

Tue, 25 March, 2015

## Vietnam Daily Monitor

Foreign investors are likely to sell tomorrow

### Summary

The foreigners' selling pressure and sharp decline of Oil & Gas stocks, especially GAS, impacted significantly on the decrease of stock market. However, market breadth was fairly balanced.

### Recommendation

The change of VnIndex is marginal if GAS is excluded from the Index.

Foreign investors will likely continue to be net sellers tomorrow, thereby the market will continually decline.

Risk lovers should be cautious before opening position. With risk averse investors, we do not recommend taking any position.

### Macro Views

Macroeconomic focal point: USDVND Rate

### Company Update

CEO – CEO Group (HNX)

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**VN-INDEX** **560.93**

Value: VND 1530.7 bil

**-6.5 (-1.15%)**

Foreigners (net): -VND 72.58 bil

**HNX-INDEX** **83.15**

Value: VND 443.21 bil

**-0.17 (-0.2%)**

Foreigners (net): -VND 5.82 bil

**UPCOM-INDEX** **65.67**

Value: VND 42.2 bil

**-0.95 (-1.43%)**

Foreigners (net): VND 0.024 bil

#### Macro indicators

	Value	% Chg
Crude oil	47.4	-0.3%
Gold	1,196	0.2%
USDVND	21,505	-0.2%
EURVND	23,639	0.4%
JPYVND	18,003	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

Oil stocks was falling sharply today. Especially, GAS closed at its floor price, which caused VN-Index to fall 6.83 points. The falling of PVD, PVS were quite strong, -6.6% and -5.5%, respectively.

Foreign investors continued to be net sellers on both exchanges. Total net selling value = was nearly VND 80 billion.

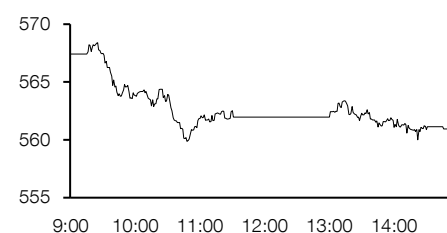
Although the indices declined, market breadth indicated was balance with 181 advancers / 219 decliners on both floors. It proved that GAS contributed mainly to the sharp falling of these indices.

## Recommendations

GAS's strong decline created distortion effect on the market movement. GAS was the main factor that contributed directly to the decrease of 6.83 points of VN-Index. It means that in case of excluding GAS, VN-Index would have closed around its yesterday closing points. Moreover, due to the fact that market breadth was improved, the market was set to be more balanced according to what we stated yesterday. However, we also note that foreign investors may continue to be net sellers tomorrow when ETF's NAV discount is increasing. According to our calculation, VNM ETF may sell 500-800 fund certificates, or approximately 150-200 billion VND. The market is likely to decline tomorrow. Therefore, calling the bottom is pretty risky. Risk lovers should be cautious before opening position. To risk averse investors, we do not recommend opening any position.

Exhibit 1

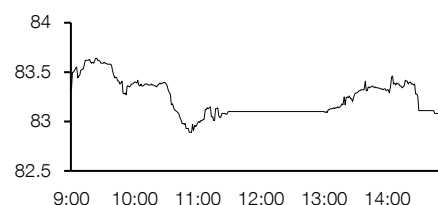
### VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

### HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

### Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	13.49	11.6	-1.69
HAI	4.76	14	-1.41
CII	4.5	18.6	2.76
DXG	4.02	18.1	2.84
PVD	3.1	44	-6.58

Source: Bloomberg, BSC Research

Exhibit 4

### Foreign transaction

Top foreign buy	Value	Top foreign sell	Value
DXG	18.3	PVD	-54.8
PDR	12.2	NBB	-19.8
VIC	10	CSM	-18.4
HT1	6.6	GAS	-17
BCC	3.8	PVS	-6.1

