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Vietnam Daily Monitor

The support level of 580-584 is likely to sustain

Summary

The VN-Index and HNX-Index closed at their today lows.

Several large-cap stocks such as GAS, VIC, HPG and PVS declined.

PVB and MHC had large price volatilities today.

In the next session, a correction around the support is likely to continue to occur and not be able to recover quickly, if the demand was not really improved.

Recommendation

We continue to remain our previous recommendation. Accordingly, risk lovers consider opening position when the VN-Index moves to 580-584 points.

Stock Recommendation

Short-term portfolio: Open position in VIC

Company Update

NTP – Tien Phong Plastic JSC

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VN-INDEX **586.54**

Value: VND 1453.94 bil **-3.12 (-0.53%)**

Foreigners (net): -VND 72.7 bil

HNX-INDEX **86.01**

Value: VND 565.92 bil **-0.35 (-0.41%)**

Foreigners (net): VND -11.13 bil

UPCOM-INDEX **64.85**

Value: VND 60.7 bil **-0.53 (-0.81%)**

Foreigners (net): VND 0.096 bil

Macro Indicators	Value	% Chg
Crude oil	48.6	0.7%
Gold	1,163	0.1%
USDVND	21,355	0.0%
EURVND	22,750	-0.4%
JPYVND	17,590	-0.2%
1-month Interbank rate	4.6%	-
5yr VN Treasury Yield	5.5%	-

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 VN-Index and HNX-Index closed at their today lows due to strong selling pressure later on Tuesday.

Several large-cap stocks such as GAS, VIC, HPG and PVS declined, which impacted negatively on the indexes. However, their decreases were slight.

PVB and MHC had large price volatilities today. Specifically, PVB reached its today ceiling price after falling more than 15% only during last two sessions, while MHC fell to its floor price because of strong profit-taking.

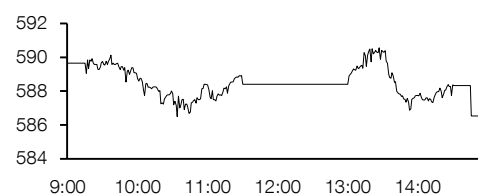
Recommendations

Foreign investors continued to be net sellers on both exchanges, which resulted partly in the today decline of general market. However, the important stocks, especially large-cap ones, only decreased slightly. Besides, there are some positive information supporting for market: lower interest rates, Q1 business results, etc. Technically, support level 580-584 of the VN-Index has still been solid and cannot be broken if foreign selling pressure declines.

We continue to remain our previous recommendation. Accordingly, risk lovers consider opening position when the VN-Index moves to 580-584 points.

Exhibit 1

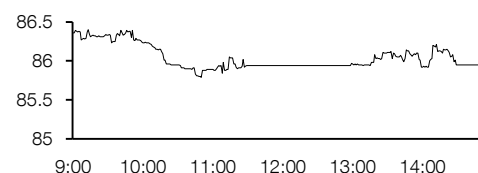
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	9.8	11.6	0.0
STB	4.6	20.4	3.0
HAI	3.9	14.8	1.4
ITA	3.6	7.5	-1.3
DLG	3.3	10.7	-0.9

Source: Bloomberg, BSC Research

Exhibit 4

Foreign transaction

Top foreign buy	Value	Top foreign sell	Value
BMP	5	GAS	-16.9
BID	4.2	HPG	-16.9
CTG	4	PVS	-11.9
NDN	2.3	VCB	-11.2
HVG	1.8	HAG	-5.2

