

Thu, July 23, 2015

## Vietnam Daily Monitor

### Negative signs in the upcoming session

#### BSC's Forecast on the stock market

|                     | Negative | Neutral | Positive |
|---------------------|----------|---------|----------|
| Day 24/7/2015       | •        |         |          |
| Week 20/7-24/7/2015 | •        |         |          |
| Month 7/2015        |          |         | •        |

### Summary

The stock market basically reversed today. Despite closed in green, the HSX's breadth became negative. Insurance stocks were the main gainers.

Foreigners were net buyers on both exchanges today.

### Recommendation

The market can be adjusted in the next session due to the pressure of the bottom fishing volume 2 days ago. However the resistance level of 600-610 will be maintained. Market outlook remains positive in the medium term.

Risk-loving investors might wait for the next market correction to increase the proportion of stocks. The risk-averse investors might continuously remain their proportion of stocks in the safe level.

### Company updates

CSV - Southern Basic Chemicals Joint Stock Company (HSX)

HT1 - Hatien 1 Cement Joint Stock Company (HSX)

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**VN-INDEX** **632.01**

Value: 2245.76 bil

2.16 (0.34%)

Foreigners (net): VND 83 bil

**HNX-INDEX** **86.07**

Value: 613.98 bil

-0.93 (-1.07%)

Foreigners (net): VND 16.65 bil

**UPCOM-INDEX** **54.65**

Value 38.3 bil

-0.39 (-0.71%)

Foreigners (net): -VND 0.005 bil

### Macro indicators

|                      | Value  | % Chg |
|----------------------|--------|-------|
| Crude oil            | 49.3   | 0.1%  |
| Gold                 | 1,102  | 0.7%  |
| USDVND               | 21,810 | -0.1% |
| EURVND               | 23,981 | 0.7%  |
| JPYVND               | 17,616 | 0.1%  |
| 1-month Interbank ra | 3.4%   | -     |
| 5yr VN Treasury Yiel | 6.5%   | -     |

Source: Bloomberg, BSC Research

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

## Nguyen Quoc Truong

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## Market highlights

The VN-index and HNX-index moved oppositely today. Besides, despite the increase of VN-index, the width of the market was quite negative with 157 increasing stocks/246 decreasing stocks in both 2 exchanges.

The insurance stocks group reverse to increase; in contrast, the group of banks and securities companies' and construction stocks decreased lightly.

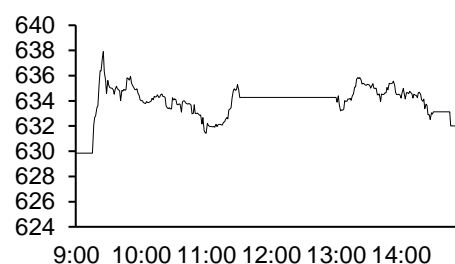
## Recommendations

After two recovery sessions, there is high possibility that the market will have a correction trend on tomorrow. The bottom fishing stocks in the session dated July 21st will come into accounts on tomorrow, therefore the pressure of selling will soar tomorrow. However, our recommendation "the supports of 600 points and 610 points" will be continuously remained. Several factors as: (1) the stable macro – economy, (2) the operating result of firms being revealed and (3) the leading stocks moving positively will continuously support to the overall market in the coming period. We still remains our points of view about the market trend in the mid – term.

We believe that the risk-loving investors who have the low proportion of stocks in their portfolio might wait for the next market correction to increase the proportion of stocks. The risk-averse investors might continuously remain their proportion of stocks in the safe level and observe the market.

Exhibit 1

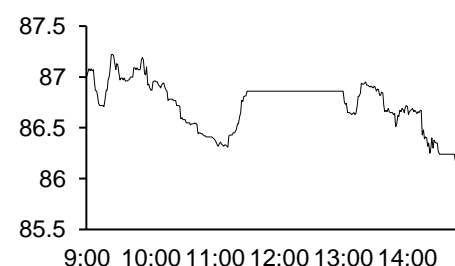
### VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

### HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

### Top 5 volume leaders

| Ticker | Volume | Price | % Chg |
|--------|--------|-------|-------|
| MBB    | 9.76   | 16.2  | 1.25  |
| SSI    | 8.81   | 27.2  | 1.12  |
| DLG    | 6.85   | 7.7   | -6.1  |
| FLC    | 5.37   | 8.1   | -1.22 |
| CII    | 5.12   | 26.1  | -1.51 |

Source: Bloomberg, BSC Research

Exhibit 4

### Foreign transaction

| Top buy | Value | Top sell | Value |
|---------|-------|----------|-------|
| PVS     | 7.6   | BVH      | 39.2  |
| BIC     | 1.5   | BCI      | 36.8  |
| BID     | 1.4   | SDT      | 1.6   |
| BMI     | 0.2   | BMP      | 0.3   |
| BT6     | 0.03  | BHS      | 0.1   |

Source: BSC Research

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## Technical views

VN-index created the Doji candle after reaching the upper bound of Parabolic Sar, showing high possibility that VN-index will meet the resistance level. If VN-index creates a decreasing candle tomorrow, there is high possibility that this index will test again the old support level of 615 points.

*The trend indicators and momentum indicators both have not shown the negative signal yet, showing that the overall market will continue to fluctuate in the range of 615 – 640 points.*



## Stock recommendations

### Short-term portfolio

| No. | Ticker | Date | Buy price | Current price | Performance | Recommendation | Cutloss | Target |
|-----|--------|------|-----------|---------------|-------------|----------------|---------|--------|
|-----|--------|------|-----------|---------------|-------------|----------------|---------|--------|

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      | 16.2          | -0.6%          | 17.4%                 | 12.7    | 16.5   |
| 2              | VIC    | 7/7/2014  | 38        | 44.1          | -0.5%          | 16.1%                 | 43.93   | 57.3   |
| 3              | FPT    | 12/1/2015 | 41.5      | 47            | 0.9%           | 13.3%                 | 44.44   | 57.96  |
| 4              | DHC    | 14/1/2014 | 21.5      | 26            | 7.4%           | 20.9%                 | 19.78   | 25.8   |
| 5              | HT1    | 9/6/2015  | 22.9      | 22            | 5.8%           | -3.9%                 | 20.7    | 26.8   |
| 6              | NTL    | 9/6/2015  | 11.8      | 14            | -6.0%          | 18.6%                 | 10.9    | 14.2   |
| <b>Average</b> |        |           |           |               | <b>1.2%</b>    | <b>13.7%</b>          |         |        |

Source: BSC Research

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## Company updates

### CSV - Southern Basic Chemicals Joint Stock Company (HSX)

#### **The business performance in 2Q2015 is lower than 1Q2015**

Company estimates to record VND 45 billion consolidated EBT in 2Q2015, in which the parent company's EBT was about VND 25 billion (excluding for VND 34 billion of dividends from Vietnam Phosphate JSC) and EBT of subsidiary Vietnam Phosphate JSC was 20 billion. In 1H2015, company produced about 16 thousand tons of caustic soda, reaching 50% target. The increase in electricity price since March had a significant influence on the CSV's business result because the electricity cost accounted for 67% of the outside purchasing services cost - equivalent to 16% of total production expenses. However, 1H2015 business result grew sharply compared to the same period in 2014, the main reason was that salt price fell by 21% while salt cost was accounted for about 17% of total production expenses.

#### **No increase in capacity in the next 5 years**

Currently, CSV is preparing for Caustic Soda Manufacturing Plant Project whose estimated capacity is 30,000 tons/year in 2018 - 2020 period and then relocated a production line 15,000 tons/year into the new plant. The project's total capital is around VND 1400 billion. Thus, since 2020 total caustic soda production capacity may reach 45,000 tons/year. However, the implementation will be based on policy of relocating the plants in Bien Hoa Industrial Park, Dong Nai and company's ability of raising capital.

#### **The growth in the next 5 years will depend on input costs**

Because company's production has almost reached the maximum (exceed the design capacity 10%), the growth in the next 5 years is mainly depend on the input costs reduction. Salt price is expected to continue to decline due to decrease in salt consumption demand of China. Depreciation cost will also fall from 2017 because the Bien Hoa plant will be fully depreciated. Therefore, we expect that CSV will continue to maintain a steady profit growth in the next 5 years while revenue will be stabilized at stable level.

