

Tue, January 26, 2016

Vietnam Daily Review

VN-Index to fluctuate around 543 points

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 27/1/2016			•
Week 25/1-29/1/2016			•
Month 1/2016	•		

Summary

Market sharply corrected in the early morning, then rebounded and fell back after all. The notable events in the market today is the decline of a numerous penny stocks. This could be the consequence of the negative movemetrn on global market, suchs as the drop of oil price as well as the fall of Chinese stock indices. Foreign investors keep selling on HSX, but buying on HNX and UPCOM.

Recommendation

The international happenings have negatively affected the stock market sentiment. The Central Election XII bid has completed, hence the unpredictable fluctuation will be reduced. The money is remaining in the market, so we expect the stock market to rise tomorrow.

Investors consider increasing the proportion in the declining session, especially when VN-Index drop to the bottom around 52x points. In the other hand, we recommend to take profit when VN-Index surges.

Company update

HSG - Hoa Sen Group JSC (HSX)
DXG - Dat Xanh Group JSC (HSX)

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VN-INDEX **537.73**
Value: 1571.76 bil **-4.62 (-0.85%)**
Foreigners (net): -VND 42.64 bil

HNX-INDEX **75.51**
Value: 361.08 bil **-0.84 (-1.1%)**
Foreigners (net): VND 7.67 bil

UPCOM-INDEX **47.43**
Value 82.72 bil **-0.23 (-0.48%)**
Foreigners (net): VND 0.047 bil

Macro indicators

	Value	% Chg
Crude oil	30.0	-1.3%
Gold	1,114	0.6%
USDVND	22,320	-0.2%
EURVND	24,210	-0.2%
JPYVND	18,873	-0.1%
1-month Interbank ra	4.9%	-
5yr VN Treasury Yiel	6.6%	-

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

HAG has closed at ceiling price for two consecutive sessions, and trading volume increased by 21% compared to yesterday.

Market breadth was negative with 113 gainers / 311 losers on both exchanges.

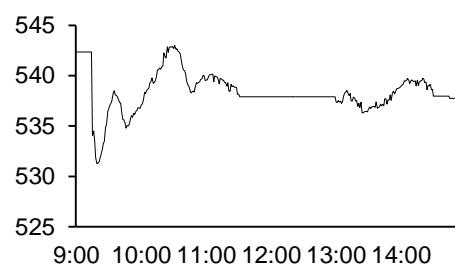
Foreign investors have still been net sellers for 4 consecutive sessions on HSX.

Recommendations

The decline of most Asian stock markets, especially the Chinese market, has impacted negatively on VN-Index today. However, the market has tried recovering in the late morning and late afternoon, and trading volume still remained high, indicating that cash flow to remain in the market. Technical indicators still suggest that the VN-Index and HNX-Index moved from downtrend to uptrend while trading volume rose sharply, which present the reliability of this rally.

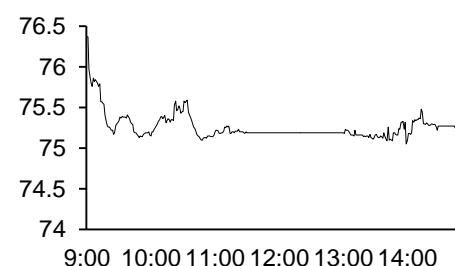
Investors continued to increase proportion of share in the down sessions, especially in the case VN-Index to retest 52x point, while consider reducing weight of share in the gains.

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
FLC	16.82	6.3	-3.08
HAG	14.35	8.9	5.95
HAG	14.35	8.9	5.95
OGC	7.99	3.4	-5.56
HQC	4.84	5	-1.96

Source: Bloomberg, BSC Research

Exhibit 4

Foreign transaction

Top buy	Value	Top sell	Value
CEO	6.8	VIC	26.3
HPG	4.4	PVD	11.6
BHS	3.8	VCB	4.3
CTG	2.9	HAG	4.17
ELC	1.99	VND	0.77

Source: BSC Research

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Company updates

HSG - Hoa Sen Group JSC (HSX)

Earnings Update:

Consolidated PAT in Q1 the fiscal year 2015/2016 (01/10/2015 – 31/12/2015) reached VND 187 billion, up 49.51% yoy and finished 28.33% of the year plan.

