%	13.87%	17.74%	-2.31%	16.68%
Customer deposit growth	15.52%	10.53%	23.30%	4.13%	9.46%	12.80%	17.04%	-1.32%	25.11%
Lending/ Customer deposit	73.08%	106.56%	101.32%	65.15%	77.41%	79.26%	84.99%	85.11%	63.50%
Asset quality									
NPL ratio	2.00%	0.95%	2.17%	1.72%	1.51%	1.61%	2.38%	1.65%	4.94%
NPL ratio (including NPL sold to VAMC)*	3.07%	2.68%	6.85%	2.58%	3.42%	6.28%	7.00%	8.73%	20.99%
Provision for credit of losses of loans/ total loans	2.16%	0.94%	1.57%	1.56%	1.17%	1.13%	1.03%	0.84%	1.58%
Provision for credit of losses of loans / NPLs	107.72%	98.37%	72.40%	90.35%	77.94%	70.41%	43.14%	51.27%	31.96%
Interest and fee receivable/ interest income	96.47%	97.26%	98.34%	92.87%	108.62%	97.19%	79.08%	99.29%	48.39%
Performance									
Operating income before provision expenses in 9M2015	10,442	9,546	9,495	4,253	1,910	3,144	1,113	1,176	72
% yoy	11.24%	19.73%	13.57%	8.69%	17.79%	-0.93%	10.29%	-4.13%	0.71%
Provision expenses in 9M2015 (VND. Bil)	4,566	3,820	3,960	1,700	819	1,004	385	498	11
Net profit 9M2015 (VND. Bil)	4,612	4,450	4,481	2,032	853	1,668	572	525	2
% yoy	5.34%	4.32%	27.81%	4.62%	1.80%	-11.19%	-3.40%	-28.40%	-82.18%
NIM (TTM)	2.75%	3.02%	3.06%	4.03%	3.25%	4.05%	2.06%	2.40%	0.83%
EPS (VND/share) (TTM)	1,562	1,315	1,420	1,514	1,070	1,379	817	(123)	(1)
ROA (TTM)	0.86%	0.89%	0.86%	1.30%	0.52%	1.00%	0.47%	-0.11%	0.00%
ROE (TTM)	11.34%	10.69%	16.53%	13.22%	7.71%	10.76%	7.38%	-1.04%	-0.01%

Sources: Financial reports of listed banks, BSC collected, (*) BSC estimated.

Real Estate Sector 2015 [Strong growth]

- Number of sold apartments sharply increased in HCMC (+133% yoy) and Hanoi (+114% yoy).
- Regulation on property ownership for foreigners has loosened since 01.07.2015.
- Credit for real estate increased sharply (+ 14% yoy), but the risk is still low as it only accounts for about 8% of total loans outstanding system wide.
- 9 months business results were positive for companies like KDH, DXG, BCI.

Real estate market experienced strong growth in 2015: (1) In the first nine months of the year, around 14,439 apartments were sold (+ 114% yoy) in Ha Noi, while in HCMC 24 675 units sold (+ 133% yoy), the growth mainly concentrated in the intermediate and premium segment; (2) Selling prices were stable in all segments; (3) The value of inventories decreased to 53 245 billion (-58% compared with the first quarter of 2013).



Source: CBRE

Loosen the regulations on property purchase and ownership for foreign individuals from July 1st:

(1) besides apartments, a foreigner can own townhouses, villas... (2) The number of owned does not exceed 30% of the total number of apartments in one building; (3) Instead of being only used for residing purpose, their apartments may be used for leasing, sale, inheritance or mortgage.

Circular 200 does not affect the listed companies: Accordingly, the real estate companies are not allowed to record the revenues by the advances paid by the customer according to the schedule. The majority of listed firms are not be affected by this circular since the revenue has recorded when they handover units to buyers

Foreign capital contributed to increase the market's supply: as of November, registered FDI in real estate sector were VND2.32 billion (+ 100% yoy). Notably, capital flows tend to focus on HCMC with major projects in Thu Thiem area as De Vuong City Complex (USD 1.2 billion), Thu Thiem Smart Complex. In

addition to direct investment, foreign firms has such as: Creed Group invested USD 200 million in An Gia, Gamuda Land (Malaysia) spent 1.400 billion buying Sacomreal's stake in Celadon City project.

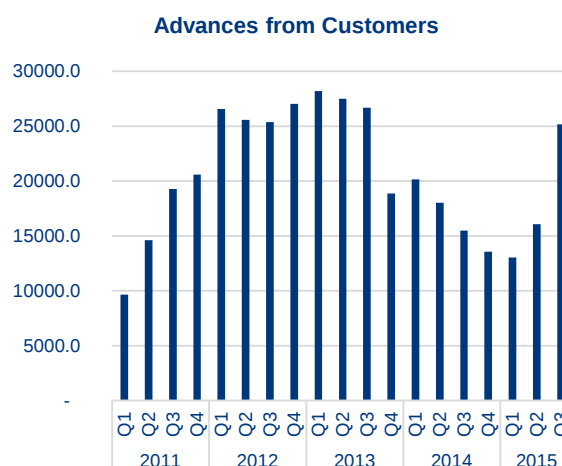
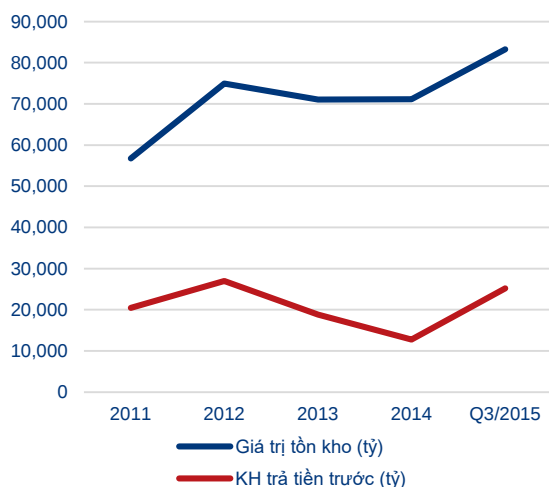
Credit for real estate increases strongly but risks remain low: For 9 months, credit for real estate increased by 14% compared to the end of 2014 (about 8% of total loans) and is forecasted to reach 18% in 2015 due to the demand from buyers as well as sellers who need capital to implement their projects. Despite the strong growth, the risk is still relatively low when compared with 2009 when the real estate credit increased by 42% and accounted for 19% of total outstanding loans.

The divergence in earnings, strong growth in sales: According to our statistics, the accumulated nine-month total revenue reached VND15.9 trillion (+ 24% yoy), PAT 3.6 trillion (increase nearly 2.3 times over the same period). 24/46 companies had earnings growth over the same period, but only 15 ones whose bottom line was boosted from core business (house hand-over and revenue -profit record), remaining ones showed growth from extraordinary incomes such as capital or project transfer.

Ticker	Rev 9M/2015 (Bil. dong)	PAT 9M/2015 (Bil. dong)	REV 9M/ 2014 (Bil. dong)	PAT 9M/ 2014 (Bil. dong)	% +/- Rev	% +/- Pat	Gross Margin	Advances from customer (Bil. dong)	Inventory (Bil. Dong)	Advances from buyers / Inventory
VIC	19702	972.3	21.533	2.823	-9%	-66%	49%	15031	22485	67%
DXG	910.7	93.4	283.9	53.6	221%	74%	24%	750	981	76%
KDH	737.1	172	198.7	71	271%	142%	28%	136	3260	4%
CEO	345.5	75.4	194.1	35	78%	114%	45%	143	359	40%

Source: BSC

Statistics on the advances from buyers (not recored in the companies' revenues since house handover has yet to be conducted) shown that VIC's accounts for more than 73%, followed by SCR (3%), DXG (3%), BCI (2%), KBC (2%), ... This means that only a small group of listed companies are selling and continue to attract the market's cash flows such as VIC, DXG, KDH, SCR, CEO,.....

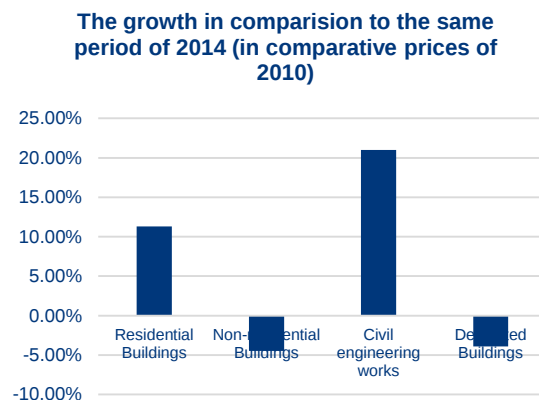
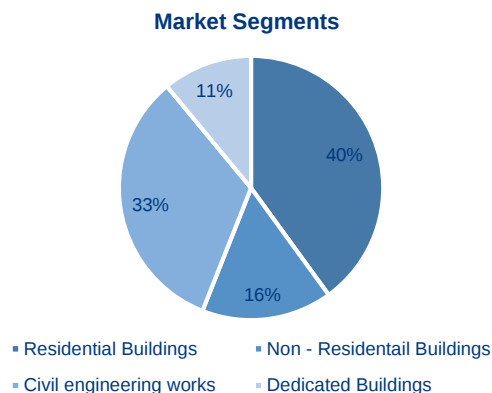


Source: CBRE

Construction Sector 2015 [Growth together with Real Estate]

- The construction sector continued to recover thanks to the real estate industry. The construction value increased by 9.3% yoy.
- Decree 15/2015 /ND, on investment in the form of public - private partnership (PPP) was enacted.
- 9 month business results are positive for listed companies

Slight growth was seen in construction value: In the first 9 months, construction value estimated at VND660.9 trillion (at normal price) and reached VND524.4 trillion, increased 9.3% over the same period 2014. The main contribution to the growth is from residential buildings (+ 11.3% yoy) and civil engineering works (+ 21% yoy).

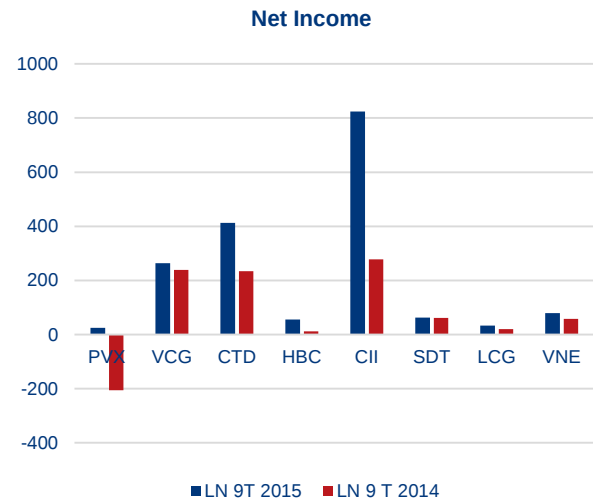
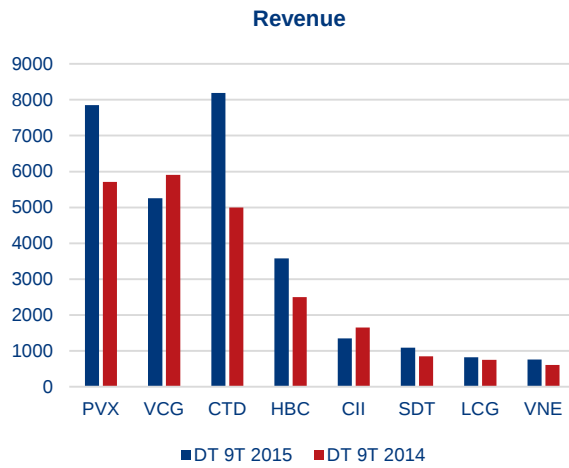


Source: BSC

Policies paved the way for infrastructure investment with Decree 15/2015 / ND, on investment in the form of public - private partnership (PPP). It extends many investment areas for PPP (education, culture, sports...), remove the regulation on the maximum contribution level of the state capital, defined more clearly the risk-sharing and incentives for private investors.

Many large construction projects were put to use such as the Hanoi - Hai Phong highway (total investment of more than VND 45.500 billion), HCN-Long Thanh - Dau Giay highway (VND21.000 billion), Noi Bai T2 terminal (USD1 billion), ...

Business results were positive: Based on the statistics of 117 listed construction companies, 9 month sales reached VND65.6 trillion (+ 22% yoy), PAT reached VND2.9 trillion (nearly 2.6 times compared to 2014). Earnings improved due to the fact that the companies receive more contracts and reduce interest expense. The growth takes place on a large scale with residential buildings (CTD, HBC), Non-residential Buildings (LCG, VCG), infrastructure buildings (CII).



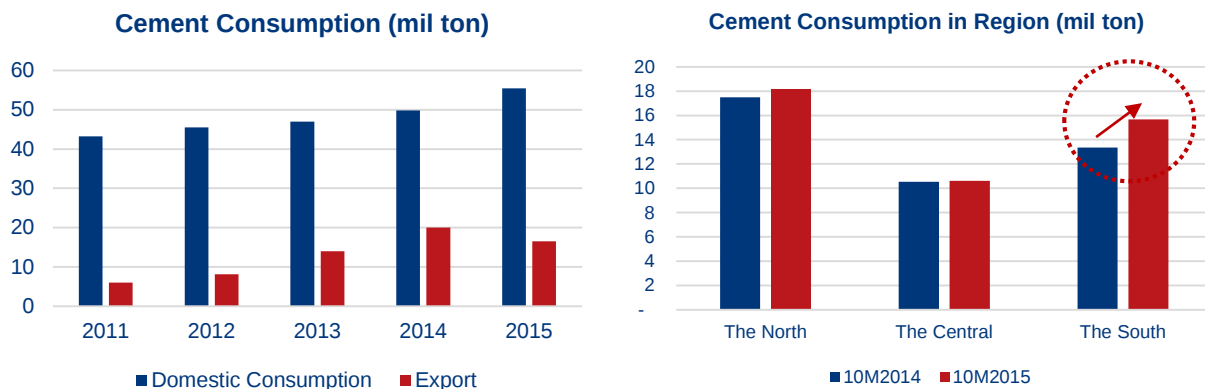
Source: BSC

Cement Sector 2015 [Strong growth in the Southern market]

- Domestic sales volume increased by 11.38% yoy – the highest level in the last 5 years
- Consumption growth was mainly in the Southern with 17.57% yoy
- The exchange rate movements affected on business results of enterprises

Consumption growth – The support from the domestic market. Total cement consumption in 2015 was estimated at 72 million tons, up 3.11% compared with 2014, in which contributed mainly from the domestic market with 55.5 million tons, up 11.38% yoy, the highest increasing in the past five years due to the recovery of the real estate and construction sector. With cement/clinker exports, contrary to the trend of growth as in previous years (average growth at 50.23% in the last 3 years), volume of cement/clinker exports in 2015 decreased 17.5% in 2015 compared to 2014, and only 16.5 million tons.

We believe that the decline in exports due to the competition from China (which accounted for 60% of global cement production), boosted exports as domestic demand weakened. Currently the Chinese cement enterprises cut capacity down to 65%, in the first 3 quarters of 2015, the number of losses cement enterprises in China amounted to 1,339 (40% of total cement business, according to Vice President of China Cement Association).



Source: Vietnam Steel Association, BSC Research

Domestic cement consumption – Regional growth distribution. Although the Northern accounted for 40.85% of total consumption in the country in 10 months of 2015, but growth over the same period in 2014 was only 3.9%, much lower than the average of 17.57% yoy of the Southern market. The reason was explained by the recovery of residential real estate market with many new projects being implemented, besides, boosting investment in building factories by FDI enterprises in key economic zone as Ho Chi Minh

City, Dong Nai, and Binh Duong to catch FTAs created growth effort for the Southern building materials sector higher than in other regions of the country.

Unit: ton	10M2014	10M2015	Growth	Market share
The North	17,486,601	18,168,627	3.90%	40.85%
The Central	10,527,550	10,620,952	0.89%	23.88%
The South	13,339,445	15,682,721	17.57%	35.26%

Source: Vietnam Cement Association, BSC Research

Financial income form exchange rates movement – Still be recorded in 2015. Estimated with selling rate of VCB, VND/EUR difference between 31/12/2014 and 18/12/2015 was 1,894 dong. With the expected outstanding balanced at 31/12/2015 of cement enterprises were HT1 – EUR64 million, BCC – EUR28.6 million and BTS – EUR34 million, the unrealized interest rate differences gain for 2015 would be VND 113 billion, VND 51 billion and VND 60 billion.

Business results assessment

In 9 months of 2015, 8/8 cement enterprises listed on the HSX and HNX were profitable, without any losses business as in previous years. Total net sales of listed enterprises reached VND 12,993 billion (+ 2.75% yoy) and profit after tax reached VND 884 billion (+ 283.86% yoy).

Ticker	Total Asset 9M2015 (bil dong)	Equity (bil dong)	Rev 9M2015 (bil dong)	% Rev					Price 17/12/15	EPS T12M	BVPS	PE trailing	PB	ROA 9M	ROE 9M
				Gross margin	Interest expense	Selling expense	Administrative expense	Net margin							
HT1	12,324	4,222	5,572	22%	6%	1%	3%	10%	28,200	2,366	13,280	11.92	2.12	4.34%	12.66%
BCC	5,341	1,617	2,911	19%	4%	6%	4%	6%	13,500	2,975	16,901	4.54	0.80	3.14%	10.38%
BTS	4,413	1,216	2,104	19%	5%	4%	5%	6%	8,600	1,945	11,148	4.42	0.77	2.77%	10.05%
HOM	2,052	906	1,302	19%	2%	7%	6%	4%	6,400	834	13,089	7.67	0.49	2.26%	5.12%
SCJ	533	281	234	9%	4%	1%	3%	2%	8,200	646	14,382	12.69	0.57	0.87%	1.65%

Source: Financial Report, BSC Research

Gross profit margin of businesses was opposite. With HT1, gross profit margin in 9 months of 2015 reached 22.06%, higher 18.08% than the same period in 2014, primarily caused by in 2015 the Southern demand rose sharply, and stable operation chain and uninterrupted production of breakdown machinery as of 2014. With HOM, gross profit margin in 9 months of 2015 reached 18.95%, higher 15.77% than the same period in 2014, caused by the reduction of calories consumption, before was 889.4 kcal/kg clinker fell to 869 Kcal/kg clinker and increase the structure of cement bags instead of bulk cement. Contrary to HT1 and HOM, gross profit margin of BCC and BTS decreased over the same period in 2014, mainly due to maintenance and repair chain (BCC) and increased sales volume bulk cement (BTS).

Ceramic Sector 2015 [Recovery with Real Estate]

- One of the most tiles production countries in the world
- Domestic market has been competed by Chinese
- Taiwan is the largest export partner
- Domestic market has been in recovery cycle due to the benefits from the real estate and construction sectors

Vietnam is one of the most tiles production countries in the world. At present, with the production capacity of 447 million m²/year and the average operating capacity over 80% of planned capacity, Vietnam ranked eighth in the top ten tile production countries in the world accounting for 2.9% of global production in 2014. Export of Vietnam tiles was also in the top 10 with CARG = 21.32% from 2010 to 2013.

Tile production businesses of Vietnam are the mostly small enterprises with capacity under 10 million m²/year. Currently, Prime Group is the largest enterprise with capacity of 75 million m²/year (of which 85% of the shares of SCG Thailand).

