

Mon, May 4, 2015

Vietnam Daily Monitor

Investor should keep calm

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 5/5/2015	•		
Week 4/5-8/5/2015	•		
Month 5/2015		•	

Summary

All 03 indices fell sharply in the first trading day of May. The trading volume surged up. The market breadth was narrowed down. Number of shares declined was dominated especially the stock market group.

However, foreign investors still increased their net buying with a net value of VND 245 billion.

Recommendation

The unfavorable news appeared in early trading session of the month that made a strong selling pressure today.

The stock indices are likely decrease tomorrow. Currently, the VN-Index broke the support level of 557 and 547 points, which corresponds to 61.8% and 50% Fibonacci. We noted that there are two other technical support levels which are 540 and 533. If these two are broken, VN-Index will return downtrend.

We also note that investors should remain calm in the present moment as the market at this time is unlike the previous time. The fall of the index today may be the overreaction of the market; furthermore, positive factors such as economic production growth or the continuous net buying of foreign investors remain.

We recommend to reduce the proportion of shares to ensure the safety of the portfolio. Investors should be patient until the positive signals appear. Remember, big opportunity often occurs in the most volatile period.

Macro views

Manufacturing is growing, PMI expanded
Petrol price may be adjusted relative

Monthly story

Hello May

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VN-INDEX 545.08

Value: 1774.4 bil

-17.32 (-3.08%)

Foreigners (net): VND 213.22 bil

HNX-INDEX 79.95

Value 645.9 bil

-2.8 (-3.38%)

Foreigners (net): VND 24.42 bil

UPCOM-INDEX 61.9

Value 27.4 bil

-1.51 (2.38%)

Foreigners (net): VND 1 bil

Macro indicators

	Value	% Chg
Crude oil	59.4	0.4%
Gold	1,184	0.4%
USDVND	21,630	0.2%
EURVND	24,071	-0.6%
JPYVND	18,001	0.1%
1-month Interbank ra	4.5%	-
5yr VN Treasury Yiel	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

VN-Index and HNX-Index dropped dramatically by 3.08% and 3.38%, respectively, trading volume in HSX and HNX, on the other hand, increased by 80% and 44% versus yesterday, respectively.

Foreigners continued maintaining strong buy position with net buying value of VND 245 billion on both 2 exchanges.

Several speculative stocks such as ITA, KBC, HQC, HAR, PVX, FLC, KLF, GTN, VHG, ITQ and KMR closed at thier floor prices.

Some large-cap stocks fell significantly today included BID (-6.9%), CTG (-5.6%), BVH (-4.2%) and FPT (-4.1%).

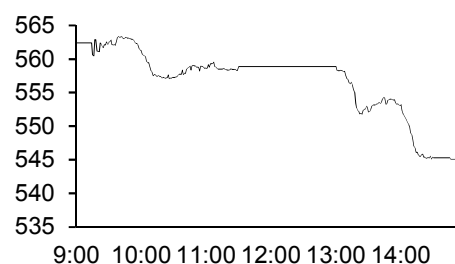
Recommendations

The market is going to bad situation, and we realized some factors directly impacting negatively on investor's sentiment: (1) semi-floating drilling rigs COSLprospector of China is moving to East Sea, which makes the investors worry that a similar East Sea event as last year may repeat, (2) Sell in May effect are spreading in the public and (3) Petrol prices are expected to increase soon due to the environment tax implied on petrol and oil has increased since 1st May and the oil price is strongly recovering in the world. Both these negative factors and the poor performance of OGC generate a strong sell effect today in both exchanges.

We expect that the market will continue falling tomorrow because of the today falling momentum. The investor was recommended to reduce weight of stock in today's session and not open any position until the market has been more stable.

