

Tue, 31 March, 2015

Vietnam Daily Monitor

Upcoming short recovery

Summary

Foreign investors stop their strong selling as we said yesterday. On the contrary, they turned to buy a net value of nearly 2 billion VND on both exchanges. The market indices thereby improved than that yesterday.

Recommendation

We found that this recovery has not really attracted money flow. Thus, the recovery is not reliable unless the liquidity improve significantly in the next 1 or 2 days.

We believe that the stock market continues to rise tomorrow due to the recent released active macro-economic news.

We recommend traders can hold or close their position in time in case that this recovery shows signs of weakness. Cautious investors continued to be patient and stay out of the market.

Macro views

The index of industrial production increased by 9.1% compared to that last year. The deficit of trade balance is USD 1.8 billion in the first 3 months. Executed FDI remains positive despite registering FDI accounted for only 55% of that in the same period last year.

Company updates

HPG – Hoa Phat Group JSC (HSX)

BSC RESEARCH

Head of Research

Tran Thang Long

longtt@bsc.com.vn

Macro & Market Team

Bui Nguyen Khoa

khoabn@bsc.com.vn

Nguyen Hoang Viet

viethh@bsc.com.vn

Vu Thanh Phong

phongvt@bsc.com.vn

Do Nam Tung

tungbn@bsc.com.vn

Nguyen Quoc Truong

truongnq@bsc.com.vn

VN-INDEX **551.13**

Value: VND 1230.85 bil **5.94 (1.09%)**

Foreigners (net): -VND 6.66 bil

HNX-INDEX **82.27**

Value: VND 396.52 bil **0.68 (0.83%)**

Foreigners (net): VND 8.14 bil

UPCOM-INDEX **64.93**

Value: VND 34.7 bil **0.22 (0.34%)**

Foreigners (net): -VND 0.03 bil

Macro indicators

	Value	% Chg
Crude oil	47.4	-2.5%
Gold	1,182	-0.3%
USDVND	21,555	0.0%
EURVND	23,144	-0.7%
JPYVND	17,964	0.1%
1-month Interbank rate	4.1%	-
5yr VN Treasury Yield	5.5%	-

Source: Bloomberg, BSC Research

Content

Market highlights.....	2
Technical Views.....	3
Stock recommendations.....	4
Macro views.....	5
Company updates.....	6
Market statistics.....	7

This report must be read with the Disclosure, located at the end of this report.

Nguyen Quoc Truong

Research Analyst

truongnq@bsc.com.vn

Market highlights

Markets gained after falling over last two weeks. **Foreign investors have stopped selling** and backed to buy nearly VND 2 billion on both exchanges.

Market liquidity declined, indicating the weakness of cash flow.

Several stocks increased both prices and volumes were VMI (+ 9.7%) and GAS (+ 3.1%).

Recommendations

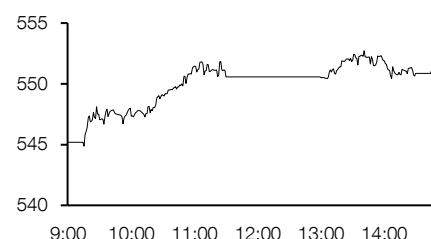
Foreigners, especially VNM ETF, have stopped selling as our earlier discussion. However, market's liquidity decreased compared to yesterday. **If this liquidity does not significantly increase in the next few days, market will probably fall again because an increase without huge volume is often unreliable.**

We expect that VNM ETF will not be a net sellers tomorrow because of their NAV premium. In addition, more positive information have appeared as Q1 credit growth and GDP growth. **Therefore, the market will most likely increases tomorrow.**

Investors calling the bottom last week as our recommendation might continually hold shares or consider selling if current recovery of market is weak. Cautious investors should not open any position during current time.

Exhibit 1

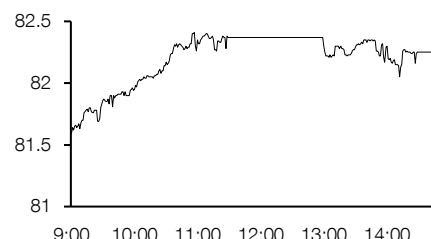
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	15.03	11.2	1.82
HAI	5.55	12.1	-3.2
OGC	4.32	4.6	0
ITA	4.23	6.9	0
VHG	4.08	11.4	0

Source: Bloomberg, BSC Research

Exhibit 4

Foreign transaction

Top foreign buy	Value	Top foreign sell	Value
BID	9.9	GAS	26.6
KBC	7.2	HPG	15.3
MSN	5.8	VIC	7.6
KDC	5.2	PVD	4.8
SHB	3.3	NHC	0.4

