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Vietnam Daily Monitor

The indices might increase tomorrow

Summary

Technical rebound has occurred on Tuesday as we noted yesterday. Both VN-Index and HNX-Index gained slightly.

Foreigners back to buy nearly VND 1 billion (net value). They were net buyers on HNX and net sellers on HSX.

Recommendation

We believe that the market will continue rising tomorrow due to investors' sentiment is improving after today rally. However, supply of domestic investors is still strong, and the market will continue to be in stable direction.

We recommend investors quickly taking profit the profitable stocks and consider buying shares in the declines.

Company updates

KDC – Kinh Do Corporation

In our point of view, VNM ETF might buy 9 million units of KDC this week.

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VN-INDEX **581.76**

Value: VND 1771.36 bil

0.96 (0.17%)

Foreigners (net): -VND 6.1 bil

HNX-INDEX **85.36**

Value: VND 642.62 bil

0.28 (0.33%)

Foreigners (net): VND 6.87 bil

UPCOM-INDEX **65.77**

Value: VND 65.77 bil

-0.02 (-0.03%)

Foreigners (net): VND 1.67 bil

Macro indicators

	Value	% Chg
Crude oil	43.4	-1.2%
Gold	1,155	0.0%
USD/VND	21,455	-0.1%
EUR/VND	22,705	0.2%
JPY/VND	17,685	0.0%
1-month Interbank rate	4.2%	-
5yr VN Treasury Yield	5.3%	-

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

After falling during recent days, VN-Index and HNX-Index finally had a technical rebound on Tuesday. Indexes gained slightly.

Foreigners were net buyers on HNX and continued to be net sellers on HSX. Totally, their net buying value was nearly VND 1 billion on both exchanges. It is clear that if selling pressure from foreign investors are not large, the market will balance soon.

Almost stocks fluctuated slightly today. Specially, several notable gainers and losers are:

- HBC (+5.7%): today volume was higher 5 times than that of yesterday, and this stock is now approaching its nearest short-term peak 18.5.
- PVD: reducing for the 8th consecutive sessions and breaking down its trough 55.
- HT1: creating a doji candlestick yesterday and a black one today, thereby HT1 will mostly fail in breaking up its short-term peak 21.8.

Recommendations

Technical rebound has occurred on Tuesday as we noted yesterday. VN-Index's supporting level 580 has temporary been solid.

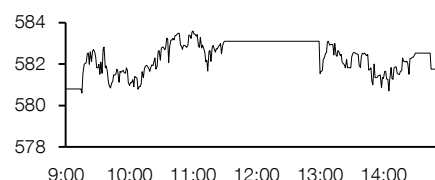
We believe that the market will continue rising tomorrow due to investors' sentiment is improving after today rally. However, this recovery will not be strong and prolonged because of strong supply of domestic investors.

Therefore, the market will continue to be in stable direction.

Investors should quickly take profit the profitable stocks and consider buying shares in the declines.

Exhibit 1

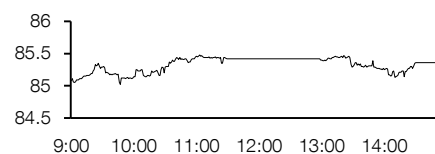
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	18.3	12.2	0.0
ITA	14.9	7.6	2.7
KBC	4.9	17.0	-1.2
HQC	4.8	6.9	-1.4
OGC	4.6	5.1	-1.9

Source: Bloomberg, BSC Research

Exhibit 4

Foreign transaction

Top foreign buy	Value	Top foreign sell	Value
KBC	51.1	VCB	44.0
KDC	24.4	PVD	34.5
VIC	14.2	HPG	19.3
HAG	12.2	GAS	8.4
BCC	7.3	VCG	11.1

