

Fri, June 19, 2015

Vietnam Daily Monitor

The week ahead: Bigger fluctuations

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 22/6/2015		•	
Week 22/6-26/6/2015			•
Month 6/2015			•

Summary

The markets jump just moments after the positive news about TPA is spread out. Market breadth was positive, especially fisheries and textile group. Trading volume in the last session of the day burst out due to trading activities of ETFs.

Closing the week, VN-Index has increased slightly, up by 0.34%, coincided with our positive forecast at the beginning of the week.

Recommendation

The market has yet to break, the indices will continue to oscillate between the band of 575 and 600 points in next week despite several positive macro news. Significant selling pressure and unconvincing demand are two factors causing market volatility and strong differentiation.

Trading opportunities will appear in next week. Venture investors consider taking profit in the rally, while conservative investors should be patient and wait for the correction to buy into the basic companies' stock.

Macro views

Textile sector and Free trade agreements

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VN-INDEX **584.70**
Value: 3044.46 bil **4.35 (0.75%)**
Foreigners (net): VND 186.69 bil

HNX-INDEX **87.1**
Value: 663.34 bil **0.01 (0.01%)**
Foreigners (net): VND 76.44 bil

UPCOM-INDEX **57.32**
Value 40.3 bil **-0.6 (-1.04%)**
Foreigners (net): -VND 0.64 bil

Macro indicators

	Value	% Chg
Crude oil	59.7	-1.3%
Gold	1,200	-0.2%
USDVND	21,805	0.0%
EURVND	24,647	-0.6%
JPYVND	17,710	-0.2%
1-month Interbank ra	4.0%	-
5yr VN Treasury Yiel	6.3%	-

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 shares reviewed by two ETFs have traded in large volumes on Friday, notably STB (24.4 million), OGC (12 million) and ITA (10.5 million). The seafood and textiles stocks increased significantly by positive news about TPA, namely TCM (+ 4.7%), TNG (+ 2.4%), IDI (+ 6.3%) and VHC (+ 3.8%).

JVC finally has a put-through transaction. However, this stock still closed at floor.

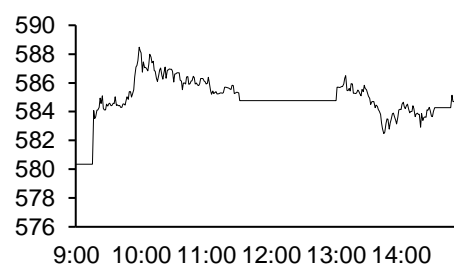
Recommendations

Thanks to the positive news about TPA, Vietnam market increased strongly earlier Friday. However, strong profit taking after that pushed the indexes to the reference levels. Through this movement, we reinforce two perspectives: First, the selling pressure is still very large, and the market will not climb quickly in the near future although many positive news appear; and second, a differentiation will continue to take place - the stock having good recent rising momentum as VCB, VCG or BVH continued boosting, while many other stocks in the same industries have still accumulated for a long time. In conclusion, we believe the market will continue shaking for about 575-600 points next week and trading opportunities may appear.

Risk lovers participating in the market as our recent recommendations should consider taking profits in the next rallies. Cautious investors should wait for a correction to buy fundamental stocks.

Exhibit 1

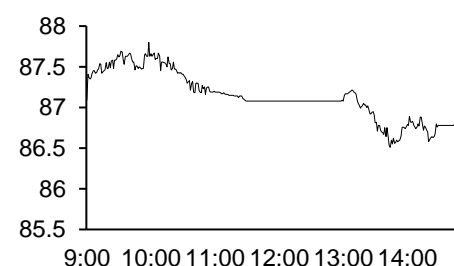
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
STB	24.39	19	2.7
FLC	21.9	9.3	2.2
CII	15.68	24	3
OGC	11.93	2.9	3.57
PPC	5.11	22	-1.35

Source: Bloomberg, BSC Research

Exhibit 4

Foreign transaction

Top buy	Value	Top sell	Value
STB	447.4	VIC	209.7
ITA	55.6	PPC	81.8
FLC	39.2	MSN	35.8
JVC	26.1	SSI	33.8
PVS	42.5	PCT	0.8

Source: BSC Research

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Technical views

Currently, the VN-Index is responding in resistance trendline linking two short-term peaks of 640 pts and 600 pts.

