

Wed, October 28, 2015

# Vietnam Daily Monitor

## Another day of accumulation (2)

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 29/10/2015			•
Week 26/10-30/10/2015			•
Month 10/2015			•

## Summary

Foreign investors turned to sell on 3 exchanges today. The indices were in green in the majority trading time, however they quickly fell with a slight margin in late minute of the day. Overall, the indices continue to fluctuate. The equilibrium of the market is still maintained.

## Recommendation

A accumulating session is likely to be continue tomorrow due to the absence of information as well as the declining demand from foreign investors in today. The trading range of VN-Index in the next session would be 595-600 points.

Investors should maintain the proportion of stocks at a reasonable level, take profit in gaining session and increase stock weight in the declining session.

## Company Update

HSG - Hoa Sen Group (HSX)  
NKG - Nam Kim Steel JSC (HSX)  
SHP - Southern Hydropower JSC (HSX)

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**VN-INDEX** **596.24**  
Value: 1845.12 bil **-2.2 (-0.37%)**  
Foreigners (net): -VND 53.01 bil

**HNX-INDEX** **81.22**  
Value: 406.81 bil **-0.08 (-0.1%)**  
Foreigners (net): -VND 1.45 bil

**UPCOM-INDEX** **52.99**  
Value 17.05 bil **-0.51 (-0.95%)**  
Foreigners (net): -VND 0.11257 bil

### Macro indicators

	Value	% Chg
Crude oil	43.5	0.8%
Gold	1,173	0.5%
USDVND	22,305	-0.1%
EURVND	24,687	0.1%
JPYVND	18,539	0.0%
1-month Interbank ra	3.2%	-
5yr VN Treasury Yiel	6.7%	-

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

OGC continually had bid volume on ceiling price of 15 million shares. VN-Index and HNX-Index closed at their today lows. Some stocks surging significantly on price and volume are VGS (+ 9.8%), PGD (+ 6.9%), VIS (+ 6.8%) and HAR (+6.6 %).

## Recommendations

Although trading in the green throughout the trading session, both the VN-Index index and HNX-Index ended at their today lows because of selling pressure. Similarly, most shares are also traded in narrow range. The lack of positive information and cautious sentiment of investors could make the market continually go sideways around 595-600 points in the coming sessions.

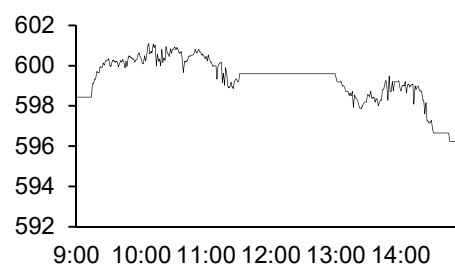
Investors continue to maintain a balanced ratio between shares and cash in the portfolio, consider increasing the proportion of shares in the down sessions.

Exhibit 1

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**VN-Index Intraday**


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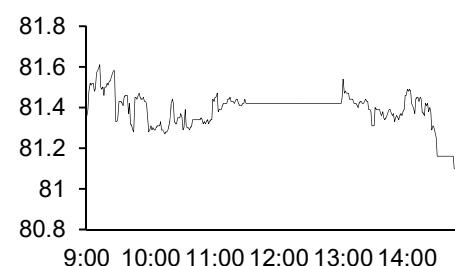
Source: Bloomberg, BSC Research

Exhibit 2

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**HNX-Index Intraday**


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Source: Bloomberg, BSC Research

Exhibit 3

**Top 5 volume leaders**

Ticker	Volume	Price	% Chg
FLC	5.37	7	1.45
ITA	5.19	6.5	-2.99
HAG	5.06	14	-2.1
CII	4.53	24.2	1.26
VHG	3.82	8	1.27

Source: Bloomberg, BSC Research

Exhibit 4

**Foreign transaction**

Top buy	Value	Top sell	Value
CII	6.8	VIC	19
NCT	6.5	GMD	17.66
NCT	6.5	HPG	8.5
CTG	5.98	HVG	8.39
BCC	0.887	PVS	1.7

Source: BSC Research

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## Company updates

### HSG - Hoa Sen Group (HSX)

**Business results grew impressively.** In the end of fiscal year 2014 - 2015, estimated consolidated net revenues reached VND 17.700 billion (+18.08% yoy) and consolidated EAT was VND 650 billion (+58.40% yoy), growth was achieved due to: (1) sales volume grew significantly with a total output of 1.1 million tons (+27% yoy), including 1.04 million tons of finished products (+28% yoy); (2) hot-rolled steel prices fell sharply than selling prices of finished products, thus profit margins were improved and (3) cold-rolled steel is nearly not to be purchased from outside (HSG raise cold rolling capacity by 400,000 tons in June and Sep 2014, cold-rolled capacity recently is 980,000 tons).

**Projects that HSG is investing:**

- **Hoa Sen Binh Dinh Steel Pipe Plant Project:** Phase 2 with 6 plastic pipe lines, total capacity of 12,000 tons per year, has operated since Dec 2015. Phase 3 with 6 plastic pipe lines will go into operation in Dec 2016.

