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Vietnam Daily Review

VN-Index to test 560 points

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 23/2/2016			•
Week 22/2-26/2/2016			•
Month 2/2016			•

Summary

(1) The rise of securities stocks, typically SSI, and (2) Expectations in "Full-room shares" were the most inspiring keys for the market sentiment. Besides, HNG and HAG keep rising also backed for the rally of other stocks. VN-Index and HNX-Index closed with significant gains.

Foreign investors were net buyers on both the main floor, in which the notable transactions are their buying in MBB and the selling in HHS.

Recommendation

The index will continue to shake in a bullish trend in the upcoming sessions. Tomorrow probably promises a rise scenario for Vietnam stock indices.

Investors should consider gradually take profits in the next 1-2 sessions and recover in the technical correction of the market.

Company updates

Securities stocks and SSI

PTI - Post Insurance Corporation (HNX)

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VN-INDEX **560.71**
Value: 2207.41 bil **6.68 (1.21%)**
Foreigners (net): VND 1.44 bil

HNX-INDEX **78.26**
Value: 468.06 bil **0.45 (0.58%)**
Foreigners (net): VND 1.92 bil

UPCOM-INDEX **49.09**
Value 107.2 bil **0.26 (0.53%)**
Foreigners (net): -VND 0.394 bil

Macro indicators

	Value	% Chg
Crude oil	30.4	2.5%
Gold	1,207	-1.5%
USDVND	22,365	0.1%
EURVND	24,821	-0.2%
JPYVND	19,802	-0.3%
1-month Interbank ra	3.5%	-
5yr VN Treasury Yiel	6.4%	-

Source: Bloomberg, BSC Research

Content

Market highlights	2
Company updates	3
Stock recommendations	5
Market statistics	6

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

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Market highlights

Securities and Construction stocks impressively rose today. Foreigners were net buyers on HSX with net value of VND 1.4 billion, most of which belong to MBB (worth VND 116 billion). Some stocks surging significantly on both price and volume are KSS (+12.5%), VIX (+9.5%), NHP (+9.2%) and BAM (+8.3%).

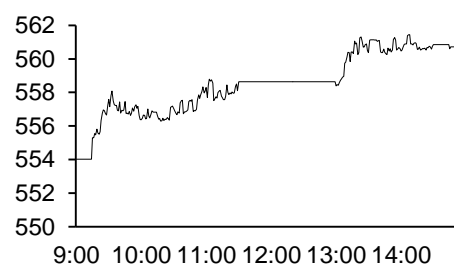
Recommendations

The consensus in the market is growing as a number of gainers still prevails, especially in several important stock groups such as Securities and Construction. Trading volume on the two exchanges are still higher than the 20-day average volume. Technically, the VN-Index has reached its strong resistance at 560 points, and technical shaking rhythms can occur. However, the market is still in uptrend, and selling pressure may not too large due to momentum indicator value has not yet moved to oversold zone.

Investors should consider gradually take profits in the next 1-2 sessions and recover in the technical correction of the market.

Exhibit 1

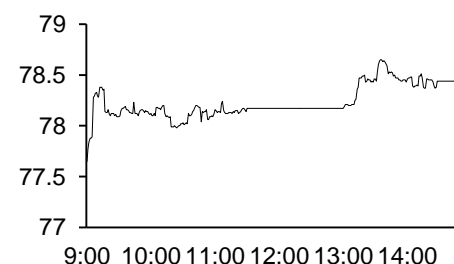
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	14.64	7.1	2.9
HHS	9.99	11	6.8
MBB	8.79	15.5	0
HQC	7.3	5.8	-1.69
SSI	5.86	22.3	5.19

Source: Bloomberg, BSC Research

Exhibit 4

Foreign transaction

Top buy	Value	Top sell	Value
MBB	116.1	HHS	37.9
SSI	19.3	DRC	30.6
GAS	8.5	DPM	20.9
LAS	8	VIC	18.5
PVD	4.6	DBC	2.3

Source: BSC Research

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Company updates

Securities stocks and SSI

2015 business results of securities companies were not so positive:

Liquidity plunged by 40%, along with the market volatility negatively impacted the business results of securities companies. Total revenue from the 6 listed companies of the top 10 brokerage decreased slightly by 2% yoy, while total net profit increased slightly by 1% yoy in 2015.

