

Wed, 26 March, 2015

Vietnam Daily Monitor

A slight recovery may occur in short term

Summary

Despite the distorting influence of GAS, stock market seemed to be more balanced thank to bank and real estate stocks.

Foreign investors continued to sell strongly, though the bottom fishing activities increased.

Recommendation

We expect foreign investors continue selling in the next sessions, though the selling pressure will reduce. The market therefore can have a slight recovery.

We have recommended risk loving investors open the position today. Prudent investors should stay out of the market at this time.

Macro Views

GDP increased by 6.03% yoy in 2015Q1.

Oil prices surged dramatically due to the intensive conflict in Yemen.

Company Update

TJC – Transportation & Trading Services JSC (HNX)

Stock Recommendation

Short-term portfolio: Buy CVT, TNG

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VN-INDEX **556.16**

Value: VND 1405.46 bil **-4.77 (-0.85%)**

Foreigners (net): -VND 266 bil

HNX-INDEX **83.14**

Value: VND 409.63 bil **-0.01 (-0.01%)**

Foreigners (net): -VND 18.58 bil

UPCOM-INDEX **65.27**

Value: VND 37.59 bil **-0.4 (-0.61%)**

Foreigners (net): VND 0.24 bil

Macro indicators

	Value	% Chg
Crude oil	51.2	4.0%
Gold	1,208	1.1%
USDVND	21,515	0.0%
EURVND	23,696	0.2%
JPYVND	18,130	0.8%
1-month Interbank rate	4.6%	-
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

Foreign investors kept selling as strong as we commented yesterday.

Specifically, they sold a net total of VND 285 billion on both exchanges, focusing primarily on VIC, GAS, PVD and MSN.

The market breadth balanced with 174 gainers / 188 losers total market.

GAS continued to decline by 4.3%, made the VN-Index decreasing by 4.25 point. In contrast, other Oil & Gas stocks, such as PVC, PVS and PVD have rebounded.

The noticeable stocks today were BIC (+ 6.6%), BCC (+ 1.6%) and HAI (-6.4%).

Recommendations

As we reported yesterday, the decline of GAS distorted VN-Index scores. The market seems balanced because (1) market breadth was improved and (2) banking and real estate stocks gained slightly. Although foreigners continued to be net sellers, downward pressure on stock prices has been mitigated due to strong demand in low prices. We assert that selling pressure from foreign investors will continue tomorrow and is likely to decrease in next week.

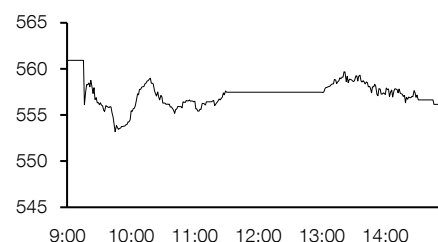
Moreover, a number of supporting factors have appeared such as: GDP in 1st quarter increased by 6.03%; free ate decreases and oil price recovers.

Therefore, a slight recovery is expected to occur.

We recommend risk seekers opening position today. But to risk averse investors, our opinion is not taking any position.

Exhibit 1

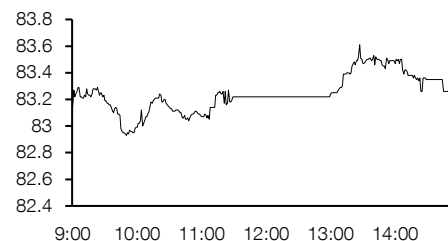
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
HAI	12.97	13.1	-6.43
FLC	6.28	11.6	0
CTG	3.04	17.7	-0.56
GTN	2.96	16.4	0.61
ITA	2.83	7.2	-1.37

Source: Bloomberg, BSC Research

Exhibit 4

Foreign transaction

Top foreign buy	Value	Top foreign sell	Value
BID	14.78	VIC	-59.17
JVC	10.41	PVD	-36.59
DXG	7.29	GAS	-25.37
HT1	3	MSN	-23.24
CEO	1.34	PVS	-9.78