- **Hoa Sen Nghe An Steel Sheet Plant Project (Nam Cam Industrial Park):** Phase 2 with 3 steel pipe lines, capacity of 25,000 tons per year, has get into operation since Dec 2015. Phase 3 (3 lines of steel pipe), Phase 4 (6 lines of plastic pipes) and phase 5 (6 lines of plastic tube) will get into operation in the years 2016 -2017-2018.

- **Hoa Sen Nghe An Plant Project (Dong Hoi Industrial Park):** product steel sheet with a total investment of VND 4,500 billion, in which the coating line has been implemented since June 2015, expected to begin operating in April 2016. Cold rolling mill and continuous removed rust lines, capacity of 1.2 million tons, were initiated from Sep 2015, expected to be completed in April 2017.

- **Steel rolling complex projects in the zones having deep seaport, with expected capacity of 5-8 million tons per year (including HRC, steel construction, steel...)** HSG is considering investing in Quang Lian steel Project - Dung Quat economic zone - Quang Ngai province due to the deep seaport in this area.

**Investment recommendation:**

*We maintain our BUY recommendation in medium- and long-term for HSG stock with target price of VND 49,396 per share as in Q4 2015 outlook report. With estimated consolidated EAT for 2014 - 2015 is VND 650 billion and the number of shares is 100,790,790, EPS in fiscal year 2014-2015 will reach VND 6,449. On 28 Oct 2015, HSG is trading at VND 46,100, equivalent to trailing PE of 7,15x. In Nov 2015, HSG is expected to issue shares to pay 2nd dividend for financial year 2013-2014 at a rate of 30%, total number of shares will increase by 30,237,237 shares.*

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## Company updates

### NKG - Nam Kim Steel JSC (HSX)

**Business results improved significantly.** In 9M2015, Net revenues reached VND 3,924 billion (-10.38% yoy), gross profit margin increased from 5.39% (2014) up to 8.23% (2015) due to (1) price reduction is less than the plunge of raw materials costs and (2) increased sales volume from the same period in 2014 with sales volume for steel pipe reached 49,037 tons (+ 42.10% yoy) and sales volume for galvanized steel sheet reached 200,585 tons (+ 19.55% yoy), 9M2015 gross profit reached VND 323 billion (+36.78% yoy).

**Regarding Malaysia imposed anti-dumping with pre-painted galvanized steel sheet from Vietnam:** Malaysia currently surveyed galvanized steel sheet enterprises in Vietnam, the temporary anti-dumping tax applied to Vietnam's enterprises is 5.68% - 16.45%; in which taxes applying to Nam Kim was 5.68% - the lowest level compared to the other Vietnam galvanized steel sheet enterprises (approximately 16% tax). In addition, Thailand also considers applying anti-dumping tariff on Vietnam galvanized steel sheet enterprises. With NKG, exporting to Malaysia and Thailand accounted for 20% total exporting amount, Indonesia is the main export market (50-60%) and the rest are other markets.

The issue of VND 200 billion to strategic shareholders is still being reviewed.

***Investment recommendation:***

*We maintain our BUY recommendation in medium and long-term for NKG stock as in previous reports with a target price of VND 19,105 per share. On 28 Oct 2015, NKG share is being traded at VND 16,200 equivalent to PE FW of 5.93x.*

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## Company updates

### **SHP - Southern Hydropower JSC (HSX)**

**Strong growth in 3Q2015:** Southern Hydropower Joint Stock Company recorded VND235 billion revenue and VND123 billion net profit after tax in 3Q2015, up 7%y.o.y and 21%y.o.y in respectively. The volume was stable while the average output price was up 7%y.o.y thanks to joining Vietnam Competitive Generation of Da Mbri and the interest expenses reduced 12% thanks to a decrease in interest rate. However, in 9T2015, the revenue fell 1% and the NPAT fell 29% due to the maintenance in 1H2015 and the late rainy season.

***Investment recommendation:***

*We maintain our forecast as the update on 14/07/2014. BSC forecasted that the output volume of SHP reach 619 million kWh in 2015 ( Da Siat: 64 mil. kWh, Da Dang 2: 180 mil. kWh; Da Mbri: 375 mil. kWh) and the average output price will reach VND943/kWh. SHP might record VND584 bil. revenue, VND183 bil. NPAT and EPS 2015 might be VND1,958/share. We maintain the HOLD recommendation within 12-month target price of VND 19,723/share.*

