

Mon, July 11, 2016

Vietnam Daily Review

Risk ahead

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 12/7/2016	•		
Week 11/7-15/7/2016		•	
Month 6/2016		•	

Highlight

A day before the announcement of international arbitration ruling on the case of the Philippines against China over the East sea issue, the market had a sharply fall in the afternoon due to profit taking over all sectors, particularly in the recently rallied stocks. VN-Index was up after touching 665 pts in the morning session then fell and went sideways before falling sharply in the afternoon session as investors decided to take profit in order to avoid political risks which may follows conclusions of international arbitration on the East sea. Similar movement was seen on HNX and Upcom. Even when indices was in the green, decliners kept outnumbering gainers. Foreign investors returned as net buyers on HOSE at fairly value.

Recommendation

In the context that the major stock markets in the region gained, VN-Index went on the opposite direction and had one stronger correction than expected in the last report, trading volume rose sharply at the end of the session, along with reduced prices suggests that investors are psychologically cautious before the important information ahead such as the verdict of PCA on the South China Sea as well as related parties actions. The supports of the VN-Index are currently at 650 and 641, VN-Index has shown signs of worsening in the short term, therefore, investors are recommended to hold stock weights at low level and observe the reaction of the VN-Index at the support levels before making investment decisions.

Investors interested in the commodity and FX market can refer to our views on the next page.

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VN-INDEX **652.26**
Value: 2932.11 bil **-6.42 (-0.97%)**
Foreigners (net): VND 162.47 bil

HNX-INDEX **86.02**
Value: 1004.67 bil **-1.55 (-1.77%)**
Foreigners (net): VND 12.94 bil

UPCOM-INDEX **57.5**
Value 168.56 bil **-0.59 (-1.02%)**
Foreigners (net): VND 0.778 bil

Macro indicators

	Value	% Chg
Crude oil	44.8	-1.3%
Gold	1,360	-0.5%
USDVND	22,303	0.0%
EURVND	24,591	-0.3%
JPYVND	21,828	-1.5%
1-month Interbank rate	2.1%	-
5yr VN Treasury Yield	6.2%	-

Source: Bloomberg, BSC Research

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This report must be read with the Disclosure, located at the end of this report.

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Market highlights

VN-Index had an excitement at the opening with the momentum from VCB and SSI thanks to demand from foreign investors. However, relatively strong momentum of the market, as it was up to 665 pts, led a number of investors seek for profit-taking and selling pressure quickly made the market lost all the gain in the morning and traded around reference. By the end of the afternoon, market suddenly plunged as profit taking appeared in most market sectors. Among bluechips, GAS, HPG, VNM and BVH fell sharply and dragged the index falling, banking group with leader VCB remained pillar of the market. Biggest drop today was on fundamental stocks leading recent wave such as KSB, PAC, C32, EVE with a fall to the floor. Steel stocks like HPG, HSG, TLH also declined dramatically. In Securities group, only SSI kept green but also had a significant fall from today high, HCM from a sharp increase in the morning fell nearly 3% in late session. Speculative stocks diverged, some gains, even the ceiling, while the majority of this group fell sharply such as HNG, HAR, FLC, HHS. Even when index was green, market breadth remained negative as losers outnumbered gainers approximately 3 times (137 advancers / decliners 334 on both exchanges), liquidity up by 10% in value. On HNX, notably, SCR traded over 20 million shares today, active stocks on this floor such as DCS, SCR, VND fell sharply, strikingly VCG down to floor after the recent rally leading market. Similar movement was seen on UPCOM.

Recommendations

Current world commodity prices including WTI oil price and the spot gold price are moving quite close to the previous report views. Oil price continued negative movements as expected. Investors should pay attention to the scenario that if WTI oil prices failed to hold the threshold 44.8 USD / barrel, it would open up the possibility of further decline to 42 USD / barrel in the short term. Meanwhile, spot gold price is still in a strong uptrend. Target 1392 / oz still remained for gold.

On the FX markets, Euro and GBP continued to fall against the dollar, notably, GBP has not yet seen the bottom while it is trading at the lowest level in 30 years. On the other hand, KWR enjoyed impressive gains against the dollar.

