

Thu, February 4, 2016

## Vietnam Daily Review

The equilibrium area is around 543 pts

### BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 5/2/2016			•
Week 1/2-5/2/2016			•
Month 2/2016	•		

### Summary

The market reacted well to the news about the TPP and the recovery of oil prices, Vietnam stock indices gained immediately from a very early morning. However, the upward momentum in the session is negligible despite various stocks price increased. The relative low market liquidity reflects the delay entering the market of the most of investors at this moment.

Foreign investors turned to buy on HSX, while kept selling on the HNX.

### Recommendation

The stock index is likely to continue to fluctuate tomorrow. Yet, the volatility would be insignificant. This is still a good time to accumulate basic shares, especially in the rhythm of the decline.

Investors should continue to buy shares in the deep correction quickly sell them at high prices soup because of low short-term risk.

### Macro views

Draft Circular No. 36/2014/TT-NHNN

### Company updates

HHS - Hoang Huy Investment Services JSC (HSX)

BIC – BIDV Insurance Company (HSX)

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**VN-INDEX** **542.15**  
Value: 830.9 bil **3.08 (0.57%)**  
Foreigners (net): VND 26.6 bil

**HNX-INDEX** **76.32**  
Value: 210 bil **0.52 (0.69%)**  
Foreigners (net): -VND 2.73 bil

**UPCOM-INDEX** **47.54**  
Value 18.67 bil **0.13 (0.27%)**  
Foreigners (net): -VND 0.0217 bil

### Macro indicators

	Value	% Chg
Crude oil	32.7	1.2%
Gold	1,147	0.4%
USDVND	22,285	0.0%
EURVND	24,874	0.5%
JPYVND	18,938	0.2%
1-month Interbank ra	5.4%	-
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

Market breadth was positive with 247 advancers / 118 decliners on both exchanges.

Foreigner was suddenly net buyers on the HSX.

Some stocks surging significantly on both price and volume are VAT (+ 9.9%), TVC (+ 8.3%), VMD (+ 6.6%) and DBC (+3.4 %).

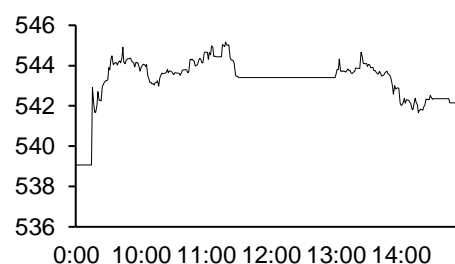
## Recommendations

The recovery of oil prices last night and the official sign of TPP at New Zealand brought positive impact on the market today. However, fluctuations of VN-Index is still in narrow range due to selling pressure quickly appears as the VN-Index surpasses 543 points. Trading volume on both exchanges fell by 30% compared to yesterday, indicating that investors were somewhat rested in the last sessions of the year. Therefore, it is likely that the market will continue to trade sideways around 543 points with low volume tomorrow.

Investors should continue to buy shares in the deep correction quickly sell them at high prices soup because of low short-term risk.

Exhibit 1

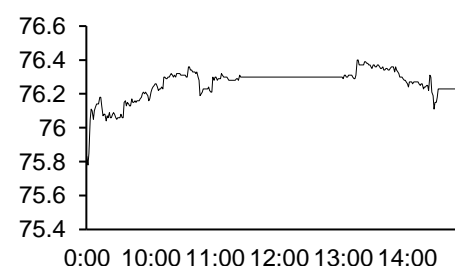
### VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

### HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

### Top 5 volume leaders

Ticker	Volume	Price	% Chg
#NAME?	6.74	#NAME?	#NAME?
HAG	4.55	7.7	1.32
HQC	2.71	5.6	3.7
OGC	2.59	3.3	3.13
SHI	2.05	11.5	0.88

Source: Bloomberg, BSC Research

Exhibit 4

### Foreign transaction

Top buy	Value	Top sell	Value
EVE	34	CTD	12.6
HBC	9	VIC	11.2
DPM	4.1	SSI	9.4
BHS	4	NCT	3.7
VND	0.7	DBC	3

Source: BSC Research

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## Macro views

### **Draft Circular No. 36/2014/TT-NHNN**

SBV announced the "Draft Circular on amending and supplementing some articles of Circular No. 36/2014/TT-NHNN". Some important amending includes:

1. Decreasing maximum ratio of short term funds used for medium and long term loans to:

- a) 40% from 60% for Commercial Banks
- b) 40% from 60% for Branches of foreign banks:
- c) 80% from 200 for Organization of non-bank credit
- d) 40% from 60% for Co-operative Banks

This regulation reduces the credit growth of banks having high rate of short term funds used for medium and long term loans. However, this regulation may not affect much on banking system credit because the ratio of short term funds used for medium and long term loans was only at 28.93% on 30th November, 2015, much lower than new rule.