According to the Vietnam Steel Association, in 11M2015, HSG maintains its leading position with 38.2% market share in steel sheet segment, a significant increase compared to the 35.9% of early 2015. With steel pipe segment, the share of HSG in 11M2015 rose slightly, reaching 19.10%, the 2nd after HPG (23.13%)

Capacity will continue to be expanded in 2016:

- 6 plastic tube lines, the design capacity of 12,000 tons / year will be put into operation in Jan 2016
- Galvanized steel sheet line with design capacity of 280,000 tons / year will go into operation in May 2016
- Color Coating Line, the design capacity of 150,000 tons / year, will go into operation in May 2016
- 3 steel pipe rolling lines, the design capacity of 25,000 tons / year will go into operation in April 2016

In our opinion, this is an important factor for HSG to continue improving profitability, as total finished product consumption reached 1,020,793 tons in 2014/2015, HSG aims to increase finished products sales to 1,100,000 tons in 2015/2016.

Regarding the dividend plan:

Maximum payment of 75% of the par value of shares, payment source derived from accumulated undistributed profit in 30/09/2015, in which

- Cash Dividend: Maximum of 25% of face value (slowest in May 2016)
- Share Dividend: Up to 50% of par value (through July 2016)

Investment recommendation:

We maintain our buy recommendation in medium and long term with HSG stock as in the sector outlook report 2016 with a target price VND 34,170. PAT 2016 is estimated to reach VND 716 billion (+ 7.53% yoy), equivalent to EPS in 2016 = VND 5,467. On Jan 26 2016, HSG was trading at VND 26,800, equivalent to PE FW = 4.90x

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Company updates

DXG - Dat Xanh Group JSC (HSX)

Earnings Update: EAT in 2015 for the parent company's shareholders reached VND 328 billion (+ 95.43% yoy), thanks to the revenue recognition of Sunview Town project and the rapid growth of the brokerage segment. EPS 2015 = VND 2,799/share, an increase of 19.3% compared to EPS 2014 of VND 2,346 per share. On 25 Jan 2016, DXG share is trading at VND 18,700 per share, equivalent to trailing PE of 6.68x.

2016 Outlook:

- **Issuance of capital to develop project in District 2:** In 2016, DXG is expected to pay stock dividend of 10% and issued capital at the ratio of 1: 1 based on charter capital on 31 Dec 2015.

- **Development of large project in District 2:** Project has an area of about 7.5 ha with 3,000 apartments, twice the size of Sunview Town project. The project is expected to sell in late 2016 and will recognize earnings since 2018. Location of the project has not been disclosed, according to our understanding on the real estate market, the project may be placed on Mai Chi Tho Avenue, near Sa La project.

- **Source profit for 2016:** (1) Sunview Town Project has 2 blocks that have not recognized revenues yet (equivalent to about 943 apartments), 2016 EAT is about VND 207-208 billion; (2) Luxcity Project, will book approximately 70-80% of the raw building value in Q4 2016. The project consists of 432 apartments, with a total investment of VND 656 billion and expected sale price of VND 23 million per m2 (for shophouse) and over 32 million / m2 (based shophouse); (3) Palm City Project has an area of 7.5 ha plot land with 192 plots ; (4) Profit from brokerage and investment cooperation projects.

Investment recommendation:

We still maintain our buy recommendation in the medium and long term for DXG stock as in the report on 17 Nov 2015 with the target price of VND 23,874 per share. EAT in 2016 is cautiously forecasted to reach VND 567.06 billion (+ 27.24% yoy), equivalent to EPS 2016 of VND 1,898 per share.