WTI OIL Price graph

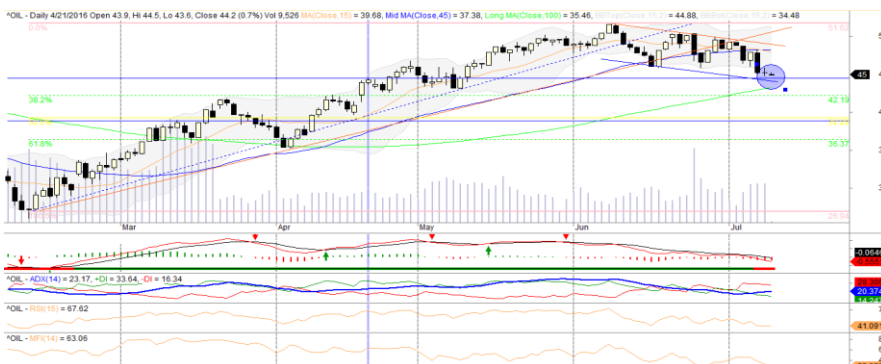
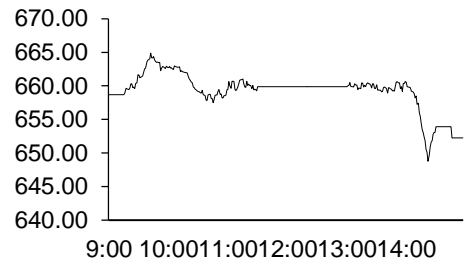
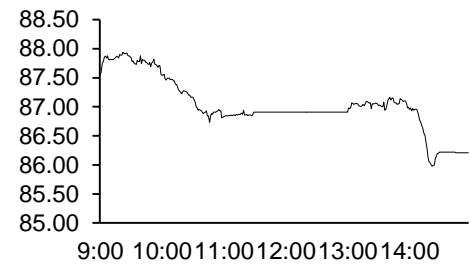


Exhibit 1



Source: Bloomberg, BSC Research

Exhibit 2



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
SSI	20.82	23	1.32
KBC	6.26	16.1	-2.42
KSA	6.23	2.5	-3.85
FLC	5.93	5.9	-1.67
HAG	5.86	6.8	-4.23

Source: Bloomberg, BSC Research

Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutloss	Target
1	CVT	3/6/2016	24.8	31	25.0%	23.1	37.4
2	HHG	3/6/2016	7.9	9.3	17.7%	7.3	12.2
3	GTN	21/3/2016	15.8	20.9	32.3%	14.7	17.7
4	CTI	27/5/2016	24.3	26.7	9.9%	22.6	31.8
5	S55	13/6/2016	45.5	47	3.3%	42.3	51.0
6	HVG	13/6/2016	10.4	10	-3.8%	9.8	11.5
7	HTL	17/6/2016	94.0	95	1.1%	83	105
8	C47	11/07/2016	13.2	13.2	0.0%	12	16
Average					10.7%		

Source: BSC Research

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutloss	Target
1	MBB	27/4/2015	13	15.2	16.9%	13	15.6
2	CMG	16/10/2015	14.6	13.9	-4.8%	17	17.5
3	DAG	10/6/2016	12.2	12.4	1.6%	11	15.0
4	DHC	11/07/2016	38.8	38.3	-1.3%	36	47
5	TTC	27/5/2016	21.7	25	15.2%	20	26.0
6	BIC	17/6/2016	22.1	24.3	10.0%	21	27
Average					6.3%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VCB	52	1.96	1.346	1.54MLN
CTG	17.4	1.16	0.376	1.22MLN
MWG	132	1.54	0.148	222850
MBB	15.2	0.66	0.081	271860
Ticker	Price	% Chg	Index pt	Volume
GAS	64	-3.03	-1.933	620090
HPG	40.5	-5.15	-0.814	5.16MLN
VNM	146	-0.68	-0.606	554950
BVH	59.5	-2.46	-0.515	241850
VIC	51	-0.97	-0.49	632350