Source: BSC Research

Do Nam Tung

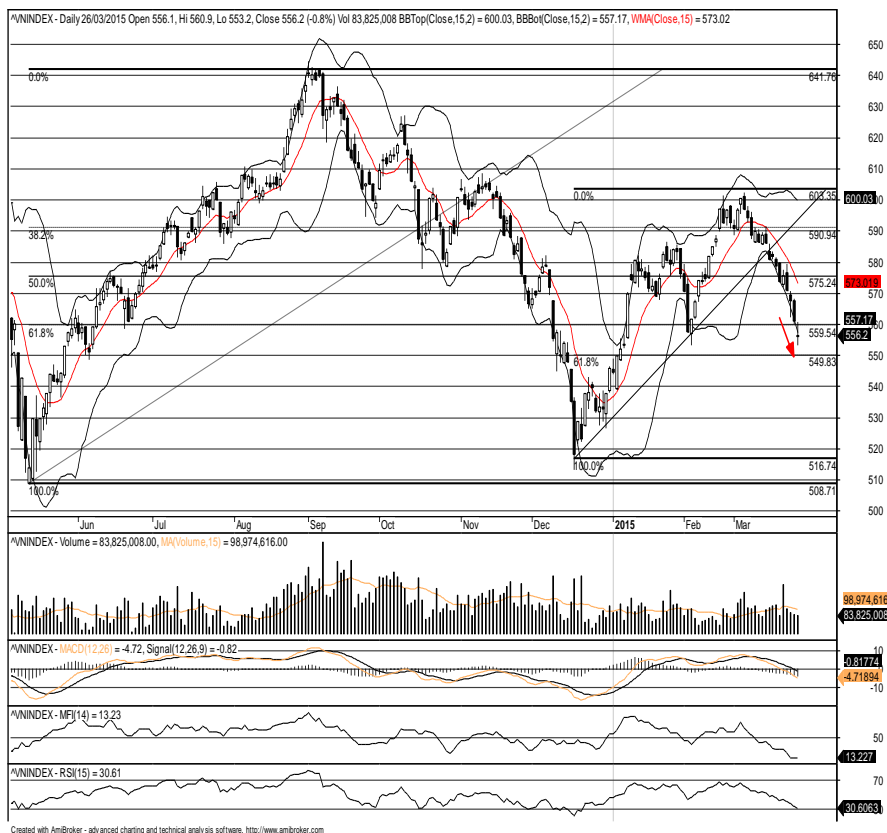
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Technical views

The Doji candle today show the tension of the market is around the region 555-560, under the support of the previous session, the market lost the support level 560 and check several times at the lower support area 555, liquidity continues to weaken, the technical indicators have no signs of recovery and is looking forward to the oversold.

The market loss support levels and weaken in the first four sessions of the week, VN-Index stood above the lower support area 555, however, no basis rejected, the market may be must be set at the lower support area, the 550 points, while no positive signals from technical indicators, and the improvement of liquidity.



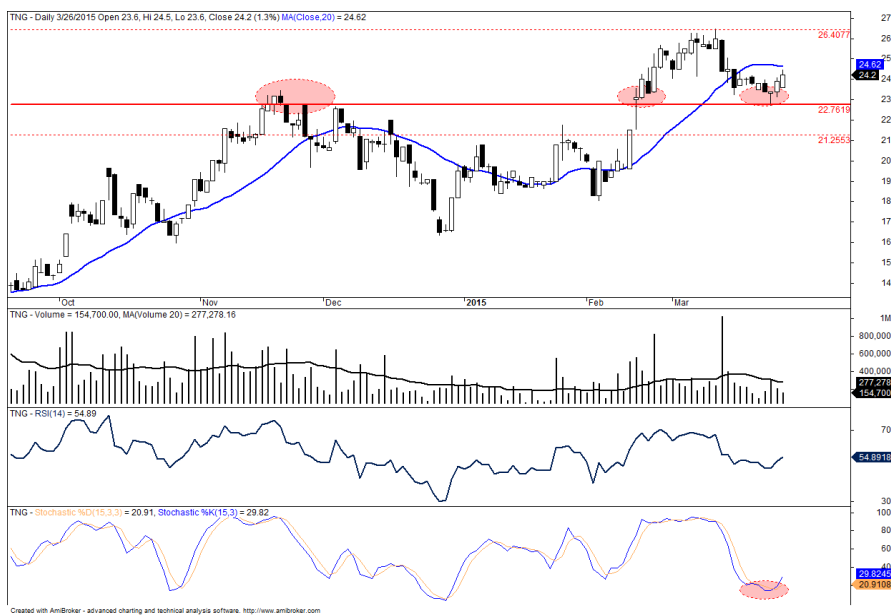
TNG - Invesment Corporation and Trade TNG

TNG is trading at supporting level of 23 which is its Nov 2014 short-term peak.

Momentum indicators Sto (15,3) has moved to the oversold zone and is rising again.

