

Wed, July 8, 2015

# Vietnam Daily Monitor

## A necessary correction

### BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 9/7/2015	•		
Week 6/7-10/7/2015			•
Month 7/2015			•

## Summary

Vietnam market declined while trading volume increased by 15.5% compared to yesterday. However, only shares which recently had much gains corrected, notably VCB, BID, HCM and TCM. Insurance stocks continue increasing significantly.

## Recommendation

It is no surprise that Vietnam market declined after having a sharp increase. However, if the market continues falling with high volume, short-term peak is likely to be established.

Investors are recommended taking profit gradually in highly profitable gainers, and now one can choose time to cover. Investors should patiently wait for the next 1-2 sessions, no need to rush to open position during this time.

## Company update

SJS - Songda Urban & Industrial park Investment & Development JSC  
TRA - TRAPHACO JSC

## 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** **623.17**  
Value: 3160.44 bil **-7.1 (-1.13%)**  
Foreigners (net): VND 15.6 bil

**HNX-INDEX** **283/1900**  
Value: 807.68 bil **-1.31 (-1.46%)**  
Foreigners (net): VND 4.32 bil

**UPCOM-INDEX** **24/2/1900**  
Value 23.7 bil **0.06 (0.11%)**  
Foreigners (net): VND 0.09 bil

### Macro indicators

	Value	% Chg
Crude oil	52.7	0.6%
Gold	1,155	0.0%
USDVND	21,814	0.0%
EURVND	24,023	0.0%
JPYVND	17,953	0.9%
1-month Interbank ra	3.7%	-
5yr VN Treasury Yiel	6.4%	-

Source: Bloomberg, BSC Research

### Content

Market highlights	2
Technical view	3
Stock recommendations	4
Company updates	5
Market statistics	7

This report must be read with the Disclosure, located at the end of this report.

**Nguyen Quoc Truong**
*Research Analyst*

truongnq@bsc.com.vn

## Market highlights

Insurance stocks continued having strong increases. On the other hand, several stocks which have much gains corrected, notably VCB, BID, HCM, TCM and TNG.

Trading volume on both exchanges was 260 million, which increased by 15.5% compared to yesterday.

Market breadth was negative with only 143 gainers / 259 losers on both exchanges.

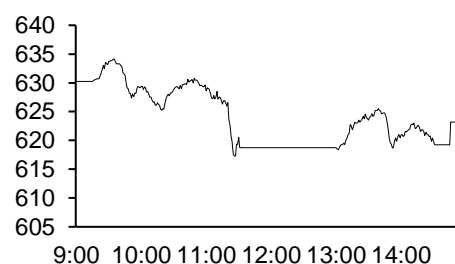
## Recommendations

It is no surprise that Vietnam market declined after having a sharp increase. Most of stocks which recently rallied significantly corrected today, such as VCB, BID, HCM, SSI and TCM, while the remainder still performed positively. Therefore, today's decline of VN-Index is not really negative.

One thing we note is that liquidity is increasing. Today market liquidity reached VND 4300 billion, showing 40% higher than the average of June 2015. If the market continues falling with high volume, short-term peak is likely to be established.

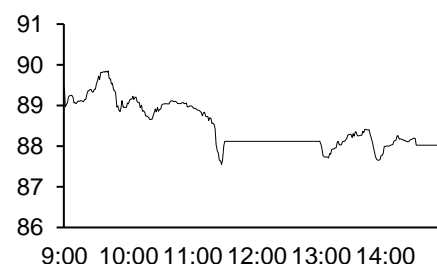
We constantly recommend investors taking profit in highly profitable gainers, and now one can choose time to cover. Investors should patiently wait for the next 1-2 sessions, no need to rush to open position during this time.

