

Wed, July 15, 2015

Vietnam Daily Monitor

Keep shaking

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 16/7/2015	•		
Week 13/7-17/7/2015			•
Month 7/2015			•

Summary

The market fell sharply by the end of today trading session, most of large-cap stocks decreased significantly.

There were few shares surging strongly in both price and volume today

Recommendation

We believe that today correction is necessary and reasonable due to it is not easy to break resistance of 640 points. However, this correction might last in short time because market movement of the market is still optimistic, major important stock group have still alternately led the market.

Investors who have taken profits as our recommendation should observe the direction of market in the next few sessions before opening position again.

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VN-INDEX **630.89**
Value: 2485.97 bil **-7.8 (-1.22%)**
Foreigners (net): VND 3.4 bil

HNX-INDEX **87.66**
Value: 721.89 bil **-1.08 (-1.22%)**
Foreigners (net): VND 15.74 bil

UPCOM-INDEX **55.39**
Value 17.9 bil **-0.18 (-0.32%)**
Foreigners (net): VND 0.6 bil

Macro indicators

	Value	% Chg
Crude oil	52.7	-0.7%
Gold	1,155	-0.1%
USDVND	21,810	0.0%
EURVND	24,031	0.1%
JPYVND	17,653	0.2%
1-month Interbank ra	3.5%	-
5yr VN Treasury Yiel	6.4%	-

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 fell sharply by the end of today trading session, two indices VN-Index and HNX-Index therefore closed at their today lows.

Only blue-chips share MSN rose sharply, the other large cap stocks mostly fell.

Some stocks surging significantly in both price and volume today include KVC (+ 10%), HDA (+ 7.14%), SAM (+ 5.8%) and BMI (+ 5.5%).

Recommendations

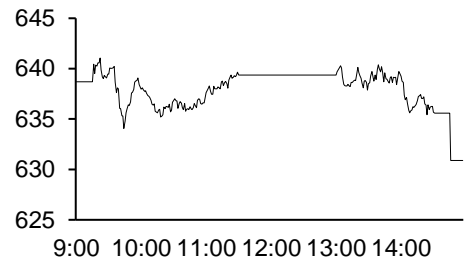
As previously mentioned, 640 pts is a strong resistance level, and VN-index will not easily break out this level. The recent motivation making VN-index rise significantly is the foreign investors' demand, and we realize that they have been a net sellers (except for participating of two ETFs). Therefore, today correction of VN-Index when approaching to the peak of 640 pts is necessary and reasonable.

However, this correction might last in short time because market movement of the market is still optimistic. Major important stock groups have had a time to lead the market. In addition, stable macroeconomic and Q2 business results will continually support the market in the near future.

Hence, we recommend that investors who have taken profits as our recommendation should observe the direction of market in the next few sessions before opening position again.

Exhibit 1

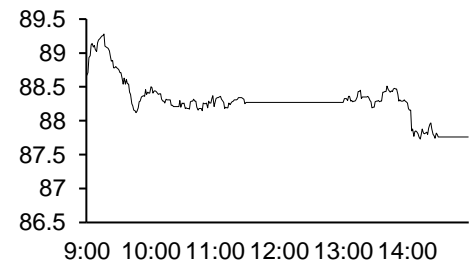
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
CTG	8.95	22	-3.08
FLC	8.79	8.2	-1.2
MBB	8.64	16.1	-3.59
HAI	7.94	10.2	0.99
SSI	6.96	26.2	-2.24

Source: Bloomberg, BSC Research

Exhibit 4

Foreign transaction

Top buy	Value	Top sell	Value
MSN	38.8	CTG	78.6
DPM	36.8	PVD	16
BID	19.2	HPG	8.6
SSI	9.9	VCB	7.9
VND	6.3	AAA	0.6

Source: BSC Research

Technical views

Bearish divergence signal appeared on our momentum indicators, showing that short-term risk is rising. However, the trend indicator still indicate positive signals. Today black candle has covered the body of yesterday candle, forming bearish engulfing pattern. If VN-Index continues declining tomorrow, reversal signal of this pattern will be confirmed, and VN-Index may then fall back to support level of 610 points.



Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Performance	Recommendation	Cutloss	Target
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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	16.1	-1.2%	16.7%	12.7	16.5
2	VIC	7/7/2014	38	43.5	-1.8%	14.5%	43.93	57.3
3	FPT	12/1/2015	41.5	46.4	-0.4%	11.8%	44.44	57.96
4	DHC	14/1/2014	21.5	24.5	1.2%	14.0%	19.78	25.8
5	HT1	9/6/2015	22.9	21.7	4.3%	-5.2%	20.7	26.8
6	NTL	9/6/2015	11.8	14.5	-2.7%	22.9%	10.9	14.2
Average					-0.1%	12.4%		

Source: BSC Research

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Company updates

CMG - CMC Corporation (HSX)

Telecommunication field: 2015 EBT is expected to reach VND 88.23 billion (+ 69% yoy). Since 01 Jul 2015, after completion of the transactions, TIME dotcom has officially become a CMC Telecom's strategic shareholder with ownership ratio of 25.37% (bought 8.5 million new shares issued which worth about \$12 million, equivalent to about VND 30,000/share), the CMC's ownership ratio in CMC Telecom decreased from 73% to 54.6%. The cooperation with TIME will help CMG have more international customers, increase the quality of international bandwidth... In Q3 2015, TIME and CMG will meet to develop plans. CMG also aims to double the number of subscribers to 100,000 subscribers, on the basis of strategic partnership with VTVcab.

Telecommunication infrastructure field: CMC is having 2 inland international line which are Hanoi - Lang Son and Ho Chi Minh City - Moc Bai connected to Hong Kong, Cambodia, Thailand, Myanmar. APG undersea cable (CMG contributed 12.5% capital with Viettel, FPT) can go into operation in late Q1/early Q2 2016. Additionally, in Q3 2015, CMG will deploy the North-South axis line with a total capital of \$ 4 million (depreciation in 7 years), scheduled for completion in Q3 2016. The ownership of telecommunications infrastructure will help CMG save 1/3 cost compared to the current channel lease.

Software field: 2015 EBT is expected to reach VND 17.4 billion (+ 8% yoy). Currently, CMG is deploying mobile applications, will deploy cloud applications in near future. Software field's number of employees is 250 people. Expected number of employees will reach 600 in 2018 to promote the development of this activity in both local and foreign market in the future.

Integration field: 2015 EBT is expected to reach VND 52.15 billion (+ 12% yoy). CMG will focus on enterprise and financial customers. Additionally, CMG will increase its charter capital in CMC SI Saigon from VND 20 billion to VND 30 billion in order to meet this segment's development demand in the southern markets (key is the joint-stock commercial banks). Particularly Q1, system integration segment from Saigon CMC SI reached revenue and profit quarter 1/2014 nearly 2 times. However, leaders of CMG share in this area, CMG will follow intensive development strategy instead of growth.

Distribution field: this is not a main field of CMG, according to plans, company will gradually decrease this sector's contribution to focus on three main business activities mentioned above. 2015 EBT target reaches VND 3.7 billion. In Q1 2015, the company's EBT reached VND 7 billion.

CMG aims to achieve 2015 EBT of VND 153.74 billion (+ 19% yoy), PAT attributable to the parent company's shareholders of 110 billion, 2015 EPS = 1,660 VND, 8% dividend 8%. On 15 Jul 2015, CMG shares are traded at a price of VND 14,000 per share, equivalent to PE FW = 8,4x. We evaluate business plans of CMG is relatively cautious. Preliminary business result Q1 2015 was positive, EBT is estimated at 21 billion, up sharply compared to the same period in 2014 (+ 71% yoy). We remain positive rating and mid-term buy recommendation with a target price of 15.668 per share.

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Company updates

DPM - Petrovietnam Fertilizer and Chemicals Corporation (HSX)

Business result was positive in 1H2015: estimated in the first 6 months of 2015, DPM produced 370.8 thousand tons of urea and consumed 430 tons of urea. Also, company self-traded about 175 thousand tons of fertilizers and 2.34 thousand tons of chemicals. Equivalent, DPM expected to record 4,945 billion of revenues (-1% yoy) and 810 billion of pre-tax profit (+ 7% yoy)

Selling prices continued to decline slightly: the market price of urea fertilizer fell by about 3-4% in the first 6 months. After consecutive falling in the first 4 months, urea fertilizer prices have rebounded since late May to June due to the Phu My Fertilizer Plant's Maintenance simultaneously Ha Bac factory and Ninh Binh factory also had problems in June. In the last 6 months, the price forecast to decline slightly due to falling demand in the crop.

The listing subsidiaries plan: in July 2015, 2 subsidiaries of DPM (Dam Phu My Packaging Joint Stock Company (PMP) and Fertilizers and Petroleum Chemistry Southwest (PSW) will be listed on the HNX. Moreover, in 2015, DPM expects to continue list Fertilizers and Petroleum Chemistry Northern Joint Stock Company and Fertilizer and Petroleum Chemistry Central Joint Stock Company.

