

Thu, April 16, 2015

Vietnam Daily Monitor

VNM ETF will be net buyer tomorrow

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 17/04/2015			
Week 13/04-17/04/2015			
Month 4/2015			

Summary

The notable gainers today belonged to Oil & Gas, Infrastructure construction, Banking and Real estate stocks.

Foreign investors continued to be net buyers on both exchanges, partly because ETFs are now trading at a "premium".

Recommendation

The Oil & Gas stocks are likely to stop increasing strongly in the next sessions.

Technically, investors can expect the market goes up to 580 pts in this wave, but the "turbulence" will likely to occur around 570 pts. Thus, the correction can be a good opportunity to increase the proportion of stocks in the portfolio, especially stocks with good business results and have not increased much.

Stock recommendations

Short-term portfolio: Buy VIC

Company update

SongDa No.6 JSC (HNX)

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VN-INDEX **568.28**

Value: 1719.26 bil

3.78 (0.67%)

Foreigners (net): VND 336.09 bil

HNX-INDEX **83.4**

Value 684.14 bil

0.37 (0.45%)

Foreigners (net): VND 17.65 bil

UPCOM-INDEX **63.62**

Value 40.79 bil

-0.22 (-0.34%)

Foreigners (net): VND 0.25 bil

Macro indicators

	Value	% Chg
Crude oil	55.2	-2.2%
Gold	1,206	0.3%
USDVND	21,604	0.0%
EURVND	23,192	0.5%
JPYVND	17,991	0.1%
1-month Interbank rate	4.8%	-
5yr VN Treasury Yield	5.8%	-

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 group of outweighed stocks, specifically the Oil & Gas (PVD, PVS), banking (BID, VCB), infrastructure construction (HUT) and real estate (VIC, NLG) gained significantly today.

Foreign investors maintained net buying of VND 203 billion on HSX and VND 17.5 billion on HNX. ETFs are trading at a "premium" and are expected to be net buyers in the next sessions.

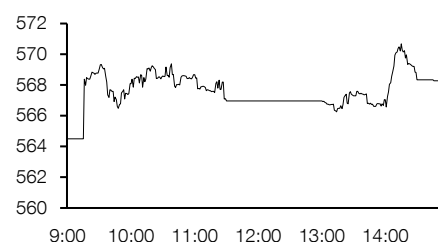
Recommendations

The stock market has got active performance with improved liquidity. The smart money shown signs of spreading into other groups beside oil and gas such as banking, securities company and real estate - construction ... These are large and important sectors of the market and their good movement will make investors sentiment become more positive in the next days. The Oil & Gas group is likely to cease off in the next day due to (1) high profit taking increased and (2) global oil prices (WTI) will be likely to encounter significant resistance around 56-57 USD / barrel.

Technically, investors can expect the market goes up to 580 pts in this wave, but the "turbulence" will likely to occur around 570 pts. Thus, the correction can be a good opportunity to increase the proportion of stocks in the portfolio, especially stocks with good business results and have not increased much.

Exhibit 1

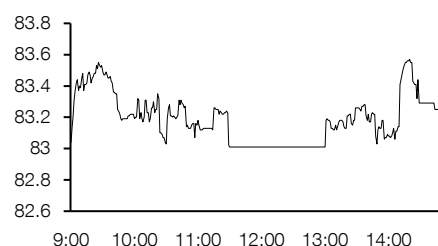
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
HHS	6.81	19.5	3.17
FLC	5.10	10.6	0.95
BID	4.92	19.6	3.16
CII	4.67	21.2	0.95
KBC	3.94	16.7	3.73

Source: Bloomberg, BSC Research

Exhibit 4

Foreign transaction

Top foreign buy	Value	Top foreign sell	Value
PVD	24.6	HPG	6.7
BID	21.3	VTF	3.3
HHS	19.2	NBB	3.1
VCB	18.9	VHG	2.6
HUT	7.6	DBC	3.7

Source: BSC Research

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Technical views

VNM - Market Vector Vietnam ETF

The short-term uptrend of VNM ETF was confirmed and supported by improved transaction volume. The price index overcame the resistance area of 17.7-18 and a gap was created there. Old resistance will be the supportive point for short-term indicators. Price already passed the Upper Bollinger Band, RSI accelerated towards the overbought zone, which show a strong price increase, but those also indicates an overheat gain before reaching 23.6% of Fibonacci Retracement and 100-day moving average SMA (100).