Exhibit 1

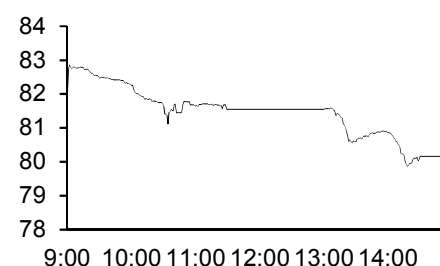
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	12.67	9.7	-6.73
CII	11.48	20	-5.66
HQC	5.14	6	-6.25
ITA	4.27	6.4	-5.88
HHS	4.18	19.2	-4.95

Source: Bloomberg, BSC Research

Exhibit 4

Foreign transaction

Top foreign	Value	Top foreign s	Value
VIC	63.5	HPG	10.9
KBC	27.2	DXG	3.6
SSI	20.2	TDC	3
VCB	11.8	GAS	2.6
SHB	5.7	KLS	1.3

Source: BSC Research

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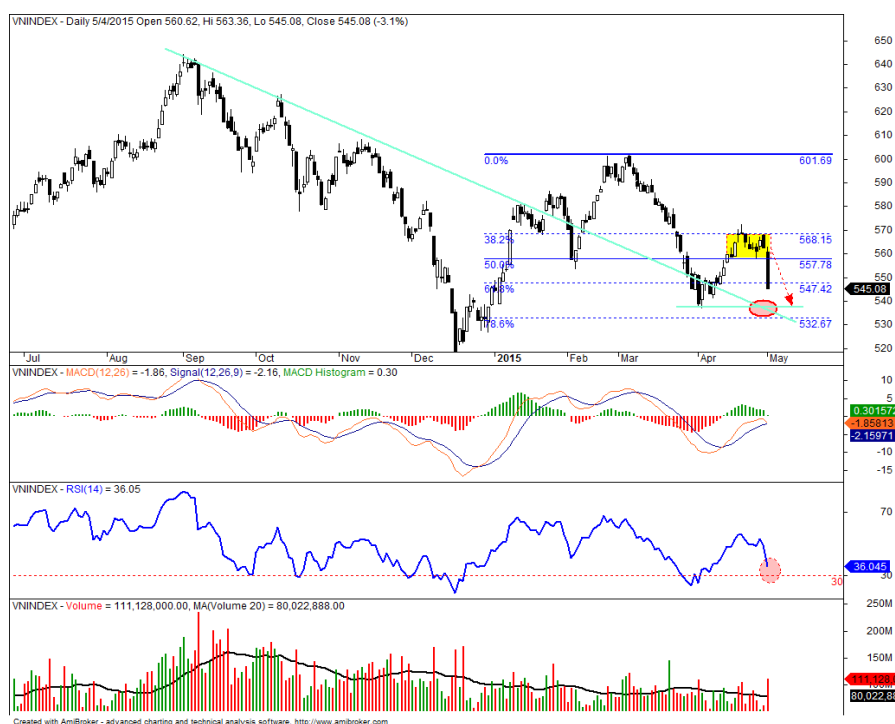
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Technical views

A long body candle with short shadow appears on technical chart of VN-Index goes along with dramatically increased volume, which indicates the overwhelming of stock sellers versus buyers. VN-Index has broken its support levels of 557 pts and 547 pts, which are also 50% and 61,8% levels of Fibonacci Retracement drawn from Peak 601 and Trough 513.

Two next support levels of VN-Index are 540 pts and 533 pts. If these 2 levels are broken, VN-Index will be possibly back to downtrend.



Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Performance	Recommendation	Cutlosses	Target
1	DIG	27/4/2015	12.2	11.5	-5.7%	Hold	11.6	13

DIG has touched the stop loss, but cannot be reduced since T+3 rule.