Source: BSC Research

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## Technical Views

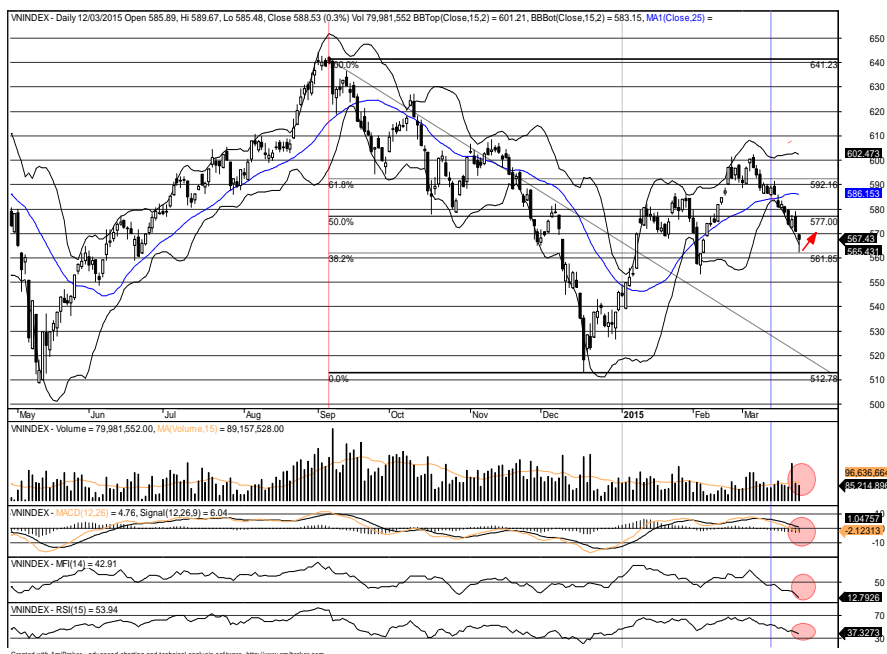
The red candle as hammer, the candlestick is below the region 562, the liquidity decreased compared to the previous version, but the closing is within the Bollinger Band.

The technical indicators continue to weaken and closer to the oversold region.

The MACD is below the Zero line, the signal of the downtrend is clearer today.

The market test the support below the level 565 by several times today, the demand at the bottom appear to bring the VN-Index returned the level of the support 565.

Waiting for the recovery of the technical signal, with the improvement of liquidity, the VN-index blocked by the resistance of the lower of the Bollinger band, if demand continues to be maintained, that the market will conquer the resistance at 570 that was lost in recent sessions.



## Stock recommendations

### CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	1-week performance	Unrealized gain/loss	Cutloss	Target
1	PVT	24/3/2015	13.2	13.1	-6.4%	-0.8%	12.5	16.1
2	SD6	24/3/2015	14.7	14.6	-2.7%	-0.7%	13.6	17.5
3	SSI	24/3/2015	21.3	21	-5.4%	-1.4%	20.1	25.9
4	SHI	3/9/2015	7.5	8.2	-2.4%	9.3%	7.0	9.0
5	DRC	14/8/2014	53.0	61	0.8%	15.1%	48.8	63.6
6	VIC	7/7/2014	47.7	48.2	-0.8%	0.9%	43.9	57.3
7	FPT	12/1/2015	48.3	49.2	-1.2%	1.9%	44.4	58.0
8	DHC	14/1/2014	21.5	21.2	-1.9%	-1.4%	19.8	25.8
9	REE	27/1/2015	29.1	26.3	-2.6%	-9.6%	26.8	34.9
10	SAM	23/9/2014	12.1	13.9	0.0%	15.2%	11.1	14.5
11	IJC	2/7/2014	12.9	11.6	-4.9%	-10.1%	11.9	15.5
12	TCM	22/8/2014	31.8	33	-2.7%	3.8%	29.3	38.2
13	HVG	14/1/2014	21.2	21	-2.3%	-0.9%	19.5	25.4
14	ASM	27/1/2015	9.2	9.4	-3.1%	2.2%	8.5	11.0
15	DBC	14/1/2014	28.8	29	-2.4%	0.7%	26.5	34.6
16	SCR	3/9/2015	8.1	7.7	-2.5%	-4.9%	7.5	9.7
17	FMC	27/1/2015	24.8	26.3	1.2%	6.0%	22.8	29.8
18	BVS	13/8/2014	13.0	14.3	-2.1%	10.0%	12.0	15.6
19	DCL	27/1/2015	49.7	47.1	0.2%	-5.2%	45.7	59.6
20	PDR	3/9/2015	18.5	17.6	0.0%	-4.9%	17.2	22.2
<b>Avg.</b>					<b>-2.1%</b>	<b>1.3%</b>		

Source: BSC Research

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## Macro Views

### Macroeconomic focal point: USDVND Rate

State Bank of Vietnam (SBV) announced to maintain a stable exchange rate in the upcoming time. Specifically, the SBV rate will be unchanged after the press conference today.

