Overview

BSC

Tue, May 26, 2015

Vietnam Daily Monitor

Market need a correction

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 27/5/2015		•	
Week 25/5-29/5/2015			•
Month 5/2015		•	

Summary

The two exchange indices rose sharply, VN-Index approached to the resistance of 570 points. Liquidity surged. Market breadth was positive.

Banking stocks continued to be the main pillars of the overall market. The money flow continued to spread in large-cap stocks. However, the profit-taking actions appeared in few speculative stocks.

Recommendation

Basically, VN-Index was closer to 570 as we forecasted yesterday. In the next session, the more likely the market will shake stronger. Banking group continues to play the main role supporting the index. We predict that the correction in the coming sessions might be smoother thank to the buying momentum of foreign investors. We also anticipate that ETFs keep buying in the short-term.

We recommend investors to maintain portfolios. Investors can sell at the high price then cover at the the lower price for the short-term trading. For long-term investment, investors consider to increase the stock weight during the correction. Notable shares are the banking, the infrastructure stocks, and several shares which run out of foreigner ownership limit (FOL).

Stock recommendations

Short-term portfolio: Buy VCG and TDH

Macro views

FDI keeps growing in May 2015

Company updates

HDG - Ha Do Group (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
vietnh@bsc.com.vn

Vu Thanh Phong
phongvt@bsc.com.vn

Do Nam Tung
tungdn@bsc.com.vn

Nguyen Quoc Truong
truongnq@bsc.com.vn

VN-INDEX **567.20**
Value: 1496.58 bil 4.2 (0.75%)
Foreigners (net): VND 174.18 bil

HNX-INDEX **81.7**
Value: 644.01 bil 1.45 (1.81%)
Foreigners (net): VND 20.61 bil

UPCOM-INDEX **60.02**
Value 24.65 bil -0.48 (-0.79%)
Foreigners (net): VND 1.17 bil

Macro indicators

	Value	% Chg
Crude oil	59.3	-0.8%
Gold	1,195	-0.6%
USDVND	21,830	0.1%
EURVND	23,781	-0.9%
JPYVND	17,781	-1.0%
1-month Interbank ra	3.4%	-
5yr VN Treasury Yiel	6.1%	-

Source: Bloomberg, BSC Research

Content

Nguyen Hoang Viet
Senior Research Analyst
vietnh@bsc.com.vn

Market highlights

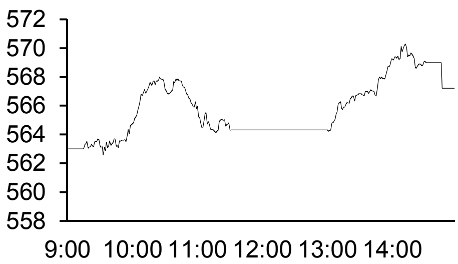
The stock market continued to rise sharply, the VN-Index has approached 570 pts.
Market liquidity increased, the total matched volume reached 192 million units on both exchanges, up 48% from the previous day.
Banking stocks has got strong rally which actively supported for the market.
Other blue chips also received good cash flow (BVH, HPG, VCG)
Speculative groups started to take profit-taking pressure but some stocks kept hitting their ceiling prices such as: HQC, LCM, KMR, SHN, BAM...
FLC top the HSX's liquidity with more than 20 million units while KLF with 7.9 million units ranked 1st on the HNX.
OGC hit the ceiling back after yesterday's decline with the trading volume of 4.7 million units.
Foreigners push up their net buying to 174 billion dong on the HSX and 20.6 billion on the HNX.

Recommendations

We believe that the market's upturn momentum can be reduced when VN-Index reaches the threshold around 570 pts. There will be more and stronger shaking and pulling-about in the next trading day. However, the cash flow will continue to circulate among stocks and groups. Banking group is expected to hold prices well and keep supporting for the market to not get deep correction.
The ETFs are expected to maintain good performance which will contribute positively on the foreign activities the next days.