Source: BSC Research

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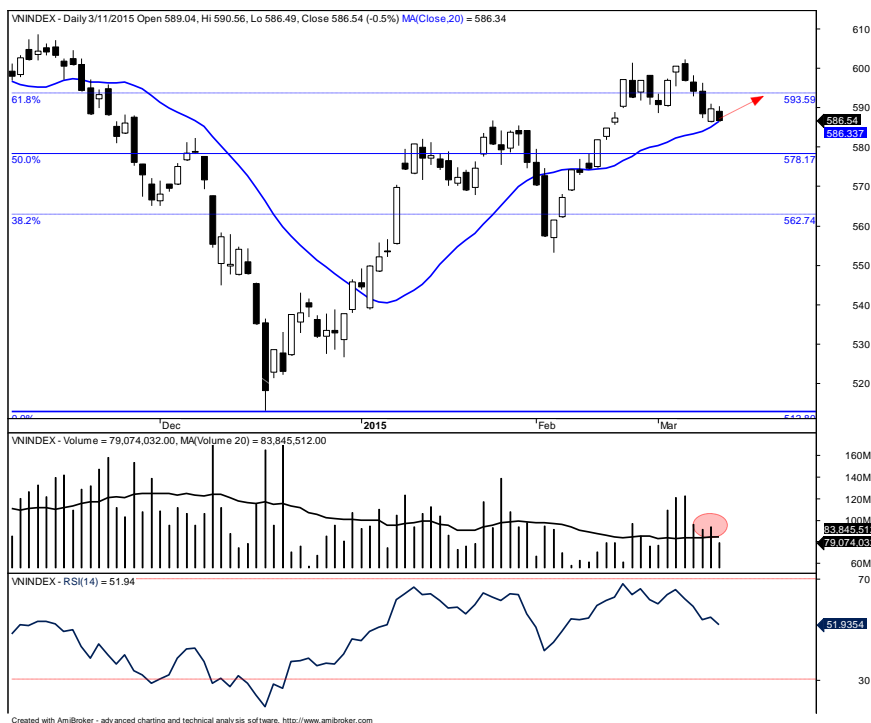
Technical Views

The red candle as a hammer formed today, is bringing the market closer to the support 580-585, equivalent to the value of the opening of the last session, the VN-Index could not successfully conquered the support 590, declining liquidity, trading volume is equivalent to 0.85 times of the previous session.

MACD (12,26) crosses below the signal slow today, a trend confirmed soon.

The technical indicators remain the bearish momentum for 5 consecutive days and no signs of recovery, weakening cash flow quickly, just the MFI (14) have also rushed in the oversold.

Market adjustments on the old support region 508-585, liquidity can not yet improve today. In the next session, a correction around the support is likely to continue to occur and not be able to recover quickly, if the demand was not really improved.



VIC – Vingroup JSC

VIC is now trading near both its supporting level 49.3 and 20-day moving average SMA20. We expect this stock will accumulate in this range before re-testing its old short-term peak 52.

Recommendation: Buy VIC, consider stopping loss if VIC falls below 48.2. First target price is 51.9.



Stock recommendations

Short-term portfolio

Short-term portfolio: Open position in VIC.

No.	Ticker	Date	Buy price	Current price	Performance	Recommendation	Cutloss	Target
1	BCC	2/3/2015	18	18.9	5.0%	Hold	12.6	19.8
2	HT1	5/3/2015	19.7	20.6	4.6%	Hold	13.8	21.7
3	PVT	9/3/2015	14.3	14.1	-1.4%	Hold	13.3	16
4	VIC	11/3/2015	49.3	49.3	0.0%	Buy	48.2	51.9
Average					2.0%			

Source: BSC Research

Canslim portfolio

No.	Ticker	Date	Buy price	Current price	Performance	Recommendation	Cutloss	Target
1	VIC	7/7/2014	47.7	49.3	3.3%	Hold	43.9	57.3
2	IJC	2/7/2014	12.9	12.5	-3.1%	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	12.6	4.4%	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	21.9	1.9%	Hold	19.8	25.8
8	HVG	14/1/2014	21.2	21.6	1.9%	Hold	19.5	25.4
9	REE	27/1/2015	29.1	27.4	-5.8%	Hold	26.8	34.9
10	DBC	14/1/2014	28.8	30	4.2%	Hold	26.5	34.6
11	FPT	12/1/2015	48.3	49.5	2.5%	Hold	44.4	58.0
12	FMC	27/1/2015	24.8	25.5	2.8%	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	33.9	6.6%	Hold	29.3	38.2
Average					3.19%			

Source: BSC Research

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Company Update

NTP – Tien Phong Plastic JSC

BSC's Research Department visited Tien Phong Plastic JSC (NTP). We highlight some business activities as follows:

- **Output is expected to increase by 15% yoy** due to the recovery of construction sector. The sales volume 2014 of 56,000 tons was up 14% yoy. Net sales was VND3.000 billion, an increase of 19% yoy. NTP accounted for about 57% of North market share and 26-27% of whole country market share.
- **Gross margin is estimated to improve because of lower resin prices.** NTP's gross margin 4Q2014 decrease slightly from 31% to 30%. Because: (1) inventories 3Q2014 imported at higher price was used to produce in 4Q2014; (2) the company changed product structure. Plastic resin plunged in 4Q2014 (PVC was down 21%, HDPE decreased by 24% and PP lost 20%) then has rebound slightly since January, 2015. We believe that the company result will benefit from the reduction of plastic resin with one quarter lag (because NTP stocks inventories in 3 months).
- However, pre-tax profit margin is stable. NTP's gross margin go up, however, the company raise discount rate for customers.
- **We assume that NTP's net income will go up thanks to Central Tien Phong plastic company limited (Central NTP).** Central NTP are exempt from corporate income tax in the period of 2014-2017, and receive 50% tax reduction for the next 9 year. Central NTP sold 12,000 tons pipes in 2014, which contribute VND 485 billion in revenues and VND110 billion in net income (representing 34% of NTP's net income). Central NTP is planned to operate full capacity (20,000 tons/year) in 2015. We believe that the production will be consumed not only in the Central but also in North and South to take benefit from tax exemption (transportation cost accounted for about 2% of pipe price). We estimate that NTP will save about VND25 billion in corporate income tax expense in 2015.