2. Increasing the maximum ratio of loans outstanding to total deposits of commercial banks owned at least 50% of charter capital by the State. According to Circular No. 36/2014/TT-NHNN, some banks such as BID, VCB, and CTG are classified as commercial joint stock banks, so the ratio is allowed at 80%. Under the new rules, these banks will be allowed to maintain the ratio up to 90%. This will support credit growth of BID and CTG (2 banks having high loans outstanding to total deposits)

3. Raise risk factor of "Credit for real estate for sale" from 150% to 250%. Thus commercial banks may restrict shrink credit for real estate for sale (not credit for resident real estate). This will affect negatively on VIC, CEO, SJS, DXG and KDH.

4. Credit institutions, bank branches are not allowed to disburse loans for customers to invest and/ or trade unlisted corporate bonds instead of corporate bonds of unlisted companies as stated in Circular No.36/2014/TT-NHNN. This will tighten credit but limit system credit risk.

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## Company updates

### HHS - Hoang Huy Investment Services JSC (HSX)

**2015 operating results:**

Total revenue reached VND 3,512 billion (+146.7% yoy) and PAT was VND 510 billion (+269.5% yoy). In particular, profit from core business (sale and service activities) reached VND 383.1 billion (+ 111 %) and financial income reached VND 11 billion (+266.7% yoy). As results, EPS 2015 = 3,427 VND/cp (+67.4 % yoy). The sharp increase in revenue and profit of the company came from:

- 1) Automobile market grew strongly in 2015, with the consumption of 244,914 vehicles (increase 55 % yoy); in which imported CBU cars consumption increased by 76.6 % yoy.
- 2) Abnormal profit: In 2015, HHS has completed share swap to acquire Hoang Giang Investment and Development. JSC, which yielded VND119.5 billion abnormal profit. Excluding this income, the 2015 net income reached VND 390.5 billion (+187 % yoy), corresponding to EPS 2015 = 2.642 VND / share ( +28.2 % yoy) .
- 3) The capital increase of HHS in 2015 has strengthen its financial capacity, thus working capital and the sales network were developed rapidly.

**Business Plan 2016:**

- 1) The company is expected to reach revenue of VND 4,000 billion (+13.8 % yoy) and PAT of 398 billion (-17.3 % yoy) in 2016. Excluding the VND119.5 billion abnormal profit in 2015, the planned profit for 2016 yielded an increase of 10% yoy. The 2016 profit corresponds to EPS 2016 = 1.708 VND.
- 2) The expected dividends in 2016 is 15%
- 3) Plans of issuing additional stocks, with the maximum of 30 million shares, for individual investors and HHS's dealers. The amount of capital raised will be used to invest in car service centers and the development of new car products. The timing for this stock issuance is expected to be from Q1/2016 to Q1/2017. The issuance will create the risk of EPS dilution. If the company issues 30 million shares, EPS 2016 will be 1.513 VND, corresponding to an 11.4% share dilution.

**Investment recommendation:**

*In 2016, the business outlook of HHS is neutral, with growth rate significantly lower than 2015 due to (1) changes in the calculation of special excise tax, which increases the selling price for imported car (2) the difference between supply and demand for trucks due to tightening loading policy will reach equilibrium and reduce the demand for trucks. However, HHS has the competitive advantage in distributing low-cost trucks. Besides, large capital increase in 2015 will help expand sales network and support the company's working capital.*

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## Company updates

### BIC – BIDV Insurance Company (HSX)

**2015 operating results:**

BIC recorded VND 1,546 billion direct written premiums (+26.8 % yoy), higher than the overall sector's growth of 17.7%. The growth was contributed by product lines: health insurance (+26.29%), motor vehicles insurance (+26.9 %) and cargo insurance (+54.5 %) and ship shell insurance (+43.4% ). Profit before tax of BIC reached VND 157.1 billion (+13.8 % yoy), in which profit from insurance activities reached VND 15.2 billion (-8.9% yoy), and profits from investment activities was VND 139.32 billion (+13.2 % yoy).

**Profit from insurance activities declined due to high claim ratio.**

Total claim expense (including provisions) increased sharply by 41.4 % yoy, which increase the claim ratio from 36.2 % in 2014 to 39.8 % in 2015. However, the claim ratio has subsided compared with the figure 43.1 % of 9M2015. The company currently has the combined ratio of 98.3 %, increased from 97.6 % in 2014, which showed the decline in profitability from insurance activities.