Source: BSC Research

Do Nam Tung

Quantitative Analyst

tungdn@bsc.com.vn

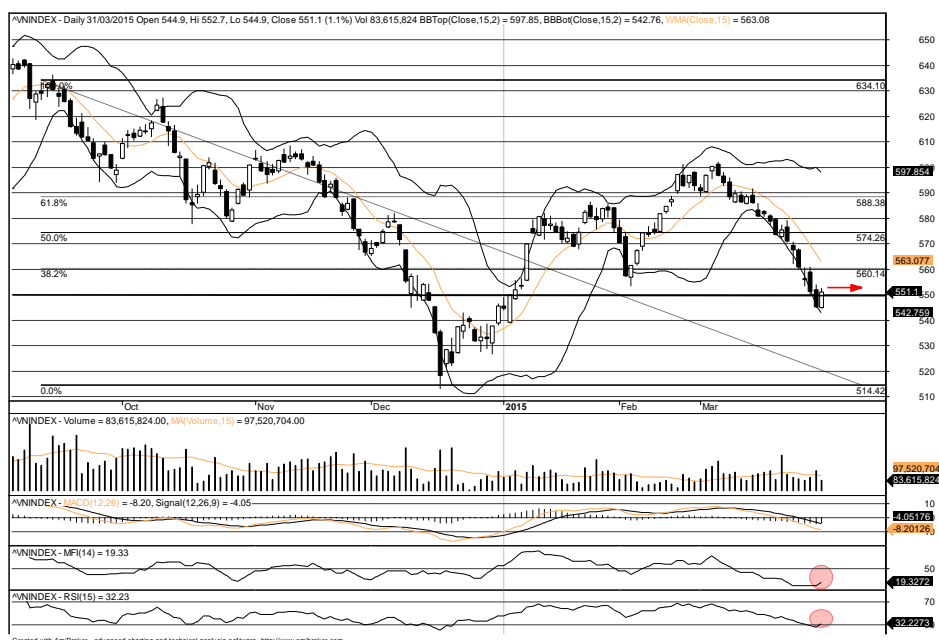
Technical views

This first session of this week recorded the remarkable recovery of the market, the VN-Index successfully conquered the level 550 that was lost in the previous session, as our recommendation in the previous session, liquidity decreased compared to the last session of the previous week.

An increase in the market in the morning to help conquer successful the level 550, in the afternoon, the VN-Index maintain stability on the new support level.

The RSI (15) exit in the oversold, the market forces have turned signs of recovery. The MFI (14) increased slightly, the cash flow is beginning to return to the market today.

The market is likely to continue to check the support level of 550 in the next session, with the increase in liquidity, good recovery failure today might be a good basis to help the market to establish the bottom and started to conquer the new resistance at this week.



Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Performance	Recommendation	Cutloss	Target
1	TNG	26/3/2015	24.2	23.3	-3.7%	Hold	22.8	26.2
2	CVT	26/3/2015	26.8	25.7	-4.1%	Hold	25.0	29.0
3	REE	27/3/2015	26.3	26.3	0.0%	Hold	25.5	28.0
Average					-2.6%			

Source: BSC Research

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	1-week performance	Unrealized gain/loss	Cutloss	Target
1	PVT	24/3/2015	13.2	12.7	-9.3%	-3.8%	12.5	16.1
2	SD6	24/3/2015	14.7	14.5	-3.3%	-1.4%	13.6	17.5
3	SSI	24/3/2015	21.3	20.2	-9.0%	-5.2%	20.1	25.9
4	SHI	3/9/2015	7.5	8	-4.8%	6.7%	7.0	9.0
5	VIC	7/7/2014	47.7	47	-3.3%	-1.6%	43.9	57.3
6	FPT	12/1/2015	48.3	48.4	-2.8%	0.2%	44.4	58.0
7	DHC	14/1/2014	21.5	20.7	-4.2%	-3.7%	19.8	25.8
8	TCM	22/8/2014	31.8	32	-5.6%	0.6%	29.3	38.2
9	HVG	14/1/2014	21.2	20.6	-4.2%	-2.8%	19.5	25.4
10	ASM	27/1/2015	9.2	8.5	-12.4%	-7.6%	8.5	11.0
11	DBC	14/1/2014	28.8	28.9	-2.7%	0.3%	26.5	34.6
12	FMC	27/1/2015	24.8	25.9	-0.4%	4.4%	22.8	29.8
13	DCL	27/1/2015	49.7	46.6	-0.9%	-6.2%	45.7	59.6
14	PDR	3/9/2015	18.5	17.8	1.1%	-3.8%	17.2	22.2
Avg.					-4.4%	-1.7%		

Source: BSC Research

Vu Thanh Phong*Research Analyst*phongvt@bsc.com.vn

Macro views

GSO has released 2015Q1 economic data with numerous surprising positive information.

The index of industrial production increased by 9.1% compared to the same period last year. The processing and manufacturing industries, mining, electricity and water are key sectors to boost industrial growth.

The deficit of trade balance was USD 1.8 billion in the first 3 months.

Specifically, exports was USD 12.7 billion, up by 6.9% yoy, while imports increased by 16.3% to USD 13.3 billion. Basically, the current recovery of export-oriented production is likely lead to the trade deficit of Vietnam in 2015 since the imports of material goods would soar to be provided to the production.

FDI disbursement maintain positive momentum despite a decline in both the number and value of registered FDI. Specifically, registered FDI was USD 1.8 billion, equivalent to 55% compared with that in the same period last year, while FDI disbursement continues to rise by 7% to USD 3.1 billion.

