



Mon, February 29, 2016

Vietnam Daily Review

The VN-Index to re-test 560 pts

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 01/3/2016		•	
Week 29/2-4/3/2016			•
Month 2/2016			•

Summary

VN-Index and HNX-Index fell sharply in late today trading session. Pharmaceutical (IMP, DMC) and textile stocks (TCM, TNG) actively traded today.

Recommendation

The VN-Index is re-testing the support level of 560 points with average trading volume and balance market breadth, hence a today fall has no more negative signs.

Investors holding low proportion of stocks can wait a deep market reduction in the next 1-2 sessions to increase the share proportion in the portfolio.

Company Update

DHG - DHG Pharmaceutical, JSC

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VN-INDEX **559.37**
Value: 1623.57 bil **-6.74 (-1.19%)**
Foreigners (net): -VND 21.78 bil

HNX-INDEX **78.73**
Value: 454.86 bil **-0.33 (-0.42%)**
Foreigners (net): VND 4.05 bil

UPCOM-INDEX **48.84**
Value 156.2 bil **0.23 (0.47%)**
Foreigners (net): VND 0.7 bil

Macro indicators

	Value	% Chg
Crude oil	32.7	-0.2%
Gold	1,231	0.7%
USDVND	22,305	0.0%
EURVND	24,435	0.1%
JPYVND	19,733	0.8%
1-month Interbank rate	3.6%	-
5yr VN Treasury Yield	6.3%	-

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

VN-Index and HNX-Index fell sharply in late today trading session.

Pharmaceutical (IMP, DMC) and textile stocks (TCM, TNG) actively traded today.

Some stocks surging significantly on both price and volume are DPS (+ 9.2%), NHA (+ 9.1%), textbooks (+ 8.3%) and SFC (+ 8.3%).

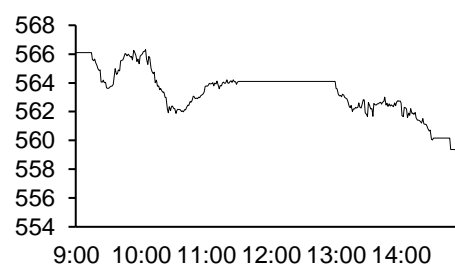
Recommendations

Vietnam market had a technical correction as most blue-chips did not gain as the previous sessions. The spread between stock groups continues to take place as Pharmaceutical and Textile stocks led the market today. Technically, the VN-Index is re-testing the support level of 560 points with average trading volume and balance market breadth, hence a today fall has no more negative signs.

Investors holding low proportion of stocks can wait a deep market reduction in the next 1-2 sessions to increase the share proportion in the portfolio.

Exhibit 1

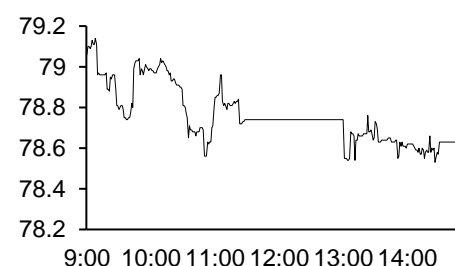
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
HAG	8.79	8.1	-5.81
HNG	7.07	8	-6.98
FLC	6.52	6.7	0
HQC	6.16	5.7	1.79
CII	5.91	23.4	4.46

Source: Bloomberg, BSC Research

Exhibit 4

Foreign transaction

Top buy	Value	Top sell	Value
PVD	13	DRC	44.9
SSI	11.4	DXG	4.7
EIB	8.5	NNC	4.3
DBC	4.6	HSG	3.9
KBC	3.3	LAS	1.8

Source: BSC Research

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Company updates

DHG - DHG Pharmaceutical, JSC

2015 business performance. Revenues was VND 3,609 billion (-8% yoy) because of reduction in demand and recognition under Circular No. 200/2014/TT-BTC. Excluding Circular No. 200/2014/TT-BTC, DHG's revenue increase by 5%. In 2015, revenues of finished goods decreased by 11% while revenues of merchandise rose 182% to VND 930 billion. Merchandise accounted for 29% of total revenues in 2015 from 8% in 2014, which lead to the down in gross profit margin, down to 39% from 54% in 2014. Profit before tax was VND 704 billion (- 2.5%). However, because the new Non-betalactam plant enjoys the preferential tax rate of 0% in the first 4 years (2015-2018), equivalent to VND 44 billion in 2015 of corporate income tax), DHG's profit after tax increased by 11% to VND 590 billion.

2016 plan. DHG 's plan of revenues is VND 3733 billion, (+ 3.4% yoy), profit before tax is VND 750 billion (+ 6.6% yoy), net income is VND 679 billion (+ 14.2% yoy) thanks to corporate income tax savings. Therefore, EPS 2016 will be VND 7196 per share. Since 2016, DHG has strengthened the firm's distribution system, restructured product portfolio (expand production of supplements and cosmetics); simultaneously, built new plant following PICs standard in 2016 (the plant is expected to be completed in 2018). The company expect to overcome the difficult since 2016. DHG's target of revenue growth is 15%, ROE is 28% and ROA is 15%, dividend payout ratio is 30% per year during 2016-2020. BSC note that DHG will face more intense competition from foreign firms and sales expense may soar reducing company's profit.