**Investment activities are supported by the capital from the strategic shareholder stock issuance.**

The amount of VND 1,080 billion was received from Fairfax in the early November 2015, which increased the total investment amount of BIC up to VND 2,804 billion. As a result, financial revenue of BIC improved, with interest income revenue grew by 13.8 % and reached VND 103.5 billion. Excluding the impact of this capital from Fairfax, BSC estimates financial revenues of BIC was about VND 127.6 billion (+3.6 % yoy). Accordingly, the ROI of 2015 (excluding capital contributed by Fairfax) was at 7.4 %, lower than the 8.3 % of 2014 due to the low level of interest rate.

**Investment recommendation:**

*The supporting factors of BIC operations in 2016 include: (1) the favorable condition of the non-life insurance market will help BIC maintain good revenue growth (2) return on capital raised from Fairfax will be recorded for the whole year of 2016, instead of only in the 4th quarter as in 2015 (3) interest rate is expected to increase gradually from mid-2016, which will support investment activities; (4) The participation of Fairfax in BODs will supposedly improve risk control ability, and thereby improve profit from insurance activities. At the extraordinary shareholders meeting dated 01.29.2016, BIC stated the planned pretax profit of 2016 at about 230 billion (+46% yoy), corresponding to EPS 2016 = 1.569 VND and BVPS = 18.900 VND. With the closed price on 03/02/2016 at 15,700/share, BIC is trading at a P/E forward = 10x and P/B forward = 0.83x.*

## 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	#NAME?	#####	#NAME?	12.7	16.5
2	VIC	7/7/2014	37.96	#NAME?	#####	#NAME?	34.2	57.3
3	CMG	19/10/2015	14.7	#NAME?	#####	#NAME?	13.4	17.5
4	SJS	13/11/2015	22.1	#NAME?	#####	#NAME?	57.3	74.8
5	VSC	13/11/2015	74.5	#NAME?	#####	#NAME?	68.5	89.4
6	APC	18/12/2015	18	#NAME?	#####	#NAME?	26.1	34.1
<b>Average</b>					<b>#####</b>	<b>#NAME?</b>		

Source: BSC Research

## Market statistics

### Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
#####	122	0.83	0.607	257320
MSN	73.5	2.08	0.566	101460
VCB	40	1.01	0.539	286750
CTG	17.2	1.18	0.377	242050
MBB	14.5	1.4	0.162	687940

### Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
#####	16.2	-1.22	-0.346	1.10MLN
HNG	11.7	-6.4	-0.287	250950
GAS	38	-0.52	-0.192	357750
NCT	122	-2.4	-0.04	52230
NSC	88	-5.38	-0.039	790

### Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
#####	0.9	12.5	0.003	102520
VNH	0.9	12.5	0	6160
GTT	1	11.11	0.002	83040
TMT	35.3	6.97	0.036	18750
HTV	15.4	6.94	0.007	10

### Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
#####	1.1	-8.33	-0.001	250
HNG	11.7	-6.4	-0.287	250950
CYC	3.3	-5.71	0	10
NSC	88	-5.38	-0.039	790
CIG	1.8	-5.26	-0.001	10

Source: Bloomberg, BSC Research

### Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
#####	6.6	3.13	0.099	895800
PVS	14.2	2.16	0.075	810800
NTP	55.3	3.56	0.066	200
CHP	20.5	4.06	0.056	61500
BTS	8.8	10	0.049	100

### Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
#####	6	-9.09	-0.067	4400
VCG	10.1	-1.94	-0.049	361900
SEB	32	-9.86	-0.039	3000
PHP	22.6	-0.88	-0.037	15800
TAG	25	-7.41	-0.02	100