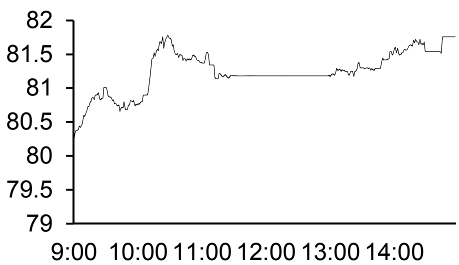
Short-term investments: Make trading at the resistance of 570 pts.
Medium and long-term portfolio: Holding portfolio, increasing the stock rate during the corrections. Focus on Banking, Infrastructure groups and a few shares which run out of foreigner ownership limit (FOL).

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	20.04	10	-1.96
DLG	7.93	8.4	2.44
HQC	7.86	5.8	5.45
ITA	5.8	6.5	3.17
GTN	5.32	11.8	2.61

Source: Bloomberg, BSC Research

Exhibit 4
Foreign transaction

Top buy	Value	Top sell	Value
MSN	27.1	BHS	3.8
IMP	25.5	HCM	3.4
PVD	17.8	PVT	2.7
STB	15.3	PAC	1.3
PVS	9.3	DBC	1.6

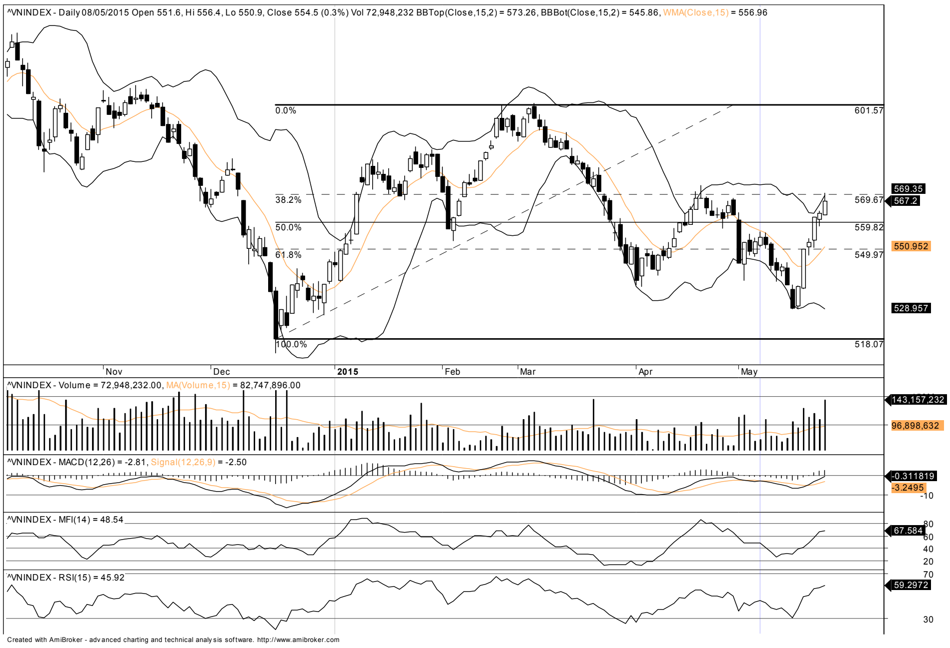
Source: BSC Research

Do Nam Tung
Quantitative Analyst
tungdn@bsc.com.vn

Technical views

The market index increased with the greater liquidity towards the resistance at 570 points as our recommendation in previous session. So this is the 6th consecutive session that the VN-Index remained the uptrend since setting the bottom on May 18th.
The VN-Index opened above the reference and quickly set up a rally at mid-session and wane in the end of the morning session. Afternoon session, the strong demand pushed the VN-Index nearly by the resistance level 570; however, the market is not able to successfully conquer this level. The Market Strength Index RSI (15) has increased rapidly, while a rise of MFI (14) has shown signs of slowing down.

Able to appear the fluctuation when the market approaches the sensitive resistance level of 570 in the next session, the liquidity will remain high, the level 560 points is still the confidence support for the market. If the cash flow continues to be maintained, the market likely will successfully conquer the level of 570 in the coming sessions.