Added information:

- **HDPE Ø2000 project.** NTP is the first –class manufacturer of large plastic pipe. Investment of HDPE Ø2000 project is about VND150 billion. The payback period is 5 years, the internal rate of return (IRR) is 16-17%. NTP operated one HDPE Ø2000 production line, the one will be operated in May, 2015.
- **Real estate projects:** after plan relocation, the area of 6 hectares in No. 2, An Da, Hai Phong city will be built commercial central, offices for lease, hotel, etc. NTP will contribute capital in the form of this area. Two partners, namely Lotte and Vietnam-Oman, who have experience in real estate field propose to cooperate with NTP. Therefore, we believe that NTP do not own the risk from non-core business.
- **Low stock liquidity.** SCIC, Nawaplastic Industry Co. Ltd., and board members accounted approximately 85% of total outstanding shares. SCIC has no intention to divest from NTP.

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
STB	20.4	3.03	0.424	3.85MLN
BVH	37.3	0.54	0.077	279140
TMP	28.7	6.69	0.072	120
VTF	33.4	6.71	0.05	150
TMS	52.5	6.49	0.042	4800

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
PVI	19.2	4.92	0.13	7100
ACB	17.1	0.59	0.058	561700
PVB	35.2	10	0.043	4.62MLN
NBC	14.1	6.02	0.014	197600
PTI	14.6	2.82	0.012	200

Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
GAS	77.5	-1.27	-1.077	359610
VCB	36.5	-0.82	-0.454	576700
VIC	49.3	-0.8	-0.331	844110
MSN	87	-0.57	-0.209	77110
MWG	114	-2.56	-0.191	78590

Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
SHB	8.9	-1.11	-0.055	1.41MLN
PVS	27	-0.37	-0.028	1.17MLN
VCG	13.4	-0.74	-0.027	665000
KLS	10.2	-1.92	-0.025	463500
PVX	5.1	-1.92	-0.025	623300

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
CDO	20.5	6.77	0.015	1.10MLN
VTF	33.4	6.71	0.05	150
TMP	28.7	6.69	0.072	120
TDW	32	6.67	0.01	2480
DAG	13	6.64	0.006	1110

Top 5 gainers on the HNX

Ticker	Price	% Chg	Index pt	Volume
PVB	35.2	10	0.043	4.62MLN
CAN	28.7	9.96	0.008	100
ECI	17.7	9.94	0.002	100
VC1	16.6	9.93	0.007	100
L43	6.8	9.68	0.001	7800

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
LGC	28.3	-6.91	-0.087	19630
PTC	10.9	-6.84	-0.005	510
MHC	15.2	-6.75	-0.008	914420
CLC	31.4	-6.55	-0.016	1610
VNA	4.7	-6	-0.003	150180

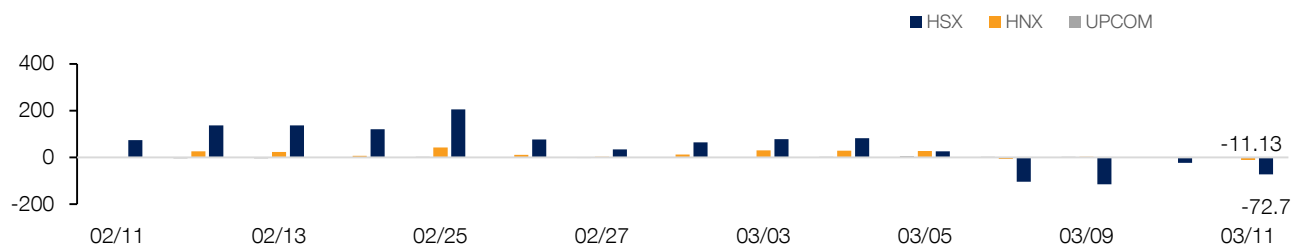
Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
NFC	27	-10	-0.019	100
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 5

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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