



Tue, May 5, 2015

Vietnam Daily Monitor

Hard to soar tomorrow

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 6/5/2015			•
Week 4/5-8/5/2015	•		
Month 5/2015		•	

Summary

The stock market stabilized after the over-reaction in the previous session. The stock index closed simultaneously in the green.

News about the location of the COSL Prospector oil rigs of China becomes clearer combined with the net buying trend of foreign investors (after eliminating transactions) has supported the market sentiment. However, speculative stocks did not have a good recovery session after falling sharply yesterday.

Forex market is quite tense when the interbank rate closed at the ceiling price announced by SBV.

Recommendation

We assess that this recovery session today is primarily a technical recovery and the momentum is difficult to maintain tomorrow. The indices will likely fluctuate in a slight uptrend in the next session.

Investors can hold to utilize the bounce, and stop to take bottom fishing activities since the market is still volatile and the trend is unclear.

Macro views

South Korea, Vietnam Sign Free Trade Agreement

Vietnam textile prospect

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VN-INDEX **552.65**

Value: 1394 bil **7.57 (1.39%)**

Foreigners (net): -VND 67.77 bil

HNX-INDEX **80.23**

Value: 419.35 bil **0.28 (0.35%)**

Foreigners (net): VND 7.17 bil

UPCOM-INDEX **62.44**

Value 17.2 bil **0.54 (0.87%)**

Foreigners (net): -VND 0.046 bil

Macro indicators

	Value	% Chg
Crude oil	59.4	0.7%
Gold	1,187	-0.1%
USDVND	21,670	0.2%
EURVND	24,074	-0.2%
JPYVND	18,016	0.1%
1-month Interbank ra	4.8%	-
5yr VN Treasury Yiel	6.0%	-

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 continued to be net buyers with net buying value of approx. VND 200 billion on both exchanges.

Some stocks plunged significantly yesterday have rebounded, notably FLC (+ 4.1%), CTG (+ 4.1%), BID (+ 2.9%), BVH (+ 2.9%) and LGC (+ 2.8%).

Total market trading volume today reached 140.6 million shares, which decreased by 17% versus yesterday.

Despite falling sharply yesterday, speculative stocks did not have good recoveries today except FLC (+ 4.1%).

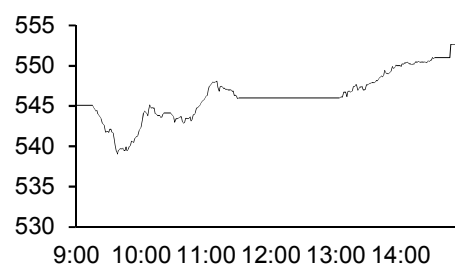
Recommendations

As mentioned yesterday, we believe that investor has overreacted to news about China's oil rig entering the South Sea. According to Xinhua (China), "A new deep-water, semi-submersible rig was delivered to its domestic purchaser in east China's Shandong Province on Thursday" (East China, not Vietnam). This oil rig has moved on sea area between China and South Korea. Another positive news is that foreign investors continued to be net buyers for 14 consecutive sessions (ignoring the put-through transactions). However, we believe that today technical increase is most likely difficult to be continued tomorrow, so market may trade sideways on Wednesday due to the cautious attitude of investor in high price level.

Investors are advised to partly reduce weight of stock yesterday, the rest can be continued holding. We do not recommend investors calling the bottom at the current time because of large market volatility and unclear market direction.

Exhibit 1

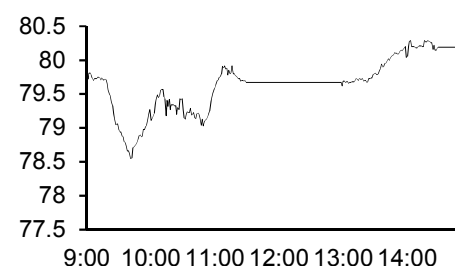
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	13.42	10.1	4.12
HQC	8.94	5.7	-5
HAI	6.95	9.7	0
HHS	6.26	19.9	3.65
VHG	5.18	9.2	-3.16

Source: Bloomberg, BSC Research

Exhibit 4

Foreign transaction

Top foreign	Value	Top foreign s	Value
CTG	26.7	VIC	213.3
PVD	20.4	HPG	6.2
SSI	15.6	DXG	0.8
VCB	13.9	VHC	0.3
PVS	2.4	SDT	0.7

Source: BSC Research

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Technical views

VN-Index failed in breaking its trough of 540 points, so this index has not yet moved to a downtrend. We believe that the support level of 537-540 pts can be maintained in the short term.

