



Mon, June 1, 2015

## Vietnam Daily Monitor

This week's trend: Positive

### BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 2/6/2015		•	
Week 1/6-5/6/2015			•
Month 6/2015			•

### Summary

Bank stocks soared on Monday session, pushing the index rose sharply. Profit taking actions increased that narrowed down the increase of index at closing. Liquidity decreased by 15% from the previous session. Foreigners were net buyers on both exchanges.

### Recommendation

Investors should be cautious as the market index rose quickly. Though, investors might maintain stock weight, especially leading stocks such as banks.

### Macro views

Manufacturing enhanced significantly in May 2015  
Vietnam-The Eurasian Economic Union FTA

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### VN-INDEX **574.98**

Value: 1608.17 bil **5.42 (0.95%)**  
Foreigners (net): VND 102 bil

### HNX-INDEX **83.89**

Value: 476.11 bil **0.66 (0.79%)**  
Foreigners (net): VND 1.84 bil

### UPCOM-INDEX **60.98**

Value 28.75 bil **-0.27 (-0.44%)**  
Foreigners (net): VND 2.39 bil

### Macro indicators

	Value	% Chg
Crude oil	59.5	-1.3%
Gold	1,187	-0.3%
USDVND	21,818	0.0%
EURVND	23,807	-0.6%
JPYVND	17,584	0.5%
1-month Interbank ra	3.3%	-
5yr VN Treasury Yiel	5.9%	-

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 market have advanced sharply and VN-Index once reached near the 580 pts

Selling pressure increased, 02 indices narrowed their gains toward the end of the afternoon session.

Liquidity decreased by 15% from the previous day, the total matched volume was 153 million units on both exchanges.

VCB got strong rally and overcome GAS the 1st market capitalization stock.

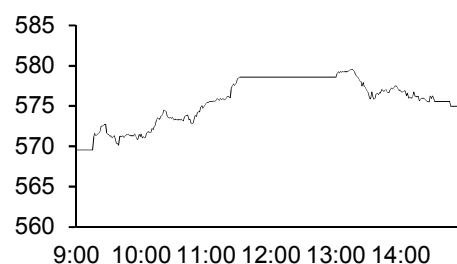
Some blue-chips such as SSI, VIC, VNM, and VCG ... maintain their upturn momentum.

Foreigners net bought 102 billion dong on the HSX and 1.84 billion on the HNX.

## Recommendations

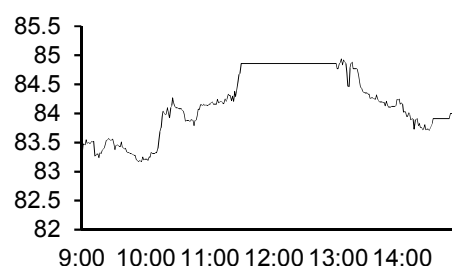
Markets rally was mainly driven by the large cap stocks. Volume reduction and the slow down momentum toward the end of the day reflected more cautious sentiment when the VN-Index increased rapidly. However the market has not shown too worrisome signs and investors may continue to maintain holding stocks.

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	13.06	9	-2.17
OGC	7.4	2.8	0
HAI	7	9.6	6.67
MBB	5.01	14.2	2.9
VHG	4.77	9.4	-1.05

Source: Bloomberg, BSC Research

Exhibit 4

**Foreign transaction**

Top buy	Value	Top sell	Value
SSI	28	GAS	4.7
STB	20.3	PVD	4.2
MSN	19.5	DPM	3.5
VIC	17.4	HSG	2.4
VCG	2	PVS	4.1

Source: BSC Research

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## Technical views

The market maintained a positive momentum today, however, decreased liquidity, the VN-Index is near the resistance level of 580, but this index could not over this resistance.

The VN-Index maintain pretty good rally in the morning session, however to market indicators have declined in the afternoon session, the market closed above the previous resistance at 570. The MFI (14) and RSI (15) increased again, and not see signs of reversal appeared, the market is still bullish.

*The VN-Index is likely to test the support level of 570 in the next session, could not conquer the 580 mark while liquidity has not really improved.*



## Stock recommendations

### Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Performance	Recommendation	Cutlosses	Target
1	VCG	26/5/2015	13	14.1	8.5%	Hold	12.2	14.5
2	TDH	26/5/2015	16.8	16.4	-2.4%	Hold	15.8	18.5
<b>Average</b>								

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	14.2	8.4%	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	48.7	3.6%	2.0%	43.9	57.3
4	FPT	12/1/2015	48.3	44.3	-1.1%	-8.3%	44.4	58.0
5	DHC	14/1/2014	21.5	21.3	7.0%	-0.9%	19.8	25.8
6	FMC	27/1/2015	24.8	25.4	8.1%	2.4%	22.8	29.8
<b>Average</b>					<b>4.7%</b>	<b>-0.4%</b>		

Source: BSC Research

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## Macro views

### Manufacturing enhanced significantly in May 2015

Markit and HSBC recently announced the Vietnam PMI index. Accordingly, PMI surged to 54.8 points in May 2015, which is the highest peak since April 2011. This is also the 21th consecutive expanding month of PMI index.