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
MBB	16.04	15.8	1.94
HAI	14.23	11.4	6.54
OGC	13.27	2.6	-3.7
SSI	11.75	25.7	-2.65
FLC	9.31	8.6	-1.15

Source: Bloomberg, BSC Research

Exhibit 4

**Foreign transaction**

Top buy	Value	Top sell	Value
BVH	36.7	HAG	63
MSN	21.3	IJC	17.5
VCB	10.7	PVD	14.3
KBC	9.5	SSI	9.7
PVS	6.8	PVC	6.6

Source: BSC Research

**Nguyen Quoc Truong**

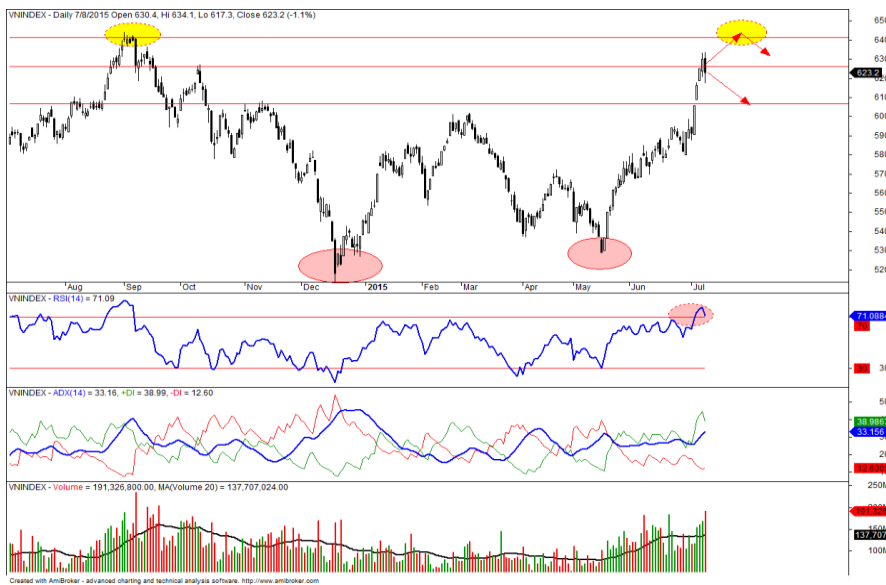
Research Analyst

truongnq@bsc.com.vn

## Technical views

A reversal pattern bearish engulfing was formed today. VN-Index is now fluctuating in the resistance at Oct 2014 peak of 626 points. RSI has turned down and can fall below 70, indicating the current uptrend may be threatened.

*If VN-Index continues to decline, bearish engulfing pattern will be confirmed, VN-Index may fall to next supporting level of 610 points. In contrast, the VN-Index may accumulate at 626 pts and climb to the old short-term peak of 640 pts.*



## Stock recommendations

### Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Performance	Recommendation	Cutloss	Target
1	VCG	26/5/2015	13.1	13.9	6.1%	Hold	12.2	14.5
2	TDH	26/5/2015	16.8	16.9	0.6%	Hold	15.8	18.5
3	TNG	1/6/2015	23.9	25.3	5.9%	Hold	21.5	26
4	VHC	1/6/2015	37.4	38.7	3.5%	Hold	34.5	40.2
5	KLS	9/6/2015	9.6	9.5	-1.0%	Hold	8.7	10.3
3	CII	18/6/2015	22.8	27.6	21.1%	Hold	22.4	24
4	KDH	18/6/2015	21.6	22.2	2.8%	Hold	20	23
5	VCB	18/6/2015	44.9	52	15.8%	Hold	41.3	45
<b>Average</b>					<b>6.8%</b>			

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	15.8	2.6%	14.5%	12.7	16.5
2	VIC	7/7/2014	38	43.5	-2.5%	14.5%	43.93	57.3
3	FPT	12/1/2015	41.5	46.7	-0.6%	12.5%	44.44	57.96
4	DHC	14/1/2014	21.5	24.5	0.0%	14.0%	19.78	25.8
5	HT1	9/6/2015	22.9	22.1	-2.6%	-3.5%	20.7	26.8
6	NTL	9/6/2015	11.8	14.6	-0.7%	23.7%	10.9	14.2
<b>Average</b>					<b>-0.6%</b>	<b>12.6%</b>		