Actively deploying major investment projects: UFC85/Formaldehyde Project has implemented about 72% by weight, 2.8% ahead of schedule and is expected to go into operation from Dec 2015. The project has a capacity of 15 thousand tons of UFC85 or 25 thousand tons of Formalin in which 50% of the production will be used as additives in urea granulation against the block, increasing the product's hardness, reducing broken, wet, dust beans ratio avoid leaf burning when fertilization. 50% of the production will be sold commercially. In addition, the NH3 combined project (extended) - NPK Phu My plant was signed EPC contract, expected to start in 10/2015 and complete in 7/2017. Once completed, the project is expected to bring growth of 5-10%/year for firm since 2017.

DPM will complete the 2015 business plan: company expects to sell about 800 thousand tons of urea in 2015, exceeding the target of 3%. BSC forecast DPM will reach 1231 billion of 2015 profit after tax, equivalent to 2015 EPS = VND 3108 VND/share. On 13 Jul 2015, DPM is traded at a price of VND 31.200 /share, equivalent to 2015 P/E FW = 10.04.

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
MSN	96.5	4.89	1.802	1.02MLN
DPM	32.3	2.54	0.165	2.88MLN
DCM	13.4	1.52	0.058	3.66MLN
SAM	12.7	5.83	0.053	3.64MLN
BMI	22.9	5.53	0.049	859120

Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
VCB	51	-2.86	-2.175	400670
BVH	62	-6.06	-1.481	586290
CTG	22	-3.08	-1.418	8.95MLN
BID	26	-1.52	-0.612	2.92MLN
GAS	62.5	-0.79	-0.516	244570

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
PNC	14.1	6.82	0.005	5720
SC5	25.4	6.72	0.013	22240
TDW	20.8	6.67	0.006	1690
JVC	8.1	6.58	0.031	1.76MLN
SMA	4.9	6.52	0.003	117930

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
HBC	15.9	-12.78	-0.073	1.62MLN
SCD	36.3	-6.92	-0.012	1110
CII	25.9	-6.83	-0.202	5.65MLN
KSS	1.4	-6.67	-0.003	897570
HOT	24.5	-6.49	-0.007	10

Source: Bloomberg, BSC Research

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
PVI	23	5.5	0.173	304300
NVB	7.5	8.7	0.111	1100
LAS	28.9	1.76	0.024	275600
MAS	120	9.09	0.019	2800
BCC	14.4	2.13	0.018	100200

Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
ACB	22.6	-2.59	-0.346	1.16MLN
SHB	9.1	-4.21	-0.219	4.98MLN
PVS	27.4	-1.08	-0.083	1.34MLN
VCG	13.6	-2.16	-0.082	928200
VNR	24.4	-3.94	-0.081	10300

Top 5 gainers on the HNX

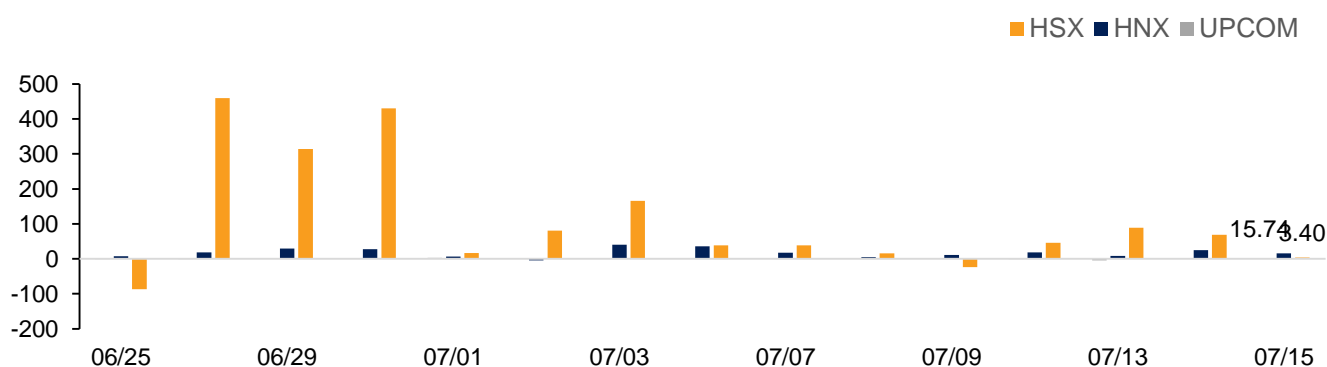
Ticker	Price	% Chg	Index pt	Volume
C92	14.3	10	0.004	200
MIM	6.6	10	0.001	100
PIV	16.5	10	0.001	31400
VMC	23.5	9.81	0.008	2700
CX8	6.8	9.68	0.001	500

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
SIC	15.3	-10	-0.008	10300
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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