Technical views

VCG - Vietnam Construction and Import - Export JSC (HNX)

After 2 cumulative days at 12.4, VCG broke the SMA200 line with the volume of 3.3 million shares, surging up by 955% over the 20-day average volume. VCG passed on the top edge of falling wedge pattern with the expected price of 14.5.
MACD line crossed the signal line and approaches to 0, RSI rose to 63, reinforcing the uptrend in the short term.

We recommend to BUY VCG for short-term portfolio.
Resistance is 13.9 and 15.5, support is 12.4. Today shares volume soared and the price exceeds the upper Bollinger. Cumulative process back soon happen before rising sharply again.

Technical views

TDH - Thu Duc House Development Corporation (HSX)

The price crossed the line SMA200. The volume increased by 90% over the previous session, up by 370% over the 20-day average volume. MACD crossed the below signal line, RSI reached 56, the price line reached the moving average SMA20. Therefore, TDH might entered the short-term uptrend.

We recommend to BUY TDH for short-term portfolio.
Short-term target is 17.5, support level is 15.8. We expect TDH recover with a V-recovery graph. The expected price is 18.5 following the model.

Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Perform ance	Recomm- endation	Cutlos- s	Target
1	VCG	26/5/2015	13	13.1	0.0%	Buy	12.2	14.5
2	TDH	26/5/2015	16.8	16.9	0.0%	Buy	15.8	18.5
Average								

Source: BSC Research

Short-term portfolio:
Buy VCG and TDH.

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	14.9	4.2%	1.4%	13.6	17.5
3	VIC	7/7/2014	47.7	48.3	2.8%	1.2%	43.9	57.3
4	FPT	12/1/2015	48.3	53	7.9%	9.7%	44.4	58.0
5	DHC	14/1/2014	21.5	20.8	4.5%	-3.3%	19.8	25.8
6	FMC	27/1/2015	24.8	25.7	9.4%	3.6%	22.8	29.8
Average					**5.2%**	**1.6%**		

Source: BSC Research

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

Macro views

FDI keeps growing in May 2015

Vietnam Foreign Investment Agency announced several figures about FDI in May 2015, as follows:
Overall, FDI continued to grow compared to last year. The disbursed value increased to USD 4.95 billion during the first 5 months, equivalent to an increase of 7.6% yot. The newly and registered capital also increased slightly to USD 4.29 billion, equivalent to 78% of the same period of 2014. The manufacturing and processing sector continues to be the most attracting sector.

Nguyen Hong Ha
Equity Analyst
hanh@bsc.com.vn

Company updates

HDG - Ha Do Group (HSX)

Declining business results in the 1st quarter of 2015: Net sales was VND 113.5 billion (-40% yoy), profit after tax was 6.2 billion (-55% yoy). Earnings dropped sharply over the same period because the income from Ha Do Parkview wasn't recorded. HDG expects to hand over Ha Do ParkView apartments from 2nd quarter of 2015. In 2015, HDG set goal to reach VND 1,700 billion (+8% yoy) of revenue, VND 179.4 billion (+10% yoy) of net income, dividends is expected to be 5-15%. Of the real estate segment, Ha Do ParkView (175 units), Ha Do Villas – Su Van Hanh, NoongTha Paradise are the main projects contributing to business result in 2015.

Delays on Z756 project: According to its plan, HDG will start constructing low-rise components of the project. However, HDG is still in the process of determining the land use fee and waiting for HCM City People's Committee approval. We assess that the project will contribute to HDG's revenue from 2016.

Plans for other real estate projects:
o Implementation of Infrastructure construction for Noong Tha project, the F367 low-rise buildings
o Launch the sales for Ha Do Villas – Su Van Hanh, the price ranges VND 90-120 million/m2
o CC1 Apartment is open for sale in the 3rd quarter of 2015, the price ranges VND 30-31/m2
o Complete legal procedures for Bao Dai project.

Issuing 1000 billions in bond: The bond issuance is likely to be in 2nd or 3rd quarter of 2015. The fund will be used to invest in Z756 Saigon project, Dich Vong project, An Khanh project and fund for M&A operations with other real estate projects.

The Ministry of Defense of Viet Nam plans to divest their holdings in HDG in the 3rd quarter of 2015. Its current shares is about 6.54 million, which account for 10% in ownership.