The nearest resistance of the VN-Index is 557 pts, and the more likely this index will shake there. The trading range for the next 3 days of VN-Index is expected around 540-557 pts.



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

Average

Source: BSC Research

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	1w performance	Unrealized gain/loss	Cutlosses	Target
1	PVT	24/3/2015	13.2	12.1	-6.9%	-8.3%	12.5	16.1
2	SD6	24/3/2015	14.7	14.6	-5.2%	-0.7%	13.6	17.5
3	SSI	24/3/2015	21.3	20.5	-4.2%	-3.8%	20.1	25.9
4	VIC	7/7/2014	47.7	48.8	0.0%	2.2%	43.9	57.3
5	FPT	12/1/2015	48.3	50	-2.0%	3.5%	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	29.4	-8.7%	-7.5%	29.3	38.2
8	HVG	14/1/2014	21.2	19.1	-7.7%	-9.9%	19.5	25.4
9	DBC	14/1/2014	28.8	26.8	-3.2%	-6.9%	26.5	34.6
10	FMC	27/1/2015	24.8	23.9	-5.9%	-3.6%	22.8	29.8

Average

-4.3% **-3.6%**

Source: BSC Research

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Macro views

South Korea, Vietnam Sign Free Trade Agreement

VKFTA Agreement (Vietnam - Korea) formally signed today (5/5). VKFTA is a comprehensive bilateral agreement between Vietnam and South Korea, which is expected to bring a positive impact on Vietnam among fields like: economy, trade, investment and social development.

To be specific, Korea will liberalize 95.4% of tariffs on goods to the Korean market, particularly agricultural commodities, forestry, aquaculture, textiles and engineering. This factor also create competitive advantage for Vietnam's exports compared with other competitors in the same area, typical shrimp, garlic, ginger, honey ...

In reverse, Vietnam will cut 89.2% of tariff lines on imports from South Korea. Objects products are industrial goods like textile raw materials, electronic components, automobiles, household electrical appliances, steel and cables ... This makes Vietnam's economy, which relies on the exports less dependent on supplies from countries such as China.

The VKFTA signing is one of the step of Vietnam on the intergration path to the international market, simuleatously improving the ability to attract investment as well as accessing technology, management level of Korea.

Vietnam, nevertheless, will cope with the following challenges including (1) the pressure from imported goods from Korea, (2) difficulties in management due to the economic environment will be operated more openly.

Vietnam textile prospect

According to General Statistics Office of Vietnam's data, Korea is one of the big export markets, contribute more than 10% total textile exports of Vietnam. Textile is also the second biggest export commodity of Vietnam to Korea, behind aquaculture. In 2014, the textile export value to Korea achieve USD 2.09 billion, increased by 27.7% yoy, higher than the growth of export value to US market (14.2%), EU (22.8%) and Japan (10.3%).

In contrast, South Korea is a country which is providing 20% fabric for the garment industry of Vietnam, just behind China. In 2014, the value of imported fabric from Korea reached nearly USD 1.84 billion, increased by 8.6% yoy.

Therefore, we can say VKFTA Agreement with high complementary for Vietnam's garment sector to import raw materials from South Korean fabric and vice versa, export products to this market.

In fact, the shift of textile export orders to markets in South Korea have taken place since the FTA ASEAN - South Korea take in place from 2009. Vietnam's garment industry get the highest benefit from the agreement because Korea provisions on rules of origin based on production processes (cutting, sewing), instead of ingredients in products (textiles, yarn, fabric). Therefore, the VKFTA agreement is considered as the final step to open the Korean market for textile items which is exported from Vietnam.

Therefore, the expectations for the growth of textile exports from Vietnam to the South Korean market will continue to remain high, at around 27% - 30% compared to 2014.