Source: BSC Research

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**Nguyen Hoai Thu***Equity Analyst*thunh@bsc.com.vn

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## Company updates

### **SJS - Songda Urban and Industrial park Investment and Development JSC (HSX)**

**Business result in Q2/2015 is expected to increase significantly over the same period of 2014.** Nam An Khanh urban area project contributed mainly revenues for SJS, which is likely to be VND 200 billion (+99% yoy) and profit before tax would reach approximately VND 70 billion (+306% yoy). SJS's financial situation is gradually improved. In Q2/2015, SJS will repay VND 176 billion in total of VND 280-billion bonds, long – term loan of Maritime Bank and Viet A Bank would be extended from 3-5 years. SJS continues to divest in previous inefficient projects and investments such as the collaborative project with Phu Huu, the investment in Urban GAS's stocks...

#### **Progress of implementing projects:**

- **Nam An Khanh urban area: the project's scale is up to over 100ha, which is sold more than 60ha.** Currently SJS has stopped sales operations and focused on completing infrastructure and landscape innovation. Current sales price to individuals is about VND20 million/m<sup>2</sup> and is expected to increase up to 20% by year-end (Splendora An Khanh is presently sold for VND40-50 million/m<sup>2</sup>). It is expected that SJS will record another VND300 billion revenue from transferring land of Nam An Khanh project for secondary investors. More than 100 homes are sold to individuals from the beginning of the year and would record over VND200 billion revenue in the first quarter of 2016.
- **Van La – Van Khe urban area:** the project is located near the last station of Ha Dong railroad and is pending for the planning map to be approved, which is expected to be at the end of Q3/2015. SJS will start to investing in infrastructure at the end of 2015. This is the key project after Nam An Khanh project
- **Hoa Hai – Da Nang project:** the project's scale is about 1000ha. SJS will divide it into plots of land and sales to secondary investors to withdraw capital pending in the project.

**Songda Corporation will increase its ownership in the future.** Song Da Corp currently owns more than 36% of SJS and is expected to increase the ratio to 51% according to the restructuring plan which is sponsored by ADB. SJS said it would not issue specific shares for Songda Corp but the activity should be implemented in the stock exchange.

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**Tran Thi Hong Tuoi***Equity Analyst*tuoith@bsc.com.vn

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## Company updates

### TRA - TRAPHACO JSC (HSX)

**6M2015 operating performance:** For the first 6 months of 2015, net sales and net income was 930 VND billion (+ 29.2% yoy) and 80 VND billion (+ 33% yoy), respectively. As expected, revenue and profit in 2015 will grow approximately by 20% yoy.

**Strong distribution system.** According to the company managers, TRA has owned the most powerful distribution system in their sectors by applying sales management software, DMS and signed monitored contract with TNS. The outstanding advantage of new distribution system is the ability to unify the output price and guarantee profits for distributors (which is the weakness of TRA before 2014). Approximately 80% of the distributors of TRA is awarded a maximum profit margin of 19%. The sales team of the company has about 270 pharmaceutical representatives who take care approximately 20,000 nationwide customers.

**Boosting product sales through the existing product lines.** TRA will not advocate to increase the number of registered drugs. Some advantageous product lines are “Hoat huyet duong nao” (about 23% of total revenue) and liver tonic Boganic (accounting for about 27% of total revenue). However, market share of “Hoat huyet duong nao” has been declining due to competition with “Hoat huyet nhat nhat” product. Some products which will have strong growth in the next period is hemorrhoid drug (Totri) and cough drugs.

**Being initiative to create material resources:** TRA is initiative to reserve about 70% of input raw materials for production. This is a high quality material resource. 30% the rest of materials are mainly imported from the European market.