Average

Source: BSC Research

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	1w performance	Unrealized gain/loss	Cutlosses	Target
1	MBB	27/4/2015	13.8	13.4		-2.9%	12.7	16.5
2	HT1	22/4/2015	22.3	20.7	-1.4%	-7.2%	20.5	26.8
3	BCC	22/4/2015	19.3	17.5	-8.9%	-9.3%	17.7	23.1
4	PVT	24/3/2015	13.2	11.8	-9.2%	-10.6%	12.5	16.1
5	SD6	24/3/2015	14.7	14.4	-6.5%	-2.0%	13.6	17.5
6	SSI	24/3/2015	21.3	20	-6.5%	-6.1%	20.1	25.9
7	VIC	7/7/2014	47.7	48.1	-1.4%	0.7%	43.9	57.3
8	FPT	12/1/2015	48.3	49.4	-3.1%	2.3%	44.4	58.0
9	DHC	14/1/2014	21.5	21.4	0.5%	-0.5%	19.8	25.8
10	TCM	22/8/2014	31.8	29.5	-8.4%	-7.2%	29.3	38.2
11	HVG	14/1/2014	21.2	19	-8.2%	-10.4%	19.5	25.4
12	DBC	14/1/2014	28.8	27.2	-1.8%	-5.6%	26.5	34.6
13	FMC	27/1/2015	24.8	23.8	-6.3%	-4.0%	22.8	29.8
Average					-5.1%	-4.3%		

Reduced the proportion of PVT, HVG, TCM, HT1 and BCC as we recommended in trading session.

Source: BSC Research

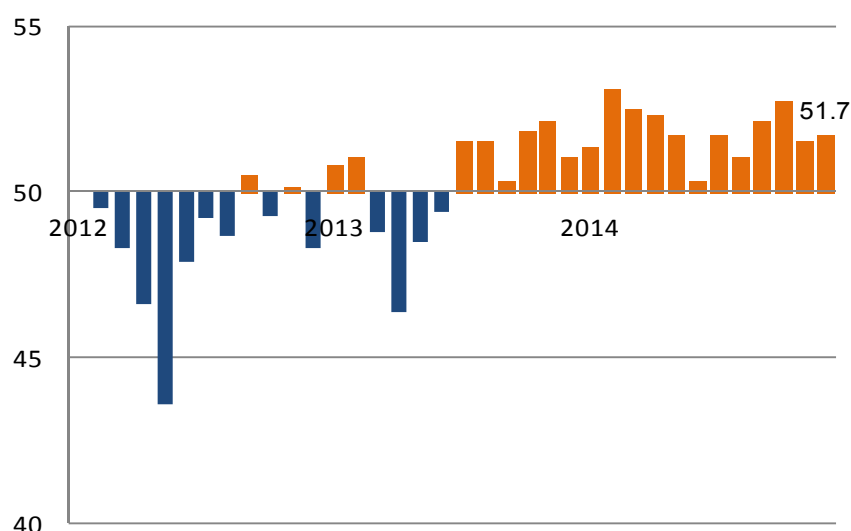
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Macro views

Manufacturing is growing, PMI expanded

Vietnam PMI by HSBC in April/2015 was positive when reached 53.5 pts, higher than the 50.7 pts last month. This has marked the expansion in the manufacturing sector for 20 consecutive months. The sharply rising demand caused output and orders grow up. Although input costs still decline but the momentum has slowed down.



Petrol price may be adjusted relative

Recently, the fuel prices have got complicated movements. The world oil and gas prices tend to increase significantly. In the old base price, the domestic gasoline prices are being compensated by the Price Stabilization Fund with 1,000 VND / liter. The Fund will be unlikely to endure with greater price spreads. Therefore, the gasoline prices are under rising pressure and can increase in the near future.

Monthly story

Hello May!

According to our statistical analysis of historical trading activities in May for the period of 2001-2014, we gains some results as following:

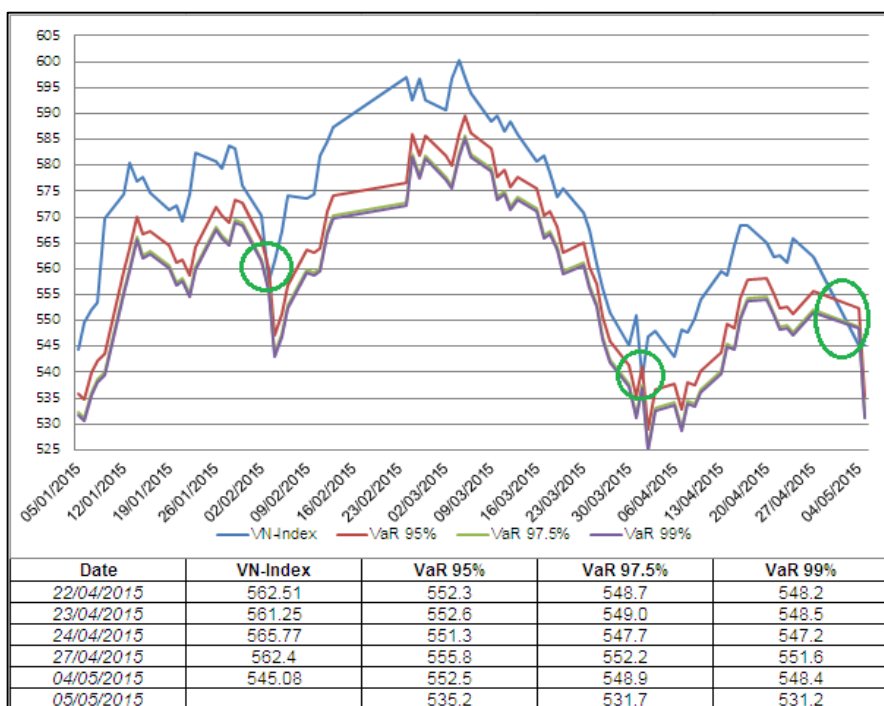
- Within 14 last years, the market only increased 4 times (20.1% increase on average) and declined 10 times (6.7% decrease on average) in May.
- In 5 recent years (2010 – 2014), the market only gained in May 2013 and dropped in the rest with the highest decrease of 12.2% in 2011 and the lowest decrease of 2.8% in 2014.
- In line with the ratio of trading volume in May to average trading volume of previous 4 months, we realize that this rate are positive 7 times and also negative 7 times. In 5 recent years, this rate are positive 3 times and negative 2 times, fluctuating between -18% and +55%, which indicate that the fluctuation of trading volume is not very high and do not have any correlation to the VN-Index's fluctuation.

Sell in May effect is seemed to be support by history when the market declined 10/14 times in May of 14 last years, and this rate in 5 recent years is 4/5 (80%). Whether VN-Index can stand against its history as in 2001, 2007, 2009, and 2013 or not is still a major concern to market participants?

Heat map of VN-Index in May

Year	Closed price	Performance	Change in volume
2001	404	25.9%	-33.3%
2002	207	-0.7%	74.1%
2003	152	-0.2%	543.1%
2004	252	-4.7%	-66.4%
2005	244	-0.8%	-7.9%
2006	539	-9.5%	25.9%
2007	1,081	17.1%	-20.3%
2008	414	-20.7%	-62.2%
2009	412	28.0%	174.8%
2010	507	-6.4%	38.8%
2011	421	-12.2%	-18.4%
2012	429	-9.4%	54.6%
2013	518	9.2%	6.4%
2014	562	-2.8%	-15.7%

Nguồn: BSC Research



VN-Index plunged by 17 points today, exceeds expected loss threshold (index VaR) from previous session at a 95%, 97.5%, 99% confidence level - a rare event according to our losses forecast. A reliability zone is set at 535.2 points with 95% confidence level, which is expected to be a solid support point for VN-Index in next sessions. It is possible that the market will soon recover when it reaches the bottom. This scenario is similar with the recovery of market on Feb 3rd, 2015 and April 1st, 2015.

Market view

Statistic of huge decline of the VN-Index

The strong decline waves usually last no less than 17 days, except for the correction lasting for 5 days on 29/1/2015.

The average declining level each time is 7.5%, and the average increasing level each time after that is 6.3%.

The longer the correction period the larger the declining level, simultaneously, the recovery period after that is likely to last long, also, the rally level is bigger.

The length of correction and recovery periods as well as the volatility of each increasing period interlace without any rule.