Ticker	Market Cap	Net rev 2015	% yoy	PAT 2015	% yoy	P/E	ROE 2015
SSI	10,705,279	1,296.65	-12%	851.9	14%	12.3	14%
HCM	3,726,533	541.70	-34%	213.3	-43%	17.5	9%
VND	1,844,477	523.10	23%	181.8	16%	9.1	10%
BVS	902,734	290.81	3%	116.4	-11%	7.8	9%
BSI	865,000	450.93	-10%	101.5	35%	8.5	12%
SHS	750,000	481.12	17%	118.2	-3%	6.3	12%
Average	3,132,337	597	-2%	264	1%	10.3	11%

Investment recommendation:

In 2016, BSC expected market liquidity to fall further due to (1) the IPOs and SOEs will increase market supply (2) The rise in exchange rates and interest rates will tighten cashflow supplies. As of 21st Feb 2016, securities stocks are trading at an average P/E of 10.3, lower than the median P/E of the area of 12.8.

SSI:

In 2015, SSI recorded VND1,334 billion in revenues (-14.7% yoy) and VND 850.2 billion (+ 14.2% yoy) in PAT. The revenue decreased due to (1) Liquidity declined in 2015 leads to the fall in revenues from brokerage activities of 12.4%. (2) Proprietary revenue plummeted by -46% from the abnormally high revenue in 2014, but still 9% higher than the average proprietary revenue for the period 2011-2015.

Despite the decline in brokerage revenue, SSI maintained its leading position in the brokerage market, with 12.92% market share, up from 12.5% in 2014. In addition, SSI and HSC together occupied more 60% brokerage market for foreign investors in Vietnam, which is a major advantage for businesses the trend of loosening ownership room of domestic enterprises by 2016.

Lately, a strategic partner of SSI, Daiwa Securities Group, has intention to increase the ownership from 10.23% to 15%, equivalent to buying almost 22.9 million shares.

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Company updates

PTI – Post Insurance Corporation (HNX)

Update 2015 business result:

Gross premium written reached VND2,500 Bil (+42.3% yoy). Main contributors to the strong growth include retail products, which are motor vehicle insurance and health insurance. PAT reached VND162.2 Bil (+140.1% yoy). This result corresponds to an EPS of VND2,500 (+86.69% yoy) and BVPS of 22,925 VND.

The abnormal growth in PAT was contributed by finance activities, which gained gross profit of VND 193.7 bil (+183.6%), due to (1) The divestment from real estate brought in VND 63 Bil of gross profit, and (2) The capital of VND 1,067 Bil from Dongbu was received in June has boosted the interest income to VND 109.6 Bil (+82.9% yoy). Underwriting profit (exclude SG&A) increased by 7.6% and reached VND 397.2 Bil. However, if including SG&A, the company is at break-even in underwriting profit for 2015. Excluding the non-occurring income from real-estate divestment, PTI had VND141 Bil in PBT (+64.9% yoy) and corresponds to an EPS of VND1,700/cp (+27% yoy)

2016 plan:

PTI sets 2016 plan with gross premium of VND 2,930 Bil (+17.1% yoy) and PBT of VND171 Bil (-16.1% yoy). Excluding the abnormal profit from real-estate divestment in 2015, the planned profit yield an increase of 21.2% yoy.

Investment recommendation:

The supporting factor for PTI in 2016 includes (1) Interest income from Dongbu will be recognized for the whole year of 2016, instead of half year like in 2015 (2) Interest rate is expected to rise in second half of the year will be a growth driver for the finance activity, and (3) The contribution of Dongbu in the management team will enhance the risk-management system, and boost the underwriting profit of the company.

As of Feb 19th 2015, PTI is trading at 22,400 VND, corresponding with P/E trailing = 8.96 and P/B = 0.97, which is reasonable compared to the Vietnam insurance industry.