## Market statistics

### Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
BVH	55	5.77	1.113	1.25MLN
CTG	21.2	1.92	0.812	5.14MLN
STB	19.9	2.05	0.271	1.63MLN
CII	27.6	6.98	0.192	9.25MLN
HT1	22.1	5.24	0.191	626100

### Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
VCB	52	-3.7	-2.905	1.66MLN
GAS	63.5	-2.31	-1.549	542710
BID	25.9	-3	-1.226	4.43MLN
VNM	115	-1.71	-1.091	271740
MSN	86.5	-2.26	-0.802	644590

### Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
CII	27.6	6.98	0.192	9.25MLN
TMT	44.8	6.92	0.049	313420
ACC	28	6.87	0.01	1130
TVS	12.8	6.67	0.019	639320
HAI	11.4	6.54	0.039	14.23MLN

### Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
MDG	4.2	-6.67	-0.002	2000
VNG	10.2	-6.42	-0.005	180
TTP	31	-6.34	-0.017	4500
UDC	4.6	-6.12	-0.006	106290
TDW	20.1	-6.07	-0.006	20

Source: Bloomberg, BSC Research

### Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
SHB	8.9	2.3	0.109	11.75MLN
SHN	14.4	6.67	0.018	1.89MLN
BCC	14.9	2.05	0.018	137800
VNF	54	9.98	0.017	100
THB	26.2	9.62	0.016	3600

### Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
ACB	22.9	-2.97	-0.404	1.45MLN
PVS	28.3	-3.41	-0.275	2.19MLN
VCG	13.9	-2.8	-0.109	1.45MLN
PVC	25.7	-8.87	-0.077	2.85MLN
VND	13.6	-5.56	-0.049	3.06MLN

### Top 5 gainers on the HNX

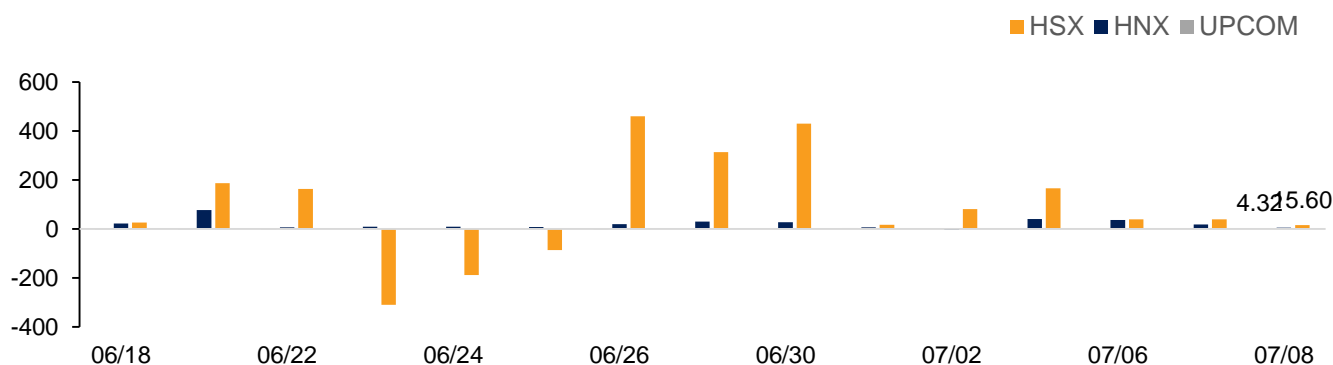
Ticker	Price	% Chg	Index pt	Volume
PVR	3.3	10	0.01	5800
VNF	54	9.98	0.017	100
INC	5.6	9.8	0.001	1400
VMC	21.4	9.74	0.008	100
THB	26.2	9.62	0.016	3600

### Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
VE3	13	-13.33	-0.002	1000
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).*

**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>

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