Source: BSC Research

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Quantitative Analyst

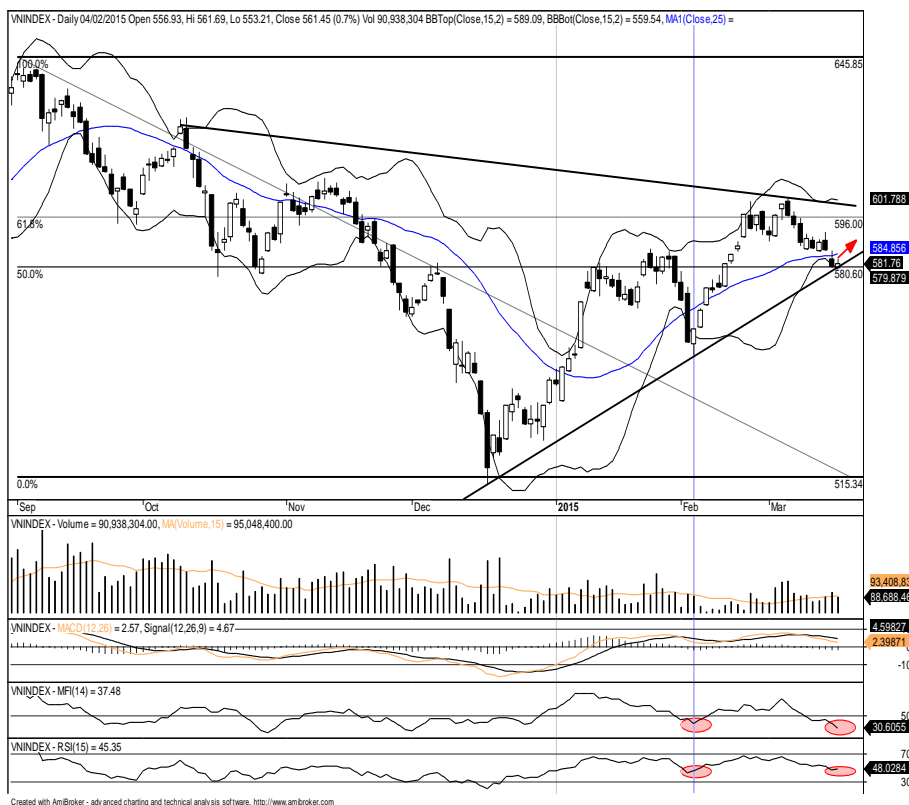
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Technical Views

The session recovered slightly but the market cannot conquer resistance at 585, liquidity declined today, candle bound in Bollinger Band, and continues on the support level 580.

The RSI(15) had signs of slight recovery but the MFI (14) continues to adjust further, the power of the market are positive signs for the signals of the current cash flow 2 indicator remains is equal to its value at the bottom area of 2.4 days past.

The market might conquer the resistance level of 585 in the next session. Despite, liquidity might not improve.



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Company updates

KDC - Kinh Đô Corporation (HSX)

In our point of view, VNM ETF might buy 9 million units of KDC this week.

Business Results 2014, KDC's net sales reached VND 4,986 billion (up by 9% yoy). However, selling expense and administration expense increased by 23% and 8% yoy, respectively that reduced operating profit of the company to VND 501 billion (down by 14% yoy). KDC's after-tax profit increased by 11% in 2014, reaching VND 547 billion, primarily due to revenues from financial activities.

On Monday, 03/16/2015, Kinh Do formally adopted a dividend rate of 200%. With the dividend rate Kinh Do are expected to spend an amount of VND 4.700 billion for the payment of dividends to shareholders.

For the instant noodle segment, at the end of November 2014, Kinh Do officially launched a new product named "Family Noodle" which targeted at low-income people. Currently, demand of noodle in Vietnam is 5.2 billion packs/year (according to the World Instant Noodles Association) with an average growth rate of 20%/year. Kinh Do has set its target of 10% market share for the next 3 years. We assess this is a challenging target. Acecook Vietnam with 50% market share has been the leader peer in the market, followed by Masan Food and Asia Food (accounting for 16.5% and 12.1%, respectively).