The number of new orders and production rose sharply. Besides, the labor market is very busy with the number of new jobs increased considerably. Gasoline and electricity prices increased in recent months finally boosted production costs rose after 7 months of consecutive declining.

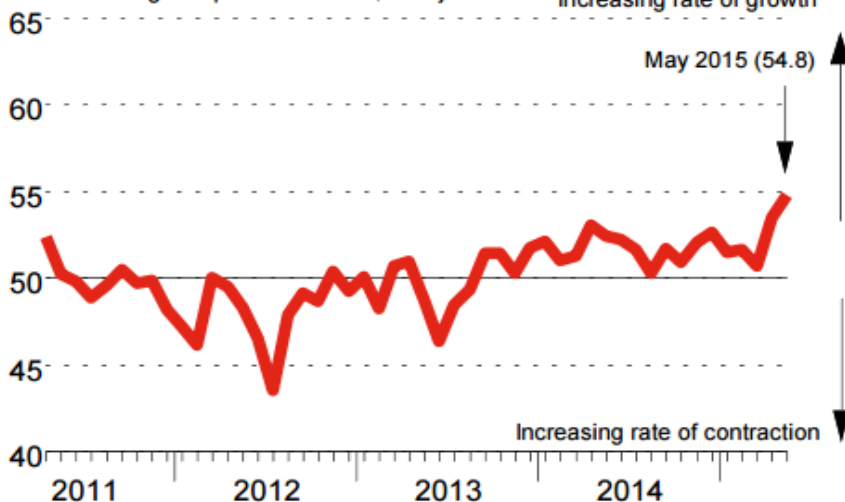
*Thus, the manufacturing sector continued to grow to 7 consecutive quarters.*

*Growth in new orders is currently motivating labor demand. Besides, the Vietnam exports' competitiveness is significantly enhanced by the adjustment of the exchange rate last month. The current macro-economic factors are supporting positively the manufacturing sector's growth in the coming months.*

### HSBC Vietnam Manufacturing PMI

50 = no change on previous month, S.Adj.

Increasing rate of growth



Sources: Markit, HSBC.

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## Macro views

### Vietnam-The Eurasian Economic Union FTA

On Friday, Viet Nam signed a free trade agreement (FTA) with The Eurasian Economic Union (EEU) including Russia, Armenia, Belarus, Kazakhstan and Kyrgyzstan. Moreover, Viet Nam also will sign FTA with Eurasian Customs Union (including Russia, Belarus- Kazakhstan). Russia is the largest economy in the two unions and will be a potential market for Vietnam exporters. The consumption market is high with a population of about 143 million people, a GDP of 2,200 billion (ranked 7th in the world) and the middle class is rapidly expanding. Domestic production currently meets about 25% of the demand. Therefore, the demand from imported products is very high, especially items such as textiles, footwear, seafood, agricultural products in which Vietnam has strong competitive advantages.

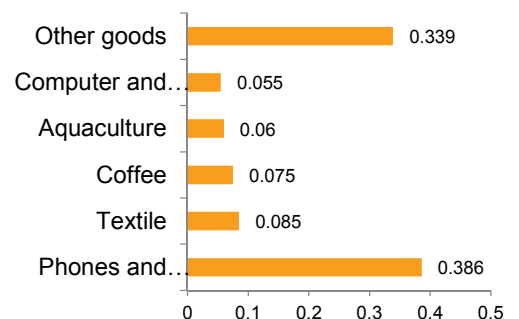
The agreement would have mixed impacts on some Vietnam's industries. Specifically:

**Positively impacted industries:** Listed companies in aquaculture and textile industries. Currently, aquaculture accounts for approximately 6% of exports to Russia and would be the first industry to benefit from the 0% tax that would be applied as soon as the agreement takes effect. Compared to the current average tax rate of 18%, the aquaculture companies would have the opportunities to boost exports. According to the National Agro Forestry Fisheries Quality Assurance Department (NAFIQAD), there are about 23 aquaculture businesses that have the ability to export to Russia, in which the 3 companies listed on the stock market are: Hung Vuong JSC (HVG), An Giang Fisheries JSC (AGF), and Sao Ta Foods JSC (FMC).

