



Tue, February 23, 2016

Vietnam Daily Review

Just a technical shaking

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 24/2/2016			•
Week 22/2-26/2/2016			•
Month 2/2016			•

Summary

Market breadth was negative with 171 gainers / 242 losers on both exchanges. Foreign investors remained net buyers on the HSX, however, most of which belongs to MBB (VND 91.2 billion).

Recommendation

Profit taking occurred in late today trading session, however, the short-term risks is still low. A shake is likely to occur in the next session.

Investors consider partial taking profit at the shaking rhythm and recover at the technical correction of the market.

Company updates

CVT - CMC Joint Stock Company

DMC - Domesco Medical import - export, JSC.

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VN-INDEX **561.28**

Value: 2251.05 bil

0.57 (0.1%)

Foreigners (net): VND 80.64 bil

HNX-INDEX **78.2**

Value: 452.45 bil

-0.06 (-0.08%)

Foreigners (net): VND 7.59 bil

UPCOM-INDEX **48.81**

Value 57.6 bil

-0.28 (-0.57%)

Foreigners (net): -VND 0.05 bil

Macro indicators

	Value	% Chg
Crude oil	32.9	-1.5%
Gold	1,219	0.8%
USDVND	22,370	-0.1%
EURVND	24,626	-0.2%
JPYVND	19,981	0.8%
1-month Interbank rate	3.6%	-
5yr VN Treasury Yield	6.4%	-

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 negative with 171 gainers / 242 losers on both exchanges.

Foreign investors remained net buyers on the HSX, however, most of which belongs to MBB (VND 91.2 billion).

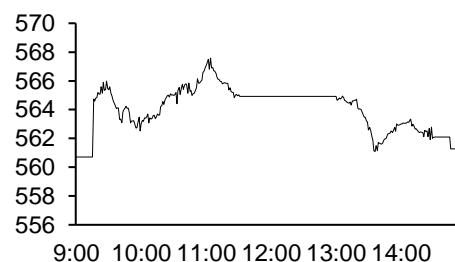
Some stocks surging significantly on both price and volume are ITQ (+ 8.2%), ASA (+ 8%), BCI (+ 6.8%) and BIC (+ 6.8%).

Recommendations

Profit taking occurred in late today trading session as some stock rising impressively in recent sessions such as securities, construction and Oil & Gas did not advance as strongly as yesterday. However, VN-Index remained around the 560 point and these important stocks fell slightly today, so the short-term risks is still low. A shake is likely to occur in the next session.

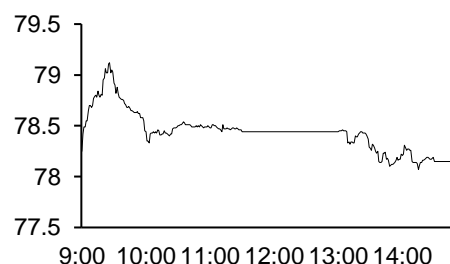
Investors consider partial taking profit at the shaking rhythm and recover at the technical correction of the market.

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
HAG	15.67	8.9	1.14
FLC	12.09	6.8	-4.23
HQC	6.76	5.7	-1.72
MBB	6.18	15.3	-1.29
HAR	5.22	6	3.45

Source: Bloomberg, BSC Research

Exhibit 4

Foreign transaction

Top buy	Value	Top sell	Value
MBB	91.2	VIC	40.8
GAS	13.4	DRC	6.2
KBC	10.4	DXG	5.8
CHP	6.8	DPM	5.6
HAG	6	VND	3

Source: BSC Research

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Company updates

CVT - CMC Joint Stock Company

In February 2016, CVT stopped 3 production lines for periodic maintenance, currently runs 30% of the capacity. Since March 2016, CVT will run full capacity (10 million m2 of ceramic tiles, 5 million m2 of granite tiles). The rate of tiles type 1 remained at 80-90%.

About CMC 3 factory, CVT will submit to the coming AGM regarding capital issuing at the ratio of 1: 1 for existing shareholders to build the Granite factory, with a capacity of 4 million m2 per year. If approved, the plant will start building in late 2016 and can operate from late 2017 or early 2018.

Investment view:

We recommend to BUY CVT stock with a target price of VND 27,183 per share (upside 21.35%). In 2016, CVT is expected to produce and sell 12 million m2 of ceramic and granite tiles, 1.5 times more than the consumption in 2015 (with 8 million m2 of tiles). Net revenues in 2016 is expected to reach VND 1,00 billion (+33.6% yoy), EBT 2016 is planned to be VND 90 billion (+11.7%yoy), equivalent to EPS 2016 of VND 3,656 per share, P/E forward of 6.13x. Dividends paid in 2015 is expected to be 25%.

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Company updates

DMC - Domesco medical import - export, JSC.

Good profit thanks to restructuring of product portfolio. Net profit was VND 143 billion (+ 8% yoy) mainly due to improved margins.

- **Revenues.** 2015 net sales was VND 1,234 billion (-17% yoy) because of restructuring of product portfolio. The company reduce sales of merchandise and focus on distribution finished goods. Revenues of merchandise dropped by 37% yoy to VND 218 billion. Revenues of finished good down by 11% yoy to VND 1,016 billion because of price reduction. The proportion of OTC & ETC revenues was at about 70% and 30%, relatively stable compared to 2014.

- **Profitability increase.** DMC's 2015 gross profit margin raised to 33% from 29% in 2014 thanks to higher profit margin of finished goods.