#### **Dividend plan in Q3 2015**

After receiving dividends from subsidiaries Vietnam Phosphate JSC, company will pay dividend to parent company's shareholders at the rate of 6-7%.

#### **CSV will continue to maintain a stable business result in 2H2015:**

*Due to steady production and consumption each quarter and stable estimated salt price (USD 32-35/ton) in the last 6 months, company expects that 2H2015 business result will remain stable compared to the 1H2015.*

**Company is expected to reach about VND 185 billion profit after tax, 2015 EPS is estimated at VND 3,597/share**

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## Company updates

### HT1 - Hatien 1 Cement Joint Stock Company (HSX)

**Summarizing the first-half of 2015, gross profit was VND 788.56 billion (+25.63%yoy)**, with a large contribution from Q2 gross profit of VND 433.48 billion (+51.27%yoy). Q2 gross profit margin was 21.01%, a considerable increase compared to 16.59% in 2014 (in 2014, the production line in Binh Phuoc had problem and had to stop working to be repaired).

**Excluding the impact of exchange rates, in the first-half of 2015, EAT from core operations was VND 416.92 billion**, which was 2.95 time higher than that in 2014. The factors in this period were:

- Net sale reached VND 3,662.77 billion (+10.8%yoy). Total consumption was 2.69 million ton (+18%yoy).
- Gross profit margin was improved at 21.53% (which was 18.99% in 2014)
- Interest expense decreased by VND 55.6 billion, accounted for 6.04% net sale (which was 8.37% of net sale in 2014)
- Selling expense decreased by VND 97.16 billion, accounted for 1.06% net sale (which was 4.12% of net sale in 2014)

#### **In terms of production and consumption of cement:**

Total consumption in the first 6 months of 2015 of HT1 was 2.69 million ton (+18%yoy – the average increase of Tay Nguyen and the South of Vietnam was 15%), including 290,000 ton clinker and the increase in using bulk cement for constructions. This was the best performance in years of HT1. If the situation was favorable, HT1 estimated annual consumption may exceed 5 million ton (in normal conditions, the cement grinding capacity of HT1 was 6.5 million ton). The market share reached 28.8% from Da Nang to Ca Mau (up 0.6 % YTD 2015). Current price of cement remained unchanged to gain market share.

#### **Other issues:**

No implementation plan for coal import from Indonesia. The land in Thu Duc grinding plant is in the process of utility transformation into urban area... (an area of 11,7ha , within residential area and close to metro lines).

***We continue to maintain a BUY recommendation in medium and long-term with HT1 stock as previous report dated Jan 30th 2015 at the target price of VND 24,939 /share. On Jul 22nd 2015, HT1 was traded at VND 22,000 /share. EPS in 6 months 2015 was VND 1,248 /share, EPS in 6 months 2015 from core operations (excluding the impact of exchange rates) reached VND 1,023 /share.***

## Market statistics

### Top 5 leaders on the HSX

| Ticker | Price | % Chg | Index pt | Volume  |
|--------|-------|-------|----------|---------|
| GAS    | 61.5  | 3.36  | 2.02     | 299960  |
| VNM    | 122   | 2.52  | 1.6      | 1.14MLN |
| BVH    | 57.5  | 6.48  | 1.269    | 297960  |
| DHG    | 78    | 6.85  | 0.232    | 388000  |
| PVD    | 45    | 2.04  | 0.145    | 491900  |

### Top 5 laggards on the HSX

| Ticker | Price | % Chg | Index pt | Volume  |
|--------|-------|-------|----------|---------|
| BID    | 25.9  | -1.89 | -0.749   | 3.04MLN |
| VCB    | 51.5  | -0.96 | -0.71    | 399180  |
| CTG    | 22.8  | -0.87 | -0.397   | 5.12MLN |
| VIC    | 44.1  | -0.9  | -0.311   | 1.10MLN |
| MSN    | 92.5  | -0.54 | -0.196   | 194950  |

### Top 5 gainers on the HSX

| Ticker | Price | % Chg | Index pt | Volume |
|--------|-------|-------|----------|--------|
| PNC    | 17.1  | 6.88  | 0.006    | 29180  |
| DHG    | 78    | 6.85  | 0.232    | 388000 |
| TCR    | 4.7   | 6.82  | 0.002    | 1010   |
| TDW    | 22    | 6.8   | 0.006    | 5990   |
| LHG    | 12.9  | 6.61  | 0.011    | 154300 |