Healthy financial position. Owner equity is high, at VND 2,277 billion in 2015, including VND 1,039 billion of fund for investment and development (41% of equity), VND 872 billion of shareholders' equity (35% of equity), and VND 608 billion of undistributed profit after tax (24% equity). The company had almost no bank loans, the ratio of debt to equity was 11%. Cash flow from business operations is high and surge to VND 471 billion (+ 73% yoy). Therefore, DHG's liquidity is good, quick ratio is 2,03x and current ratio is 2,86x.

Hồng Tươi

Investment view:

On 29th Feb, 2016, DHG was traded at VND 89,500 per share, equivalent to P/E of 14.98x and P/B of 3.08x.

Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	1w performance	Unrealized gain/ loss	Cutlosses	Target
1	PXS	22/2/2016	11.8	11.5	-0.9%	-2.5%	10.5	13
2	TNG	29/2/2016	19	19.4	2.1%	2.1%	18	20.9
3	HT1	29/2/2016	26.7	26.8	1.1%	0.4%	25.4	29.3
Average					0.8%	0.0%		

Source: BSC Research

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	1w performance	Unrealized gain/ loss	Cutlosses	Target
1	MBB	27/4/2015	13.8	14.6	-2.7%	5.8%	12.8	16.6
2	VIC	7/7/2014	37.96	44.1	-2.0%	16.2%	35.3	45.6
3	CMG	19/10/2015	14.7	15.6	-1.3%	6.1%	13.4	17.5
4	SJS	13/11/2015	22.1	20.8	-0.5%	-5.9%	20.5	26.5
5	VSC	13/11/2015	74.5	68	0.0%	-8.7%	69.3	89.4
6	APC	18/12/2015	18	17.5	1.2%	-2.8%	16.7	21.6
Average					-0.9%	1.8%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
GAS	42.7	0.47	0.191	612850
CII	23.4	4.46	0.131	3.78MLN
DHG	89.5	2.87	0.11	91090
PVD	25	1.63	0.07	1.86MLN
HSG	31.1	2.98	0.06	867770

Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
VCB	41	-2.38	-1.346	887030
VNM	128	-1.54	-1.213	476190
BID	17.7	-3.8	-1.209	2.48MLN
CTG	17.8	-2.73	-0.941	927670
VIC	44.1	-2	-0.856	259290

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
KSS	1	11.11	0.002	553440
GTT	1.3	8.33	0.002	108080
VNH	1.3	8.33	0	279390
NNC	61.5	6.96	0.027	248000
DTT	7.7	6.94	0.002	210

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
VLF	1.2	-7.69	-0.001	950
KHA	30.6	-6.99	-0.016	8490
HNG	8	-6.98	-0.215	7.07MLN
SVC	31.5	-6.8	-0.029	214650
VIS	5.9	-6.35	-0.01	23080

Source: Bloomberg, BSC Research

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
PVI	25.2	2.02	0.061	328000
VCS	77	1.58	0.033	67200
LAS	29.6	2.78	0.032	68100
PLC	34	2.1	0.029	128100
TAG	23.4	9.86	0.025	200

Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
SHB	6.7	-2.9	-0.098	320200
ACB	19.7	-1.01	-0.097	192400
PHP	22.3	-1.76	-0.068	6200
OCH	6.1	-8.96	-0.062	12300
SJE	36.9	-10	-0.025	5100

Top 5 gainers on the HNX

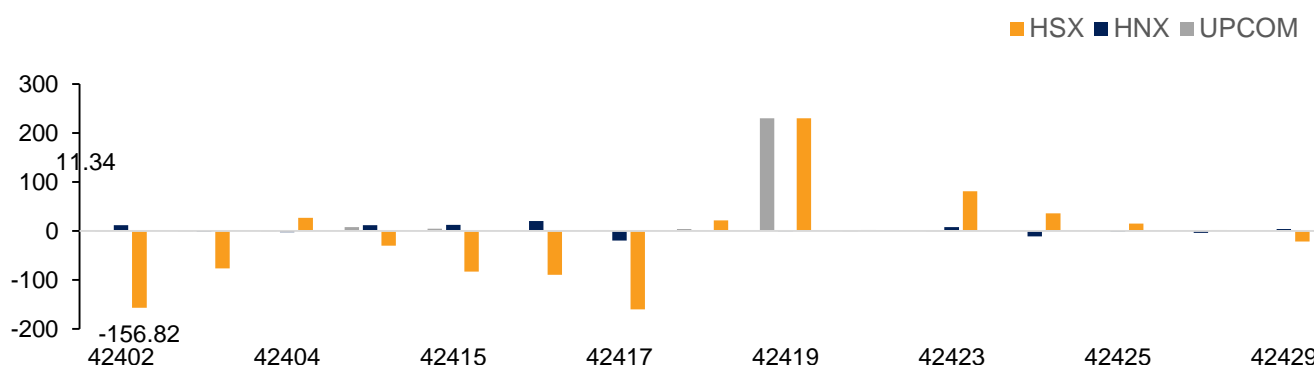
Ticker	Price	% Chg	Index pt	Volume
DZM	5.5	10	0.001	1200
SGC	31	9.93	0.01	100
TAG	23.4	9.86	0.025	200
DNP	22.7	9.66	0.014	61100
BSC	26.2	9.62	0.004	7500

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
SJE	36.9	-10	-0.025	5100
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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