Overview

Fri, May 22, 2015

Vietnam Daily Monitor

Brighter prospect in the next week

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 25/5/2015			•
Week 25/5-29/5/2015			•
Month 5/2015		•	

Summary

The market increased impressively on Friday thanks to the lead of both banking and "full-room" stocks.
TPA has just been passed by the US Senate, which helps some stock groups, such as textiles, perform more positively.
The rumor about the ability to open room for foreigners also resulted in VN-Index higher.
Foreign investors continued to buy, especially on HSX.

Recommendation

The market moved more positively than our last week predictions. In next week, although a huge amount of stocks bought on 20 May will arrive the trading account of investors, we anticipate that the market will stabilize and not fall deeply. Especially, if several positive macro news as opening room for foreigners and the pass TPP occur, it is possible for market to accelerate significantly.

We recommend investors to consider gradually allocating an appropriate weight on fundamental stocks to prepare for new uptrend.

Weekly story

Obama has stepped one foot into the TPP negotiations

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VN-INDEX **561.82**
Value: 1665.26 bil 9.26 (1.68%)
Foreigners (net): VND 145.11 bil

HNX-INDEX **79.55**
Value: 577.68 bil -0.16 (-0.2%)
Foreigners (net): VND 3.79 bil

UPCOM-INDEX **60.66**
Value 54.35 bil 0.38 (0.63%)
Foreigners (net): VND 26.42 bil

Macro indicators

	Value	% Chg
Crude oil	60.4	-0.6%
Gold	1,214	0.6%
USDVND	21,805	0.0%
EURVND	24,407	0.7%
JPYVND	17,972	0.1%
1-month Interbank ra	3.5%	-
5yr VN Treasury Yiel	6.0%	-

Source: Bloomberg, BSC Research

Content

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Market highlights

The market is driven primarily by the VCB, VIC and HCM on Friday. In addition, several other large-cap stocks also gained well as MSN (+ 1.9%), PVD (+ 1.9%) and BVH (+ 2.3%).
Some stocks increasing significantly in both prices and volumes include SHA (+ 9.5%), VIX (+ 9.3%), HVG (+ 7%) and TCM (+ 6.8%).

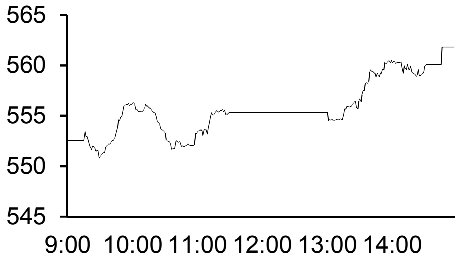
Recommendations

We note that a huge amount of stocks bought on 20 May will arrive the trading account of investors on next Monday, so a shake will likely continue to occur. However, several positive factors are recognized as the following: (1) the rally seems to rotate between stock groups, initially starting at securities stocks, then the banking ones, is likely to be Oil & Gas and Real estate stocks in next week, and (2) VNM ETF will most likely to back to buy because they are now trading at a "premium".

Based on the foregoing reasons, we believe that the market may hard to fall deeply next week because of stronger demand. As a result, investors may consider gradually allocating an appropriate weight on fundamental stocks.

Exhibit 1

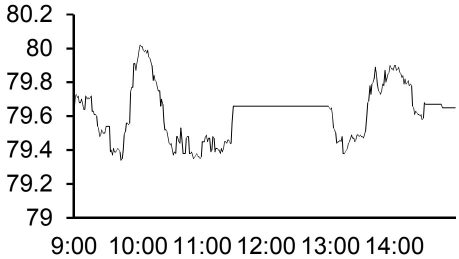
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	14.61	10.4	0
CII	9.46	20.9	-3.69
OGC	7.04	2.5	-3.85
JVC	5.75	22.1	3.27
GTN	4.74	10.8	2.86

Source: Bloomberg, BSC Research

Exhibit 4

Foreign transaction

Top buy	Value	Top sell	Value
VCB	30.8	SBT	6.4
SSI	21.7	DPM	5.7
STB	11.6	SRC	1.3
KDC	11.6	MWG	1.2
PVS	3.2	SHB	5