Luong Thu Huong

Equity Analyst

huonglt@bsc.com.vn

Company updates

HPG - Hoa Phat Group (HSX)

On 31 March 2015, we attended the AGM 2015 of HPG. The remarkable information as follows:

Business results updates in 1Q2015 – Steel consumption was record-high in

March: Steel consumption in positive situation when construction steel consumption in March was 150,000 tons, a record-high of HPG and steel industry. Total consumption of steel construction in 1Q was approximately 300,000 tons and steel pipe was 70-80 thousand tons. HPG said Revenue estimated at VND 5,500 billion in 1Q and 1Q PAT shall not be less than VND 600 billion. It is evident to see that the ability to achieve planned consumption volume and profit after tax of HPG in 2015 is high.

In addition HPG has started importing iron ore to reduce the production cost; HPG has imported fifty thousand tons of iron ore from South Africa. The company said, they will continue to import iron ore from South Africa, Brazil and other countries to serve production.

In 3-5 years, HPG may be less influenced by Formosa: The first project is expected to go into operation in March 2016; the product will be hot rolled coil (a type of product that Vietnam still has to import). Therefore, we can say the effect of Formosa to HPG is not yet significant in 2015 – 2016.

Plan 2015: HPG estimated Revenue to reach VND 22,500 billion (-12.97% yoy) and PAT 2015 to be VND 2,300 billion (-29.23% yoy), PAT of parent company's shareholders is estimated at VND 2,285 billion, equivalent to EPS 2015 = 3,117. HPG said the provision for the decline in value of inventories in 2014 with over VND 180 billion will be gradually reversed in profit in 2015, helping the financial situation more favorable.

Our investment view:

We evaluated HPG will face many challenges in 2015, although the core activity (the production and sales of steel) is still very effective, caused by:

- **Business results plan in 2015 - Much lower than the performed numbers in 2014:** Rev and PAT in 2015 declined by (1) *The majority of sales and profit of Mandarin Garden was recorded in 2014, and only recorded VND100 billion in profit after tax in 2015;* (2) *Iron ore prices continue to plunge, affecting output prices, despite steel consumption volume is expected 1.2 million tons this year, but HPG is unlikely to increase selling prices in current period.*

- **Entering into the feed industry and rumors of BOT projects:** HPG has invested in the feed industry with a charter capital of VND300 billion. The goal of the HPG is effective business operation and investment capital preservation. HPG evaluated feed industry has many opportunities and greater competitiveness than the steel industry, but confident of success. With BOT projects, HPG said they have not decided yet.

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
GAS	66	3.13	2.138	1.04MLN
VNM	106	0.95	0.565	92160
BID	17.6	1.73	0.476	1.17MLN
EIB	13.1	4.8	0.418	245410
BVH	34.2	3.01	0.384	270420

Top 5 lagers on the HSX

Ticker	Price	% Chg	Index pt	Volume
DRC	60.5	-2.42	-0.07	46370
NSC	76.5	-4.38	-0.03	3300
DHG	89.5	-0.56	-0.025	13140
HAI	12.1	-3.2	-0.02	5.55MLN
PHR	21	-1.87	-0.018	3810

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
SII	23.5	6.82	0.049	4320
TMS	51	6.69	0.042	11730
ELC	16	6.67	0.021	25460
SGT	5	6.38	0.013	10
TMT	26.7	6.37	0.028	46120

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
TDW	29.1	-6.73	-0.01	230
MCP	15.9	-6.47	-0.007	4370
DTA	5.9	-6.35	-0.002	1000
SMA	4.7	-6	-0.003	73180
SC5	20.7	-5.91	-0.011	60

Source: Bloomberg, BSC Research

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
PVS	22.6	2.73	0.165	1.07MLN
VNR	26	4.84	0.097	500
VCG	12.5	2.46	0.082	445600
SHB	8.6	1.18	0.055	1.20MLN
KLS	9.8	2.08	0.025	532100

Top 5 lagers on the HNX

Ticker	Price	% Chg	Index pt	Volume
ACB	16.7	-0.6	-0.058	57300
PVI	18	-1.1	-0.029	2800
NTP	50	-0.99	-0.017	3600
BTS	10.1	-0.98	-0.007	5000
CSC	12.8	-8.57	-0.007	500

Top 5 gainers on the HNX

Ticker	Price	% Chg	Index pt	Volume
CAN	28.6	10	0.008	500
SIC	12.1	10	0.005	33700
VNF	42.9	10	0.013	100
NHA	10	9.89	0.005	100
TV3	27.8	9.88	0.005	400

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
DNP	14.4	-9.43	-0.003	2000
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

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).

BSC Headquarters

BIDV Tower, 10th & 11th Floor
35 Hang Voi – Hoan Kiem – Hanoi
Tel: +84 4 3935 2722
Fax: +84 4 2220 0669

Ho Chi Minh City Office

146 Nguyen Cong Tru St, 9th Floor
District 1, HCMC
Tel: +84 8 3821 8885
Fax: +84 8 3821 8510

<http://www.bsc.com.vn>

Bloomberg: BSCV <GO>