## Stock recommendations

### Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Performance	Recommendation	Cutloss	Target
1	SHI	20/8/2015	10.5	13.9	32.4%	Hold	9.8	15
2	BVH	3/9/2015	43.8	57.5	31.3%	Hold	40.3	62
3	VCB	3/9/2015	41.6	46.1	10.8%	Hold	38.3	47.8
4	DPM	7/9/2015	30.4	32.6	7.2%	Hold	28.3	35
5	NCT	7/9/2015	114	134	17.5%	Hold	106	142
6	CMS	19/10/2015	10	10.1	1.0%	Hold	9.3	11
7	SD5	19/10/2015	13.6	13.3	-2.2%	Hold	12.5	15
8	HLD	26/10/2015	16.7	17.4	4.2%	Hold	15.5	18.5
9	PVS	26/10/2015	22.6	21.5	-4.9%	Hold	21	25
<b>Average</b>					<b>10.8%</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	14	-2.8%	1.4%	12.7	16.5
2	VIC	7/7/2014	38.0	44.4	0.0%	17.0%	34.2	57.3
3	FPT	12/1/2015	41.5	48.8	3.6%	17.6%	37.4	58.0
4	DHC	14/1/2014	21.5	25.9	0.0%	20.5%	19.8	26.0
5	HT1	9/6/2015	22.9	26.2	0.8%	14.4%	20.7	26.8
6	NTL	9/6/2015	11.8	14.6	-1.4%	23.7%	10.9	15.4
7	PLC	15/9/2015	31.7	37.8	4.7%	19.2%	28.5	38.0
8	CMG	19/10/2015	14.7	15.4	1.3%	4.8%	13.4	17.5
9	HHS	22/10/2015	18.5	18.5	1.6%	0.0%	17.2	22.2
10	DXG	26/10/2015	19.8	19.8	0.0%	0.0%	18.2	23.8
<b>Average</b>					<b>0.8%</b>	<b>11.9%</b>		

Source: BSC Research

## Market statistics

### Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
FPT	48.8	1.67	0.164	2.67MLN
GAS	46.3	0.22	0.098	430180
PGD	46.4	6.91	0.093	693500
VSH	16.7	3.73	0.064	791160
TMT	62	6.9	0.064	59390

### Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
VCB	46.1	-1.07	-0.689	662770
BID	24	-1.64	-0.581	583210
BVH	57.5	-2.54	-0.528	225540
CTG	20.7	-0.96	-0.385	1.33MLN
STB	13.5	-1.46	-0.128	534760

### Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
KTB	1.1	10	0.002	141070
VID	5.9	9.44	0.007	1110
VNH	1.2	9.09	0	2110
HTL	184	6.98	0.05	3050
BBC	61.5	6.96	0.032	2670

### Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
C47	14.6	-11.52	-0.012	45310
FMC	27	-10.3	-0.032	195410
GTT	1	-9.09	-0.002	103740
HOT	27.9	-7	-0.009	170
CMV	14.8	-6.92	-0.007	10

Source: Bloomberg, BSC Research

### Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
VCS	61.8	8.42	0.142	179800
PHP	24	1.69	0.073	181700
PVI	23.2	1.75	0.052	504300
BCC	15.4	5.48	0.043	499300
CHP	20.6	2.49	0.035	257200

### Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
	20.6	-1.44	-0.157	77900
PVS	21.5	-1.83	-0.1	1.87MLN
OCH	7.7	-9.41	-0.09	800
PSD	22.2	-9.76	-0.029	100
PLC	37.8	-1.82	-0.028	210300

### Top 5 gainers on the HNX

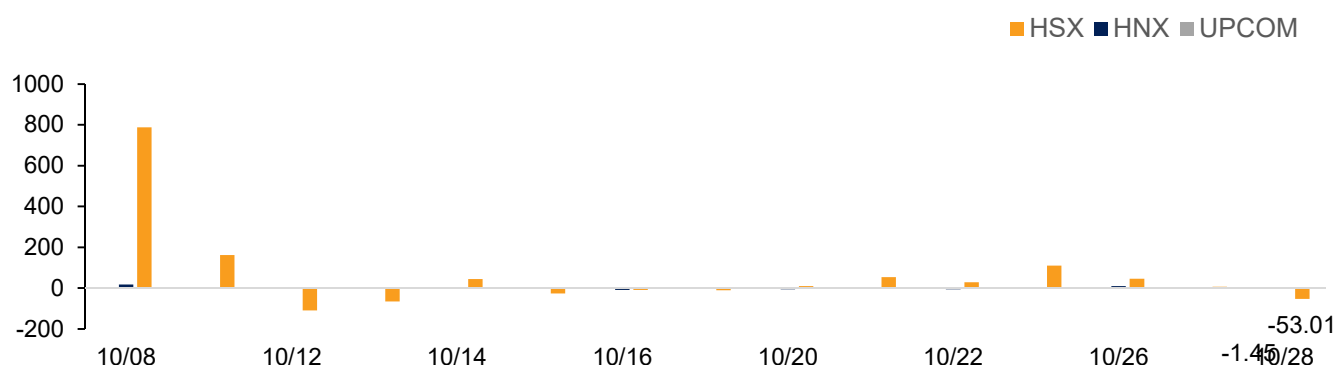
Ticker	Price	% Chg	Index pt	Volume
VMC	26.4	10	0.013	1100
SLS	52.9	9.98	0.018	56000
VGS	5.6	9.8	0.011	1.02MLN
S55	38.1	9.8	0.009	60200
HKB	15.7	9.79	0.016	173400

### Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
SDY	7.2	-10	-0.002	10000
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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