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Vietnam Daily Monitor

Short-term correction has ended

Summary

The selling pressure from foreign investors has reduced.

Banking stocks, especially VCB, helped general market increase.

Market breadth was significantly improved.

The VN-Index continued to receive the lower level 580-580 is the temporary support, we need to wait signs of recovery, the market may return to the old accumulative region 590-595 formed from 2 weeks ago.

Recommendation

We believe that Vietnam stock market will rise tomorrow.

We continue to recommend that investors should remain a high stock proportion and open positions if the VN-Index moves to 580-584 pts.

Macro Views

Will the gasoline price increase?

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VN-INDEX 589.66

Value: VND 1453.94 bil 1.22 (0.21%)

Foreigners (net): -VND 23.82 bil

HNX-INDEX 86.36

Value: VND 538.62 bil 0.46 (0.54%)

Foreigners (net): -VND 7.65 bil

UPCOM-INDEX 65.38

Value: VND 60.7 bil -0.25 (-0.38%)

Foreigners (net): -VND 0.67 bil

Macro Indicators	Value	% Chg
Crude oil	49.5	-0.9%
Gold	1,166	-0.1%
USDVND	21,360	0.0%
EURVND	22,932	-1.0%
JPYVND	17,572	-0.3%
1-month Interbank rate	4.5%	-
5yr VN Treasury Yield	5.4%	-

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

The selling pressure from foreign investors has reduced. Specifically, total net selling value on both exchanges was VND 31.5 billion, and that of yesterday was more than VND 110 billion.

Banking stocks, especially VCB, helped general market increase. Besides, real estate, construction and building materials stocks also traded positively, notably KBC, S99, VCG, CVT and HT1.

In term of speculative stocks, FLC performed impressively due to closing near its ceiling price. The remainders such as HAR, FIT, PVX, KLF and VHJ only increased slightly.

Market breadth was significantly improved with 205 gainers / 163 losers on both floors. Market's liquidity also rose slightly.

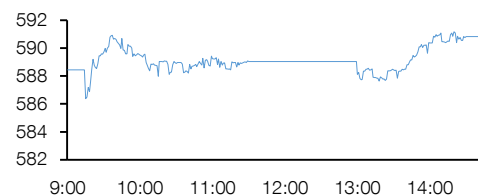
Recommendations

We believe that Vietnam stock market will rise tomorrow based on the following reasons: (1) selling pressure from foreigners has declined and market liquidity rose, indicating that domestic demand has still strong (2) 580-584 pts is a solid technical support of the VN-Index, and this index will mostly increase in case of falling to this points, (3) many important stocks are still flatting or re-testing their short-term peaks. We still believe that foreign cash flow will continue to play leading role the market in the near future.

We continue to recommend that investors should remain a high stock proportion and open positions if the VN-Index moves to 580-584 pts.

Exhibit 1

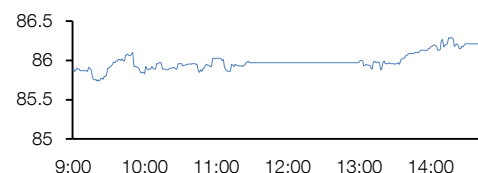
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	30.8	11.6	4.5
HQC	6.3	7.1	0.0
HAI	5.1	14.6	-5.8
KBC	4.1	17.1	1.2
DLG	3.1	10.8	0.9

Source: Bloomberg, BSC Research

Exhibit 4

Foreign transaction

Top foreign buy	Value	Top foreign sell	Value
PDR	30.4	HPG	-21.8
MSN	17.5	TRC	-19.9
VIC	14	GAS	-19.0
KBC	8.3	VCB	-14.4
PCT	1.8	BVS	-8.6