If VN-Index cross above this trendline with large volume, we expect the VN-Index will climb to old peak of 600 pts. In contrast, the VN-Index may fall to the support level of 570 pts to accumulate more. In the worst scenario, if support level of 570 pts is broken, VN-Index will enter the short-term downtrend.



Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Performance	Recommendation	Cutloss	Target
1	VCG	26/5/2015	13	14.1	8.5%	Hold	12.2	14.5
2	TDH	26/5/2015	16.8	17	1.2%	Hold	15.8	18.5
3	CII	18/6/2015	22.8	24	5.3%	Hold	22.4	24
4	KDH	18/6/2015	21.6	21.9	1.4%	Hold	20	23
5	VCB	18/6/2015	44.9	46.5	3.6%	Hold	41.3	45
Average					4.0%			

Source: BSC Research

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	1w performance	Unrealized gain/loss	Cutloss	Target
1	MBB	27/4/2015	13.8	15	7.9%	8.7%	12.7	16.5
2	SD6	24/3/2015	14.7	14.7	-1.3%	0.0%	13.6	17.5
3	VIC	7/7/2014	47.7	51	4.5%	6.8%	43.9	57.3
4	FPT	12/1/2015	48.3	44.8	0.0%	-7.2%	44.4	58.0
5	DHC	14/1/2014	21.5	24.3	6.1%	13.0%	19.8	25.8
6	FMC	27/1/2015	24.8	24.1	-2.0%	-2.8%	22.8	29.8
Average					2.5%	3.1%		

Source: BSC Research

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Macro views

Textile sector and Free trade agreements

In 2014, Vietnam's textile and garment exports increased 16.8% year over year (YoY) to total approximately US\$20.95 billion. The industry targets export revenues valued at US\$36 – 38 billion is possible due to positive impacts from the impending free trade agreements (FTAs) as followed:

- Vietnam – Korean FTA (VKFTA): Textile and garment exports to Korea will be exempted from tariffs when it comes into effect in the beginning of 2016. Previously, ASEAN – Korea FTA have benefited Vietnam's textile and garment due to Korea's rules of origin which is based on production processes (cutting, sewing).

- Vietnam – Customs Union (Russia – Belarus – Kazakhstan) FTA (VCUFTA): these countries offered Vietnam tax cuts to 0% for most of the textile products as soon as the agreement takes effect, expected to start from 2016.

- Vietnam – European FTA (VEFTA): Vietnam and EU is currently engaged in negotiation. The FTA is expected to decrease tariff rate from 11.7% to 0%.

- TPP (The Trans-Pacific Partnership): On 19 June 2015, the US House passed TPA – a bill to promote the president's authority in negotiating trade agreements, which will accelerate TPP negotiations with the remaining 11 countries. The current tax rates imposed on Vietnamese garment and textile products exported to the US would be cut gradually from 12-17% to 0%. However, this favor comes with the yarn-forward rule of origin.

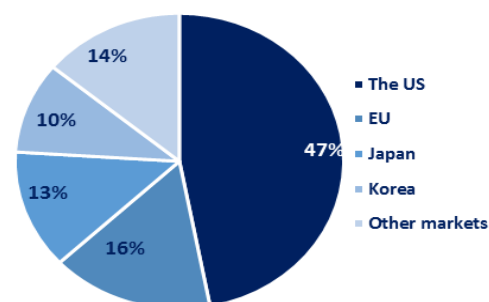
Textile and garment industry will benefit the most from TPP and VEFTA as US, EU and Japan are the three biggest export market of Vietnam.

Accordingly, Vietnam has the opportunity to increase its exports and market shares in these countries. Moreover, TPP and VCUFTA could help Vietnam's textile and garment industry gain access to other markets such as Russia, Mexico, Canada ...

We believe that textile and garment enterprises with major export markets are the countries in TPP, EU, Japan and Korea will benefit from these impending FTAs. However, companies have large production scale, expanding investment projects along with the ability to meet large-quantity orders, strict quality requirements will have greater growth potential over the small firms.