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
PVR	3.4	9.68	0.07	100
KKC	14.5	5.84	0.069	5800
AAA	24.1	7.11	0.041	1.12MLN
VBC	70.5	5.22	0.036	2400
Ticker	Price	% Chg	Index pt	Volume
SGO	3.8	-2.56	-0.049	206800
TV2	92.1	-0.97	-0.02	1700
NTP	58.8	-0.17	-0.016	6100
PVG	7.7	-1.28	-0.012	26600
L14	79	-4.7	-0.011	800

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
TDW	38.7	6.91	0.011	610
TIX	31.1	6.87	0.024	2000
SII	29.7	6.83	0.056	2310
VRC	9.5	6.74	0.004	38700
HOT	24	6.67	0.006	40

Top 5 gainers on the HNX

Ticker	Price	% Chg	Index pt	Volume
SIC	12.2	9.91	0.004	2500
TV3	54.4	9.9	0.018	200
PEN	9	9.76	0.021	2900
PVR	3.4	9.68	0.07	100
TFC	22.7	9.66	0.014	23900

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNH	0.9	-10	0	9870
BTT	35.6	-6.32	-0.013	13980
D2D	30.6	-5.26	-0.009	2760
VPS	19.8	-4.81	-0.009	50
VOS	2.1	-4.55	-0.007	10470

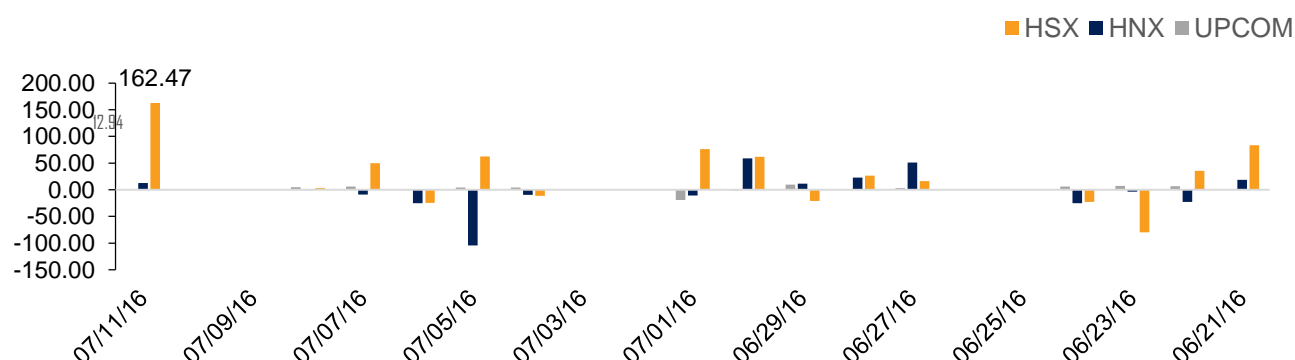
Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
GMX	21	-9.87	-0.005	3200
ONE	9.1	-9.9	-0.003	31100
DID	4.6	-9.8	-0.002	10100
NHA	9.3	-9.71	-0.005	100
KMT	5.8	-9.38	-0.004	500

Source: Bloomberg, BSC Research

Exhibit 3

Foreign transaction



Source: HSX, HNX, BSC Research

Disclosure

The information, statements, forecasts and projections contained herein, including any expression of opinion, are based upon sources believed to be reliable but their accuracy completeness or correctness are not guaranteed. Expressions of opinion herein were arrived at after due and careful consideration and they were based upon the best information then known to us, and in our opinion are fair and reasonable in the circumstances prevailing at the time. Expressions of opinion contained herein are subject to change without notice. This document is not, and should not be construed as, an offer or the solicitation of an offer to buy or sell any securities. BSC and other companies in the BSC and/or their officers, directors and employees may have positions and may affect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for these companies. This document is for private circulation only and is not for publication in the press or elsewhere. BSC accepts no liability whatsoever for any direct or consequential loss arising from any use of this or its content. The use of any information, statements forecasts and projections contained herein shall be at the sole discretion and risk of the user. No part of this material may be (i) copied, photocopied or duplicated in any form by any mean or (ii) redistributed without the prior written consent of BIDV Securities Company (BSC).

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