Source: BSC Research

Do Nam Tung

Quantitative Analyst

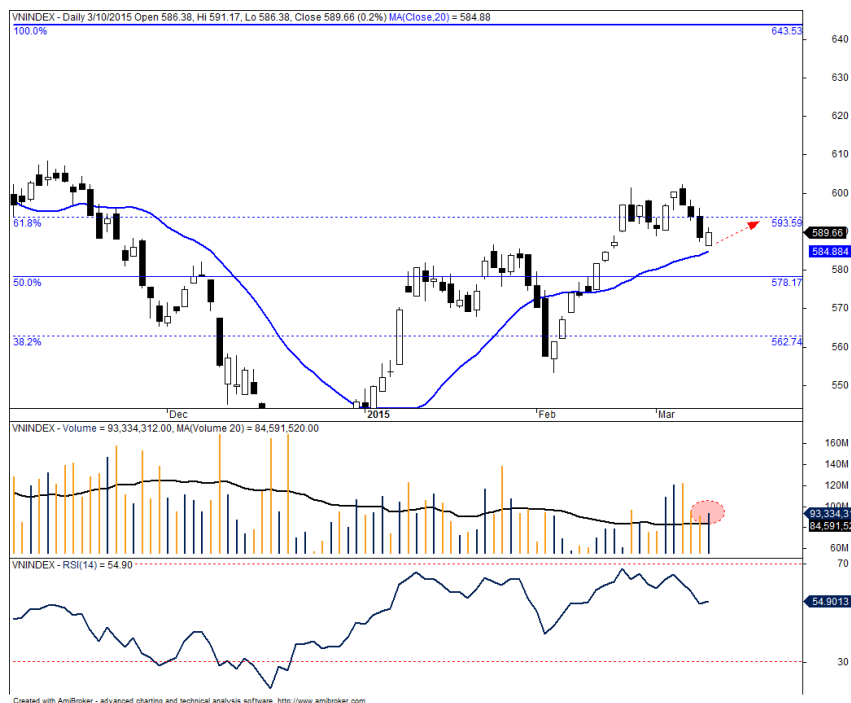
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Technical Views

The green candle today shows a positive sign after the continuous downtrend, although this is the session of the decline compared to the previous session, the candle's close is above the moving average lines in short-term and in medium-term SMA (15) and SMA (45), a slight increase liquidity, the trading volume is corresponding to 1.02 times the previous session. The VN-Index is closing at 589.66 points, just below the resistance level of 590.

The technical indicators have yet to show signs of recovery and continue to decline, showing the money and the power of the market have no positive changes.

Next session, the VN-Index continued to receive the lower level 580-580 is the temporary support, we need to wait signs of recovery, the market may return to the old accumulative resion 590-595 formed from 2 weeks ago.



Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Performance	Recommendation	Cutloss	Target
1	BCC	2/3/2015	18	19.2	6.7%	Hold	12.6	19.8
2	HT1	5/3/2015	19.7	20.7	5.1%	Hold	13.8	21.7
3	PVT	9/3/2015	14.3	14.3	0.0%	Hold	13.3	16
Average					3.9%			

Source: BSC Research

Short-term portfolio: Consider to open the position when VN-Index moves back to 580 – 584 pts.

Canslim portfolio

No.	Ticker	Date	Buy price	Current price	Performance	Recommendation	Cutloss	Target
1	VIC	7/7/2014	47.7	49.7	4.1%	Hold	43.9	57.3
2	IJC	2/7/2014	12.9	12.6	-2.3%	Hold	11.9	15.5
3	ASM	27/1/2015	9.2	9.9	7.6%	Hold	8.5	11.0
4	BVS	13/8/2014	13.0	14.5	11.5%	Hold	12.0	15.6
5	SAM	23/9/2014	12.1	12.8	6.0%	Hold	11.1	14.5
6	DCL	27/1/2015	49.7	46.6	-6.2%	Hold	45.7	59.6
7	DHC	14/1/2014	21.5	21.6	0.5%	Hold	19.8	25.8
8	HVG	14/1/2014	21.2	21.5	1.4%	Hold	19.5	25.4
9	REE	27/1/2015	29.1	27.6	-5.2%	Hold	26.8	34.9
10	DBC	14/1/2014	28.8	29.8	3.5%	Hold	26.5	34.6
11	FPT	12/1/2015	48.3	49.7	2.9%	Hold	44.4	58.0
12	FMC	27/1/2015	24.8	26.1	5.2%	Hold	22.8	29.8
13	DRC	14/8/2014	53.0	60	13.2%	Hold	48.8	63.6
14	TCM	22/8/2014	31.8	34.3	7.9%	Hold	29.3	38.2
Average					3.58%			

Source: BSC Research

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Macro Views

Will the gasoline price increase?

Environmental tax applying to gasoline price will officially increase since 01 May 2015. This new tax rate is proposed by Government and has been adopted by the Committee of the National Assembly. Specifically, the typical adjustments for gasoline is to VND 3,000 per liter from VND 1,000 per liter.