Hammer candlestick pattern have appeared, so an reversal might

orccurs. We recommend to BUY with target price of 26.2, and cut loss at 22.8.



Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Performance	Recommendation	Cutloss	Target
1	TNG	26/3/2015	24.2	24.2	0.0%	Buy	22.8	26.2
2	CVT	26/3/2015	26.8	26.8	0.0%	Buy	25.0	29.0
Average					0.0%			

Source: BSC Research

Short-term portfolio: Open long positions in CVT and TNG

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	20.7	-6.8%	-2.8%	20.1	25.9
4	SHI	3/9/2015	7.5	8.1	-3.6%	8.0%	7.0	9.0
5	DRC	14/8/2014	53.0	61.5	1.7%	16.0%	48.8	63.6
6	VIC	7/7/2014	47.7	47.5	-2.3%	-0.5%	43.9	57.3
7	FPT	12/1/2015	48.3	49.3	-1.0%	2.1%	44.4	58.0
8	DHC	14/1/2014	21.5	21	-2.8%	-2.3%	19.8	25.8
9	REE	27/1/2015	29.1	26.4	-2.2%	-9.3%	26.8	34.9
10	SAM	23/9/2014	12.1	13.6	-2.2%	12.7%	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	32.8	-3.2%	3.1%	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	9.3	-4.1%	1.1%	8.5	11.0
15	DBC	14/1/2014	28.8	28.7	-3.4%	-0.3%	26.5	34.6
16	SCR	3/9/2015	8.1	7.6	-3.8%	-6.2%	7.5	9.7
17	FMC	27/1/2015	24.8	26.9	3.5%	8.5%	22.8	29.8
18	BVS	13/8/2014	13.0	14.4	-1.4%	10.8%	12.0	15.6
19	DCL	27/1/2015	49.7	47.3	0.6%	-4.8%	45.7	59.6
20	PDR	3/9/2015	18.5	17.6	0.0%	-4.9%	17.2	22.2
Avg.					-2.4%	0.9%		

Source: BSC Research

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Macro views

Vietnam economic growth has significant positive signs in the first quarter of this year.

GDP increased by 6.03% yoy in 2015Q1, according to the General Statistics Office. The above result seems very impressive since the growth of Q1 this year exceeded the forecasts (5.5%), higher than that last year (5.06%). The largest contribution to GDP in 2015Q1 were industry and construction (8.35%), followed by the services sector (5.82%).



The economic growth may be supported by the low oil prices during the first quarter. Being an important input cost, the oil price probably help Vietnam to accelerate the economic growth. The international macroeconomic factors basically support the downward trend of oil prices in the medium term.

However, in the short-term, oil prices is fluctuating dramatically. The main reason lie on the weakness of the dollar after Fed is not hurry to raise interest rates in at least 2 next FOMC meeting. Another reason is the intense conflict in Yemen, Middle East that could affect the oil transport operations. Recently, Saudi Arabia and its allies began a campaign of military intervention in Yemen.



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Company updates

TJC - Transco JSC (HNX)

Result for the first 2 months in 2015: TJC's total volume of cargo shipment reached 118,000 tons, revenue and profit after tax hit VND 28.6 billion and VND 3.5 billion, respectively. In 2015, TJC plans to reach a revenue of VND 188 billion, profit before tax of VND 10 billion. EPS forward and cash dividend of the company are estimated at VND 812 and 7%, respectively.

In 2015, TJC is expected to purchase a 3-million USD ship with tonnage of 8,000-10,000 DWT to replace Hatay, which was liquidated last year. The purchase will be funded by issuing 2.4 millions of shares (the price will be 10,000 VND/share for existing shareholders) and borrowing from banks. After the purchase, total tonnage of TJC's fleet will be about 24,000 DWT. Currently, TJC is one of the few shipping companies that can sustain their profitability. Its advantage is a stable source of income from the transportation of coal, gypsum through Vietnam-Thailand voyage.