Ticker	Price	Price volatility within 7 days	Aver. Trading volume in 10 days	Accumulated revenue of 4 quarters	Equity	P/B	Justified P/E	ROE	ROA
TCM	33,600	+4.3%	566,178	2,538	846	1.96	10.02	20.6	8.4
EVE	26,300	+2.7%	2,098	839	840	0.88	7.31	12.2	10.1
TNG	26,200	+4.0%	412,109	1,469	327	1.76	7.86	22.3	4.9
GMC	40,700	-0.5%	1,321	1,424	245	2.15	7.79	29.1	10.9
GIL	25,800	-0.7%	43,512	1,156	337	0.83	5.29	16.2	6.2
KMR	5,500	-3.5%	724,485	361	501	0.54	48.2	-0.2	-0.16
TET	18,900	0.0%	0	43	82	1.3	4.06	35.38	30.2
NPS	14,000	+6.0%	1,420	54	36	0.83	11.6	6.9	3.3

Proportion of textile exports in 2014



Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VCB	46.5	3.56	2.294	1.80MLN
BID	21.8	2.35	0.756	1.95MLN
VNM	107	0.94	0.538	499620
VIC	51	0.99	0.392	944200
BVH	39	2.63	0.366	1.17MLN

Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
MSN	76	-1.94	-0.594	683780
HPG	27.5	-2.83	-0.315	2.59MLN
KDC	42.1	-2.32	-0.138	1.09MLN
SSI	23.5	-1.26	-0.069	3.99MLN
MBB	15	-0.66	-0.062	4.36MLN

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
HTL	92	6.98	0.026	2400
HAH	40.2	6.91	0.032	84160
AMD	23.4	6.85	0.024	689650
HOT	25	6.84	0.007	2180
VLF	4.7	6.82	0.002	510

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
TDW	23.7	-6.69	-0.008	2510
JVC	13	-6.47	-0.054	2.31MLN
THG	16.7	-6.18	-0.006	7380
SC5	20	-6.1	-0.01	22150
POM	7.7	-6.1	-0.05	350

Source: Bloomberg, BSC Research

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
OCH	12.2	9.91	0.136	800
ACB	21.7	0.93	0.115	385300
VCG	14.1	1.44	0.054	3.18MLN
NVB	6.8	1.49	0.019	700
DBC	25.5	1.59	0.015	12100

Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
PSD	50	-7.24	-0.034	3100
PVI	16.8	-1.18	-0.029	2700
HUT	12	-4	-0.026	1.85MLN
PVX	4	-2.44	-0.025	1.97MLN
SHN	21.4	-3.6	-0.016	871500

Top 5 gainers on the HNX

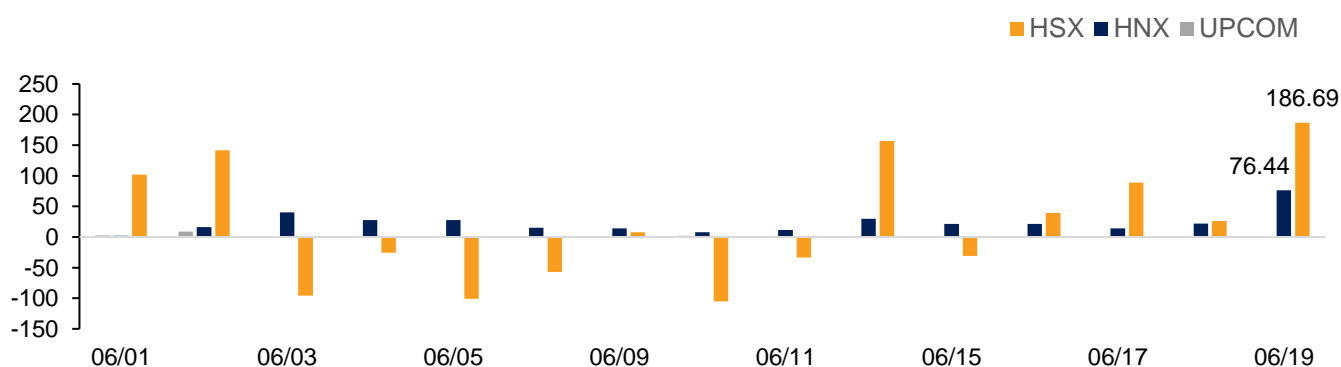
Ticker	Price	% Chg	Index pt	Volume
VTL	29.8	9.96	0.004	4500
OCH	12.2	9.91	0.136	800
HDA	10	9.89	0.002	19500
SDE	3.4	9.68	0	800
VC5	3.4	9.68	0.001	12400

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
INC	5.7	-9.52	-0.001	3300
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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