### Top 5 losers on the HSX

| Ticker | Price | % Chg | Index pt | Volume |
|--------|-------|-------|----------|--------|
| BCG    | 16.1  | -6.94 | -0.026   | 42950  |
| ATA    | 2.7   | -6.9  | -0.001   | 89450  |
| BTT    | 34    | -6.85 | -0.014   | 10     |
| SPM    | 20.5  | -6.82 | -0.011   | 4680   |
| KHA    | 28    | -6.67 | -0.015   | 2870   |

Source: Bloomberg, BSC Research

### Top 5 leaders on HNX

| Ticker | Price | % Chg | Index pt | Volume |
|--------|-------|-------|----------|--------|
| PVI    | 21.3  | 4.41  | 0.13     | 703800 |
| PTI    | 20.2  | 6.88  | 0.04     | 256100 |
| DGC    | 28    | 1.82  | 0.01     | 6500   |
| TVD    | 9.8   | 6.52  | 0.009    | 22100  |
| PLC    | 28.1  | 0.72  | 0.009    | 51300  |

### Top 5 laggards on the HNX

| Ticker | Price | % Chg | Index pt | Volume  |
|--------|-------|-------|----------|---------|
| ACB    | 21.8  | -3.11 | -0.404   | 892200  |
| SHB    | 8.7   | -2.25 | -0.109   | 3.56MLN |
| VCG    | 13.4  | -1.47 | -0.054   | 904600  |
| NVB    | 7     | -2.78 | -0.037   | 2400    |
| KLS    | 9.1   | -2.15 | -0.025   | 1.05MLN |

### Top 5 gainers on the HNX

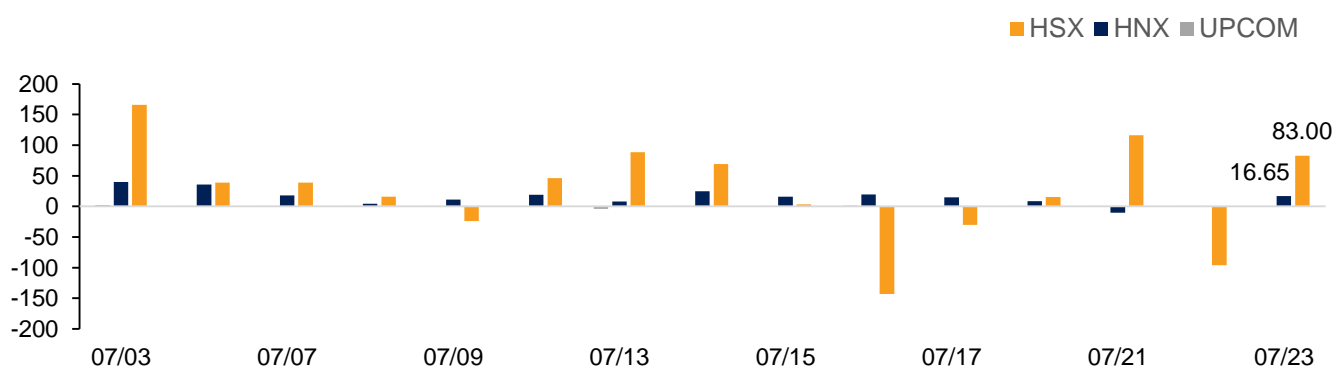
| Ticker | Price | % Chg | Index pt | Volume |
|--------|-------|-------|----------|--------|
| KTS    | 15.4  | 10    | 0.004    | 200    |
| PIV    | 22.6  | 9.71  | 0.001    | 21400  |
| ALV    | 6.8   | 9.68  | 0.001    | 36900  |
| PMS    | 12.6  | 9.57  | 0.005    | 13400  |
| CJC    | 18.4  | 9.52  | 0.002    | 200    |

### Top 5 losers on the HNX

| Ticker | Price | % Chg | Index pt | Volume |
|--------|-------|-------|----------|--------|
| DZM    | 5.4   | -10   | -0.002   | 100    |
| 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

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