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	15.5	10.7%	12.3%	12.8	16.6
2	VIC	7/7/2014	37.96	45.2	6.6%	19.1%	35.3	45.6
3	CMG	19/10/2015	14.7	15.4	9.2%	4.8%	13.4	17.5
4	SJS	13/11/2015	22.1	22	0.9%	-0.5%	20.5	26.5
5	VSC	13/11/2015	74.5	69	-9.2%	-7.4%	69.3	89.4
6	APC	18/12/2015	18	17.1	-5.0%	-5.0%	16.7	21.6
Average					2.2%	3.9%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
BID	17.2	4.24	1.209	2.25MLN
MSN	74.5	4.2	1.132	256860
VNM	130	0.78	0.607	763080
BVH	51.5	3	0.516	674870
VCB	40.4	0.75	0.404	653090

Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
STB	10.8	-1.82	-0.15	876220
EIB	10.3	-1.9	-0.125	316820
VCF	155	-4.91	-0.107	130
NCT	131	-2.24	-0.04	26470
POM	6.3	-4.55	-0.028	50

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
KSS	0.9	12.5	0.002	324290
VLV	1.3	8.33	0.001	2390
FCN	19.9	6.99	0.03	447620
DTT	7.7	6.94	0.002	80
HCM	29.3	6.93	0.122	1.59MLN

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
DXV	4	-6.98	-0.002	90
CCL	2.8	-6.67	-0.003	162470
BTT	37.3	-6.52	-0.014	19280
TNT	26.7	-6.32	-0.008	100640
AAM	11.1	-5.93	-0.004	4250

Source: Bloomberg, BSC Research

Top 5 leaders on the HNX

Ticker	Price	% Chg	Index pt	Volume
VCS	75.9	8.27	0.172	222900
VND	11.9	5.31	0.052	1.85MLN
PVS	15.2	1.33	0.05	1.63MLN
SHB	6.8	1.49	0.05	1.78MLN
KLS	6.9	4.55	0.034	652100

Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
NVB	5.7	-8.06	-0.084	100
BTS	8.1	-6.9	-0.037	500
INN	40.5	-7.32	-0.019	20100
PHP	23.6	-0.42	-0.018	7100
DBC	29.5	-1.67	-0.018	236700

Top 5 gainers on the HNX

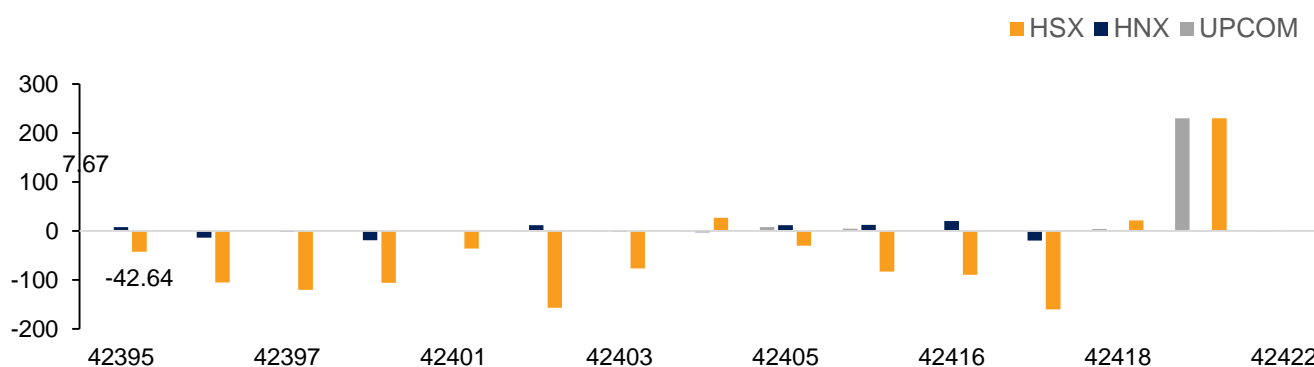
Ticker	Price	% Chg	Index pt	Volume
BSC	24.2	10	0.004	800
CVN	2.2	10	0	100
VC2	11	10	0.007	6000
VMC	27.5	10	0.014	100
VXB	11	10	0.002	1000

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
ALT	13.5	-10	-0.005	9200
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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