Output over years (mil m²)

Vietnam tiles output (mil m ²)						
	2009	2010	2011	2012	2013	2014
Production	292	375	380	290	300	360
Consumption	240	330	360	254	251	310
Export	28	28	42	41	50	N/A

Capacity (mil m²/year)

Company	Ticker	Capacity
CMC Jsc	CVT	15
Viglacera Tien Son Jsc	VIT	6.5
Thanh Thanh Jsc	TTC	5.5
Taicera Jsc	TCR	15
Chang Yih Jsc	CYC	4
Prime Group		75

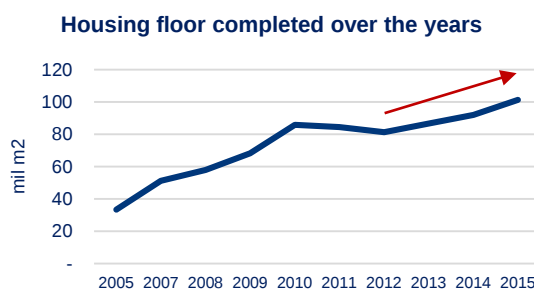
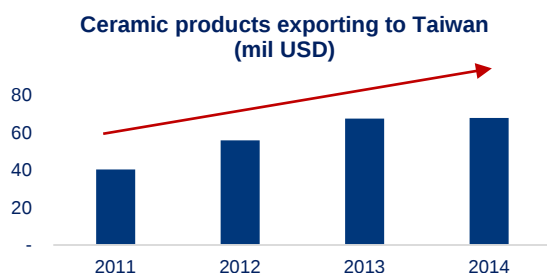
Source: World Production and Consumption of Ceramic Tiles - third edition 2015, BSC Research

The domestic tile market has been competed by China. China is the biggest tile production country in the world with the output of 6 billion m² (accounting of 48.35% of total global output). Besides, the geographical position nearing and cheap prices were creating the steady advantages for Chinese tiles dominating Vietnam market. With granite tile line, Chinese products accounted for 40-45% of the market share (the first type of smuggled goods are cheaper than domestic goods about 15%).

Taiwan is one of the biggest export partners. In Taiwan, the ceramic tile is on the list of prohibited import items from China, so good quality and reasonable price have created the market development opportunity for tile business of Vietnam. TCR and VIT are among the listed tile companies exporting mainly to Taiwan market (accounting for over 50% of the total export volume of the business). In 2014, ceramic products of Vietnam exported to Taiwan was about USD68 million (+ 0.7% yoy) and accounted for 3% of the total export turnover of Vietnam to Taiwan.

The domestic market has been in recovery cycle due to the growth of real estate and construction sector. After the warm up phase of real estate and construction sector (2014 - 2015), the ongoing projects

has started entering the completion stage, thereby creating growth engines for finishing construction materials group in general and tile sector in particular. Estimating completed floor area of housing construction in 2015 is about 101 million m², up 10% yoy.



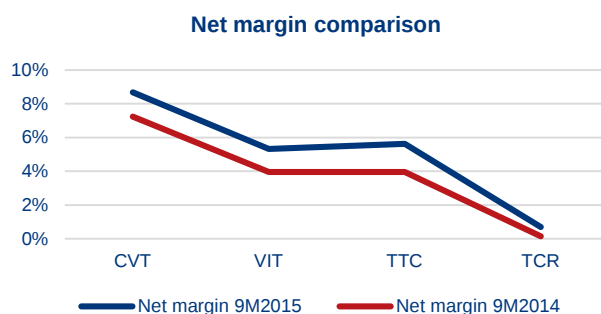
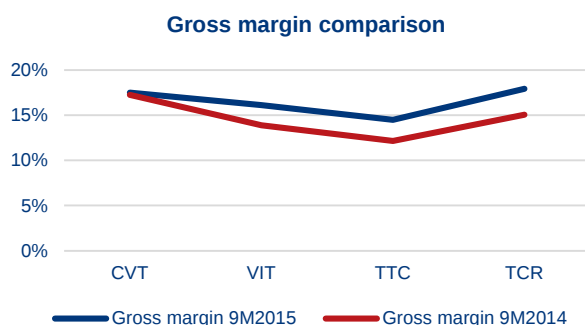
Source: Vietnam Customs, GSO, BSC Research

Business results assessment in 9M2015

Ticker	Total Asset 9M2015	Rev 9M2015	% Rev 9M2015						EPS T12M	BVPS	PE T12M	PB	ROE 9M	ROA 9M
			Gross margin	Interest Expense	Selling expense	Administrative Expense	Net margin	Price 18/12/15						
CVT	814	512	17%	3%	1%	3%	9%	25,400	3,164	14,150	8.03	1.80	16.34%	5.45%
VIT	607	493	16%	5%	1%	2%	5%	19,200	2,864	12,182	6.70	1.58	14.36%	4.32%
TTC	173	290	14%	0%	4%	4%	6%	14,000	3,062	15,637	4.57	0.90	17.57%	9.45%
TCR	1,559	1,561	18%	2%	9%	5%	1%	5,900	283	13,832	20.85	0.43	1.74%	0.69%
CYC	345	226	6%	4%	3%	4%	-6%	3,600	N/A	9,794	N/A	0.37	-16.4%	-4.2%

Source: Financial reports, BSC

Total net revenue of the listed companies reached VND 3,082 billion (-0.41% yoy) and profit after tax reached VND 83 billion (+ 32.68% yoy). At total of 7 the listed tile companies in HSX and HNX, of 9 months in 2015, there was 4 profitable businesses (accounting for 57.14%), 3 unprofitable enterprises (CYC, BHV and DAC, accounting for 42.86%). 4 profitable businesses were CVT, VIT, TTC and TCR having the improvement of business results compared to the same period in 2014, it shows tile industry also is benefiting from the recovery of real estate and construction sector.



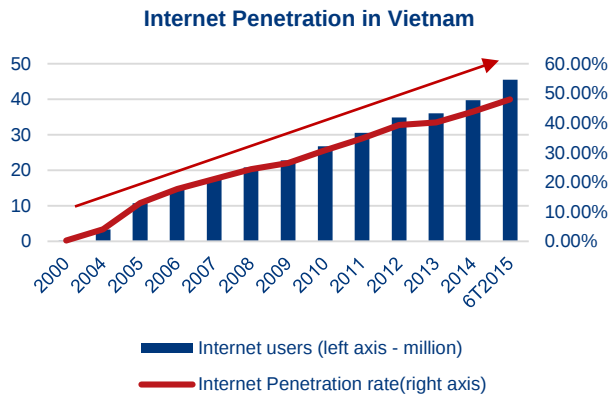
Source: BSC Research

Technology Sector 2015 [Positive]

- The level of Internet penetration in Vietnam is higher than the average in Asia and the World
- Continuing to be an attractive destination for Outsourcing sector
- The integrated system recovered after difficult period

The level of Internet penetration in Vietnam rose fast and was higher than the average in the world.

From 2000 till now, the number of Internet users in Vietnam rose from 200 thousand users to 45.5 million users (6T2015), which accounted 48% of population and was higher than the average level of Asia (38.8%) and 45% of global. Besides, the average level of Internet connection speed in Vietnam reached 3.4 Mbps (ranked 97/138 survey countries) in Q3/2015 (up 33% yoy), which was the 2nd highest growth in Asia Pacific, just after Sri Lanka.



Global Rankings	Country	Avg. Mbps Q3 2015	Yoy change
71	Sri Lanka	5.1	50.00%
97	Vietnam	3.4	33.00%
116	India	2.5	26.00%
43	Thailand	8.2	25.00%
42	New Zealand	8.7	23.00%
73	Malaysia	4.9	20.00%
108	Philippines	2.8	14.00%
46	Australia	7.8	13.00%
33	Taiwan	10.1	5.50%
17	Singapore	12.5	2.40%
7	Japan	15.0	0.20%
5	Hong Kong	15.8	-2.70%
91	China	3.7	-2.80%
1	South Korea	20.5	-19.00%
104	Indonesia	3.0	-20.00%

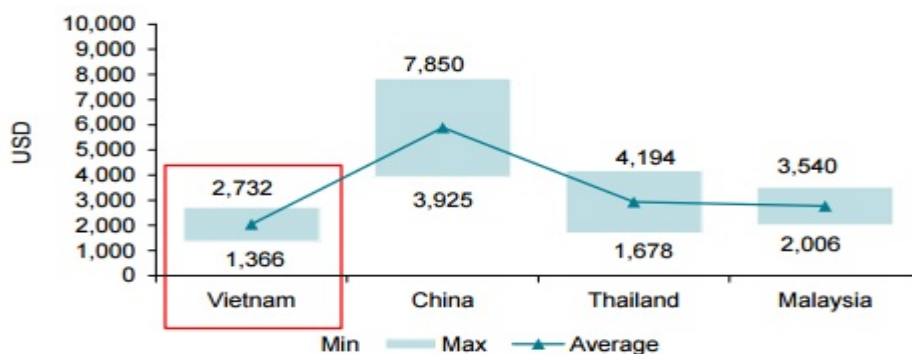
Source: Moore Corporation, World Bank data, Akamai's Q3 2015 Report

With Telecom segment, telecommunication infrastructure investment created competitive advantage. The enterprises who owned telecommunication infrastructure will be active in the supplying of services (the combination of multiple services on an Internet connection - Cable TV - Telephone), thereby helping to improve business results. For listed companies, only FPT is owning enough international and domestic infrastructure. CMG will develop on the domestic telecom cable; however, the plan hasn't been implemented in this year. Besides AAG cable, APG submarine fiber optic cable will also be put into operation in late 2015 which will contribute to increase advantages for Viettel, FPT and CMG.

Outsourcing sector in Vietnam is continuing to grow. According to KPMG's survey on August 2015 with 80 enterprises in Quang Trung Software Park, Outsourcing sector in Vietnam was mostly small-scale enterprises, there was 84% of businesses with revenues under VND 50 billion in 2014. Revenues recognized mainly from exports (80%), in which the target market was Europe, Australia, America and some of Asian countries (Hong Kong, Japan and Singapore).

Besides, with particular by youth population, macroeconomic is stable and income is still low, Vietnam continues to be rated as one of the attractive destinations. According to Tholons's report about ratings of Outsourcing destinations in 2015, Hanoi ranked No.20 and Ho Chi Minh City ranked No.18. In addition, Vietnam outsourcing market for the first time was ranked the world most attractive in terms of cost, risk and operating conditions (reported by C & W).

IT Manager Monthly Salary - 2015



Source: Adecco salary guide 2015, BSC Research

Integration sector have grown after difficult period. Beside traditional integration sector for the customer of tax authorities, financial institutions ... , intelligent transportation systems (ITS) is also being boosted by the development projects of transport infrastructure. At present, the number of experienced ITS bidders are not much in Vietnam. Two listed companies were ITD (accounting for 80% of the MTC fee collecting intergration) and ELC (balanced load), which had the positive improvement of business results in 2015. In addition, FPT started participating in this field with the pilot implementation of surveillance system, handling violations of traffic on Noi Bai - Lao Cai route (Hanoi - Phu Tho) from November 2015.

Business Results Assessment

Ticker	Total Asset 30/09	Rev 30/09	% Accumulated Rev 30/09					Price 18/12/15	EPS T12M	BVPS	PE T12M	PB	ROE	ROA
			Gross margin	Interest Expense	Selling Expense	Adminis Expense	Net margin							
FPT	23,677	27,497	20%	1%	6%	6%	6%	48,900	4,344	25,090	11.26	1.95	16.62%	7.00%
ELC	1,041	410	27%	1%	4%	13%	4%	25,800	1,820	16,406	14.18	1.57	2.21%	1.43%
ONE	309	348	10%	1%	1%	5%	2%	9,000	1,785	13,290	5.04	0.68	11.81%	2.51%
CMG	2,066	1,648	14%	1%	6%	4%	4%	14,500	1,661	15,340	8.73	0.95	5.81%	2.90%
ITD	530	203	30%	1%	10%	9%	9%	17,000	1,695	16,736	10.03	1.02	7.11%	3.44%

Source: BSC Research

CMG and ITD have fiscal year started from 01/04/2015

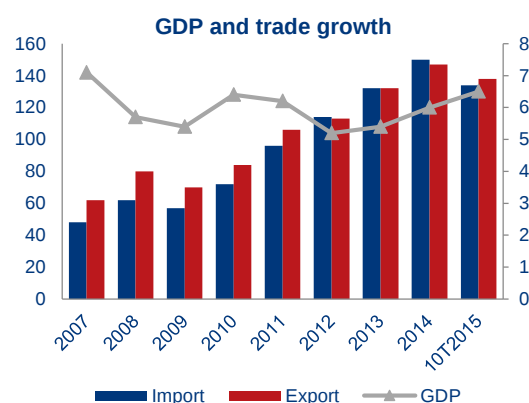
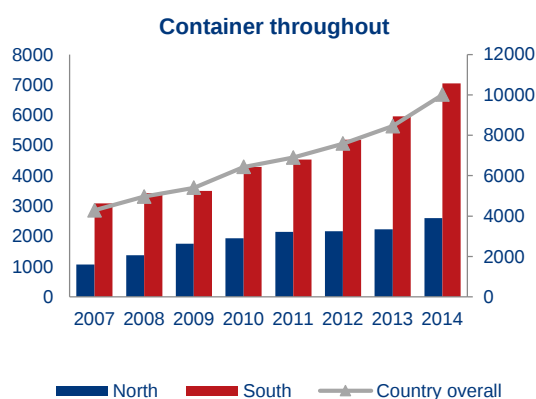
Regarding business results of listed IT-telecommunication companies in 2015, there were a total of 14 profitable businesses (accounting for 82.35%) and 3 loss-making enterprises (accounting for 17.65%) as LTC, SRA and VTC. Regarding 5 notable businesses (above table), net revenues in 2015 reached 56.11%

average growth rate over the same period in 2014 in which FPT, CMG and ITD had a higher gross margin than the same period. Net profit margin of only ITD and CMG improved. CMG reached 3.64% (6 months in 2015) higher than 2.94% (6 months in 2014) due to the growth of Telecommunication segment. ITD reached 8.97% (6 months in 2015) higher than 1.18% (6 months in 2014) due to profit was recorded from the ITS project of Hanoi - Hai Phong expressway.

Seaport Sector 2015 [Fast growth]

- In the first half of 2015, cargo volume and container throughput still witnessed rapid growth trend at 10.43% and 26.3% respectively.
- Goods import and export, the recovered economy and government's floor price application have been positively impacting goods flow through port system.
- Many Northern ports operated over capacity while Southern ports remained in a state of excess capacity.
- Listed seaport companies continue recording high business results.

Cargo volume witnessed high growth with CAGR touched 11.2% in the period 2007-2014. In the first half of 2015, total cargo throughout Vietnam seaport system reached 203.6 million tons (+10.43% yoy), container throughput reached 6.2 million TEUs (+26.3% yoy) thanks to strong growth in trade: first 10 months of 2015, imported goods value stood at USD 137.99 billion (+13.7% yoy) meanwhile exported goods value stood at USD 134.41 billion (+8.3% yoy). Port operators mainly concentrated in the area of Haiphong and Ho Chi Minh city at a rate of over 90%.



Source: Vietnam custom, VPA

The Cai Mep-Thi Vai's floor price brought positive results. With the floor price of USD 46/ container 20', USD 68/ container 40' and USD 75/ container above 40', terminal operators had offset entire cost of container handling services and parts of port capital investment. This floor price had expired on 30th June 2015. On 13th July 2015, the government has agreed for Ministry of Finance and Transportation to continue to implement floor price in this area till 30th July 2017 and consider applying to Northern ports.

Ports in Hai Phong area continued to operate over capacity while ports in Ho Chi Minh City excess capacity. Some ports in Hai Phong continued operating beyond their capacity due to rapid growth in cargo throughout (in the first 10 months of 2015, cargo throughout touched 56.473 mil tons (+13.22% yoy) while

there are not enough room to open up production area). In contrast, ports in Ho Chi Minh City are remained over supply as a result of inappropriate investment calculation in the past.

9 months 2015 business results aggregation. Aggregated listed companies' revenue touched VND 7,182 bil (+31%yoy), after tax profit reached VND 1,655 bil (+9%yoy). These outstanding results had truly reflected sector growth expectation (except for GMD with significant decline in after tax profit due to no longer recording disposal of assets as it did in 2014). Among listed companies, PHP witnessed the fastest revenue growth at 75% yoy, followed by HAH, DXP and GMD.

9M2015 business results of seaport listed companies

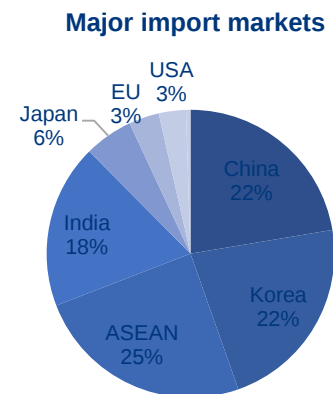
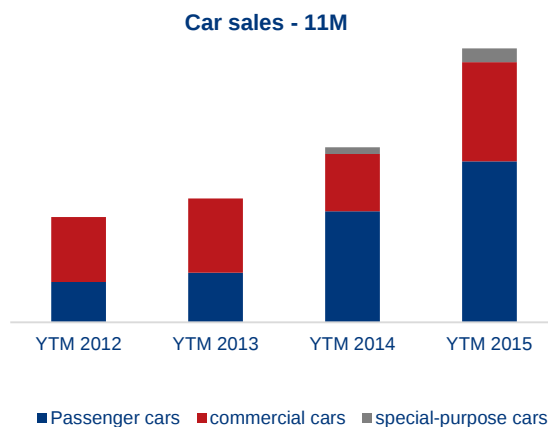
Ticker	Revenue		Gross profit margin		PAT		P/E	P/B
	9M2015	%yoy	9M2015	9M2014	9M2015	%yoy		
GMD	2,660	25%	14%	19%	355	-36%	14.84	0.8
PHP	1,759	75%	29%	25%	432	30%	41.4	1.6
VSC	697	7.8%	40%	29%	224	39%	10.02	2.07
DVP	492	26.8%	51%	47%	228	33%	10.31	2.39
HAH	374	35%	34%	33%	113	38%	6.1	1.7
TMS	360	8%	30%	15%	124	36%	12.47	1.72
VGP	259	14%	20%	6%	37	270%	3.51	0.82
PDN	229	18%	19%	22%	41	5%	9.65	1.39
CLL	193	13.5%	34%	43%	55	-4%	9.44	1.75
DXP	159	31%	35%	29%	46	64%	7.47	1.43
Average			31%	28%			12.52	1.57

Source: BSC Research

Automobile Sector 2015 [Phenomenal growth]

- Automobile consumption surged by 56.6% yoy in 11M2015, in which imported vehicles grew by 77% yoy
- Selling price at year end increased by 5-15% compared to year beginning
- Business results of all listed companies are positive

Automobile consumption had strong growth in 2015. According to Vietnam Automobile Manufacturing Association (VAMA), automobile consumption reached 215,517 cars (+56.6% yoy), in which 126,597 passenger cars (+45% yoy) and 77,880 commercial cars (+72.7% yoy), and 11,040 special-purpose cars (+108.5% yoy). The high growth across all types of vehicles are thanks to: (1) the economic expansion in Vietnam (2) The improvement in GDP per capita (3) Supply shortages caused by the strict control of truck gross weight, along with the increase in transportation needs boosted up demand for commercial vehicles.