Investment view: *HDG owns large bank land (2 million ha), a strong balance sheet with low debt and high cash holdings. Business results in 2015 is forecast to be stable due to almost key projects will start to generate revenue from 2016.*

If the business plan is completed, forward EPS will be around VND 2,740/share, forward P/E 10.6. We recommend HOLD with HDG.

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VCB	43	2.38	1.453	1.02MLN
BID	19.2	3.23	0.919	2.86MLN
CTG	18.8	2.17	0.812	2.75MLN
BVH	36.4	4.6	0.594	499030
MSN	83.5	1.21	0.401	351810

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
ACB	17.5	5.42	0.519	1.61MLN
VCG	13.1	5.65	0.191	3.37MLN
NTP	48	7.76	0.12	100
SHB	7.8	2.63	0.109	4.47MLN
PVS	25.9	1.17	0.083	1.24MLN

Top 5 laggers on the HSX

Ticker	Price	% Chg	Index pt	Volume
GAS	63.5	-0.78	-0.517	335220
FPT	53	-1.85	-0.188	953640
VCF	202	-6.05	-0.188	280
DPM	29.2	-1.02	-0.062	468770
SSI	21.5	-1.38	-0.058	2.49MLN

Top 5 laggers on the HNX

Ticker	Price	% Chg	Index pt	Volume
VNR	23.8	-1.24	-0.024	1600
BCC	16.6	-2.35	-0.024	219900
HLD	19.3	-8.53	-0.022	60700
HUT	13.7	-2.14	-0.016	1.25MLN
DBC	24.7	-1.59	-0.015	153200

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
AVF	1.3	8.33	0.002	999830
ITD	15.4	6.94	0.007	251560
PNC	12.5	6.84	0.005	24220
PXL	3.2	6.67	0.009	261940
QBS	11.4	6.54	0.012	190270

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
DCS	4.4	10	0.009	1.13MLN
SAF	46.2	10	0.015	1100
VNF	58.4	9.98	0.018	3600
SDU	12.3	9.82	0.014	1300
TTZ	5.6	9.8	0.002	114400

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
MCP	13.7	-6.8	-0.006	60
VTB	12.4	-6.77	-0.006	2440
TNT	7	-6.67	-0.002	78110
SC5	27	-6.57	-0.016	109980
CSV	18.8	-6.47	-0.031	11610

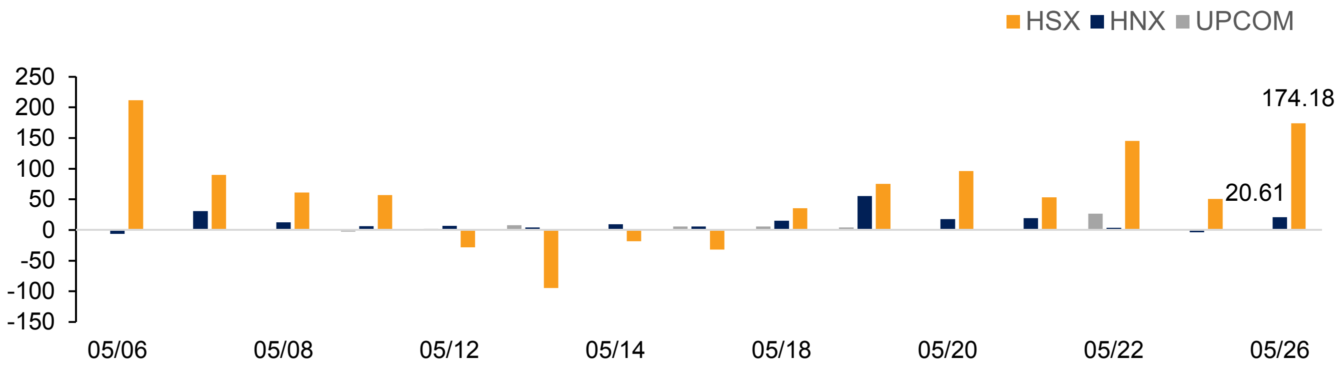
Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
CMC	5.4	-10	-0.002	300
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

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>