Exchange rate soared in recent times due to the upward trend of the dollar on international market. Key factors which made the USD increase dramatically in this month were the FED's action relating to interest rates in the FOMC meeting held in March as well as the weakening of the other major currencies like EUR, JPY under the QE's pressure of those central banks.

**The strengthening of the USD versus VND is incontrovertible.** As we can see, the interbank rate and free rate rose sharply, especially over the recent two weeks. Notably, the average interbank rate has peak the ceiling level during this week. Currently, the interbank rate ranged from 21,500 to 21,540 VND/USD, while the free rate is moving around 21,600 and 21,700 VND/USD.

**In this context, the central bank has decided not to adjust exchange rates based on the following basis:**

- *Substantial benefit from a stable exchange rate policy rather than that of rate adjustment at this time.* The rise of the dollar in recent weeks mainly caused by the emotion instead of market demand and supply. Meanwhile, Fed announced to patiently raise interest rates, at least after the next two FOMC meeting (scheduled for Jun 2015). That immediately soothe the heat of the dollar. The sharp rise of dollar thereby need time to adjust, rather than rushing to change the SBV rate.

- *The supply and demand of USD in the domestic market supposedly stable according to SBV.* The trade surplus is USD 2.8 billion and there is no mutation on the exchange market in the recent time.



Thus, after evaluating developments, we hold the view of the movement of USDVND pair stated in the 2014-2015 Market Strategy Report. We believe that USDVND rate continue to rise after the adjustment in 2015Q1.

However, we note that the growth rate of the dollar can be faster than we thought by a stronger impact of the international exchange factors, US economic growth, Vietnam inflation, supply and demand in the foreign exchange market, etc.

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## Company Updates

### CEO – C.E.O Group (HNX)

Today, BSC participated in CEO's shareholders meeting and updated new information regarding its business since 11th March 2015.

**Refer to the audited financial statement (consolidated), CEO's total revenues are recorded by VND449bn and Net Profit After Tax by VND85bn (193% yoy).**

CEO approved 2014 dividend rate by 8% and VND1,000bn of total revenues, VND167.4bn of Net Profit After Tax (55.7% yoy) and 9% of dividend rate for 2015 Plan. The 2015 total revenues are derived from River Silk City project (Hà Nam) with the target to all sell villas divergence 1 and to implement divergence 2; revenue from CEO tower's lease; villas and social houses handover at Sunny Garden City project; and new revenue from Novotel and Sonasea Villas & Resort project. In addition, the 3ha Subdivision SR1 of Sonasea Villa & Resort has the transferring partner and it is expected to generate revenue in 2015 and the partial revenue is from transferring the subdivision SR4. The 5ha SR4 is estimated with VND200bn revenue is transferred by CEO in Quarter IV, 2014 and partially accounted.

**Furthermore, CEO announces its investment in several business areas; such as nursing facilities, agricultural plant in association with Toyo Group (Japan)** which shall support high quality human resources. CEO's recent market share price is VND12,500, EPS FW 2015~VND2,439 per share, PE FW 2015~5.13x, relatively low compared to average industry rate.