Moreover, the fact that Transco Star is chartered by foreign partners help TJC avoid the fluctuations in the price of fuel, port charges as well as improve vessel usage efficiency

Investment opinion: 2015 forecasted earnings will not have any new mutations because the new ship will be launched in 3rd quarter and interest expense will increase due to new borrowings. At the current price, TJC is trading at P/E forward ~ 14.2 and P/B 0.78

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
BID	17.8	2.3	0.634	2.11MLN
MPC	112	6.67	0.276	59740
PVD	45.5	3.41	0.256	1.57MLN
EIB	13	1.56	0.139	135750
MBB	13.7	0.74	0.065	398710

Top 5 lagers on the HSX

Ticker	Price	% Chg	Index pt	Volume
GAS	67	-4.29	-3.208	1.16MLN
MSN	77	-2.53	-0.83	526170
VCB	35	-1.13	-0.601	1.34MLN
VIC	47.5	-1.45	-0.574	581580
BVH	35.6	-1.39	-0.192	408590

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
AGF	23.4	6.85	0.022	154470
MPC	112	6.67	0.276	59740
VNI	4.8	6.67	0.002	18570
BIC	16.1	6.62	0.043	370770
PHR	22.9	6.51	0.064	2900

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
BBC	56.5	-6.61	-0.035	800
KAC	9.9	-6.6	-0.009	500
HAI	13.1	-6.43	-0.044	12.97MLN
CCI	12	-6.25	-0.006	990
SII	23.3	-6.05	-0.049	250

Source: Bloomberg, BSC Research

Top 5 leaders on the HNX

Ticker	Price	% Chg	Index pt	Volume
PVS	22.9	2.23	0.138	1.30MLN
BCC	19.1	1.6	0.018	312200
PVB	33.8	3.68	0.016	258100
CHP	15	1.35	0.015	100
PLC	33.8	0.9	0.013	141000

Top 5 lagers on the HNX

Ticker	Price	% Chg	Index pt	Volume
VCG	12.6	-1.56	-0.054	1.00MLN
PVI	18	-1.1	-0.029	100
VCS	31.2	-2.19	-0.023	110500
BTS	10.3	-2.83	-0.02	28000
NVB	6.3	-1.56	-0.019	100

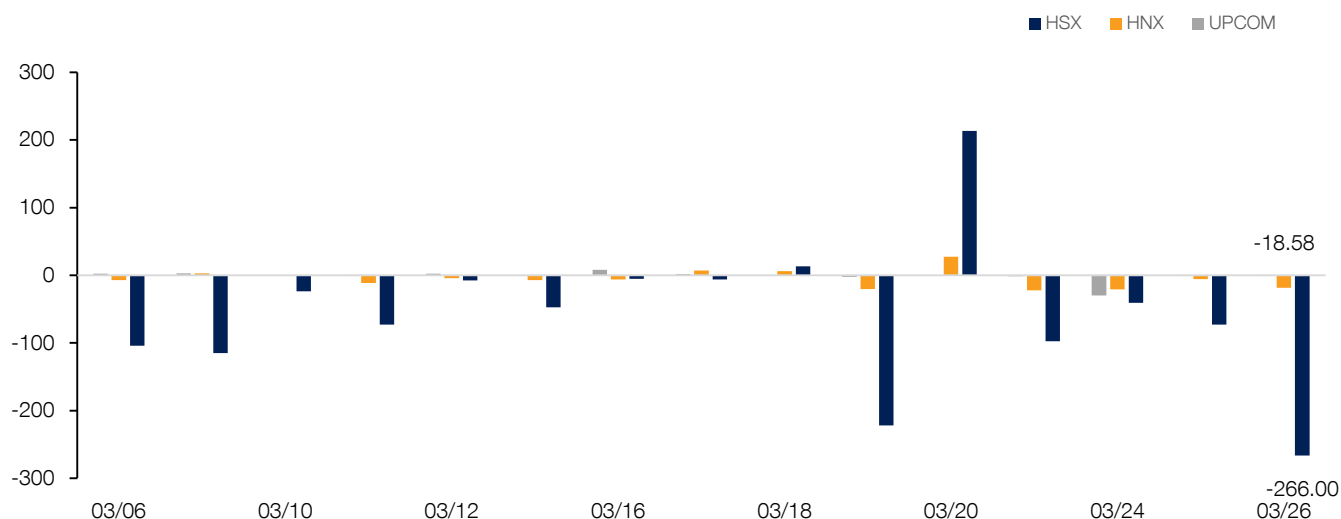
Top 5 gainers on the HNX

Ticker	Price	% Chg	Index pt	Volume
SIC	12.2	9.91	0.005	16000
VC1	14.8	9.63	0.006	2600
SDY	4.6	9.52	0.001	5700
TET	21	8.81	0.006	1000
MCC	15	8.7	0.003	400

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
QTC	27.1	-9.97	-0.002	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

Foreign transaction



Source: HSX, HNX, BSC Research

Disclosure

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