Source: BSC Research

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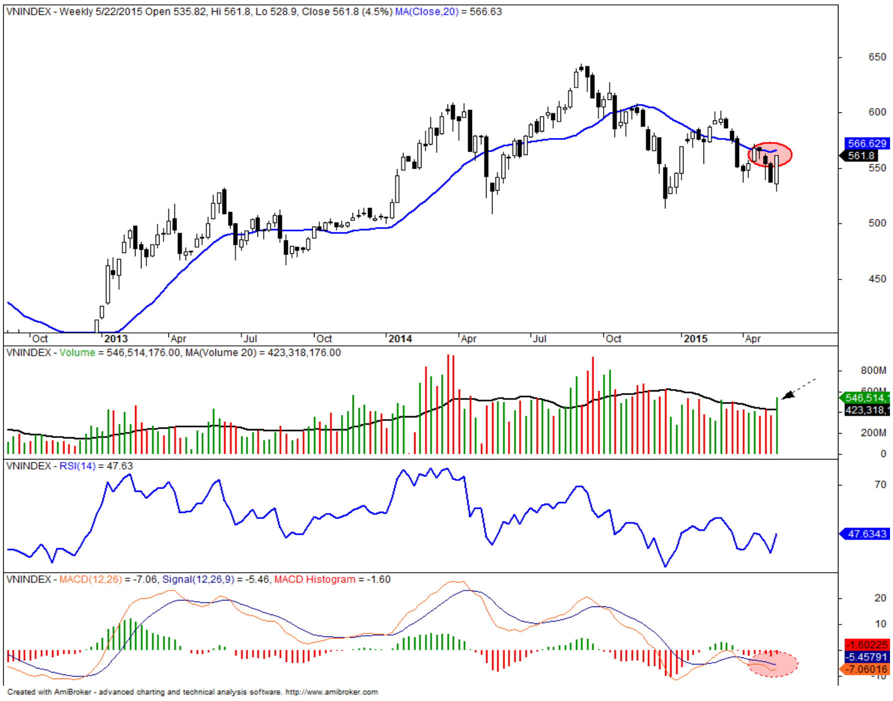
Technical views

Using the weekly chart of VN-Index, we found the appearance of bullish engulfing pattern with higher volume. Simultaneously, trend indicator MACD showed that the MACD seems to cross above its signal line to confirm the uptrend. However, SMA (20) is currently a near resistance level of VN-Index.

If a white candlestick appears and breaks the SMA (20) on the VN-Index's weekly chart next week, most likely medium-term uptrend will be established.



Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Perform ance	Recomm-endation	Cutlos-s	Target
Average								

Source: BSC Research

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	1w perfor-mance	Unreali-zed gain/ loss	Cutlos-s	Target
1	MBB	27/4/2015	13.8	13.4	2.3%	-2.9%	12.7	16.5
2	SD6	24/3/2015	14.7	14.6	2.1%	-0.7%	13.6	17.5
3	VIC	7/7/2014	47.7	48.5	3.2%	1.6%	43.9	57.3
4	FPT	12/1/2015	48.3	52	5.9%	7.7%	44.4	58.0
5	DHC	14/1/2014	21.5	21	5.5%	-2.3%	19.8	25.8
6	FMC	27/1/2015	24.8	25.2	7.2%	1.6%	22.8	29.8
Average					**4.4%**	**0.8%**		

Source: BSC Research

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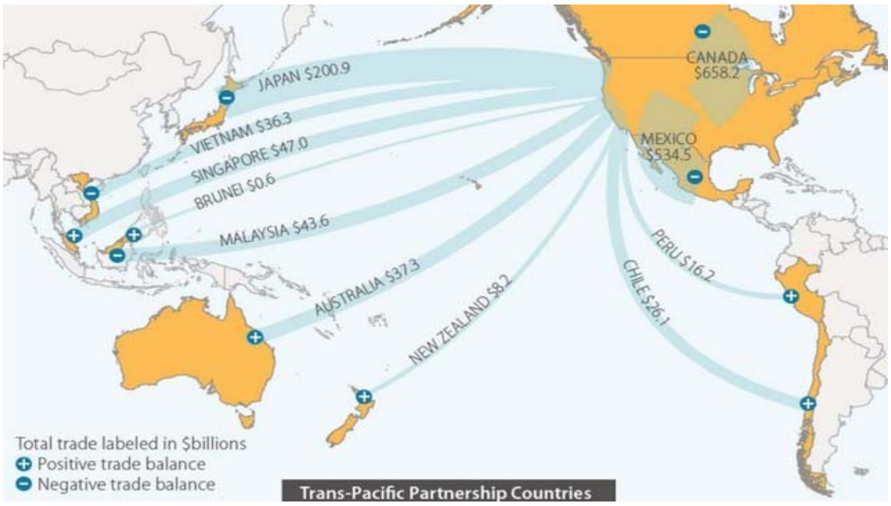
Weekly story

Obama has stepped one foot into the TPP negotiations

The second vote in the US Senate about the "fast-track" trade negotiating authority the president needs to complete the Trans-Pacific Partnership (TPP) trade deal has just ended with a positive result. Finally, Senators voted 62-38, which is already surpassed minimum conditions of 60 votes. The Obama Government has been successful in convincing US lawmakers to support an important trade agreement as TPP.
Thus, the current TPP negotiating round is taking place from May 15 – 27, 2015 in Guam days and the next round of negotiation will take place from May 26-28 in Manila have been partially removed bottlenecks by TPA, which is a barrier that TPP landed in an impasse during the past 18 months, finally has a silver lining. Clearly, TPA is being viewed as the final piece of the jigsaw puzzle and plays the vital role for the success of the TPP negotiations.
After the Senate being passed, TPA will queue to be discussed in the House next June. In case the House passes TPA, Obama officially has the right to negotiate quickly and TPP are expected to finish by the end of this year.