Source: VAMA, BSC

Imported vehicles achieved a strong growth, especially from China. In 11M2015, sales of local assembled vehicles reached 154,257 units (+49.6% yoy), while 61,260 imported cars were sold (77.4% yoy). The number of vehicles imported from China in 10M2015 increased by 54% yoy to 21,265 units, and China became the countries with largest proportion of 22% total imported cars. Korea ranked second with 21,155 units, up +26% compared to sales in 2014. The main reason for the surge in Chinese vehicles imported to Vietnam is the ACFTA, effective in Jan 1st 2015, which applied a preferential tax rate for vehicles imported from China. The new tax policy brought most types of commercial vehicles down to 5-15%, significantly lower than the tax rate 30-70% applied for other countries.

Selling price of cars in December increased slightly. Surveying best-selling cars shows that the price as of December has increased by 5-15%, depends on the type of cars. The selling price depends on various

factor, such as exchange rate, tax changes, or promotion programs. The fluctuation of exchange rate in 2015 has partly caused the price of imported cars, as well as price of automobile parts increased.

Business results of automobile companies are positive in 2015. Automobile sector currently has only 5 listed companies: 2 are passenger car distributors (SVC and HAX); 2 are commercial car businesses (TMT and HHS) ; and 1 is for special purposes vehicles (HTL). Thanks to the overall growth, all companies has positive business results in 2015. In 9M2015, total revenue of all 5 companies reached VND 14,917 billion (+77.3% yoy) and Profit after tax reached VND 826 billion (+427% yoy)

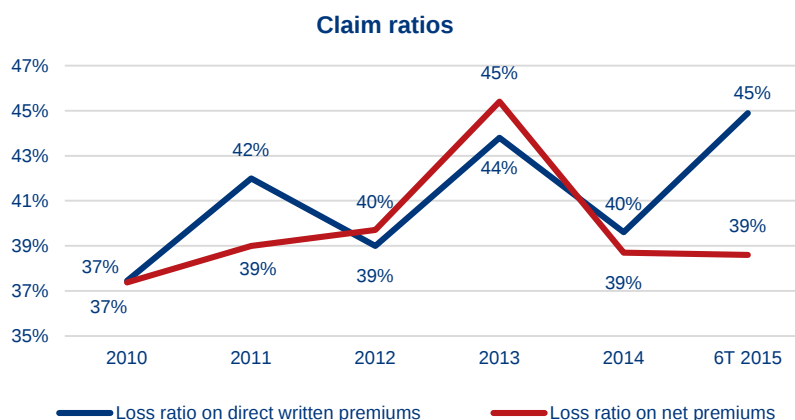
Ticker	Rev 9M2015	% yoy	PAT 9M 2015	% yoy	P/E	P/B	Notes
SVC	6,811	26%	147.4	82%	11.0	1.3	Revenue from car distribution increased by 26%, the divestment from real estate projects contributed VND 15 bil in profit before tax, and helped decrease the interest expense
HAX	1,216	40%	23.6	144%	8.2	1.8	Bonus profit from achieving sales target contributed VND 8 Bil to the PBT
TMT	2,833	239%	225.0	411%	7.3	4.1	
HTL	1,261	190%	130.7	360%	8.3	6.8	
HHS	2,797	229%	441.1	557%	4.9	2.3	Benefited from the lower tax for vehicles imported from China, according to FTA Asean-China

Source: BSC Research

Non-life Insurance Sector 2015 [Strong growth]

- Strong growth in direct written premiums in 10M2015 (+17.7%), especially in retail segments: Vehicle insurance premiums (+26% yoy); health insurance premium (+32% yoy)
- Claim ratio on direct written premium increased, but claim ratio on net premium slightly decreased
- Income from insurance activities diverged among listed companies; investment results were affected by low interest rate environment.

The total non-life insurance premiums had a strong increase in the first 10 months of 2015. The total direct written premium is estimated at VND 26,899 billion, up 17.8% yoy, which is higher than the average growth of 12.4% in the period 2005 -2014. The proportion of insurance premium ceded abroad¹ in the total written premiums increased slightly from 20% in 2014 to 22.5% in 6M2015.



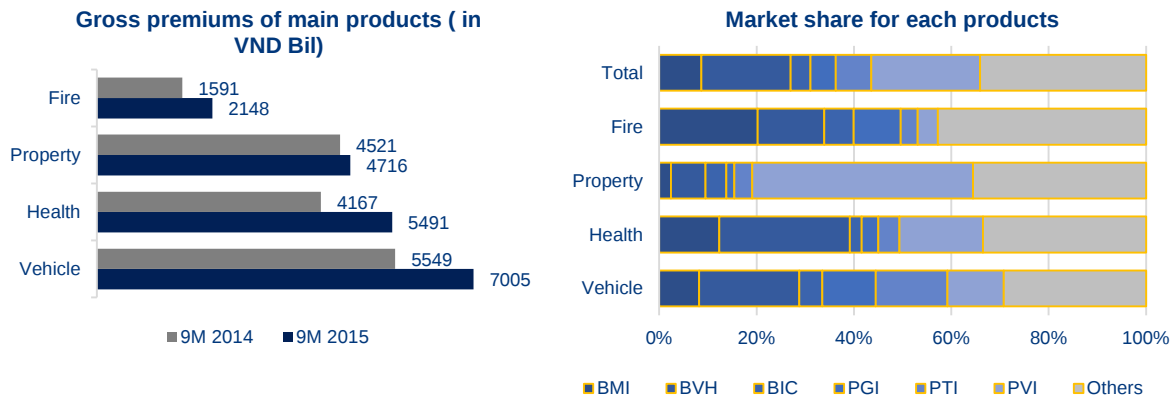
Source: Administration and Supervision of Insurance

Claim ratio on direct written premiums increased, but net claim ratio on net premiums slightly decreased. The claims paid in 10M2015 was at VND 11,156 billion, equivalent to the claim ratio of 41.5%, higher than the number of the same period last year of 36.9%. However, the claim ratio on net premiums (excluding ceded premiums) was well controlled at 38.6%, slightly down from 38.7% in 2014. The reason for this divergence is due to 30% of the total claims came from property & casualty segment, which has high ceded proportion of approximately 70%. Claim ratio for property & casualty segment increased dramatically to 72%, since insurers started to pay out claims of large losses in 2014. Besides, insurers also began paying out claims for losses related to the Binh Duong, Ha Tinh incident. However, since most of

¹ The premium ceded abroad from non-life insurers, excluding the premium ceded by reinsurers like Vinare and PVI Re

Vietnam Sector Outlook 2016
Part 1

them has been ceded, loss ratio on net insurance premiums of property & casualty insurance was maintained at a reasonable level of 33%.



Source: Administration and Supervision of Insurance

The growth of non-life insurance sector mainly came from the retail segments, thanks to favorable factors in the environment, as well as the objectives of most large insurers on developing their retail system:

- **Motor Vehicle insurance premiums** in 9M2015 reached VND 7,005 billion (+ 26% yoy). The strong growth in car consumption (56.6% yoy in 11T2015) boosted up the insurance premium for vehicles. Claim ratio of this segment declined significantly from 45.2% in 2014 to 39.3% in 6T 2015.
- **Health care insurance revenues** grew by 32% yoy in 9M 2015, thanks to the focus on developing sales channels of large insurers and improvement in income per capita. Loss ratio of 6M2015 was 39.4%, down slightly from 37.9% in 2014.
- **Property and Casualty Insurance only expanded for 4%** in direct premiums, with high loss ratio, from 34% in 2014 to 72% in 6M2015. A large portion of the claims paid do not affect net income of insurers, since they are covered by provision in 2014.
- **Fire Insurance** grew strongly by 35% yoy in 9M2015, thanks to the Joint Circular 214 set out compulsory fire insurance for buildings, constructions, combined with the recovery of real estate market. However, claim ratio for this segment is high, up slightly from 57% in 2014 to 59.6% in 6M2015.

Business results of insurance businesses were mostly promising, mainly due to the improvement in the insurance business

- **The insurance activity results show divergence, depends on the ability to control claim ratio.** 4 insurers with low claim ratio produced good insurance activity results in 9M2015: BVH; PVI; PGI; PTI. In contrast, BIC and BMI had high claim ratio, and showed declines in profit from insurance operation. Please note that in the year 2014/2015, some accounting changes made

commission costs in 2014 plummeted to half. In 2015, the costs rising back to normal levels has affected the growth in profit for the year.

- **Investment activities faced hardship in 2015 due to the low level of interest rates.** The investment composition does not have much change, with deposits accounted for 70% of total investment value. Therefore, excluding abnormal profits, the interest rates at low levels in 2015 has caused investment revenue decline. Specifically:

	BVH	PVI	BMI	PTI	PGI	BIC
Insurance activities						
Premium 9M 2015 (VND Bil)	11,618	5,888	2,064	1,766	1,580	1,090
% yoy	18%	17%	4%	64%	5%	29%
% Claim ratio¹	46.6%	36.6%	43.7%	45.4%	51.7%	43.2%
+/- compared to 9M 2014	Decrease 0.4%	Decrease 4.1%	Increase 1.1%	Decrease 1.0%	Decrease 1.7%	Increase 6.2%
Combined ratio (9M 2015)²	105%	99%	99.5%	100.6%	99.8%	99.2%
Investment activity						
Total investment (VND Bil) Q3/2015	45,798.9	11,621.9	2,747.7	1,851.1	2,676.4	2,725.7
% compared to Q42014	0.143	0.147	0.043	0.083	1.02	0.704
Investment profit 9M2015(VND Bil)	1,905.7	326.2	96.8	81.7	77.9	88.7
% yoy	-0.02	-0.17	0.59	0.114	0.237	-0.009
Investment return	0.079	0.057	0.065	0.071	0.064	0.071
Increase/decrease compared to 2014	Decrease 1.3%	Decrease 1.2%	Increase 0.04%	Decrease 0.5%	Decrease 1.4%	Decrease 2.1%
PBT 9M2015 (VND Bil)	1,203	360	129	129	89	94
% yoy	0%	44%	20%	20%	14%	-13%
P/E	27.1	15.7	15.8	16.4	12.3	17.3
P/B	2.6	0.9	1.0	1.1	1.4	1.7
Notes	Profit margin on insurance activities increased by 7%, but still yield a loss	Profit from insurance activities increased by 53.2%	Extraordinary income from reversal of provision for impairment of investment. Gross profit from insurance activities declined by 24.7%	Investment income increased by 21% yoy thanks to the large capital from Dongbu	Recognize income from sales of long term investment	Income from insurance activities declined by 70% sine claim ratio rises. The capital from Fairfax is received since Nov, therefore not contribute much to 2015 profit

¹ Claim ratio = Total claim expenditure (including provisions) / net insurance premium

² Combined ratio = (Total insurance expenditure +SG&A expense)/Total net revenue from insurance business

³ Investment return = Trailing 12M Investment revenue/Average investment capital as of Q3 2015

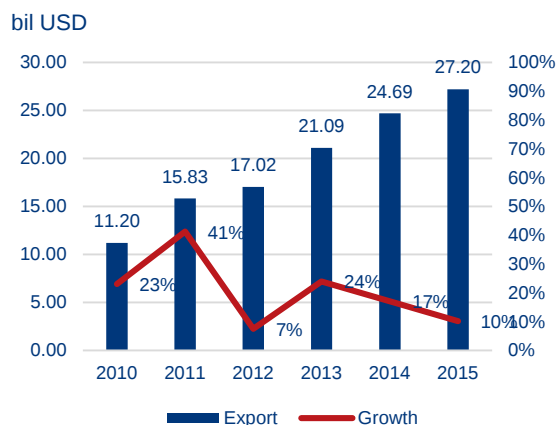
Textile Sector 2015 [Growth slowdown]

- The growth of Vietnam's textile exports reduced, reaching 8.44% yoy in 10M2015
- Vietnam's textile imports growth also declined, reaching 6.92% yoy in 10M2015
- World cotton prices continued to fall 22% in the 2014/2015 crop year
- There are four trade agreements signed or completed negotiations including VN-AEUA FTA, VKFTA, VN-EU FTA, TPP
- Listed textile enterprises had a differentiation in business results in 9M2015

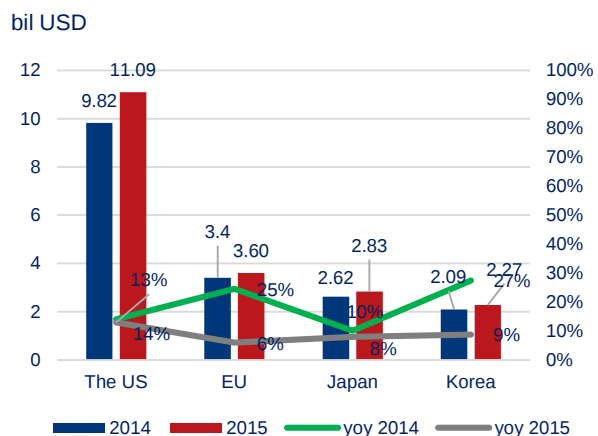
The textile export value grew at lower rate: In 10M2015, total export value reached USD 22,208 million, up 8.44% yoy. Estimates in 2015, textile exports reach about USD 27,200 million, up 10.2% yoy, much lower than the average growth rate of 22%/year over the period 2010-2014. The partly cause of this slowdown is competing export countries with textiles Vietnam such as China, India, Indonesia, ... devaluated their currencies, causing prices of Vietnam's textile products fall to compete with the other countries.

The exports growth in key markets also reduced (chart below), but the US remains the largest export market of Vietnam. In 2015, the estimated exports value to the US reached USD 11,100 million, representing 40.8% of total exports. The 2nd largest market is the EU market with export value of USD 3,603 million, representing 13.2% of total value. Exports to Japan and South Korea reached USD 2,830 and USD 2,273 million respectively, accounting for 10.4% and 8.4% of total export value.

Export turnover and export growth in the period 2010-2015



Export turnover and growth by market (2014-2015)



Source: General Department of Vietnam Customs

Textile imports growth also dropped: Total imports value in 10M2015 is USD 13,791 million, up 6.92% yoy, lower than the increase of 15.3% in 2014 as imported materials demand for production, especially for export, decreased. In particular, imports to export accounted for about 80% of imports value, reached USD 10,971 million, rising only 7.55% yoy, lower than the increase of 17.6% yoy in the same period in 2014.

The import value of textile material such as fabrics, cotton... rose slightly, while fibers import value decreased slightly compared to the same period. Specifically, fabrics import in 10T2015 reached USD 8,395 million (+ 7.92% yoy) and cotton import reached USD 1,453 million, +43.2% yoy in volume and +17.6% yoy in value since the price of imported cotton fell 17.9% from the same period. Fibers imports in 10M2015 reached USD 1,263 million, up 6.5% in volume and 2.5% in value over the same period due to the average import price of yarn fell 8.4% in 10M2015 yoy.

World cotton prices continued to decline during the 2014/2015 crop year: The average world cotton price during the 2014/15 crop year (from August 2014-July 2015) was 66 cents/pound, down 22% compared to the average cotton price in the 2013/14. The reason are (1) Cotton production continued to increase slightly by 3.4% to reach 26.4 million tons, 9.5% higher than cotton demand, while global cotton inventories was still very large (2) China, which is the largest cotton importing country, cut cotton import quotas to encourage the use of domestic cotton (3) Crude oil prices continued to decline, making synthetic yarn derived from oil become more competitive than cotton yarn.

In 2015, 4 FTAs were signed or completed negotiations, includes (1) VN-AEAO FTA signed on 29 May 2015 and will officially take effect on 1st Jan 2016 (2) VKFTA signed in May 2015 and has taken effect since 20 Dec 2015 (3) VN-EU FTA was concluded negotiations in 2015 and is expected to take effect in 2018 and (4) TPP was concluded negotiations in 2015, would sign on Feb 2016 and will formally take effect from the first half of 2018. Successfully negotiating and signing those FTAs will help import and export commodities of Vietnam, including Textiles, enjoy many tax incentives and promote export growth in the coming time.

Listed textile enterprises had differentiation in business results 9M2015:

As of the end of Q3 2015, all 10 listed textile stocks were profitable. In 9M2015, 5 shares had revenue growth including TNG (+ 38.3%), TCM (+ 11%), EVE (+ 23%), KMR (+ 4.4%) and GMC (+0.5 %); 3 shares had revenue reduction including GIL (-3.4%), NPS (-24%) and TET (-11%) (STK and G20 are two new listed stocks in 2015).

The level of changes in profit margin in those firms were different: gross margin of GIL and KMR surged from 14.2% and 20.2% to 17.9% and 22.3% respectively, while gross margin of TCM, GMC and EVE slightly increased of 0.4% - 0.5% over the previous year. TNG's gross margin has decreased slightly by 0.7% while NPS's and TET's plummeted from 19.5% and 57% in 9M2014 down to 12.4% and 30% respectively in 9M2015.

Ticker	Total asset 9M2015	Net Rev 9M2015	% of Net Rev 9M2015					Price 31 Dec 15	EPS T12M	BVPS	PE	PB	ROE	ROA
			Gross profit	Int exp	Selling exp	Admin exp	Net income							
TCM	2,370	2,144.3	15.6%	0.9%	2.9%	4.2%	6.5%	30,800	3,470	17,798	8.9	1.7	15.1%	5.6%
STK	1,694	925.3	17.3%	0.4%	2.3%	3.2%	6.7%	31,900	2,441	14,619	13.1	2.2	9.1%	3.6%
TNG	1,543	1,424.2	18.1%	2.8%	2.0%	8.4%	4.2%	19,000	3,762	16,574	5.1	1.1	16.3%	3.8%
GMC	844	1,114.2	15.7%	0.4%	2.1%	6.7%	5.6%	36,800	5,742	20,445	6.4	1.8	26%	7.3%
EVE	1,112	630.3	33.3%	0.03%	8.7%	10.8%	11.0%	27,000	3,964	31,512	6.8	0.9	8.0%	6.3%
GIL	855	787.0	17.9%	1.1%	1.8%	6.2%	6.3%	35,000	4,939	27,118	7.1	1.3	13.2%	5.8%
KMR	691	314.4	22.3%	1.7%	5.9%	7.3%	6.6%	4,500	279	10,624	16.1	0.4	4%	3%
NPS	76.4	32.9	12.4%	1.5%	3%	8.9%	0.5%	14,500	455	15,349	31.9	0.9	0.5%	0.2%
G20	331	216.8	12.2%	4.5%	0.9%	1.5%	4.3%	9,400	1,248	11,345	7.5	0.8	8.5%	2.8%
TET	75.5	30.5	30%	0%	2.5%	29.1%	31.7%	19,400	2,366	12,111	8.2	1.6	14%	12.8%

Source: Financial statement of the firms, BSC collected

Note: unit of total asset and Net revenue – bil dong

Electricity Sector 2015 [Business results diversification between thermal power and hydro power]

- Production output and consumption witnessed stable growth at 12%.
- Hydro power production decreased by 6% due to El Nino while thermal power production increased by 17%.
- Electricity price on competitive electricity market increased by 5 dong/ kWh.
- Gas input price decreased by 15-45%.
- Exchange rate fluctuation and application of Circular 200 made electricity firms experience exchange rate loss.

Power production output remained stable growth. In 11M2015, electricity production output and purchased by EVN reached 146.49 bil kWh, increased by 12% over the same period 2014. In particular:

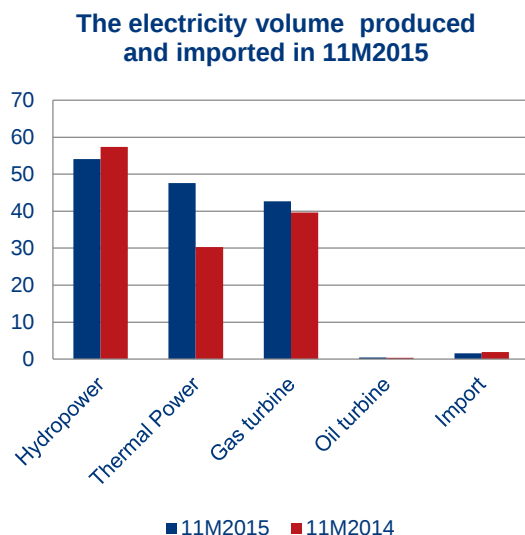
Hydropower production output decreases slightly due to El Nino. Hydropower production output is estimated to reach 54 bil kWh (-6%yoy). Due to El Nino, rainy season was 1 month later than usual in the South and the Central. In addition, the river water level in the second half of year was lower than average of many years causing hydropower production output to decrease lightly.