TT	Starting day	Ending day	Length (days)	% decline	Length of recovery (days)	% recover
1	9/9/2014	29/9/2014	20	-3.5%	9	4.3%
2	10/10/2014	27/10/2014	17	-6.0%	15	3.6%
3	11/13/2014	17/12/2014	34	-14.1%	41	10.5%
4	1/29/2015	3/2/2015	5	-4.4%	28	6.9%
5	3/5/2015	1/4/2015	27	-9.7%		
Trung bình				-7.5%		6.3%

Nguồn: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VSH	14	3.7	0.058	1.61MLN
HDG	27.7	5.73	0.055	10
TLG	62	3.33	0.03	130
SJD	33.7	3.06	0.026	5260
NSC	92	2.79	0.022	3770

Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
GAS	62.5	-5.3	-3.742	511070
BID	17.5	-6.91	-2.062	1.88MLN
VNM	106	-1.85	-1.129	161370
VCB	35.6	-1.66	-0.902	511240
CTG	17	-5.56	-0.747	2.06MLN

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNG	12.4	6.9	0.006	310
VSI	11	6.8	0.005	29930
CCI	14.9	6.43	0.007	200
THG	18.6	6.29	0.006	30
HAX	10.8	5.88	0.004	10

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
AVF	1.1	-8.33	-0.002	459610
SRC	27.9	-7	-0.022	21500
CDO	20	-6.98	-0.017	1.12MLN
PXI	8	-6.98	-0.01	275610
UDC	4	-6.98	-0.006	44370

Source: Bloomberg, BSC Research

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
VNR	23.9	3.91	0.073	3000
SEB	28	7.69	0.015	7500
DNY	5.9	9.26	0.008	26500
CHP	16.8	0.6	0.007	71100
LIG	12	4.35	0.004	8100

Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
ACB	16.4	-2.38	-0.231	16500
PVS	25.3	-2.69	-0.193	1.99MLN
VCG	12	-5.51	-0.191	922900
SHB	8.1	-3.57	-0.164	3.53MLN
PVI	18	-5.26	-0.144	12900

Top 5 gainers on the HNX

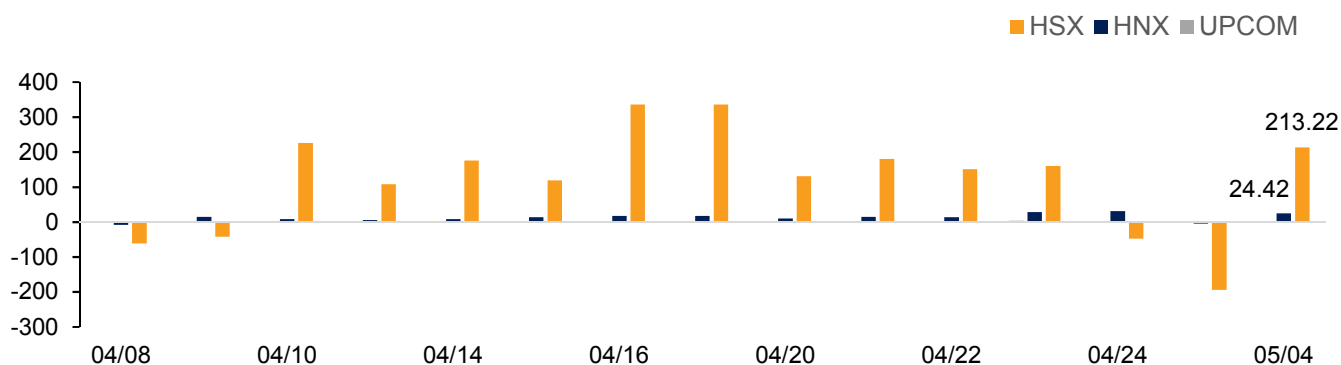
Ticker	Price	% Chg	Index pt	Volume
PDC	4.4	10	0.004	150100
TKU	9.9	10	0.002	200
CX8	6.7	9.84	0.001	14200
SVN	3.4	9.68	0.001	5100
MIM	6.9	9.52	0.001	100

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
PV2	1.8	-10	-0.005	309700
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 3

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).

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