Therefore, VNM ETF may halt for a session at the current price before moving towards expected price of about 19.5 based on the V-shaped pattern.



Technical views

VIC - Vingroup, JSC

VIC's uptrend was confirmed when (1) the MACD has crossed above signal line, and (2) the closing price today was above the 20-day moving average SMA (20). However, VIC is likely to have shaking at 50 when reaching the red trendline connecting the 29 Aug 2014 Peak and 03 Mar 2015 Peak.

We recommend to BUY VIC for short-term portfolio with target price of 50 and stop-loss price of 44.3.



Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Performance	Recommendation	Cutloss	Target
1	VIC	16/4/2015	47.7	48.1	0.8%	Buy	44.3	50
2	PVD	14/4/2015	46.9	53.5	14.1%	Hold	42.6	51.5
3	PVS	14/4/2015	23.3	25.5	9.4%	Hold	21.4	25.6
4	VCB	9/4/2015	35.8	37.3	4.2%	Hold	31.9	39.3
5	DXG	9/4/2015	17.4	17.4	0.0%	Hold	16.8	18.4
6	ITA	9/4/2015	6.8	6.9	1.5%	Hold	6.3	7.5
Average					5.0%			

Source: BSC Research

Short-term portfolio: Buy VIC

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	1-week performance	Unrealized gain/loss	Cutloss	Target
1	PVT	24/3/2015	13.2	13.2	4.8%	0.0%	12.5	16.1
2	SD6	24/3/2015	14.7	15.4	4.8%	4.8%	13.6	17.5
3	SSI	24/3/2015	21.3	21.2	5.0%	-0.5%	20.1	25.9
4	VIC	7/7/2014	47.7	48.1	4.3%	0.7%	43.9	57.3
5	FPT	12/1/2015	48.3	48.8	0.0%	1.0%	44.4	58.0
6	DHC	14/1/2014	21.5	21.4	0.5%	-0.5%	19.8	25.8
7	TCM	22/8/2014	31.8	31.3	-0.9%	-1.6%	29.3	38.2
8	HVG	14/1/2014	21.2	20.4	1.0%	-3.8%	19.5	25.4
9	DBC	14/1/2014	28.8	28	-3.4%	-2.8%	26.5	34.6
10	FMC	27/1/2015	24.8	25.6	-0.4%	3.2%	22.8	29.8
Avg.					1.5%	0.1%		

Source: BSC Research

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Company updates

SongDa No.6 JSC (HNX)

On 04/16/2015, we attended the AGM of the SD6 and recorded as follows:

Expected business results in 2015 - Revenue may decrease by 7.09%yoy but PAT rise 3.83%yoy: SD6 targeted total revenue 2015 of VND 1,206 billion (- 7.09% yoy) but PAT of 74, 1 billion (+ 3.83% yoy). The reason explained is some major projects are not eligible for recording revenue; besides loans and debt fell sharply compared to 2014 associated with interest rate is only about 7% / year (while it was 12-13% in 2014). Therefore, although revenue may not increase in 2015 but profit may be improved compared to 2014. About dividend, SD6 expected to pay a dividend of 15% in 2015.

Remarkable projects of SD6 in 2015: In 2015, SD6 will continue construction projects such as Huoi Quang hydroelectric plant, Dong Nai 5 hydroelectric plant, Lai Chau hydroelectric plant, Xekaman1 hydroelectric plant, Xekaman – Sanxay hydroelectric plant, the work of Nam An Khanh urban area, Cat Linh - Ha Dong railway line in Hanoi and the Ben Thanh - Suoi Tien railway line in Ho Chi Minh City. In addition, SD6 will complete final settlement the packages of XL-01, XL-02, XL-14A1 of the Houses of Parliament in the 2Q2015.

Shifting to the civil and transport infrastructure construction: With the shrinking of hydroelectric plant projects, SD6 began turning to the field of transportation and civil construction. However with the traditional strength of concrete construction, we evaluated the shift to the new construction sector will help SD6 maintain growth momentum in the coming years, but the speed will be limited.

With plans PAT of VND 74.1 billion in 2015, EPS 2015 of SD6 will be VND 2,131/share. SD6 shares are currently trading at PE trailing = 7,27x and PE forward = 7,23x (On 16/04/2015, SD6 price is 15,400/share).

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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