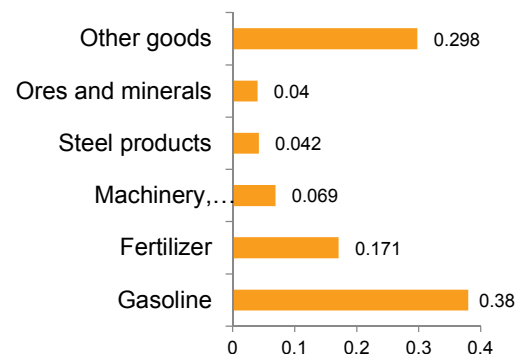
**Industries that may confront an increasing competitive pressure:** Fertilizers and steel industries could suffer a negative impact from the agreement. For fertilizer industry, Russia is the second largest fertilizer supplier of Vietnam (after China), accounting for about 17% of Vietnam's total imports from Russia. In 2014, fertilizer imported from Russia has grown rapidly, reaching 373 thousand tons (+ 34.2% yoy), and valued at 138.3 million (+ 13.7% yoy). Given the current excess supply in Vietnam along with the adjustment of import tax to 0%, we expect an increasing competitive pressure for domestic fertilizer businesses.

Regarding to the steel industry, steel imported from Russia to Vietnam is mainly steel sheets, steel plates, etc, which are the kinds that Vietnamese enterprises have not yet be able to produce. However, if construction steel is imported from Russia into Vietnam, businesses in this industry are expected to face difficulties in competing with Russian companies, which has significant production cost advantage thanks to the abundant iron ore resources and the high technology ( Total steel output of Russia ranks 5th in the world, at 65 million -70 million tons / 1 year.)

**Exports to Russia**



**Imports from Russia**



## Market statistics

### Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VCB	45.7	5.54	3.484	1.21MLN
BID	20.9	3.47	1.072	2.52MLN
VIC	48.7	2.53	0.953	1.24MLN
VNM	106	0.95	0.545	124300
CTG	19.7	1.03	0.406	2.56MLN

### Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
GAS	62	-0.8	-0.516	221080
BVH	35.6	-3	-0.408	169750
HAG	17.8	-2.73	-0.215	2.29MLN
FPT	44.3	-1.56	-0.132	747720
KDC	40.5	-2.17	-0.126	450160

### Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
AVF	1.3	8.33	0.002	2.00MLN
GIL	30.6	6.99	0.015	78320
SVI	40	6.95	0.015	10
TCO	10.9	6.86	0.005	3000
VNL	26.7	6.8	0.008	8220

### Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
SHI	11.8	-6.35	-0.016	1.26MLN
NSC	90	-6.25	-0.05	150
RIC	9.1	-6.19	-0.006	2140
KSS	3.1	-6.06	-0.005	2.55MLN
SGT	4.7	-6	-0.012	390

Source: Bloomberg, BSC Research

### Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
ACB	20.1	4.15	0.462	1.01MLN
VCG	14.1	2.17	0.082	2.04MLN
SHB	8.1	1.25	0.055	2.74MLN
PSD	54.4	8.8	0.039	100
PVI	17.9	1.13	0.029	500

### Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
OCH	16.2	-10	-0.222	200
DBC	25.3	-8	-0.085	79800
VNR	25	-3.85	-0.081	1400
CHP	18	-2.7	-0.037	81200
VNF	50.2	-7.55	-0.014	2800

### Top 5 gainers on the HNX

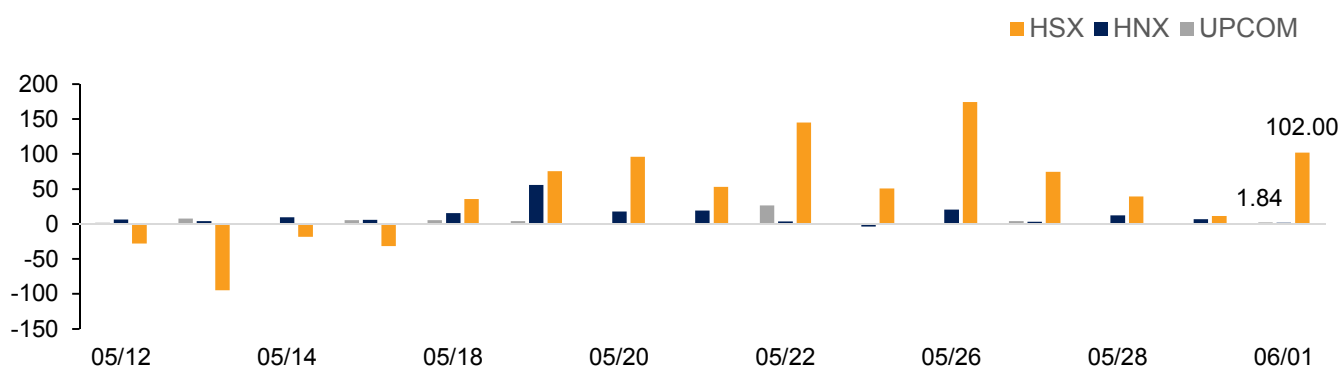
Ticker	Price	% Chg	Index pt	Volume
L14	30.8	10	0.005	30500
DL1	10	9.89	0.002	47000
APP	14.5	9.85	0.003	993800
CAN	30.2	9.82	0.008	1000
ARM	29.1	9.81	0.004	22700

### Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
OCH	16.2	-10	-0.222	200
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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