For edible oil segment, Kinh Do owns 24% shares of the Vietnam Vegetable Oil Industry Corporation (Vocarimex) and intends to use the gains from transferring its ownership in KDC Binh Duong to raise its ownership in Vocarimex up to 51%. We assess this is a strategic long-term investment. Many Vocarimex's subsidiaries and affiliated companies owns well-known brands of cooking oil such as Tuong An, Neptune, Simply, Marvela... which account for 85% of market share in Vietnam. Co-operating with Kinh Do, which owns a large distribution network, will help Vocarimex strengthen its retails operation. Moreover, vegetable oil is an important input in the instant noodle production. Therefore, Kinh Do will benefit over competitors in the instant noodles business.

In 2015, Kinh Do's net revenues is expected to decline sharply compared to 2014 because of its divestiture from the confectionery and biscuit segment. Proceeds from the sale of KDC Binh Duong (BKD) will assist its net income. It is expected that Kinh Do will finish transferring 80% of its share in BKD for VND 7,846 billion in the second quarter of 2015, the remaining 20% will be delivered in 2016 for VND 1,916 billion.

Currently priced for VND 48,600 per share, KDC is trading at trailing P/E 21x.

Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Performance	Recommendation	Cutloss	Target
1	BCC	2/3/2015	18	19.8	10.0%	Hold	12.6	19.8
2	HT1	5/3/2015	19.7	21.1	7.1%	Hold	13.8	21.7
3	PVT	9/3/2015	14.3	13.7	-4.2%	Hold	13.3	16
4	VIC	11/3/2015	49.3	49.3	0.0%	Hold	48.2	51.9
5	BID	16/3/2015	18.3	18.3	0.0%	Hold	17.5	19.5
6	DXG	16/3/2015	17.4	17.6	1.1%	Hold	16.7	19.7
7	CVT	16/3/2015	27.2	27.7	1.8%	Hold	25.7	29.3
Avg.					2.3%			

Source: BSC Research

Canslim portfolio

No.	Ticker	Date	Buy price	Current price	1-week performance	Unrealized gain/loss	Cutloss	Target
1	SHI	9/3/2015	7.5	8.4	12.0%	12.0%	9.0	7.0
2	DRC	14/8/2014	53.0	61	1.7%	15.1%	63.6	48.8
3	VIC	7/7/2014	47.7	49.3	-1.2%	3.3%	57.3	43.9
4	FPT	12/1/2015	48.3	50	0.0%	3.5%	58.0	44.4
5	DHC	14/1/2014	21.5	21.3	-2.3%	-0.9%	25.8	19.8
6	REE	27/1/2015	29.1	27.4	-2.1%	-5.8%	34.9	26.8
7	SAM	23/9/2014	12.1	13.3	2.3%	10.2%	14.5	11.1
8	IJC	2/7/2014	12.9	12.5	-2.3%	-3.1%	15.5	11.9
9	TCM	22/8/2014	31.8	33.3	-4.6%	4.7%	38.2	29.3
10	HVG	14/1/2014	21.2	21.1	-3.7%	-0.5%	25.4	19.5
11	ASM	27/1/2015	9.2	9.7	-4.0%	5.4%	11.0	8.5
12	DBC	14/1/2014	28.8	29.6	-3.0%	2.8%	34.6	26.5
13	SCR	9/3/2015	8.1	7.9	-2.5%	-2.5%	9.7	7.5
14	FMC	27/1/2015	24.8	26.9	0.4%	8.5%	29.8	22.8
15	BVS	13/8/2014	13.0	14.3	-4.7%	10.0%	15.6	12.0
16	DCL	27/1/2015	49.7	47	-3.1%	-5.4%	59.6	45.7
17	PDR	9/3/2015	18.5	17.8	-3.8%	-3.8%	22.2	17.2
Avg.					-1.22%	3.1%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VCB	35.7	1.13	0.602	600760
GAS	77	0.65	0.535	295300
FPT	50	1.21	0.117	717570
ITA	7.6	2.7	0.095	4.93MLN
VIC	49.3	0.2	0.082	332570

Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
MSN	84	-1.18	-0.416	104070
MPC	88	-6.38	-0.237	3530
PVD	52.5	-0.94	-0.086	637770
CTG	18.7	-0.53	-0.075	1.35MLN
HT1	21.1	-1.86	-0.072	455710

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
TSC	18.1	46.02	0.051	6340
PTC	10.7	7	0.004	290
TMS	53.5	7	0.046	530
THG	17.1	6.88	0.006	10
VTF	34.2	6.88	0.052	40

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
HRC	42.6	-6.99	-0.031	40
MCP	16.3	-6.86	-0.007	300
HAH	35.8	-6.77	-0.034	50240
TCR	5.6	-6.67	-0.002	2630
DTT	8.6	-6.52	-0.003	6820

Source: Bloomberg, BSC Research

Top 5 leaders on the HNX

Ticker	Price	% Chg	Index pt	Volume
PVI	18.3	1.67	0.043	6000
PLC	34.4	2.69	0.039	89800
VCG	13.2	0.76	0.027	836000
SCR	7.9	2.6	0.019	1.47MLN
KLF	11.1	3.74	0.018	14.86MLN

Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
VNR	23.5	-7.84	-0.162	800
PSD	48	-8.57	-0.039	500
SDU	12.2	-9.63	-0.016	7800
NBC	15.5	-4.32	-0.012	90500
PGS	21	-2.36	-0.012	253100

Top 5 gainers on the HNX

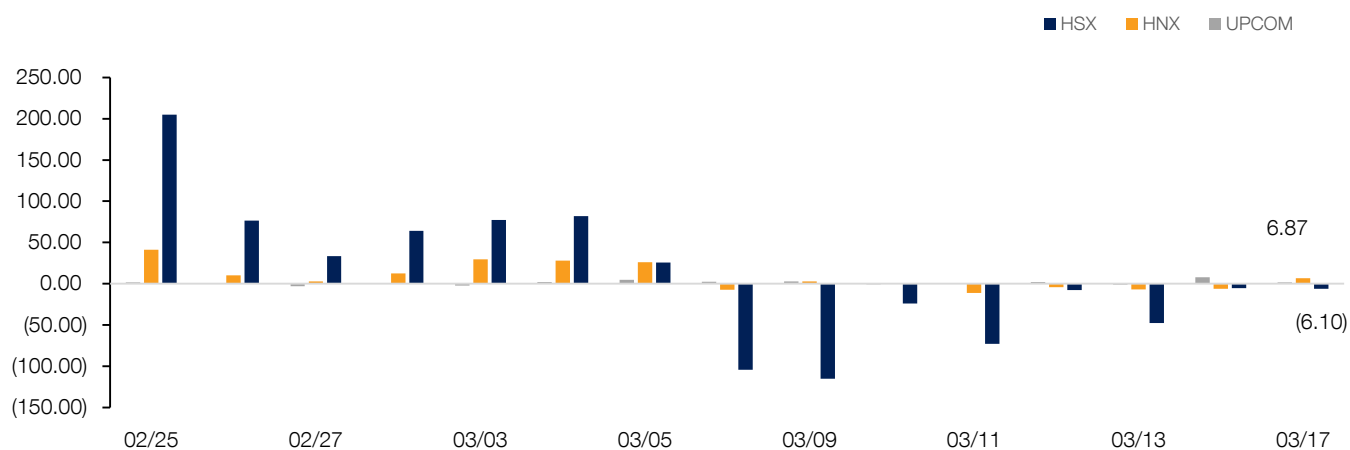
Ticker	Price	% Chg	Index pt	Volume
DNY	5.5	10	0.008	100
VMC	19.8	10	0.007	200
TV2	44.3	9.93	0.011	19000
PDC	4.5	9.76	0.004	150800
NGC	27.1	9.72	0.002	14800

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
CT6	9	-10	-0.004	1200
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

Exhibit 5

Foreign transaction



Source: HSX, HNX, BSC Research

Disclosure

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