Stock recommendations

Short-term portfolio

Closed all positions

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	1w performance	Unrealized gain/ loss	Cutlosses	Target
1	MBB	27/4/2015	13.8	14.1	0.7%	2.2%	12.7	16.5
2	VIC	7/7/2014	37.96	48	13.2%	26.4%	34.2	57.3
3	CMG	19/10/2015	14.7	13.9	-1.4%	-5.4%	13.4	17.5
4	SJS	13/11/2015	22.1	22.5	3.2%	1.8%	57.3	74.8
5	VSC	13/11/2015	74.5	72.5	-4.6%	-2.7%	68.5	89.4
6	APC	18/12/2015	18	17	-5.6%	-5.6%	26.1	34.1
Average					0.9%	2.8%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
GAS	35.5	3.8	1.246	1.06MLN
BID	16.5	3.13	0.865	2.68MLN
CTG	17.4	1.16	0.377	974540
EIB	10.5	3.96	0.25	340650
HAG	8.9	5.95	0.2	14.35MLN

Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNM	115	-2.54	-1.823	289980
VCB	40.6	-2.64	-1.483	656340
HNG	19	-6.86	-0.502	2350
STB	11.1	-4.31	-0.376	433640
BVH	49	-2	-0.344	550260

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
NAV	9.5	6.74	0.002	50
HVG	9.6	6.67	0.057	1.07MLN
POM	6.6	6.45	0.038	1380
STT	3.3	6.45	0.001	4190
VHC	28.7	6.3	0.079	126090

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNH	0.8	-11.11	0	66900
COM	47.9	-6.99	-0.026	30
DTT	10.7	-6.96	-0.003	510
SRF	13.4	-6.94	-0.012	1230
VPK	18.9	-6.9	-0.006	2440

Source: Bloomberg, BSC Research

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
SHB	6.4	1.59	0.05	3.97MLN
NVB	6	1.69	0.017	31000
PSI	8	6.67	0.017	3200
CHP	19.6	1.03	0.014	8900
HHC	32	9.22	0.012	700

Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
NTP	53.1	-5.18	-0.101	22400
PVS	14.3	-2.05	-0.075	1.95MLN
VCG	10.1	-2.88	-0.074	574200
PHP	22.5	-1.75	-0.073	18700
ACB	19	-0.52	-0.052	43700

Top 5 gainers on the HNX

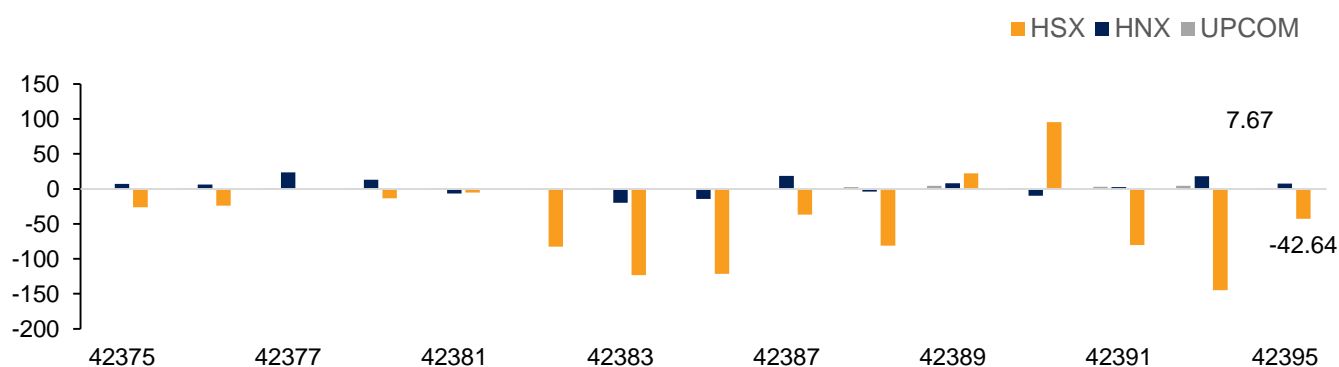
Ticker	Price	% Chg	Index pt	Volume
ACM	4.4	10	0.011	1.24MLN
TET	21.3	9.79	0.006	100
AMV	3.5	9.38	0	1500
HHC	32	9.22	0.012	700
HDO	2.4	9.09	0.002	184700

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
BLF	4.6	-9.8	-0.001	1700
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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