## Market statistics

### Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
BID	17.4	1.16	0.317	1.10MLN
CTG	17.8	1.71	0.224	1.89MLN
VCB	35.4	0.28	0.15	661510
MPC	105	2.94	0.118	4270
STB	19.1	0.53	0.07	1.79MLN

### Top 5 lagers on the HSX

Ticker	Price	% Chg	Index pt	Volume
GAS	70	-6.67	-5.346	1.30MLN
MSN	79	-1.86	-0.623	538530
PVD	44	-6.58	-0.53	2.68MLN
VCF	196	-6.67	-0.21	10
BVH	36.1	-1.37	-0.192	303370

### Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
THG	17	6.92	0.006	7050
AGF	21.9	6.83	0.02	20140
DTA	6.4	6.67	0.002	10
HVX	6.6	6.45	0.008	20
SII	24.8	6.44	0.049	530

### Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
VTF	32.5	-6.88	-0.057	870
GAS	70	-6.67	-5.346	1.30MLN
VCF	196	-6.67	-0.21	10
PVD	44	-6.58	-0.53	2.68MLN
CCI	12.8	-6.57	-0.007	5670

Source: Bloomberg, BSC Research

### Top 5 leaders on the HNX

Ticker	Price	% Chg	Index pt	Volume
ACB	17	1.19	0.115	122600
VNR	24.9	5.96	0.113	3000
BCC	18.8	2.73	0.029	589900
NBC	15.7	8.28	0.021	118400
DGC	34.5	2.99	0.021	1700

### Top 5 lagers on the HNX

Ticker	Price	% Chg	Index pt	Volume
PVS	22.4	-5.49	-0.358	2.29MLN
PVB	32.6	-6.05	-0.028	455900
PVX	4.7	-2.08	-0.025	1.02MLN
VCS	31.9	-2.15	-0.023	77800
PVC	22.2	-2.2	-0.015	768900

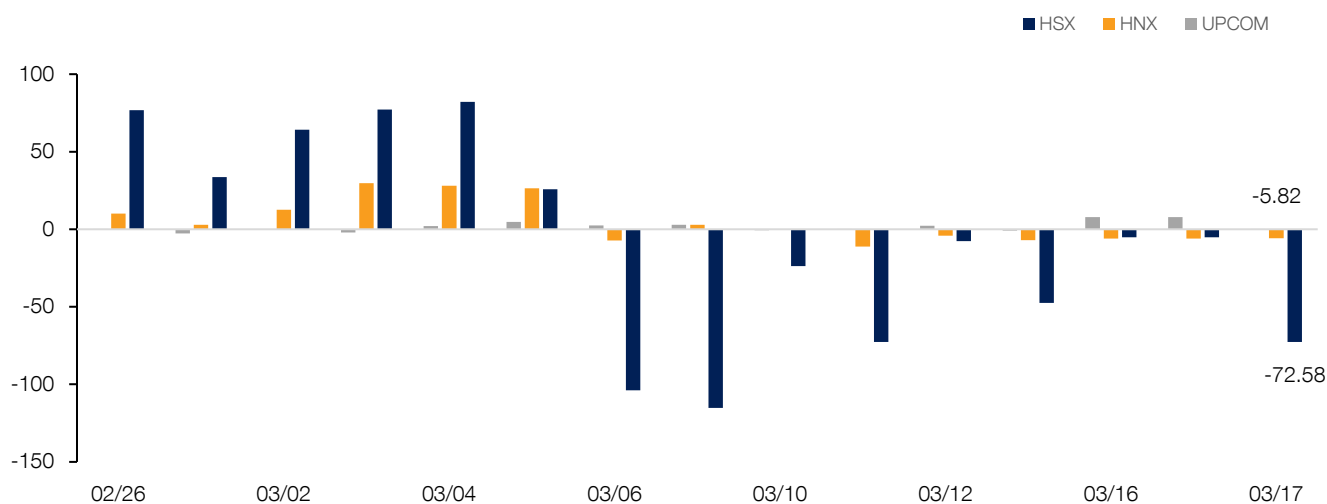
### Top 5 gainers on the HNX

Ticker	Price	% Chg	Index pt	Volume
TPP	13.2	10	0.004	100
CX8	5.6	9.8	0.001	10400
SAP	9	9.76	0.001	1100
PJC	14.9	9.56	0.003	8100
MCC	13.8	9.52	0.003	200

### Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
VTS	8.3	-9.78	-0.001	200
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

## Foreign transaction



Source: HSX, HNX, BSC Research

## *Disclosure*

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