The Trans-Pacific Partnership (TPP) is a trade agreement being negotiated between the countries of the Pacific region, including the US, Japan, Vietnam, Australia, Chile, Singapore, Brunei, Malaysia, New Zealand, Peru, Mexico, Canada. GDP of the 12 countries participating in the negotiations is about USD 28,000 billion, equivalent to 40% of global GDP.

Vietnam will be one of the most beneficial countries if TPP is passed.

For Vietnam, TPP acts as a general package of numerous free trade agreements related to not only the US but also other major economies in the TPP. This trade agreement reduces tariff barriers in the major countries, promotes both exports and economic growth among members. This also helps these countries enhance their competitive advantage than outsiders as Bangladesh, India and Cambodia.
However, Vietnam will face challenges such as reforms to protect intellectual property rights and requirements for the origin of materials used to manufacture the exported products.

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VCB	42.2	5.5	3.196	1.28MLN
VIC	48.5	2.75	1.034	1.06MLN
GAS	64	1.59	1.033	348700
BID	18.3	2.81	0.766	1.89MLN
CTG	18.1	1.69	0.609	1.73MLN

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
NVB	6.9	6.15	0.074	100
DGC	34	7.59	0.05	7100
PVB	40.9	4.34	0.023	712400
CHP	17	1.8	0.022	77200
DBC	24.8	2.06	0.019	30900

Top 5 laggers on the HSX

Ticker	Price	% Chg	Index pt	Volume
DPM	29.7	-4.19	-0.269	608450
PPC	22.1	-3.07	-0.124	133780
FPT	52	-0.95	-0.094	639970
CII	20.9	-3.69	-0.085	5.75MLN
ITA	6.2	-1.59	-0.046	2.04MLN

Top 5 laggers on the HNX

Ticker	Price	% Chg	Index pt	Volume
ACB	16.1	-1.23	-0.115	139400
PVI	17.3	-2.26	-0.058	1200
SHB	7.6	-1.3	-0.055	2.14MLN
BTS	9.9	-4.81	-0.034	42800
FIT	13.4	-7.59	-0.032	9.46MLN

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
AVF	1.1	10	0.002	2.65MLN
HVG	18.5	6.94	0.124	1.40MLN
KTB	3.1	6.9	0.004	2.49MLN
PTC	10.9	6.86	0.004	1520
TCM	31.3	6.83	0.054	764600

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
HTP	8.8	10	0.001	100
BED	19.9	9.94	0.003	500
SDU	12.2	9.91	0.014	9000
MCC	18.1	9.7	0.005	100
AMC	21.5	9.69	0.003	3700

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
COM	33.5	-6.94	-0.019	320
VNL	25.8	-6.86	-0.009	2060
LHG	10.9	-6.84	-0.011	2720
STG	25.2	-6.67	-0.008	150
DXV	4.3	-6.52	-0.002	29810

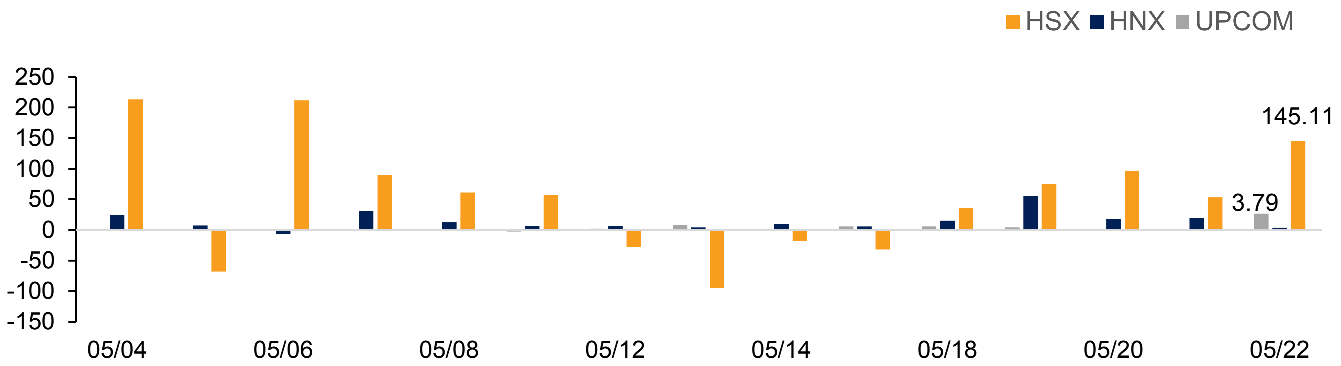
Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
SDG	18	-10	-0.008	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

Source: Bloomberg, BSC Research

Exhibit 3

Foreign transaction



Source: HSX, HNX, BSC Research

Disclosure

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