### Top 5 gainers on the HNX

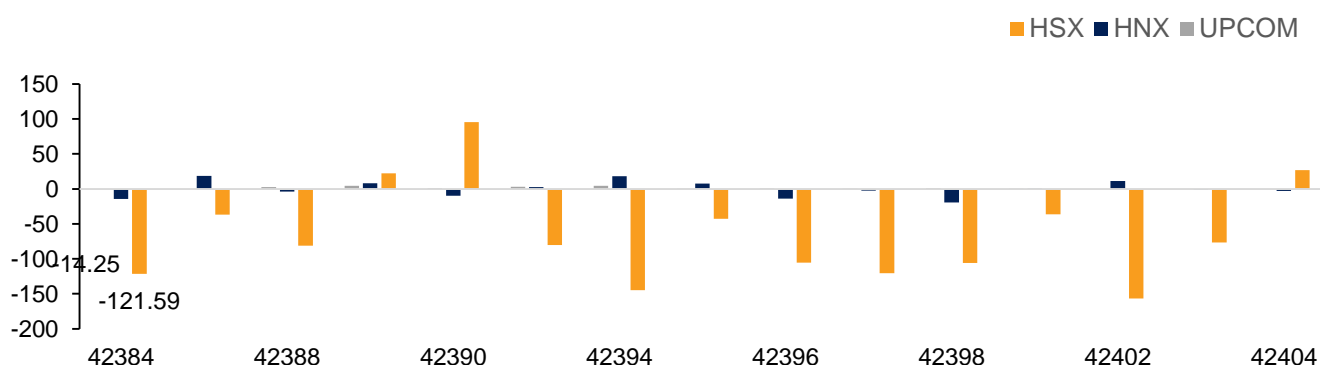
Ticker	Price	% Chg	Index pt	Volume
#####	8.8	10	0.049	100
ORS	3.3	10	0.004	2700
VTG	9.9	10	0.001	5000
ARM	30.9	9.96	0.004	1100
VAT	8.9	9.88	0.001	207200

### Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
#####	29.7	-10	-0.006	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

## Danh sách các báo cáo đặc biệt BSC đã phát hành gần đây

No.	Report	Type	Related shares	Download	Link dự phòng
####	BSC - Macro & Market Strategy Report - 2015Q3			<a href="#">Click</a>	
####	BSC_Monthly Report June 2015			<a href="#">Click</a>	
####	Báo cáo Vĩ mô & TTCK tháng 9/2015			<a href="#">Click</a>	
####	Nhà đầu tư nên làm gì khi Fed tăng lãi suất?			<a href="#">Click</a>	
####	Báo cáo Vĩ mô & TTCK tháng 8/2015			<a href="#">Click</a>	
####	Nhận định tăng tỷ giá và ảnh hưởng đến các nhóm ngành			<a href="#">Click</a>	
####	Đánh giá ảnh hưởng của sự kiện phá giá RMB			<a href="#">Click</a>	
####	Báo cáo Vĩ mô & TTCK tháng 7/2015			<a href="#">Click</a>	
####	BSC - Macro & Market Strategy Report - 2015Q3			<a href="#">Click</a>	
####	Báo cáo Triển vọng ngành - 2015Q3			<a href="#">Click</a>	
####	Báo cáo đánh giá TTCK Trung Quốc			<a href="#">Click</a>	

## Danh sách các cổ phiếu BSC đã khuyến nghị gần đây

No.	Ticker	Industry	Recommendation	Public date	Giá ngày ra báo cáo	Target price	Current price	EPS	P/E	P/B	Download	Link dự phòng
####	CMS	Construction	Buy	18/8/2015	10.2	13.8	####	2,370	4.4	1.1	<a href="#">Click</a>	<a href="#">Click</a>
####	CHP	Hydroelectric	Buy	18/8/2015	18.2	20.8	####	1,611	11.5	1.7	<a href="#">Click</a>	
####	CSV	Chemical	Buy	7/8/2015	22.7	26.7	20.5	3,258	7.0	1.7	<a href="#">Click</a>	
####	UNI	Real Estate	Buy	7/8/2015	12.2	14.5	####	389	25.2	0.9	<a href="#">Click</a>	
####	KDH	Real Estate	Buy	29/6/2015	21.5	25.1	####	1,896	11.9	1.2	<a href="#">Click</a>	<a href="#">Click</a>
####	TCM	Textile	Buy	24/6/2015	33.5	39.6	####	3,352	10.9	2.1	<a href="#">Click</a>	<a href="#">Click</a>
####	APC	Irradiation	Buy	24/6/2015	18.3	20.0	####	2,136	9.5	1.4	<a href="#">Click</a>	<a href="#">Click</a>
####	DHC	Packaging	Buy	15/6/2015	23.6	29.9	####	3,029	8.1	1.4	<a href="#">Click</a>	<a href="#">Click</a>
####	TNG	Textile	Buy	15/6/2015	25.2	29.4	####	3,347	7.9	1.8	<a href="#">Click</a>	<a href="#">Click</a>
####	MBB	Bank	Buy	11/6/2015	13.8	16.6	####	2,136	7.3	1.1	<a href="#">Click</a>	<a href="#">Click</a>
####	NKG	Steel	Buy	10/6/2015	12.2	17.7	####	2,288	6.4	1.2	<a href="#">Click</a>	<a href="#">Click</a>
####	PGS	Oil & Gas	Buy	9/6/2015	22.0	24.8	####	3,127	7.2	1.2	<a href="#">Click</a>	<a href="#">Click</a>
####	PVS	Oil & Gas	Buy	25/5/2015	25.6	30.5	####	4,051	7.2	1.4	<a href="#">Click</a>	<a href="#">Click</a>
####	SHP	Energy	Buy	12/5/2015	18.2	20.4	####	2,349	7.7	1.4	<a href="#">Click</a>	<a href="#">Click</a>
####	CMG	Technology	Buy	10/4/2015	12.0	15.7	####	1,584	9.5	1.4	<a href="#">Click</a>	<a href="#">Click</a>
####	FPT	Technology	Buy	26/3/2015	42.1	51.8	####	4,277	11.1	2.2	<a href="#">Click</a>	<a href="#">Click</a>
####	DQC	Consumer goods	Buy	16/3/2015	52.7	61.7	####	8,383	6.4	1.6	<a href="#">Click</a>	
####	NT2	Energy	Buy	12/5/2015	21.9	29.4	26.4	8,097	2.7	1.2	<a href="#">Click</a>	<a href="#">Click</a>
####	VNE	Construction	Buy	10/4/2015	11.4	13.0	####	1,933	7.2	1.1	<a href="#">Click</a>	
####	HT1	Construction material	Buy	30/1/2015	18.6	24.9	####	1,751	12.0	1.7	<a href="#">Click</a>	<a href="#">Click</a>
####	PLC	Chemical	Buy	16/12/2014	30.3	38.9	####	3,537	8.2	2.0	<a href="#">Click</a>	<a href="#">Click</a>
####	BCC	Construction material	Buy	10/9/2014	11.2	17.7	####	2,901	5.0	0.9	<a href="#">Click</a>	<a href="#">Click</a>
####	JVC	Medical	Buy	4/9/2014	14.7	17.9	####	2,586	3.5	0.5	<a href="#">Click</a>	<a href="#">Click</a>
####	DPR	Rubber	Buy	4/6/2014	37.0	35.2	####	4,892	6.8	0.6	<a href="#">Click</a>	<a href="#">Click</a>