Textile enterprises mainly exporting to countries in TPP, EU, and Korea will be benefited from the Free Trade Agreements signing in 2015. After that, large dimension firms with good technology and possessing expansion investment nearly completed will have better growth prospective than smaller firms by dint of the ability to meet large order and strict requirements about quality and the country of origin.

However, FDI enterprises also is stepping up investment in textile industry in Vietnam in order to wait in front for the opportunities from FTAs and TPP (especially for enterprises from China, Twaiwan, Korea,...) will create a significant competitiveness in the exported market. With the advantage in manufacturing dimension, quality of product, the ability to connect with distributors at local market, FDI firms will create pressure on Vietnamese firms in the near future

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VCB	37.2	4.49	2.405	473810
BID	18	2.86	0.793	1.98MLN
VIC	48.8	1.46	0.574	762350
GAS	63	0.8	0.535	432150
CTG	17.7	4.12	0.523	2.32MLN

Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
DHG	81	-3.57	-0.148	34130
MWG	107	-0.93	-0.063	14490
SJD	31.4	-6.82	-0.06	63880
HQC	5.7	-5	-0.034	6.95MLN
OGC	3.6	-5.26	-0.034	339410

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
PTC	10.8	6.93	0.004	340
CCI	15.9	6.71	0.008	10
GDT	40.5	6.58	0.015	13620
SRF	17.9	6.55	0.015	2230
HU3	8.3	6.41	0.003	10

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
CLW	17.7	-6.84	-0.01	10230
SJD	31.4	-6.82	-0.06	63880
QBS	9.8	-6.67	-0.013	746200
VPK	23	-6.5	-0.007	5740
HAX	10.1	-6.48	-0.004	630

Source: Bloomberg, BSC Research

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
ACB	16.6	1.22	0.115	48300
VCG	12.2	1.67	0.054	580800
PVI	18.2	1.11	0.029	1700
PLC	33	1.85	0.026	41500
PVX	4.1	2.5	0.025	2.38MLN

Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
VNR	22.1	-7.53	-0.145	6500
PTI	16.4	-5.75	-0.031	60900
DGC	32.6	-4.12	-0.029	200
LAS	32.4	-1.52	-0.024	69800
THB	34	-7.86	-0.02	1100

Top 5 gainers on the HNX

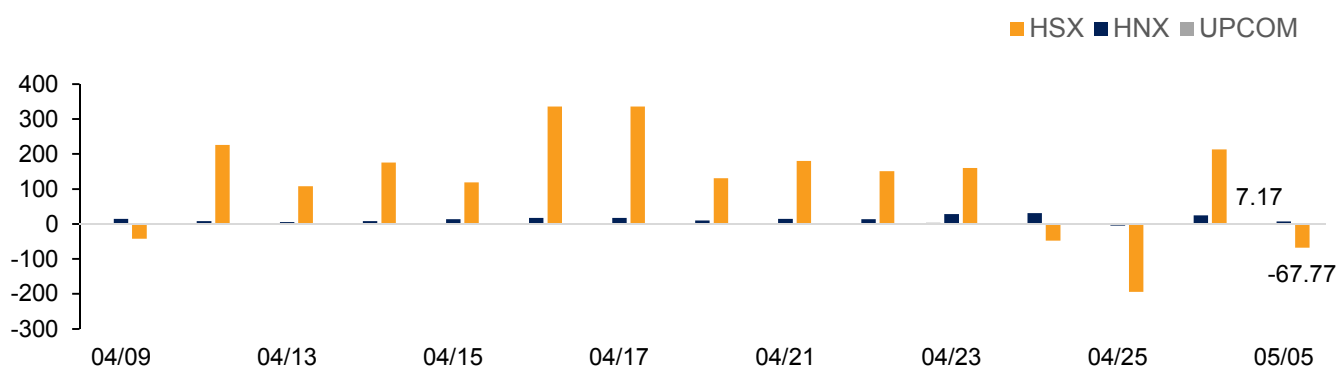
Ticker	Price	% Chg	Index pt	Volume
TV2	44	10	0.011	13200
TV3	28.7	9.96	0.005	600
SHN	4.5	9.76	0.008	1.93MLN
MEC	6	9.09	0.002	5600
PDC	4.8	9.09	0.004	169100

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
PPE	8.1	-10	-0.001	3200
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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