Thermal power production increased significantly because new plants were into production. Hydropower production output is estimated to reach 48 bil kWh (+57%yoy). In 2015, some large thermal power were put into production, helping Vietnam total capacity of thermal power increase 28% to reach 12,492 MW. In August 2015, despite disrupted coal supply for thermal power and electricity distribution in the North due to serious flood in Quang Ninh, large thermal powers were not affected strongly thanks to rich coal reserves and rapidly recovered flood consequences.

Gas thermal power production increased slightly. Gas thermal production output is estimated to reach 43 bil kWh (+8%yoy). Because the hydro powers in the South and the Central were affected more significantly than the ones in the North, hydro power production deficit. As a result, the gas thermal power (mainly located in the South) were more mobilized. Also, in 2015, gas supplies from PM3 was stable with stop-gas-supply days down from 14 to 9 and only cut gas supply one time in August 2015 while cutting 2 times in 2014 (July and October). In addition, gas supply from Nam Con Son also decreased/stopped gas supply in 3 days in Sep 2015.

Oil thermal power increased dramatically by 29%, reaching 0.42 bil kWh: stopped gas supplies happened in the peak time forced EVN to mobilize the oil thermal power. In addition, in June 2015, Unit 2-O Mon thermal power with capacity of 330 MW was put into production, increasing oil thermal power production.

Electricity imported from China fell sharply. In 11M2015, electricity imported from China touched 1.6 bil kWh (-15%yoy). At the same time, electricity import contracts with China assigned for 13 Northern provinces will be ended in 2015.



Into-production new power plants 2015

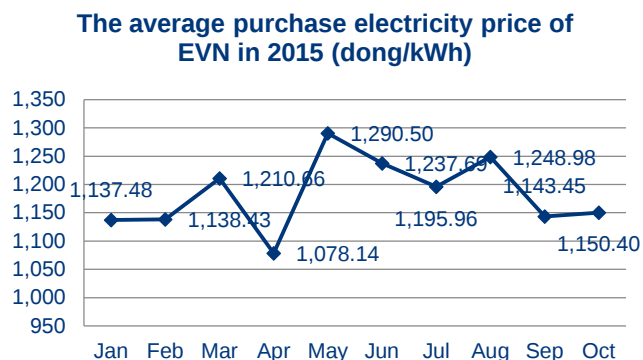
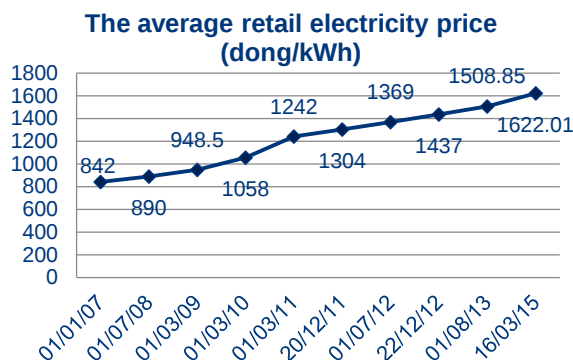
Name	Type	Capacity	Operation time
Mong Duong- unit 1	thermal	540	Jan 2015
Duyen Hai 1 – Unit 1	Coal thermal	622.5	Feb 2015
Duyen Hai 1 - Unit 2	Coal thermal	622.5	Apr 2015
Mong Duong- Unit 2	Coal thermal	540	Jun 2015
O Mon 1- Unit 2	Gas thermal	330	Jun 2015
Formosa - Unit 2	Coal thermal	150	Jul 2015
Nam Muc- Unit 1	Hydro power	22	Jul 2015
An Khanh- Unit 2	Coal thermal	57.5	Aug 2015
Formosa - Unit 3	Coal thermal	100	Sep 2015
Formosa - Unit	Coal thermal	100	Dec 2015
Lai Chau- Unit	Hydro power	400	Dec 2015
Huoi Quang- Unit 1	Hydro power	260	Dec 2015

Source: EVN

Commercial electricity output increased by 12%yoy. Vietnam consumed about 131 bil kWh commercial electricity in 11M2015. Similar to electricity production, Vietnam's electricity consumption remained at stable growth. In particular, agricultural electricity demand witnessed rapid growth by 24%, followed by commercial electricity-23%. Power demand for industry and construction and management-consumer were up 11%.

Electricity retailing price increased by 7.5% from 16th Mar 2015. After being kept stable in 2014, electricity retailing price was increased from 1508.85 dong/kWh to 1622.01 dong/kWh according to official decision issued on 12th Mar 2015 of the Ministry of industry and Trade.

The average electricity purchase price of EVN on the competitive electricity market tends to rise. The average electricity purchase price of EVN on the competitive electricity market in 10M2015 was 1,183 dong/kWh, higher than average of 3 years which was 1,087 dong/kWh. Due to El Nino, the hydro power with low price was into shortage, EVN was forced to mobilize gas thermal and coal thermal with higher price.



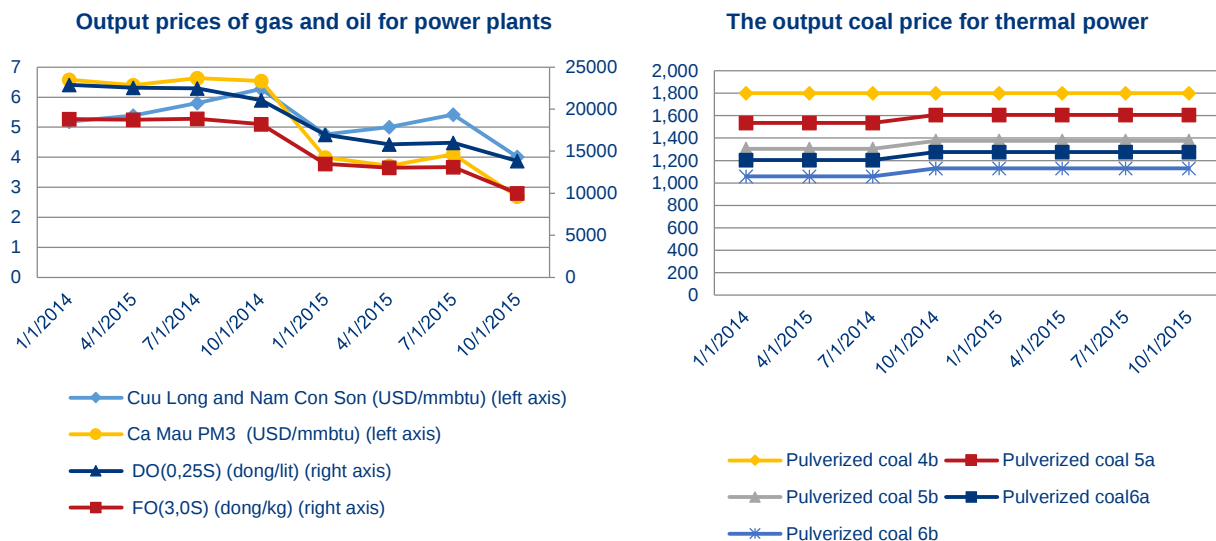
Source: EVN

Coal price for thermal power was stable. After increasing by 5-7% in Oct 2014, coal price selling to thermal power was stable in 2015.

Water resource tax's based price increased. According to decision No. 567/QĐ-BTC, from 16th mar 2015, the average commercial electricity price used to calculate natural water resource tax was 1,622.01 dong/kWh, increased 113.21 dong/kWh or 7.5% increase compared with the price applied on 1st Aug 2013.

Gas and oil prices selling for electricity production decreased sharply. In 2015, average gas selling price to thermal power stood at USD 4.8 per mmbtu for Cuu Long and Nam Con Son mine's offtake gas price, decreased by 15% yoy; stood at USD 3.6 per mmbtu with PM3-Ca Mau gas mine, decreased by 45% yoy. According government decision, from 1st Apr 2014, purchase offtake gas price in Cuu Long and Nam Con Son mines would be equal to 70% market price (46% of MFO-average oil price of last month in Singapore market+transportation cost), from 1st Jul 2014 equal to 80% market price, from 1st Oct 2014 equal to 90% market price and from 1st Jan 2015 equal to 100% market price. Therefore, offtake gas selling price in Cuu Long and Nam Con Son mines and gas selling price to power production in PM3 mine depends directly on oil price. However, from Jul 2015, Nhon Trach 2 (NT2) started to calculate prices at market rate and from Oct 2015 would apply synchronization for gas power plants. With dramatic downtrend in oil price from Jun 2014, the average FO and DO price in 2015 decreased 30%yoy and 34%yoy respectively.

Vietnam Sector Outlook 2016
Part 1



Source: EVN

Exchange rate and Circular 200 application negatively affected power companies. The thermal power listed firms had large outstanding loan in foreign currencies. In particular, NT2 (USD, EUR), PPC (JPY), BTP (USD, KRW). According Circular 200/2014/TT-BTC issued on 22nd Dec 2014 guiding the business accounting, the revaluation of loan in foreign currencies, enterprises have to apply selling exchange rate instead of transfer exchange rate as before. So, firms will have to apply the higher exchange rate. Till 19th Dec 2015, the USD, JPY and KRW were appreciated 5%, 6% and 9% respectively while EUR depreciated 4% against VND. Therefore, 3 thermal power listed firms recorded exchange rate loss, even for NT2.

Ticker	Outstanding loan as on 31/12/2014	Exchange rate on 19/12/2015	Exchange rate loss on 19/12/2015 (bil dong)
PPC	25,066,020,700 JPY	JPY/VND=186.27	274 bil dong
NT2	146,099,081 USD và 133,480,136 EUR	USD/VND=22,547 EUR/VND=24,630	49 bil dong
BTP	1,628,056.42 USD và 29,986,926,074 KRW	USD/VND=22,547 KRW/VND=19.18	52 bil dong

Source: BSC estimated.

Mixed business results of listed power companies. El Nino caused business results of most listed hydro power companies, especially the ones in the South and Central to decrease. In contrast, thanks to higher mobilization rate in order to compensate hydro power shortage, business performances of thermal power plants were positive.

Ticker	Type	capacity (MW)	Location	Rev 9M 2015 (Bildong)	%y.o.y	PAT 9M2015 (Bildong)	%y.o.y	Notice
PPC	Thermal power	1040	Hai Duong	6,046	7%	443	-11%	Exchange rate loss, low production output in first quarter, recorded loss from joint ventures
NT2	Gas turbine	750	Dong Nai	5,341	15%	692	20%	Production output and price increased sharply.
BTP	Gas turbine	388	Vung Tau	1,321	-15%	3	-97%	Falling production output and exchange rate loss
NBP	Thermal power	100	Ninh Binh	525	-30%	9	-66%	Decreased production output and increased coal consumed
TMP	Hydropower	150	Binh Phuoc	492	1%	186	25%	Increase selling price
CHP	Hydropower	170	Hue	432	54%	149		Sharp increase consumption
SHP	Hydropower	122.5	Lam Dong	417	-1%	115	-29%	Decreased consumption
VSH	Hydropower	136	Binh Dinh	363	73%	216	129%	Increased production out and took part in competitive market
SJD	Hydropower	104	Binh Phuoc, Gia Lai, Dien Bien	306	-3%	156	6%	New factory
TBC	Hydropower	120	Yen Bai	192	-18%	93	-15%	Decreased production
HJS	Hydropower	12	Ha Giang	120	15%	23	77%	Increase selling price
SBA	Hydropower	73	Quang Nam, Phu Yen	99	-29%	11	-75%	Decreased production
GHC	Hydropower	28.2	Gia Lai	75	-17%	35	-7%	Decreased production
DRL	Hydropower	16	Dac Nong	42	-5%	24	-6%	Decreased production

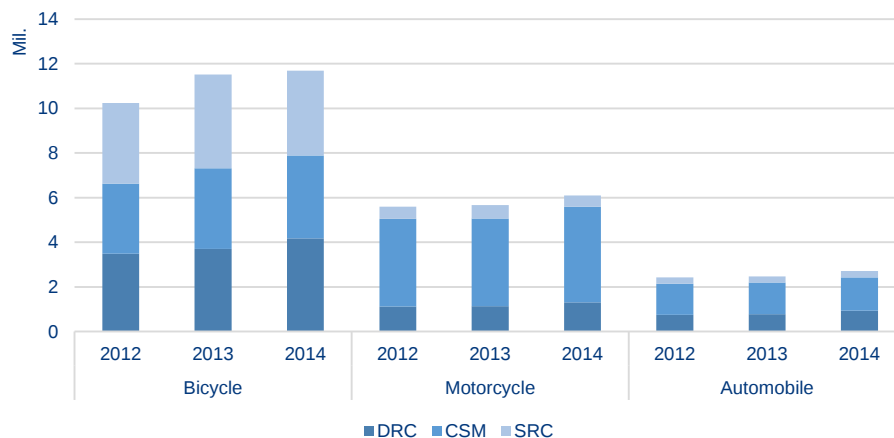
Source: BSC Research

Tire Sector 2015 [Low output growth]

- Fierce competition, especially competition between domestic and Chinese firms.
- Radial consumption of domestic firms in 2015 was still under break-even point.
- Domestic firms do not enjoy benefit from the deduction of rubber price.

Tire market size. As we stated in Sector outlook 2015, demand for bicycle tires has saturated since 2013. Demand for motorcycle tires grow slowly during 2012-2014, at only about 4%. Main driver of the sector comes from automobile consumption growth (output of 3 domestic firms increased by 9.6% yoy in 2014) thanks to sharply automobile sales (CAGR is at 40% from 2011-2014).

Output by segments of DRC, CSM and SRC from 2012-2014



Sources: Financial statements of DRC, CSM, SRC; BSC collected

Fierce competition. (1) The biggest rivals come from Chinese tire production, especially after RMB devaluation (down 4.43% against USD in 2015). Chinese tire price is lower 10-15% than Vietnamese products, and Chinese manufacturers also offer 5-8 times discount to domestic firms. (2) Whole production capacity has increased, especially of FDI companies. In late of 2014, Bridgestone inaugurate new factory raise total capacity to 9 million tires per year. Kumho expanded capacity from 3 million to 5 million tires per year. Hence, competition will be fiercer, especially in car and light truck tires segment as it is the flagship product line of FDI firms.

Radial output of domestic firms is still lower than break-even point. DRC sold 125,102 Radial tires in 9M2015 representing 56% of design capacity of phase 1st Radial plant. It is likely that DRC fail 2015 target of 240,000 tires. Meanwhile, Radial output of CSM is at approximately of 60,000 tires during 9M2015, equal to 23% of design capacity. Because Radial domestic output is still lower than break-even point, 2 plants of DRC and CSM continue to record loss in 2015 (Radial gross margin of DRC was -5% in 3Q2015).

Domestic firms no longer enjoy benefits from the deduction of rubber price. Rubber prices fell sharply. By 21st December, 2015, average price of RSS3 down 15.51% compared to it is in 2014. However, because of fierce competition, domestic firms reduced significantly output price. Compared to the late of 2014, average output price of DRC and of CSM discounted about 8%. Hence, tire manufacturers no longer enjoy benefits from the fall in rubber price. Gross profit margin of CSM decreased from 26% in Q3/2014 (start going into operations Radial plant) to 24% in Q3/2015. Gross profit margin of DRC decreased from 25% in 2014 to 24% in 9M2015. BSC note that the gross profit margin of DRC fell in quarter 3/2015 also came from shorten depreciation schedule of machinery and equipment used in Radial factories (from 12 year to 7 year depreciation period). The adjustment increases strongly depreciation expenses of DRC. On the other hand, the activity creates higher cash flow for DRC to invest in phase 2nd of Radial plant. SRC is the only company witnessed the rise in gross profit margin from 19% in 2014 to 21% in 9M2015.

Business performance 9M2015. Revenue and net profit of domestic firms virtually unchanged. Accumulated 9M2015, total net revenue of tire firms was VND 5,972 billion, up 12% yoy. Excluding revenue from real estate of CSM recorded in Q2/2015, total revenue only increase by 4% yoy to VND 5,572 billion. Total net profit 9M2015 was VND 564 billion, no growth compared to 9M2014.

	Revenue 9M2015 (VND Bil.)	% yoy	Net profit 9M2015	% yoy	Gross margin 9M2015	ROE (TTM)	ROA (TTM)	P/E	P/B
DRC	2,463	5%	288.57	16%	24%	22%	13%	10.39	2.63
CSM	2,779	22%	213.12	-14%	22%	22%	9%	6.01	1.29
SRC	730	-1%	62.42	5%	21%	22%	13%	10.2	2.08

Source: BSC Research

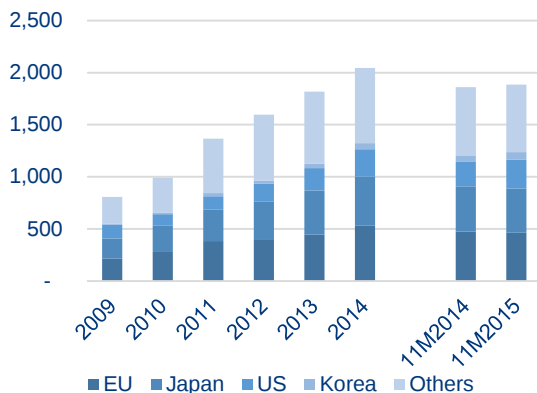
Plastic Sector 2015 [Positive]

- 6M2015, revenue of the whole sector continues to grow rapidly, rising 10.3%, while export growth slowed, rising only 1.3%.
- Fall in plastic resin prices improve the gross profit margin of plastic firms.
- Positive business performance in 9M2015.

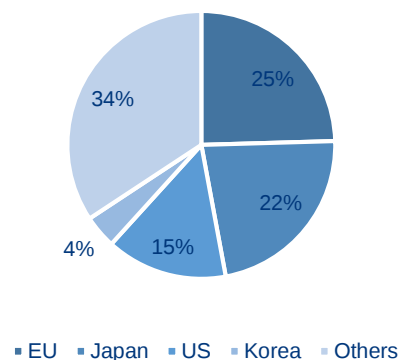
Whole sector rose by 10.3% in revenue in 6M2015. The revenue got USD9.1 billion in 2014 (+8.3% yoy) and got USD 4.2 billion in 6M2015.

- **Domestic consumption increase sharply.** The benefit comes from plastic consumption per capita and the recovery of plastic construction segment (+ 15% in 6T2015). In 2013, plastic consumption per capita was 35 kg, lower than many countries in regions and in the world (at 66.7 kg per capita)
- **Difficulties in export market.** After rapid growth of over 20% during 2009-2014, exports increased by only 1.24% in 11M2015. 2 largest Vietnam export markets including EU and Japan witness a decline in 11M2015, down 3% and 2%, respectively, because of fierce competition and VND appreciation over other currencies. On the positive side, US market accounting for 15% of total export markets maintain high growth rate (+15.24%).