Ghi chú: Giá trên đã điều chỉnh các quyền kể từ ngày ra báo cáo.



## Vietnam Technical Analysis Report

No.	Report	Related shares	Download
####	BSC_Vietnam Technical Analysis Report_2015.10.21	CSM, CDO và HHS	<a href="#">Click</a>
####	BSC_Vietnam Technical Analysis Report_2015.10.15	CTG, IDI và NTL	<a href="#">Click</a>
####	BSC_Vietnam Technical Analysis Report_2015.09.29	SSI, MBB và CVT	<a href="#">Click</a>
####	BSC_Vietnam Technical Analysis Report_2015.09.24	CTG, NTL và CII	<a href="#">Click</a>
####	BSC_Vietnam Technical Analysis Report_2015.09.08	REE, MSN và HHS	<a href="#">Click</a>
####	BSC_Vietnam Technical Analysis Report_2015.09.01	BID, MSN và BVH	<a href="#">Click</a>
####	BSC_Vietnam Technical Analysis Report_2015.08.20	PVD, VHC và VIC	<a href="#">Click</a>
####	BSC_Vietnam Technical Analysis Report_2015.08.18	FCN, GAS và CHP	<a href="#">Click</a>
####	BSC_Vietnam Technical Analysis Report_2015.08.13	SHI, PGS và BVH	<a href="#">Click</a>
####	BSC_Vietnam Technical Analysis Report_2015.08.11	MSN, SSI và DPM	<a href="#">Click</a>

## Company Visit Notes

No.	Report	Related shares	Download
####	BSC - Company Visit Note 2015.10.09 - SJS Update	SJS	<a href="#">Click</a>
####	BSC - Company Visit Note 2015.09.09 - PCT Update	PCT	<a href="#">Click</a>
####	BSC - Company Visit Note 2015.09.09 - NBB Update	NBB	<a href="#">Click</a>
####	BSC - Company Visit Note 2015.09.09 - BID Update	BID	<a href="#">Click</a>
####	BSC - Company Visit Note 2015.09.08 - KSB Update	KSB	<a href="#">Click</a>
####	BSC - Company Visit Note 2015.09.08 - GSP Update	GSP	<a href="#">Click</a>
####	BSC - Company Visit Note 2015.09.08 - BCI Update	BCI	<a href="#">Click</a>
####	BSC - Company Visit Note 2015.08.20 - VCB Update	VCB	<a href="#">Click</a>
####	BSC - Company Visit Note 2015.08.05 - BIC Update	BIC	<a href="#">Click</a>

## Disclosure

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