This environmental tax increase is basically compensate for the reduce of import tax of petroleum products in the context of the reduction tax commitment of imported petrol as ASEAN Trade in Goods Agreement (ATIGA) since 01 Jan 2015. Currently, imported gasoline is subject to four taxes: import tax (currently 35%, up to 40% under the WTO), value added tax (currently at the ceiling of 10%), special tax (currently 10%), and environmental tax (currently 1,000 VND per liter). Following the commitments of ATIGA, petroleum import tax must decrease more by 10-20%. Meanwhile, retail gasoline prices in Vietnam is still significantly lower than that in China, Cambodia and Laos, that probably leads to smuggling risk which damages to the economy.

In our point of view, retail gasoline prices will not be affected in the future in case that the import tax is applied at the same time. We believe that the retail price of this commodity will depend mainly on the world oil prices rather than this tax adjustment.

Earlier, the electricity price is officially increase by 7.5% since 16 March 2015, equivalent to the electricity price of 1,622.05 per kWh, while the highest price is 2,579 VND per kWh. The sharp rise in electricity prices seems to have a strong impact on input costs, which may cause a significant negative effect on earnings growth of businesses in 2015.

In short, the upcoming environmental tax adjustment will not affect significantly the domestic price of gasoline. The gasoline price will mainly depend on fluctuations of the crude oil price.

The increase in electricity prices in March will officially have an impact on inflation since April due to the way to calculate inflation.

Thus, the increase of 7.5% in electricity price will not affect the CPI in March. According to the Ministry of Planning and Investment, CPI likely to adjust more by 0.46% compare to the previous plan.

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VCB	36.8	1.1	0.606	596890
VNM	108	0.93	0.569	144290
GAS	78.5	0.64	0.538	431920
BID	18.3	1.1	0.319	1.70MLN
HT1	20.7	2.99	0.108	852990

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
SHB	9	2.27	0.109	1.69MLN
ACB	17	0.59	0.058	96500
VCG	13.5	1.5	0.054	432900
VCS	33.4	3.73	0.039	95600
PVI	18.3	1.1	0.029	4100

Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
MWG	117	-4.88	-0.382	58060
MSN	87.5	-0.57	-0.209	34220
MPC	100	-4.76	-0.199	5070
HPG	48	-1.23	-0.167	924780
STB	19.8	-1	-0.141	938580

Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
PVB	32	-8.57	-0.04	486800
PVS	27.1	-0.37	-0.028	939200
PTI	14.2	-4.7	-0.022	1600
NVB	6.7	-1.47	-0.019	1900
DBC	29.8	-1	-0.012	155400

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
CDO	19.2	6.67	0.014	91890
CTD	64	6.67	0.096	83440
EMC	6.6	6.45	0.002	13840
PNC	12.5	5.93	0.004	28500
TNA	28.4	5.19	0.006	2580

Top 5 gainers on the HNX

Ticker	Price	% Chg	Index pt	Volume
CX8	5.5	10	0.001	1100
GMX	14.4	9.92	0.004	2900
VCR	4.5	9.76	0.009	118800
HMH	28.4	9.65	0.015	374200
PCT	9.3	9.41	0.011	371600

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
TMP	26.9	-6.92	-0.08	960
CMV	13.9	-6.71	-0.007	770
THG	16.9	-6.63	-0.007	160
VTF	31.3	-6.57	-0.052	80
PTC	11.7	-6.4	-0.005	970

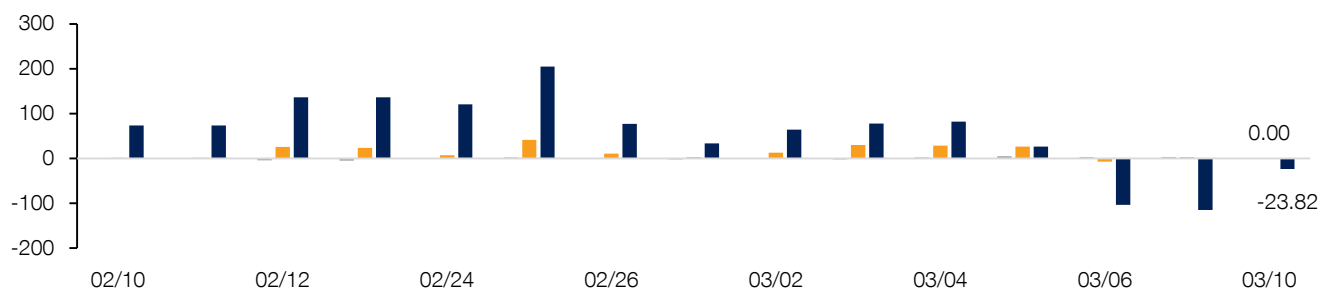
Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
VC6	8	-10.11	-0.004	2500
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 6

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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