Vietnam plastic export



Vietnam plastic export by market 11M2015



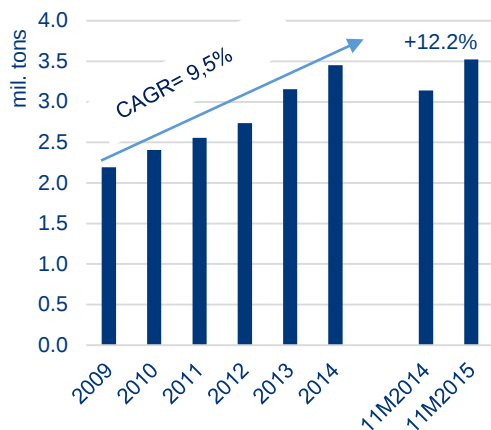
Source: Vietnam custom

The fall in plastic resin price brings opportunity to plastic firms. Plastic resins account for about 70-80% of operating cost of plastic firms. In 2015, average price of HDPE, LDPE resins down 20%, PVC

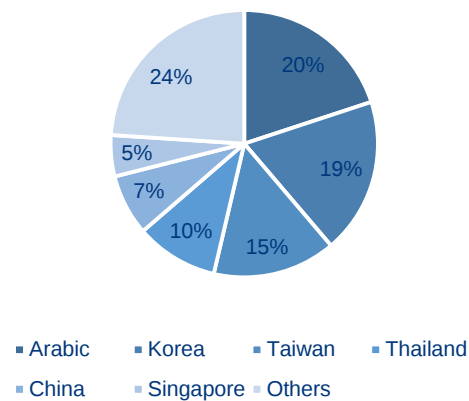
decreased by 21% and PP declined 25% compared to these price in 2014. These improved gross margin for many plastic companies.

USD appreciated 5% against VND lead a slight increase in operating expenses. Vietnam imported about 70% plastic resin, make payment primarily in USD. Therefore, plastic resin price calculated in VND reduce slower than the price calculated in USD.

Plastic resin import

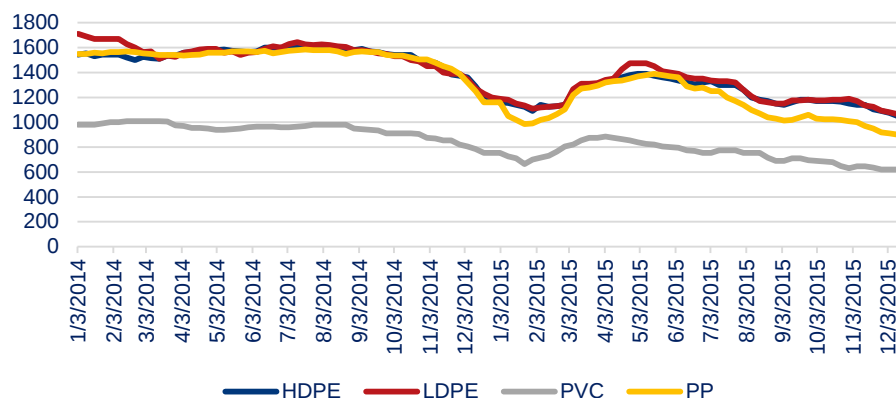


Plastic resin import by market 11M2015



Source: Vietnam custom

Plastic resin price 2014-2015



Sources: Bloomberg, BSC

Positive performance. By 9M2015, total accumulated revenue of 11 listed companies was VND 10,529 billion, up 16.2% yoy, total accumulated profit after tax was VND 803 billion, rose by 29.4%yoy. As stated in Sector outlook 2015 report, the business results of the plastic construction firms soared thanks to rapid growth in consumption and improvement of operating profit margin (BMP, DNP, DPC, DAG). Meanwhile, the packaging business has small operating margins (1% -7%) and many businesses faced with decline in margin (AAA, SPP, TPC) due to reduction of output price. Many companies have accelerated earnings growth such as DNP (+169x thanks to consolidation of business performance of Binh Hiep water company), RDP (+ 433%), DPC (+ 109% yoy), DAG (+ 46% yoy), BMP (+ 44% yoy), SPP (+ 30% yoy) and VBC (+ 21% yoy). Meanwhile, AAA and TPC recorded profits plunge -59% yoy and -19% yoy, respectively.

	Main products	Revenue 9M2015 (VND bil.)	% yoy	Net profit 9M2015	% yoy	Operating profit margin	ROE	ROA	P/E	P/B
NTP	Plastic pump	2,545	20%	261.30	13%	11%	23%	13%	10.93	2.38
BMP	Plastic pump	2,069	14%	389.01	44%	24%	27%	24%	12.30	3.12
DNP	Plastic pump	653	82%	6.00	16824%	7%	30%	9%	5.96	1.05
DPC	Plastic pump	60	0%	1.07	109%	2%	4%	4%	42.85	1.61
DAG	Profile bars, plastic doors & windows	973	21%	35.23	46%	4%	14%	5%	6.50	0.95
AAA	Packaging export	1,155	3%	18.84	-59%	2%	3%	1%	16.77	0.55
RDP	Packaging	836	3%	45.93	433%	7%	23%	8%	7.74	1.62
TPP	Packaging	633	37%	11.76	26%	2%	16%	4%	8.46	1.40
SPP	Packaging	615	12%	6.93	30%	1%	4%	1%	14.31	0.60
TPC	Packaging	510	-4%	7.62	-19%	2%	3%	2%	13.44	0.44
VBC	Packaging	479	12%	19.58	21%	5%	28%	9%	5.26	1.46

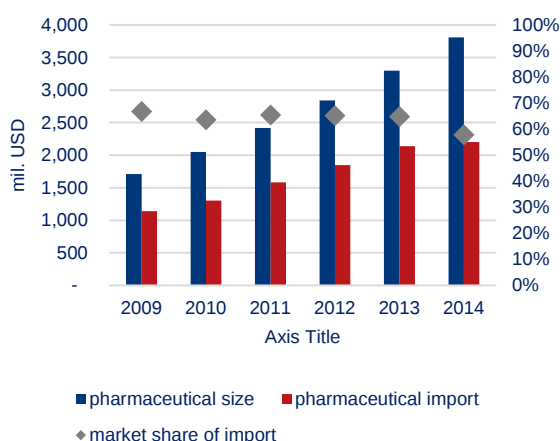
Source: BSC Research

Pharmaceutical Sector 2015 [Fiercer competition]

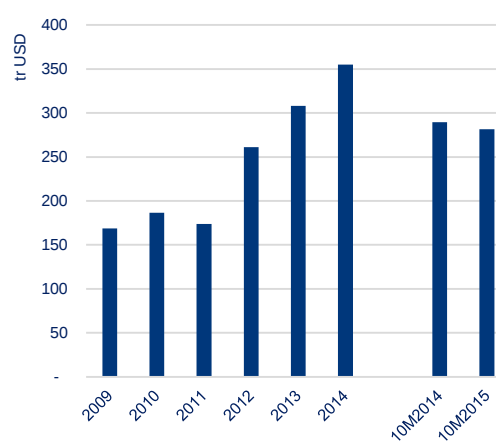
- Pharmaceutical sales maintains rapid growth, is estimated at 13.39% in 2015.
- Much of the growth is in the hand of foreign firms (10M2015, pharmaceutical import grew by 11.4%, while domestic production index of pharmaceutical, medical chemical and botanical product increase only by 3%).

Vietnam's pharmaceutical consumption maintain high growth rates. As we mentioned in sector outlook 2015 report, Vietnam's pharmaceutical sector grow fast, but slow down. CAGR was 17.38% from 2009-2014 and is estimated grew by 13.39% in 2015 to USD 4.32 billion (BMI research).

Pharmaceutical size and pharmaceutical import in value from 2009-2014



Pharmaceutical material import 2009-10T2015²



Sources: BMI, Vietnam custom

Domestic pharmaceutical companies lose market share to foreign firms. While pharmaceutical manufacturing grow slowly, pharmaceutical import maintain high growth rate. **(1)** Pharmaceutical import presented about 60-70% in value of Vietnam pharmaceutical sales from 2009-2014. CAGR of imported value was 14.04% during 2009-2014 to USD 2.2 billion and increase by 11.4% in 10M2015 to USD 1.9 billion. On opposite side, the value of pharmaceutical materials imports fell 2.7% yoy in 10M2015 after prolonged growth from 2011-2014 (CAGR was 13.16%). This signal indicates the decline in domestic pharmaceutical manufacturing. In the period of 2009-2014, huge pharmaceutical import markets include Switzerland (CAGR was 17.14%), EU (13.98%) and India (CAGR = 12.43%).

² Vietnam imports 90% pharmaceutical material.

Circular No. 36 continues to impact negatively on the ETC channel of pharmaceutical companies. 2 key pharmaceutical distribution channels in Vietnam are ETC and OTC. In which, ETC accounted for 74% of market value. Circular No. 36 divided pharmaceuticals into 7 auction packages of different techniques. Domestic firms are not eligible to be on the GMP-EU, PIC packages (the higher value segment), and must be on the same packages with Indian, Pakistan, Chinese firms with fierce competition on price. This reduces ETC sales in both volume and product prices, thereby reduce gross margins of domestic pharmaceutical companies. ETC revenue of IMP fell 16% yoy in 6M2015, of DHG down 61.7% yoy in 9M2015. Many pharmaceutical companies have turned to OTC channel as DMC, IMP, etc put more competitive on OTC channel.

Business performance. Accumulated 9M2015, total revenue of 11 listed firms virtually unchanged due to high competition (rose by 1%). Some leading enterprises such as DHG, DMC declined sharply in sales. 9M2015 operating profit margin also fall because of fierce competition, VND depreciation 5% against USD. Some businesses witnessed 9M2015 positive results are PPP (+ 253% yoy), OPC (+ 22% yoy), DBT (+ 26% yoy), DCL (+ 18% yoy), TRA (+19 %, rebounded thanks to more effective distribution system).

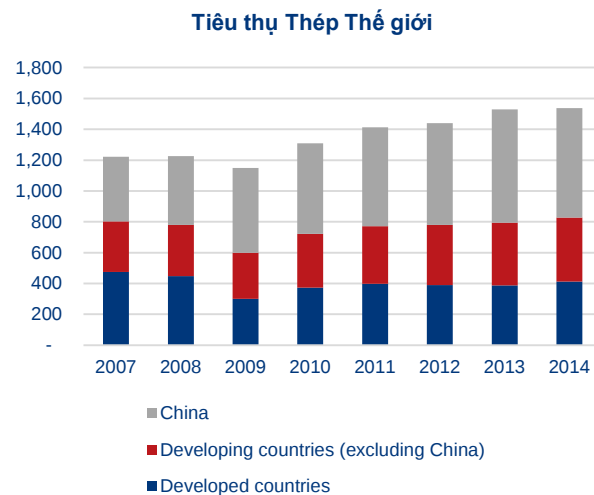
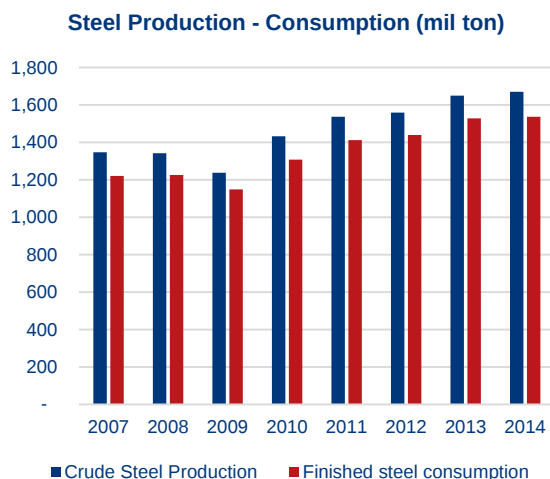
Ticker	Rev 9M2015 (bil đ)	% yoy	PAT 9M2015 (bil đ)	% yoy	Gross margin 9M2015	ROA (TTM)	ROE (TTM)	P/E	P/B
DHG	2,459	-5%	424	3%	40%	17%	23%	10.32	2.37
TRA	1,441	27%	123	19%	47%	15%	22%	13.27	2.24
DMC	861	-22%	101	5%	33%	14%	20%	11.43	1.22
DHT	711	14%	23	-4%	14%	7%	19%	7.55	1.40
IMP	629	6%	71	11%	41%	9%	11%	9.48	1.88
OPC	525	10%	57	22%	47%	13%	17%	6.33	0.86
DCL	481	-6%	40	18%	30%	7%	14%	6.67	21.45
DBT	398	4%	10	26%	23%	4%	14%	9.59	1.70
LDP	353	3%	13	-13%	12%	8%	22%	7.83	1.58
PMC	282	6%	47	2%	43%	27%	34%	9.95	1.19
DP3	154	10%	14	-18%	46%	0%	0%	10.78	1.31
PPP	71	-17%	5	253%	21%	5%	13%	4.21	0.73

Source: BSC Research

Steel Sector 2015 [Difficulty]

- Global steel consumption fell by 1.7% yoy, China Steel downed 5.7% yoy
- China reduced steel production capacity, increased exports by 22% yoy, Vietnam was the second largest import
- Iron ore prices fell by 79.62% after 5 years, still higher than before 2008
- Steel consumption Vietnam was growth, market shares continued to be divided again
- Gross profit margin of construction steel enterprises decreased, coated steel sheet/steel pipes rose

Global steel consumption reduced – Impacted from China demand. According to World Steel Association (WSA), the global steel consumption in 2015 reached about 1,513 million tons, downed 1.7% yoy, mainly caused by a decrease from China, which accounted for 46.23% of total production global consumption; in 10 months of 2015, China consumed 590.47 million tons (-5.7% yoy).

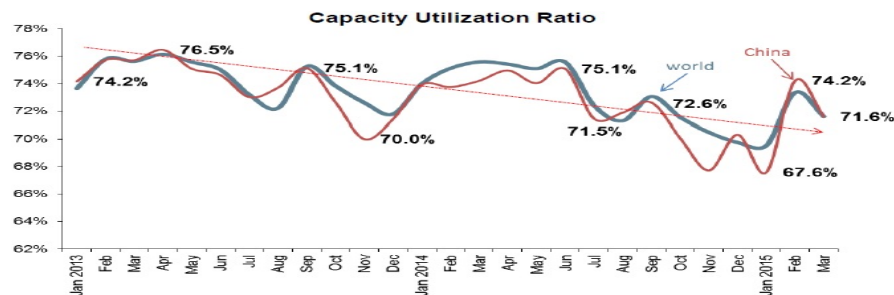


Source: World Steel Association, BSC Research

China steel sector - Cut capacity and step up exports. Although China steel exports in the first 11 months of 2015 amounted to 101.7 million tons (+22% yoy), but not enough to balance the pressure of declining demand of domestic market. In 2015, China cut 50 million tons of steel production capacity, only respectively more than 4% of the total steel production capacity (1.14 billion tons). HSBC estimated that China should cut another 120 million to 160 million tons of capacity to the market on a more balanced state.

Vietnam Sector Outlook 2016
Part 1

Capacity utilization ratios (the World and China)

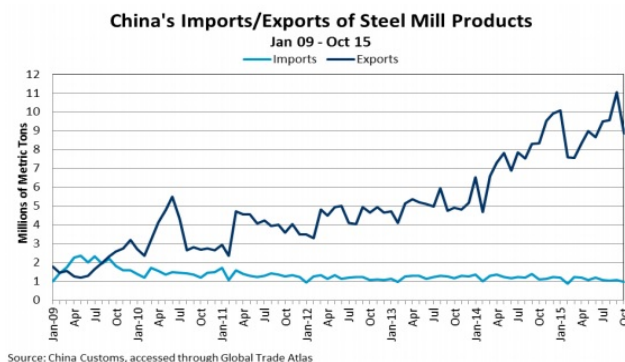


Source: World Bank, World Steel Association, BSC Research

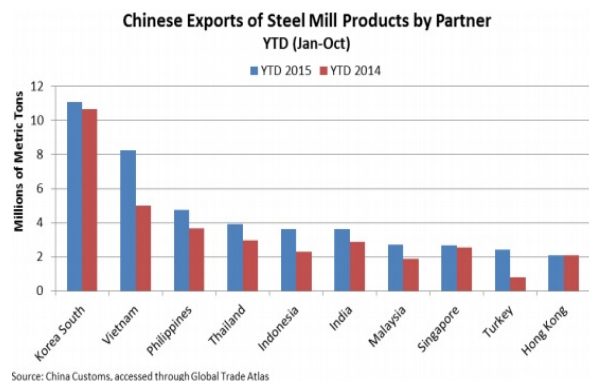
As reported by the United States Department of Commerce, in 10 months of 2015, China exported about 90.1 million tons (+25.4% yoy), South Korea was the biggest importer with about 11.1 million tons (+4.1% yoy). The quantity of China steel exports rose the most in Turkey (+204.7% yoy), Vietnam (+65.2% yoy) and Indonesia (+59.2% yoy)

Unit: mil ton	2010	2011	2012	2013	2014	10M2015	11M2015
China Crude Steel Production	639	702	731	822	823	675	N/A
China Steel Export	24	47.9	54.8	61.5	92.9	90.1	101.7
% Export / Production	3.76%	6.82%	7.50%	7.48%	11.29%	13.63%	

Source: World Steel Association, Financial Times, BSC Research



Source: China Customs, accessed through Global Trade Atlas



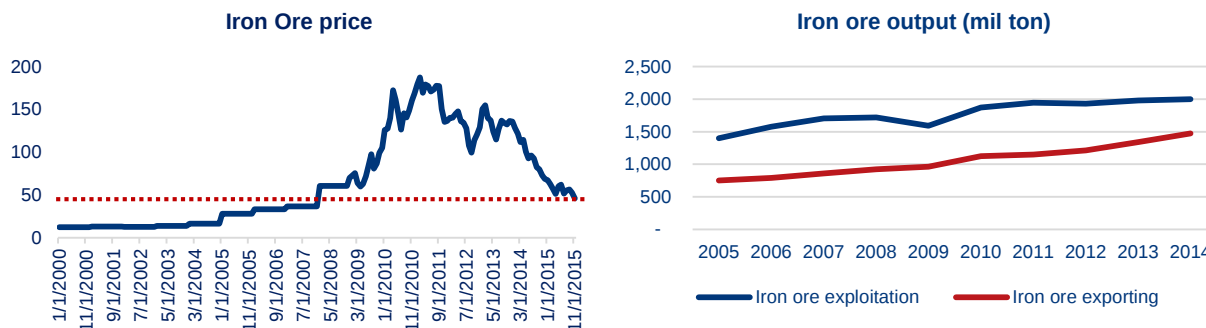
Source: China Customs, accessed through Global Trade Atlas

Source: International Trade Administration, Department of Commerce, USA

Iron ore prices – Continued slump but still higher than before 2008. The deceleration of the Chinese economy with the peak of the investment in the iron ore mining sector (2012 to 2013) had led iron ore prices continued to fall, specifically, 62% Fe ore prices fell 79.62%, from a peak of USD191.7/ton (17/02/2011) to USD39.06/ton (14/12/2015).

Due to the nature of the steel industry was that output price has moved in the same direction as raw materials price, so finished steel price was also under reducing price pressure, in Vietnam the average selling price of construction steel was VND 18.5 million/ton (2011), now reduced to about VND 9.5

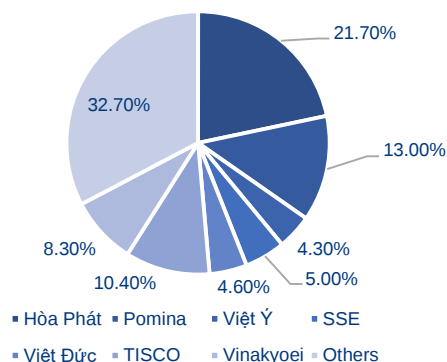
million/ton (-48.65%), showed that iron ore prices affected directly the value of inventories and profit margin of the business.