Healthy financial position. 80% of DMC's total assets are financed by owner's equity. The company has no bank loans and high and stable cash flow (VND 169 billion) thanks to good management of accounts receivable. DMC's liquidity is high, at 2.29x for quick ratio and 3.74x for current ratio.

Nonbetalactam factory plan. Current Nonbetalactam plants operated at 95-96% of design capacity (of 1.1 billion units per year). DMC plan to build new

Non-betalactam factory owing 5 production, in which, 4 lines follow PIC/s and the other drugs standardized EU-GMP standard. The capacity of new factory is 3 billion units per year. Total investment is estimated at VND 250-300 billion. The plant is expected to be complete in 24 months. Abbott is the advisor. The new plan is expected to push ETC revenues of DMC because DMC drugs can joint in the same bidding package with foreign pharmaceutical firms which have higher quality and price.

Investment view:

DMC was traded at VND 54,000 per share on 23, Feb, 2016, equal to P/E of 11.75x and P/B of 1.82x. DMC is one of the largest pharmaceutical firms listed on Vietnam stock market. DMC's profit increase by 8% yoy. DMC's financial position is healthy. We note that, DMC's revenue growth may be slow because of full capacity and fierce competition. In the long term, DMC's revenue and profit growth depend on Nonbetalactam plant (expected to complete in 2018) and Abbott's guides.

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	15.3	9.3%	10.9%	12.8	16.6
2	VIC	7/7/2014	37.96	45.6	7.5%	20.1%	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	21.5	-1.4%	-2.7%	20.5	26.5
5	VSC	13/11/2015	74.5	70	-7.9%	-6.0%	69.3	89.4
6	APC	18/12/2015	18	17.9	-0.6%	-0.6%	16.7	21.6
Average					2.7%	4.4%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VCB	41	1.49	0.808	1.13MLN
GAS	43.3	0.93	0.383	1.48MLN
VIC	45.6	0.88	0.381	418590
HNG	10	6.38	0.215	3.86MLN
KDC	23.4	6.36	0.182	524230

Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
BID	17	-1.16	-0.346	1.87MLN
MSN	74	-0.67	-0.189	88940
CTG	17.1	-0.58	-0.188	547820
MBB	15.3	-1.29	-0.162	6.18MLN
PVD	24.7	-2.76	-0.123	2.94MLN

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNH	1	11.11	0	53360
DHM	7.7	6.94	0.006	1.39MLN
DCL	35.8	6.87	0.023	63950
BCI	25.1	6.81	0.07	335490
BIC	20.5	6.77	0.077	760540

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
GTT	0.9	-10	-0.002	174540
GTA	17.5	-6.91	-0.007	450
SC5	25.7	-6.88	-0.014	30
SII	23.1	-6.85	-0.05	710
SSC	46.3	-6.84	-0.026	40

Source: Bloomberg, BSC Research

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
NVB	6.1	7.02	0.067	16800
BTS	8.9	9.88	0.049	100
PVS	15.3	0.66	0.025	3.91MLN
BII	10.8	9.09	0.017	1.10MLN
SJE	31.3	7.93	0.015	9200

Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
SHB	6.7	-1.47	-0.05	523600
TAG	26.1	-10	-0.029	100
VND	11.6	-2.52	-0.026	1.34MLN
DGC	51.1	-1.73	-0.021	55400
VNF	60.5	-9.7	-0.02	1800

Top 5 gainers on the HNX

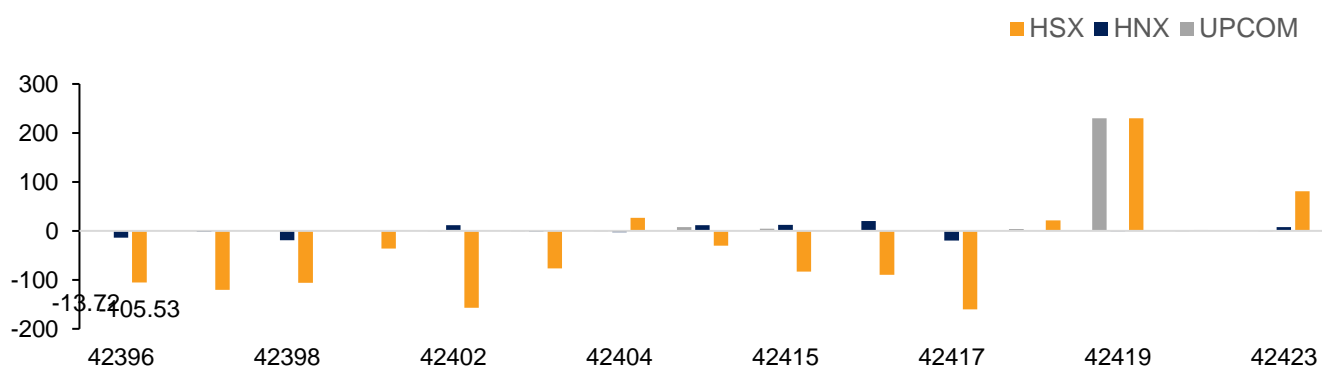
Ticker	Price	% Chg	Index pt	Volume
SPI	3.3	10	0.002	1.22MLN
BSC	26.6	9.92	0.004	32600
BTS	8.9	9.88	0.049	100
PCG	5.6	9.8	0.005	7100
ECI	14.8	9.63	0.001	1100

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
PSW	9.9	-10	-0.01	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

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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