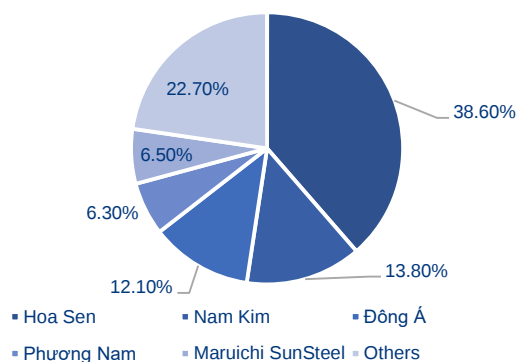
Source: Bloomberg, WSA, BSC Research

In Vietnam, the consumption growth - Benefit from the real estate sector. Calculated in 10 months of 2015, (1) with steel construction, consumption reached 5.30 million tons (+23.78% yoy), market shares continued to be divided again when the majority share of the businesses were shrunk, only the market share of HPG increased from 18.6% HPG (10 months of 2014) up to 21.7% (10 months of 2015) and TISCO increased from 9.1% (10 months of 2014) up to 10.4% (10 months of 2015); (2) with coated steel sheet, sales volume reached 1.68 million tons (+11.91% yoy), Hoa Sen - Nam Kim and Dong A continued to lead the market; (3) with steel pipes, sales volume reached 1.15 million tons (+26.31% yoy), Hoa Phat led the market with market share increased from 19.77% (10 months of 2014) up to 23.04 % (10 months of 2015).

Construction Steel Market share



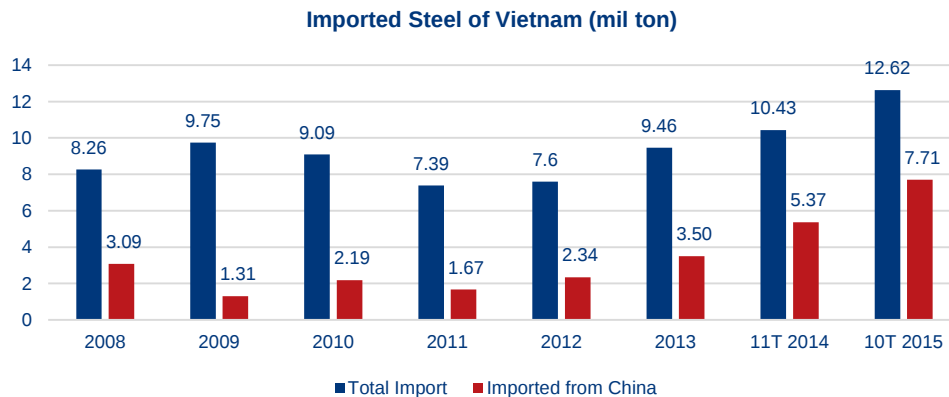
Galvanized Steel Sheet Market share



Source: VSA, BSC Research

Steel imported from China to Vietnam - increase rapidly. According to the General Department of Customs in 10 months of 2015, Vietnam imported about 7.71 million tons of steel from China (+62.1% yoy) and accounted for 61.09% of total imported steel. From 2009 – 10 months of 2015, the proportion of Iron

and Steel imported from China rose 4.55 times, up from 13.44% (2009), we expect output as well as the proportion of steel imported from China would continue increase in the future as Vietnam was the 2nd largest steel importer of China.



Source: Vietnam Customs

Control steel imports standard – Not effective. As in previous years, this issue had not been resolved, instead of declare HS code of billets usually 7207, a rate of 5% - 9%, the importers declared HS code 7224 to receive tax interest 0% for alloy steel billets. Currently Vietnam had no national standards for the quality of steel, as didn't promote technical barriers to control of steel imports from China.

Business Results Assessment:

By the end of 3 quarters of 2015, a total of 16 steel listed companies on the HSX and HNX, there were 13 profitable enterprises (accounted 81.25%) and 3 losses business (accounted 18.75%). Total net sales of listed enterprises reached VND54,892 billion (+3.3% yoy) and profit after tax reached VND3,613 billion (+12.25% yoy).

Notably, the average gross profit margin was in the opposite movements between manufacturing Steel Construction enterprises and manufacturing coated steel sheet/steel pipes enterprises. Specifically, gross profit margin of Construction steel enterprises tended to reduce with HPG in 9 months of 2015 was 21.03%, down from 21.92% of 9 months of 2014; in addition VIS and VGS were also similar reduction. Meanwhile, gross profit margin of HSG reached 15.78% (9 months of 2015), a significant increasing compared to the 11.51% (9 months of 2014); and gross profit margin of NKG also reached 8.23% (9 months of 2015), up sharply from 5.39% of 9 months of 2014.

Thus showed that although a reduced prices and input prices trend but coated steel sheet/steel pipes businesses had export benefit, be able to keep gross profit margin better than steel Construction production enterprises.

Ticker	Total Asset 9M2015 bil dong	Rev 9M2015 bil dong	% Rev 9M2015					Price 15/12/15	EPS T12M	BVPS	PE T12M	PB	ROE 9M	ROA 9M
			Gross margin	Interest Expense	Selling Expense	Adminis Expense	Net margin							
HPG	24,597	20,331	21%	1%	2%	2%	14%	30,600	4,640	19,190	6.60	1.59	21%	12%
HSG	9,335	13,032	16%	1%	5%	3%	4%	32,800	6,461	28,863	5.08	1.14	18%	6%
NKG	3,406	3,924	8%	1%	2%	1%	3%	13,200	2,873	14,122	4.59	0.93	17%	3%
VGS	1,310	2,637	4%	1%	1%	1%	1%	5,500	736	14,332	7.48	0.38	5%	2%
POM	7,910	7,703	5%	3%	0%	1%	0%	6,700	74	12,688	90.54	0.53	1%	0%
DTL	2,524	1,308	10%	1%	1%	2%	0%	8,700	101	14,099	86.51	0.62	1%	0%
VIS	1,978	2,311	5%	3%	2%	2%	-1%	7,200	(389)	12,762	(18.51)	0.56	-4%	-1%

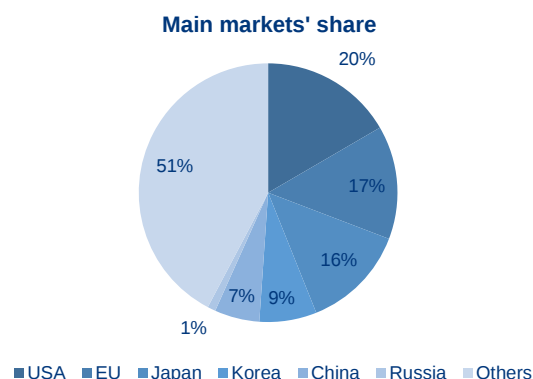
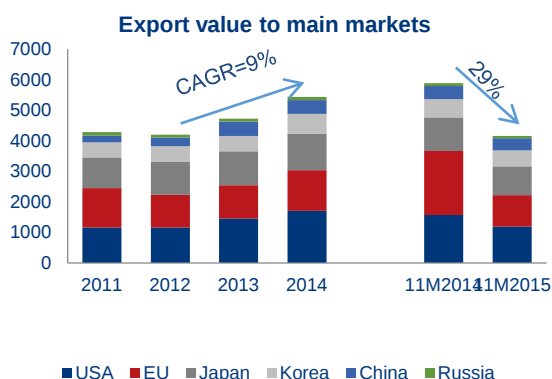
Source: BSC Research

Aquaculture Sector 2015 [Negative]

- Seafood export turnover dropped dramatically (-18%yoy) in which shrimp and catfish export value decreased by 28%yoy and 12% yoy respectively, due to difficulties in output market such as USA, EU, Japan and Korea
- Aquaculture companies' business results fell sharply in comparison with these in 2014.

Seafood export decreased significantly. Total Vietnam seafood export value in 10M2015 touched USD 5.45 bil, in which shrimp and catfish export value stood at USD2.4 bil (-28%yoy) and USD 1.3 bil (-12%yoy) respectively.

- **Most of Vietnam's major export markets were reduced**, in which USA experienced the most significant decrease (22%), followed by EU (19%) and Japan (11.2%). The main reasons: (1) 10M2015, seafood demand of USA and Japan were only USD 15 bil (-8%yoy) and USD 9.4 bil (-10.4%yoy) respectively, except for Korean with slight increase of 2.5%. (2) Japanese Yen, Euro, Bath, Yuan were devalued 1.24%, 9.78%, 7.5% and 3.75% respectively against USD making Vietnam's seafood more expensive relatively. (3) Shrimp POR 8 and catfish POR 10 antidumping tax are still remaining at high level, affecting Vietnam's seafood competitiveness. (4) Aquaculture demand fell because of increase in natural seafood supply as a result of low oil price.
- **Shrimp and catfish export decrease.** (1) 9M2015, tiger prawn export reached USD 711.4 mil (-31.7%yoy), vannamei export reached USD 1.2 bil (-27.5%yoy). Reasons: shrimp price fell 25.2% standing at 10.14 cent/lb due to increase in supply from Thailand and China after influencing by EMS; in addition, domestic production decreased by 4.1% yoy as a result of disadvantage weather in Cuu Long Delta and surged in FDA returned orders (10M2015, 377 orders bounces, equal to 1.8 times compared with the year 2014). (2) 10T2015, pangasius exports plummeted by 12%, in which export value to USA reached USD 260.7 mil (-4.6%yoy) and EU reached USD 245.9 mil (-15%yoy); smaller markets such as Asean, Mexico or Brazil also witnessed decrease by 1.9%, 10% and 44.5% respectively. The explanation were pangasius production fell by 5% standing at 1 mil tons and high competition from other kinds such as tilapia, whitefish and salmon.



Source: BSC Research

Catfish benefited from falling corn price (-7%yoy) and fresh bean cake (-15.9%yoy) due to increase in supply from India and China while demand decreased significantly.

Business results saw diversification. Leading companies such as HVG and VHC recorded quite well revenue growth at 20% and 8% respectively, but profits witnessed deeply fall due to significant increase in financial expenses (HVG) and no longer recording profit from transfer of subsidiary as the same period in 2014. Notably, FMC recorded decreased revenue but sharp increase in profit (105%) thanks to initiative of input raw materials from its parent company-HVG and suppliers' damages repayment relating to export shipment in 2014.

Business results 9M2015

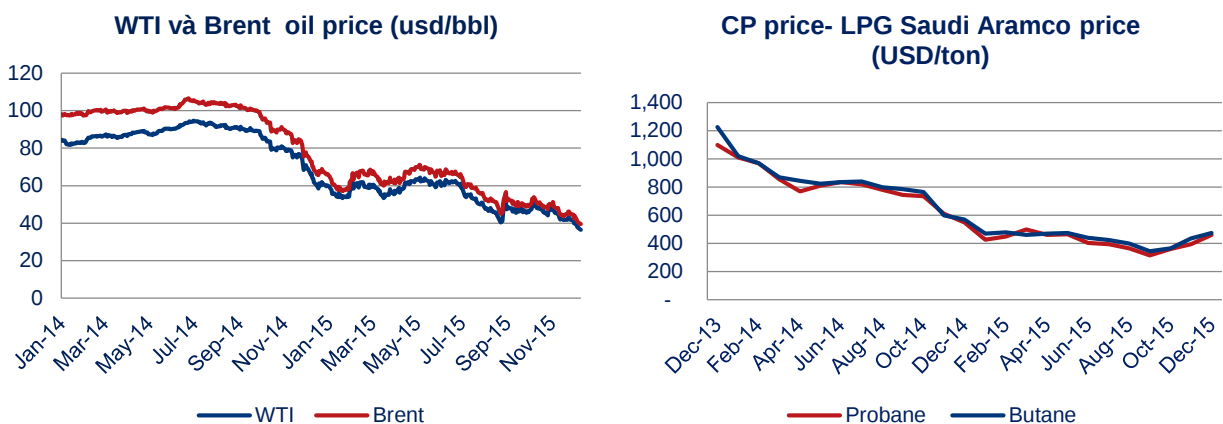
Name	Rev(VND bil)		Gross profit margin		PAT (VND Bil)		P/E	P/B
	9M2015	%yoy	9M2015	9M2014	9M2015	%yoy		
VHC	4,664	8%	6.62%	11.77%	250	-37%	10.97	1.68
FMC	2,096	-3%	3.56%	2.31%	78	105%	5.86	1.28
IDI	1,900	18%	4.16%	5.25%	91	14%	6.03	0.62
ANV	1,833	-5%	2.24%	1.93%	29	-36%	12.08	0.48
ACL	852	41%	3.19%	2.28%	25	127%	7.58	0.54
TS4	517	-6%	0.76%	2.23%	3	-73%	11.63	0.54
ABT	355	1%	16.81%	19.87%	54	-13%	7.83	1.44
Average			4.77%	6.2%			10.36	0.97

Source: BSC Research

Oil & Gas Sector 2015 [Down trend]

- Oil price fell 39% and LPG decreased by 47% in CP and 36% in domestic price.
- Capex in oil& gas sector was cut by 15%
- The production rose by 9% in crude oil and 5% in natural gas
- The change in gas price police leaded to a decrease of 10-30% in input price of industry gas companies.
- The revenue of oil& gas companies down.

Down trend in oil price continued in 2015: as of the date 12/11/2015, oil price fell by 39% in 2015 from 60 USD/bbl to 37 USD/bbl in WTI and from 65 USD/bbl to 39 USD/bbl in Brent. The export price of Vietnam crude oil also decreased strongly from 69 to 48 USD/bbl in the first 11 months of 2015.

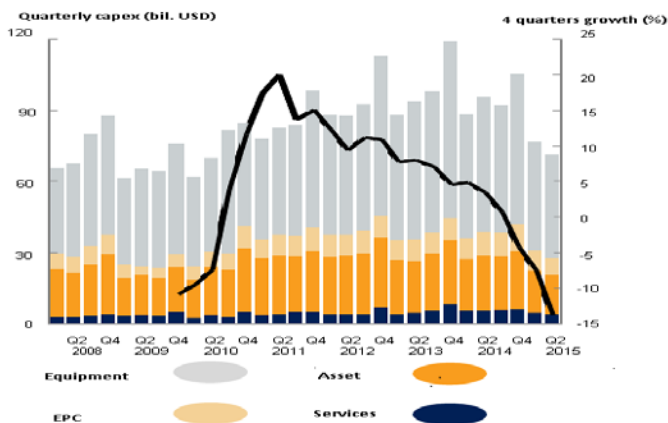


Source: BSC Research

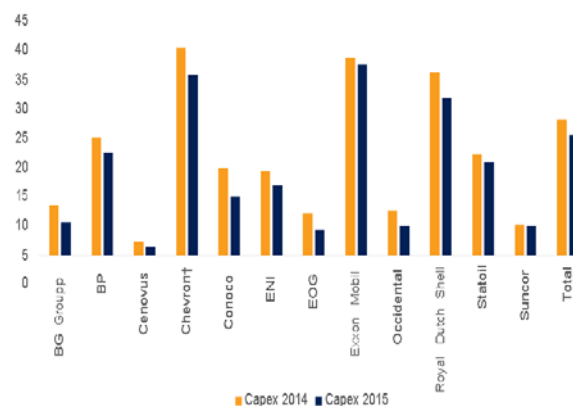
LPG price also decreased: LPG is the product of oil refinery. Therefore the price of LPG depends on the price of crude oil. Moreover, the demand of LPG witnessed a slow growth, especially in heating LPG due to the warmer weather. Therefore, the average price of CP in 2015 fell by 47% y.o.y and the LPG price in Vietnam also fell by about 36% y.o.y.

Oil& gas CAPEX was cut: under the pressure from the sharp decrease in oil price, the budgets of oil& gas companies shrunk and the CAPEX was cut. According to McKinsey, the global oil gas CAPEX in 2Q2015 reduced 25% y.o.y. Moreover, Standard& Poor's estimated that the total oil& gas CAPEX in Asia Pacific was cut by 15%y.o.y

Global oil& gas CAPEX (billion USD)



Total CAPEX for leading oil& gas companies, 2014-2015 (bil.USD)

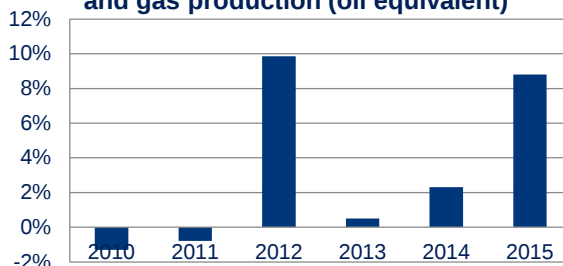


Source: BSC Research

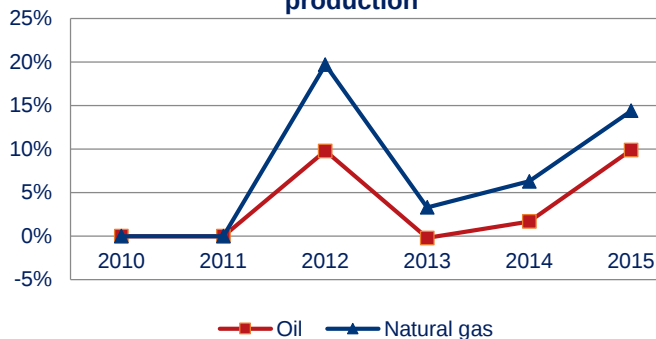
Increasing production to offset the decrease in price: in the first 11 months of 2015, PVN produced 35.5 million tones of oil equivalent including 17.19 million tones of crude oil, up 9%y.o.y and 9.7 billion m3 of natural gas, up 5%y.o.y. The import crude oil of Vietnam was 7.99 million tones as of date 11/15/2015, up 3%y.o.y. the LPG production was 662.1 thousand tones, up 16.9% y.o.y. The growth rate in oil& gas production was higher than 2014.

New gas fields were started operating: while the exploration and exploitation of new oil fields have been slowdown, a number of new gas fields were started operating such as Thai Binh Block 102-106 (capacity of 200 million cubic meters/year) and Dai Hung (capacity of 70 million m3/year)

The growth rate of Vietnam total oil and gas production (oil equivalent)



The growth rate of Vietnam total oil and gas production



Source: Vietnam General Statistic Office

Change in the policy about gas price: in 2015, the input price of industry gas companies including PGD, PGS and CNG was calculated based on the discount fuel oil, instead of fixed price. With the decrease in oil price, the input price of these companies reduced by 10-30%.

The revenue of oil& gas companies declined: in the first 9 months of 2015, the revenue of most listed oil& gas companies fell sharply. Listed oil& gas companies in Vietnam are service supplier and gas trading. Therefore, the impact of downtrend in oil price is later. The low oil price led to the cut in service price and service demand. In addition, the output price of gas trading companies is calculated based on the oil price and the international LPG price, which were decrease in 2015. In term of profit, GAS, PVD, PGS, PVC, PXS, CNG and PCG recorded a sharply fall due to the decrease in selling volume and price. However, PVS, PGD, PVG, PGC, PVB and PVE recorded a growth thanks to the internal factors such as reversal of warranty provision (PVS, PVB), decrease in input price (PGD, PVG, PGC) and new foreign contracts (PVE).

The business performance of oil& gas companies in 9M2015

Order	Sticker	Core business	Rev. 9M2015 (bil. dong)	%y.o.y	NPAT 9M2015 (bil. dong)	%y.o.y
1	GAS	Gas	47,094	-14%	7,731	-19%
2	PVS	Oil& gas services	19,324	-16%	1,292	9%
3	PVD	Drilling services	12,010	-22%	1,665	-17%
4	PGS	LPG and CNG	4,529	-20%	148	-15%
5	PGD	Low pressure gas	3,747	-26%	191	26%
6	PVC	Drilling mud	2,906	-13%	167	-34%
7	PVG	LPG	2,003	-43%	21	
8	PGC	LPG	1,824	-21%	77	20%
9	PXS	M&C	1,456	9%	93	-10%
10	PVB	Pipe coating	915	21%	142	7%
11	CNG	CNG	692	-15%	88	-3%
12	PVE	Engineering	634	44%	23	44%
13	PCG	LPG	468	-29%	4	-61%

Source: BSC Research

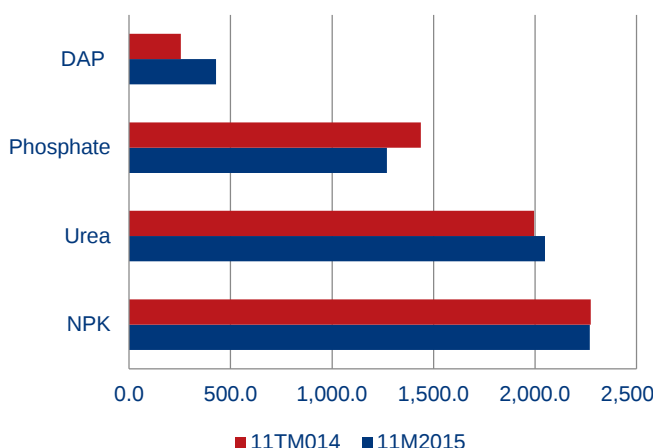
Fertilizer Sector 2015 [Difficult]

- Oversupply increased slightly with production output increased by 1% while consumption remained stable
- Selling price of fertilizer decreased by 1-7%
- Gas and sulfur price plummeted by 20-32%
- Exemption from VAT reduced profits of fertilizer companies
- Business results of most fertilizer companies declined, except for DPM and QBS

Domestic fertilizer market is still in oversupply state

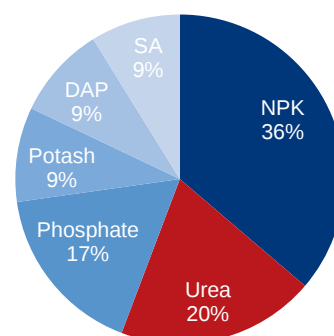
- **Production output rose slightly:** For 11M2015, Vietnam produced 6,018 thousand tons of fertilizers, up 1% yoy. Specifically, DAP production achieved the highest growth of 68% and reached 429 thousand tons, thanks to DAP No.2 plant going into operation. The second highest growth was achieved by urea fertilizer production, with 3% increase to 2,049 thousand tons. Conversely, phosphate and NPK production decreased by 12% and 1% respectively.

The volume of fertilizer production in 11 m(tons)



Source: Ministry of Industry and Trade

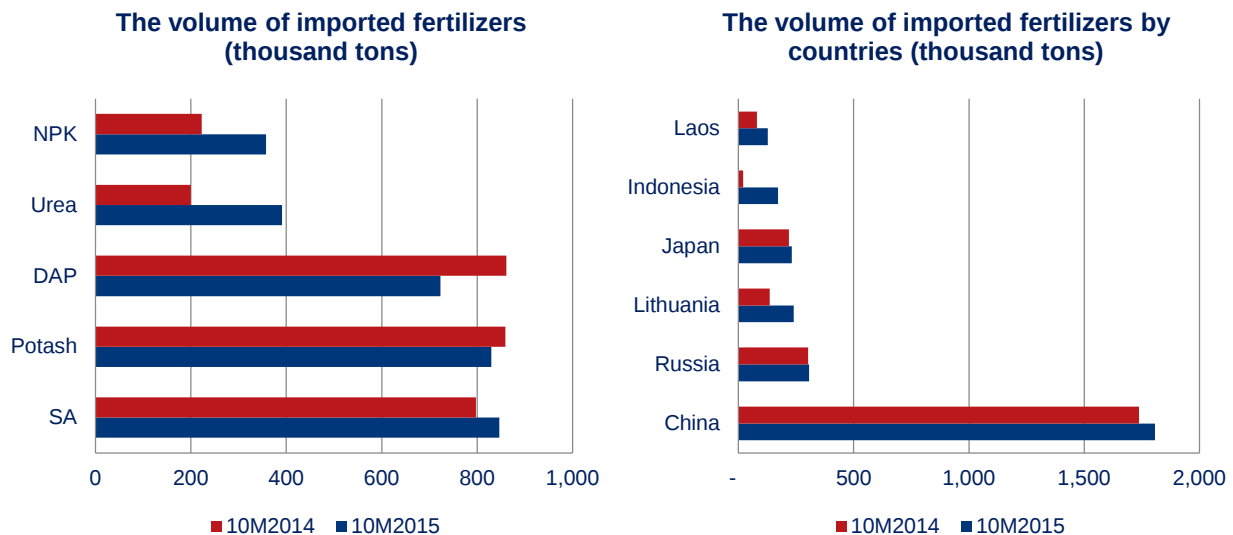
Vietnam fertilizer demand structure in 2015



Source: Ministry of Agriculture and Rural Development

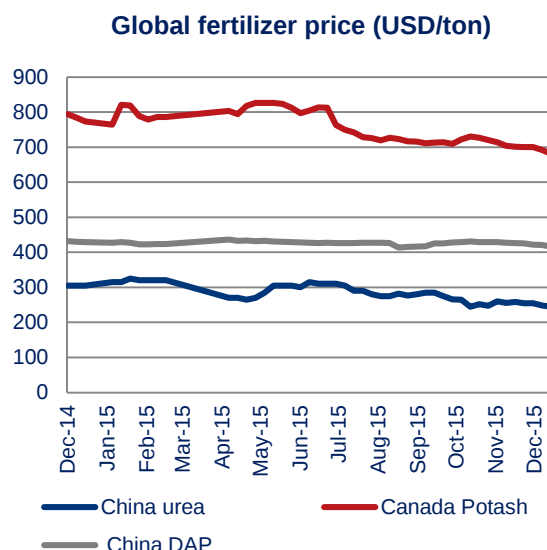
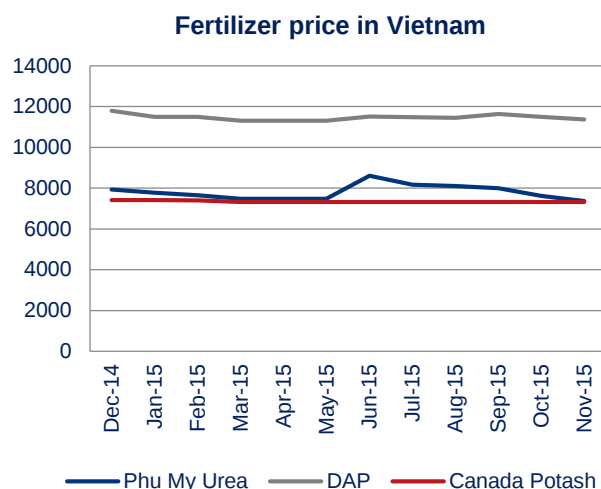
- **Consumption output remained stable:** For 11M2015, Vietnam was estimated to consume 9,346 thousand tons of fertilizer. Estimated for the year of 2015, Vietnam consumed 10,760 thousand tons of fertilizer, which was equivalent to the level of 2014.

- **Fertilizer exports plummeted:** Vietnam was estimated to export 722 thousand tons of fertilizer in 11M2015, valued at \$ 258 million, down 26% yoy.
- **Fertilizer imports regained its growth:** After falling in 2014, Vietnam fertilizer imports reached 4,050 tons in 11M2015 (+14% yoy), equivalent to \$1,282 million(+10% yoy). In particular, the import volume of urea surged to 522 thousand tons, worth \$ 157 million (+144% yoy) since a series of plants conducted repair and maintenance in 2015: Phu My Fertilizer, Ha Bac Fertilizer, and Ninh Binh Fertilizer in the second quarter; and Ca Mau Fertilizer in the third quarter. SA and potassium fertilizer were still top 2 imported fertilizer products since Vietnam is unable to produce domestically. China continued to be Vietnam's largest fertilizer importer with approximately 50% proportion.



Source: Vietnam General Department of Customs

Fertilizer prices continued to decline slightly in 2015: Influenced by the downtrend of the global fertilizer market, the price of fertilizer in Vietnam decreased, but at lower percentage. As of November 2015, the urea price in China, the DAP price in China, and the potassium price in Canada had fell by respectively 16%, 1% and 10%, compared with the beginning of 2015. Meanwhile, the price of these products declined by 7%, 4% and 1% respectively in Vietnam for the same period.

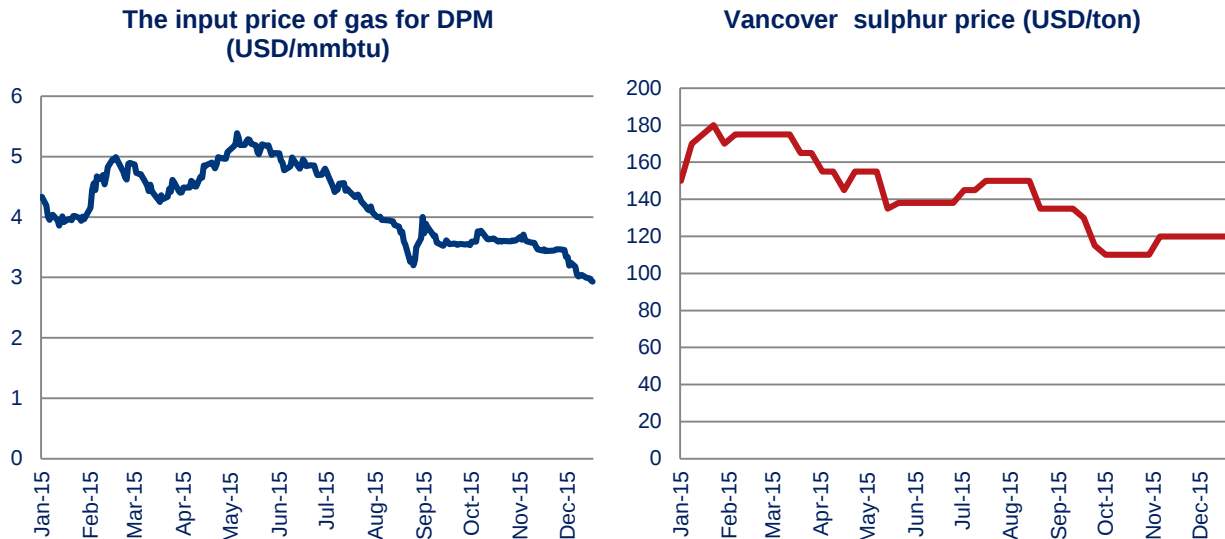


Source: BSC's research, Bloomberg

The increase in USD/VND exchange rate, along with the expansion of exchange rate bandwidth enhanced the competitiveness of domestic fertilizer products: prior to the change in exchange rate, fertilizer products imported from China were priced generally lower than domestic products by VND 100-500/kg. Although China devalued the yuan, the depreciation of VND, and the wider bandwidth of USD/VND helped the price of domestic fertilizer products equal to fertilizer imported from China.

Input prices fell sharply: Impacted by the downward trend of crude oil prices, as of Dec 21st 2015, fuel oil prices in the Singapore market fell by 41% compared with the beginning of the year. The low fuel oil price had led to gas prices sold to DPM³ decrease by 32%. Similarly, sulfur prices for phosphate production was down by 20% during the same period.

³ Gas cost for DPM is calculated as 46% of the average FO market price in Singapore market for the previous month according to Platt magazine, plus transportation cost of 0.92 USD/MMBTU



Source: BSC's research, Bloomberg

Exemption from Value Added Tax for fertilizer products created difficulties for fertilizer businesses:

Since Jan 1st 2015, fertilizer products were not be subject to VAT from the import stage to production and commerce stage, instead of the 5% VAT rate as before. With the tax exemption, companies that manufacture and trade fertilizers were unable to deduct VAT for input costs, such as electricity, coal, additives, enclosure, sales and management cost... Estimated non-deductible tax expense of LAS and DPM were respectively about VND 100 billion and VND 400 billion in 2015.

Many fertilizer production companies were securitized and listed: in 2015, many companies that manufacture and trade fertilizers conducted equitization and became listed, which expanded the scale and increased the diversity of fertilizer sector on the stock market. There were many large companies such as Ca Mau fertilizer, Binh Dien fertilizer, and 4 subsidiaries of DPM including JSC fertilizers and petroleum chemical Southeast, Southwest, Central and Northern.

Disappointing business results of listed fertilizer companies: For 9M2015, the majority of listed fertilizer businesses reported disappointing results, due to the reduction in fertilizer price and the increase in input cost caused by the non-deductible VAT. However, DPM achieved a strong growth in profits thanks to the decline in gas prices as a result of low oil prices. QBS business result was positive thanks to the increase in sales volume.

	Main products	Revenue 9M2015	%y.o.y	Profit after tax 2015	%y.o.y	Gross margin 9M 2015	Gross margin 9M 2014	P/E	P/B
DPM	Ure	7,470	5%	1203	24%	31.59%	25.72%	8.98	1.31
BFC	NPK	4,711	-6%	201	-6%	12.05%	10.03%	4.91	1.50
DCM	Ure	3,950		466		32.34%		8.08	1.19
LAS	NPK, phosphate	3,486	-7%	203	-15%	23.81%	18.31%	5.57	1.66
QBS	Commerce	2,755	77%	70	17%	3.62%	7.51%	3.69	0.90
PSE	Commerce	2,019	-7%	20	-9%	4.04%	3.74%	4.99	0.93
PCE	Commerce	1,898	1%	16	-45%	3.36%	3.94%	3.53	0.82
PSW	Commerce	1,879	10%	22	-8%	3.17%	3.22%	5.49	1.19
SFG	NPK, phosphate	1,786	0%	75	-9%	10.40%	12.64%	6.00	1.02
PMB	Commerce	1,146	13%	22	0%	5.22%	5.45%	5.69	1.30
VAF	phosphate	895	0%	56	-7%	24.36%	20.07%		
NFC	phosphate	398	-22%	14	-48%	20.23%	22.16%	6.50	1.08

Source: BSC Research

Sugar Sector Situation in the crop 2014/15 [Signs of recovery]

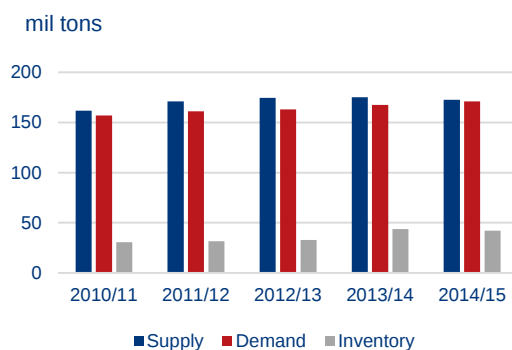
- Size of the world sugar surplus reduced 81% compared to the previous crop, inventories were large.
- World sugar prices continued the downward trend, down 11.7% compared to the previous crop.
- The domestic oversupply reduced by 38% compared to the previous crop, inventories were still high.
- The average domestic sugar prices fell slightly, by 9.15% with RS sugar and 3.5% with RE sugar.
- Two merger deals: SEC merged into SBT, NHS merged into BHS.
- Business results of listed sugar companies were mostly positive.

World sugar market

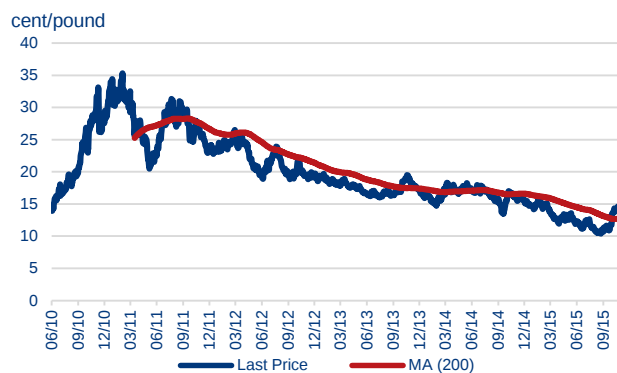
Supply continued to exceed demand but the scale was down from the previous crop, high inventories: In the crop 2014/2015 (T7/2014- T6/2015), total production in the world reached about 172.5 million tons (-1.5% yoy), while total consumption reached about 171.0 million tons (+ 2.2% yoy). Thus, the excess supply was about 1.46 million tons, down 81% from 7.73 million tons of surplus in the crop 2013/14. Inventory reduced to 42.2 million tons in the end of the crop 2014/15.

World sugar prices for the crop 2014/15 continued the downward trend from the previous crops: world sugar prices continued to fall from the average of 18.84 cents/pound in the crop 2013/14 to 16.64 cents/pound in the 2014/15 (- 11.7%) due to (1) the supply still exceeded demand, particularly in two most exporting countries India and Brazil, Thailand (2) Brazil is the largest sugar exporter, in 2015 the Real - Brazilian currency - devalued sharply against the dollar, which increased the supply (sugar prices are listed in dollars) (3) India, the 2nd largest sugar producer in the world after Brazil encourage exports with the provisions that manufacturers must spend at least 4 million tons of sugar for export,, making sugar supplies increase.

Total supply and demand of sugar worldwide in the period 2010-2015



World raw sugar prices in the period 2010-2015



Source: USDA, BSC

Source: Bloomberg, BSC

Domestic sugar market

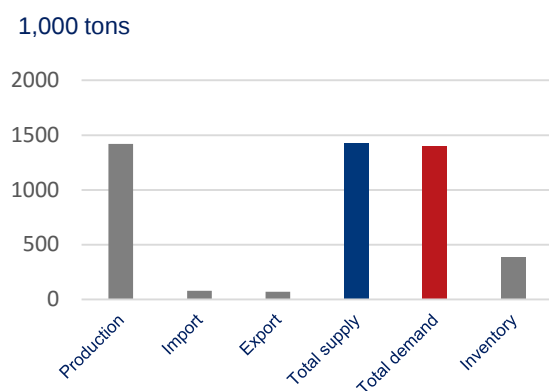
Total supply were greater than total demand at reducing surplus, while inventories were still large:

During the crop 2014/15, 41 domestic sugar factories with a design capacity of 105,000 ton of sugarcane per day (+ 7.1% yoy) produces 1.42 million tons of sugar (-10.8% yoy), in which 700,000 tons were refined sugar (-6.7%) since the areas of sugarcane reduced by 4,400ha to 305,000 ha (-1.4%) although the average sugarcane production increased slightly to 65.3 tons/ha (+1%). Sugar imported under the quota were 81,000 tons. Thus, the total sugar supply in 2014/15 was approximately 1.5 million tons. Meanwhile, domestic demand approximately was 1.40 million tons, including 70,000 tons for export. Thus, excess supply was 100,000 tons, down 38% compared to the previous crop. Inventories as of 15 June 2015 was about 389,000 tons, still high but fell by 160,000 tons compared to the previous crop (-29%).

The average sugar prices in the crop 2014/15 continued to decline slightly compared to the previous crop.

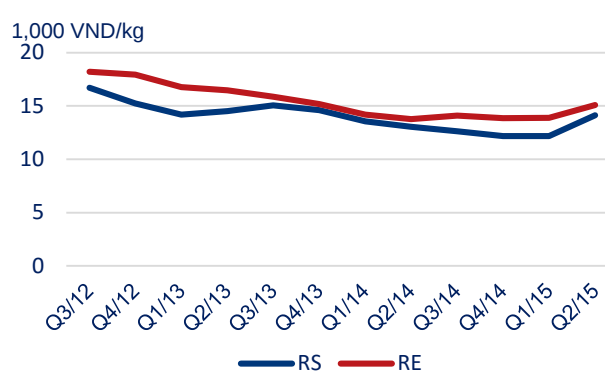
Namely, RS sugar wholesale price was at 12,780 VND/kg, down 9.15% and the RE price was at 14,240 VND/kg, down 3.5% compared to previous season. However, those prices were still more than 1.5 times the global sugar price. The reason is domestic production cost is higher than the cost in other countries due to (1) The yield of sugarcane in Vietnam belongs to the lowest group in the world with 5.5 tons/ha, while Thailand reaches 7.1 tons/ha, Brazil is approximately 8.1 tons/ha; (2) The low level of mechanization, only about 10-20% compared to 80-90% of the world's major producers (3) Small production with average capacity of a plant is 3,250 tons sugarcane per day, much lower than 7,000- 8,000 tons sugarcane per day of a factory in Thailand, India, Brazil; and (4) Recovery of valuable by-products from sugarcane has not been properly exploited.

Domestic sugar supply and demand in the crop year 2014/15



Source: Sugarcane Research Institiutue, BSC

Domestic wholesale price of sugar in the crop year 2012/13 - 2014/15



Source: Sugarcane Research Institiutue, BSC

Two large merger deals took place in 2015 in the sector were SEC merged into SBT and NHS merged into BHS. In 2015, SBT completed the share exchange at the ratio of SBT: SEC = 1: 1.05 to bring SEC a subsidiary 100% owned by SBT. Charter capital of SBT then increased by 25% to VND 1,856 billion, becoming the largest capitalization and production resources enterprise in the sugar sector. In 2015, BHS also issue shares at ratio of 1: 1 for the swap acquisition of 100% NHS, to increase raw materials and expand production scale.

Reviewed earnings of listed sugar companies

By the end of 3Q 2015, the entire six sugar companies listed on the market are profitable, better than 3Q 2014 with just 5/6 enterprises being profitable (except KTS).

In 9M2015, Net sales of SBT decreased slightly by 1.3%, of LSS decreased 10% compared to the same period in 2014 due to reduced sugarcane production. Meanwhile, Net revenues of SLS surged 50%, of BHS increased 20.56% compared to 9M2014.

Gross margin generally have improved compared to the same period last year, partly due to domestic sugar prices rose slightly. Notably, SLS had the highest gross profit margin of 16.4%, nearly twice the 8.78% in 2014; KTS had gross margin of 14%, 3 times the 4.7% margin in 9M2014. BHS and SBT had the gross profit margin improved from 9.1% and 12% respectively in 2014 to 12% and 15.7% in 2015. Except LSS had gross profit margin decreased from 14.5% to 12.2% partly due to increasing sugar production from raw sugar which had low gross margins.

Ticker	Total asset 9M2015	Net sales 9M2015	% of Net sales 9M2015					Closed price 31/12/15	EPS T12M	BVPS	PE	PB	ROE	ROA
			Gross profit	Interest cost	Selling expense	Admin expense	Net income							
SBT	5,273	1,737	16%	3%	3%	3%	10%	24,100	1,277	13,654	18.87	1.77	7%	3%
BHS	2,461	2,704	12%	2%	3%	4%	4%	19,500	1,718	7,701	11.35	2.53	10%	4%
SLS	271	516	16%	0%	1%	2%	7%	51,500	9,969	32,265	5.17	1.60	33%	27%
LSS	2,369	1,090	12%	3%	3%	3%	3%	9,000	409	21,113	22.00	0.43	2%	1%
KTS	140	203	14%	3%	1%	5%	6%	15,500	2,320	25,049	6.68	0.62	9%	8%

Source: Financial statement of the businesses, BSC collected

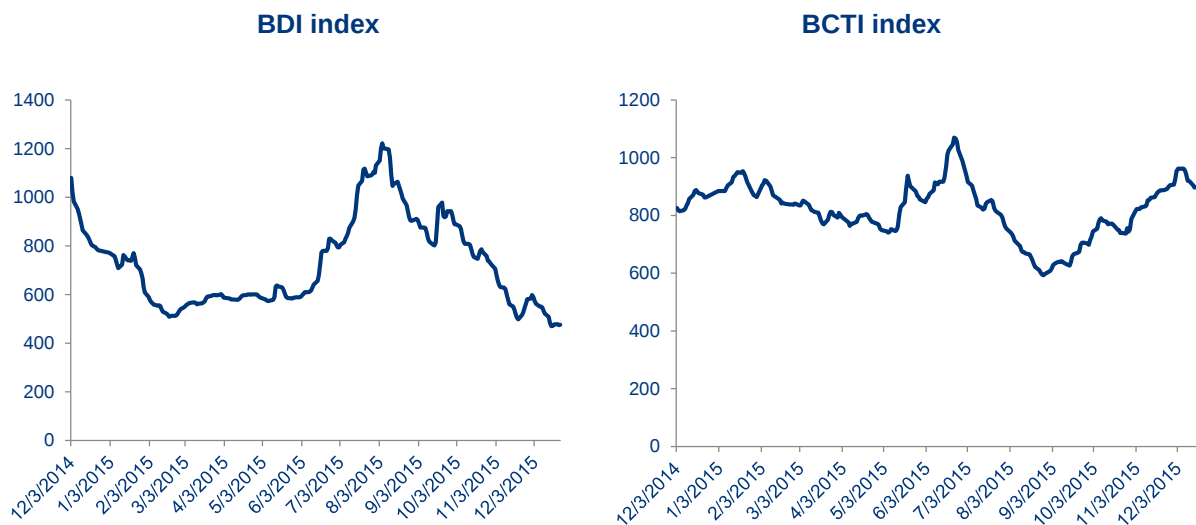
Note: The unit of Total asset and Net sales – bil dong

Marine Transportation Sector 2015 [Negative]

- World marine transportation experienced difficulties because of slowdown in demand from China
- USD appreciation had strong negative impact on listed marine transportation companies
- Business results remained grey prospects.

BDI index reached the lowest ever bottom. In order to maintain profitability, BDI index should remain at 2,000 points. However, till 4th Dec 2015, closing BDI index stood at 563. We believe the main reasons are (1) demand of bulk cargo shipping decreased as a result of slowdown in Chinese's production and imports (which is the leading importer of iron ore (50%), coal (25%) and minerals). 8M2015, Chinese coal imported fell by 31% compared with 2014. Iron ore trade also witnessed the slowest growth since 2001 due to reduction in steel production. (2) Dry bulk ship supply continued to rise. Total newbuilding ship tonnage reached 23.8 million DWT while removed ship tonnage was only 23.8 million DWT, corresponding to 2.1% growth.

BCTI index increased fast. 3rd Oct 2015, BDTI index stood at 745 (+15%yoy). Low oil price helped increase demand since countries, especially China, increased oil purchase for reserves, in addition with reducing input costs for tanker cargo fleets in the world.



Source: Bloomberg

Transported goods witnessed high growth while total revenue fell sharply. 9M2015, marine transportation goods reach 21.4 mil tonnages (+104%yoy), domestic transportation increase by 8-10% yoy in which all 34 container ships were put in use. However, sector's revenue only stood at VND 13,227 bil (-21%yoy) due to falling freight rates.

Tanker fleets benefited from Dung Quat oil refinery expansion. Oil production increased is an important source of demand as fleets mostly have term contracts with Dung Quat refinery. 80% of tanker fleet were estimated to be put into operation thanks to Dung Quat production expansion to 6.8 million tonnages of oil (+25%yoy).

Domestic marine transportation companies accounted for only 10% of market share, 12% for dry bulk, 8% for container and 8% for tankers. Vietnam marine fleets mainly transport goods to China, South East Asia and some Asia countries, leaving big market such as US or EU for foreign firms. The main reasons should be (1) Buy FOB sell FOB Vietnamese's commercial custom. (2) Asynchronous fleet with lion share of small and dry bulk fleet, resulting limitation on transporting in long distance. 6M2015, Vietnam had 1,809 marine ships in which 1,200 bulk carriers, 33 container ships, 165 chemical ships and only 500 ships operated in long-distance routes. (3) lacks of connection between logistics chain elements, causing shortages of goods transported when demand still remained.

Business result 9M2015.

9M2015, listed companies' business result witness diversification. While oil and gas transport companies had rapid revenue growth such as SKG, GSP thanks to stable term contracts, increased in Dung Quat production and low foreign loan outstanding, most dry bulk company and trip contracts witnessed decrease in revenue and profit due to slowdown of Chinese economy and 5% appreciation of USD.

Business result 9M2015

Ticker	Core business	Rev		Gross profit margin		PAT		P/E	P/B
		9M2015	%yoy	9M2015	9M2014	9M2015	%yoy		
PVT	Tanker	4,043,381	4%	7%	6%	252	-12%	7.89	0.82
VTO	Tanker	997,211	-14%	2%	4%	30	-26%	12.41	0.49
PJT	Tanker	288,982	4%	7%	3%	16	48%	5.46	0.71
GSP	Tanker (LPG)	756,334	6%	10%	7%	60	64%	8.3	1.05
VIP	Tanker , real estate, oil commercial	432,843	-18%	8%	6%	30	25%	3.63	0.56
SKG	Passenger	236,770	38%	60%	48%	137	73%	13	4.23
TJC	Dry bulk	149,781	-12%	8%	4%	12	-25%	4.89	0.61
VFR	Ship leases	280,907	-35%	-1%	-3%	-3	N/A	N/A	0.88
VNA	Dry bulk	468,749	-12%	-15%	-9%	-58	N/A	N/A	0.36
VOS	Dry bulk	1,233,139	-29%	-23%	-9%	-273	N/A	5.55	0.47
HTV	Dry bulk	151,507	4%	17%	10%	21	108%	5.78	0.53
TCO	Dry bulk	130,134	-8%	16%	14%	19	13%	7.3	0.91
Average			8%	7%				7.42	0.97

Source: BSC Research

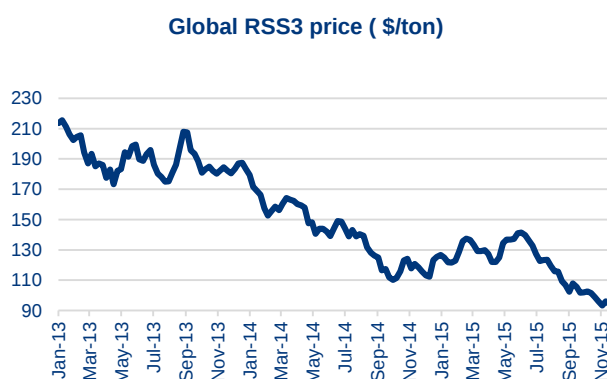
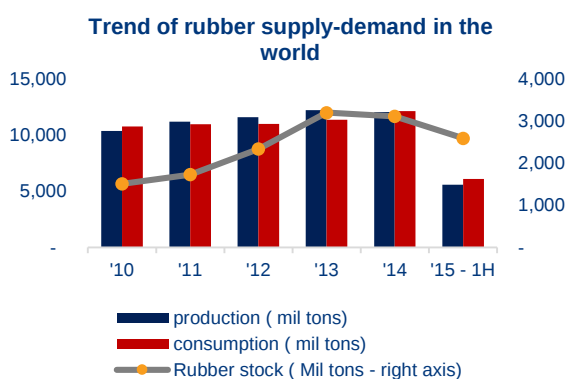
Natural Rubber Sector 2015 [Difficult]

- Global supply of natural rubber declined slightly by 0.9% yoy; global demand for rubber grew by 1.8% in 2015
- Rubber price plummeted during the second half of 2015 to the lowest level since 2008
- Vietnam rubber export volume increased by 7.4% yoy for 11M2015, but export value declined by -12.9% yoy
- Vietnam rubber export price continues to fall, with the 2015 average price decreased by -21% yoy
- Business results of listed companies declined in 9M2015

The global rubber industry - Difficult

Rubber supply fell slightly. In the 10M2015, rubber production of the Association of Natural Rubber production (ANRPC), which represents 92% of global rubber output, fell by 0.9% yoy. Influential factors include:

- **Policies to control supply of ITRC (International Tripartite Rubber Council)** including Thailand, Indonesia and Malaysia, providing 70% of global rubber output. Specifically: (1) adjust rubber export volume to reach a reasonable rubber price (2) Cut down rubber trees outside of state plan and (3) strengthen domestic rubber consumption, which was up 5.9 % yoy in 2015 in ITRC countries.
- **Rubber farmers cut down their trees:** The unfavorable weather, and rubber prices remaining at low level for several years caused many people in India and Indonesia (30% of the output supply of rubber in the world) to cut down rubber trees. For the 2015 harvest season, the estimated rubber production of these two countries fell respectively -13.4% yoy and -10% yoy.



Source: IRSG, Bloomberg

The growth of rubber demand slowed down to 1.8% in 2015, according to forecasts of IRGS, which was significantly lower than the 6.7% growth of 2014 due to the decrease in China consumption and the low oil price. China, the country consumes 40% of the total rubber production, had imported 2,172 tons of natural

Vietnam Sector Outlook 2016
Part 1

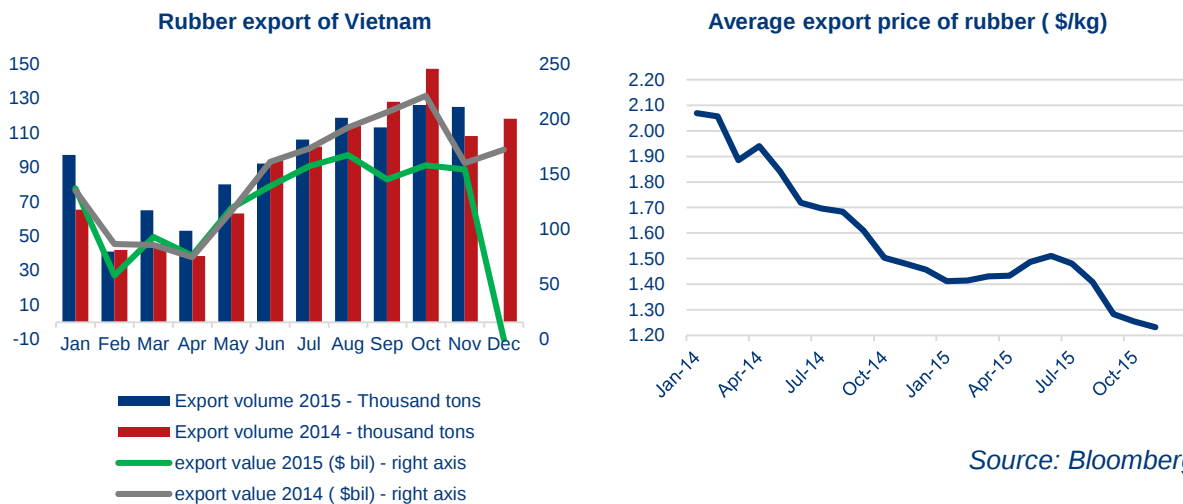
rubber in 10T2015, up 3% yoy, significantly lower than the average increase 12.04% / year from 2010-2014. Besides, the oil price has reduced cost production of synthetic rubber, a substitute product of natural rubber in many areas. In 2015, the synthetic rubber price decrease led to a 35% yoy increase in the consumption of synthetic rubber in China, indirectly reducing demand for natural rubber.

Rubber prices recovered slightly in the first half of 2015, before falling to the lowest level in 6 years.

The measures to regulate supply of IRTC in Nov 2014 helped restore the rubber prices in the first months of 2015 to \$141 per ton, up 12.4% compared with 2014 year-end. In the second half of 2015, a decline in Chinese demand, along with the falling crude oil prices in the last 6 months caused a sharp fall in rubber prices, currently at \$95 per ton.

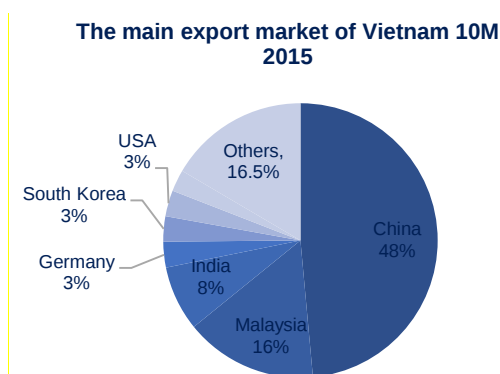
Vietnam natural rubber sector 2015 – Difficult

Volume of rubber export increased, but the value dropped: According to preliminary statistics of the General Administration of Customs, exports of natural rubber in 11M2015 was estimated at 1.02 Million tonnes (+ 7.4% yoy), equivalent to VND 1.4 billion (-12.9% yoy), due to rubber export prices decreased on average by 21% yoy. Export volume in Vietnam contributes about 80-85% of the total national consumption of rubber. Volume of rubber exports grew by 23% yoy in 2015H1 due to the decrease in global supply in this period (-2.5% yoy). However, volume of rubber export fell slightly by -2% yoy in the second half due to (1) Export activities to China was disrupted the first half of August due Quang Ninh floods and (2) Low crude oil price for 2015H2 increased synthetic rubber demand, thereby reduced the demand of natural rubber.



Domestic supplies remain high. According to the Ministry of Agriculture and Rural Development, in 2014-2015, Vietnam has more than 6,000 hectares cut down under the pressure of low prices. However, the cutout area occupied only 0.6% of the total rubber plant area in Vietnam, which is currently at 977,000 hectares. Rubber plant area in Vietnam is actually 20% higher than the state's projected area for the period 2015-2020.

Export price of rubber has recovered during 2015H1, before falling since August. The volume of exports increased in the first half has help rubber prices recovered slightly from an average of \$1.41 / kg early on \$ 1.51 / kg in the month 6/2015 (+7%). However, the impact of low oil prices in 2015H2 caused a deep fall in rubber price to the bottom level in 6 years. At an average of 11 months of the year, rubber prices of \$ 1.4 / kg (-21% yoy).



Source: BSC Research

China continued to be the largest export market of Vietnam rubber. The volume of exports to China in 10M2015 reached 374.7 tons (+25% yoy). Exports to the US also achieved a good growth of 17% yoy. The remaining countries such as Malaysia, India and Germany show decline in volume, respectively -12%, -8% and -5%.

Operating results of natural rubber enterprises are declining, under the impact of falling rubber prices. Only TNC recorded good profit growth, but thanks to contribution from the liquidation of rubber trees.

Ticker	Revenue 9T2015 (VND Bil)	% yoy	PBT 9T2015 (VND Bil)	%yoy	Main products	Notes
TNC	64.5	32.7%	19.0	34.3%	SVR3L, SVR5, RSS	Good growth in revenue thanks to the cashew operations. Rubber related revenue declined by 2% yoy. Profit from rubber tree liquidation contributed VND 27.5 Bil, while core business yielded a loss of VND 2.4 Bil
TRC	244.3	-28.7%	36.3	-68.8%	Latex	Gross margin declined due to decrease in rubber price

DPR	496.8	-23.0%	176.2	-2.2%	SVR 3L;SVR 10; latex	Profit from rubber tree liquidation contributed 88% total profit. Profit from core business declined by -50%
HRC	58.2	-52.2%	37.1	-20.8%	SVR 3L; SVR 10	
PHR	834.0	-26.0%	82.4	-58.9%	CV50, CV 60, CVR	

Source: BSC Research

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