

Mon, March 7, 2016

Vietnam Daily Review

Market might fluctuate more

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 8/3/2016	•		
Week 7/3-11/3/2016			•
Month 3/2016			•

Summary

The 10th week has started with a bull session of VN-Index and HNX-Index. Oil and gas stocks soaring in the context of world oil prices rising. Rubber stocks continued the momentum in the previous session, keep sucking money out of the market. Trading psychology is generally quite positive. In the afternoon session, selling pressure increased since profit taking occurred, resulting in the slowdown of the rally. Yet the index still closed in the green. Foreign investors remained net buyers on all 3 floors, especially on HSX with the net purchase in GAS and financial stocks.

Recommendation

In the next session, the indices might shake with a higher amplitude due to the pressure of profit taking increasing. The milestone of 580 point is still a significant resistance for the market sentiment.

Investors holding high stock proportion should consider selling gradually when the VN-Index approaches resistance at 580 points and recovers at the next technical corrections.

Company updates

GEX - Vietnam Electrical Equipment JSC (UPCOM)

Stock recommendations

CANSLIM portfolio: Take profit VIC, cutloss VSC.

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VN-INDEX **576.20**
Value: 2414.49 bil **2.55 (0.44%)**
Foreigners (net): VND 89.3 bil

HNX-INDEX **79.73**
Value: 655.88 bil **0.08 (0.1%)**
Foreigners (net): VND 21.94 bil

UPCOM-INDEX **49.32**
Value 109.62 bil **-0.27 (-0.54%)**
Foreigners (net): VND 2.24 bil

Macro indicators

	Value	% Chg
Crude oil	36.4	1.2%
Gold	1,269	0.8%
USDVND	22,280	-0.1%
EURVND	24,422	-0.4%
JPYVND	19,635	0.2%
1-month Interbank rate	4.8%	-
5yr VN Treasury Yield	6.3%	-

Source: Bloomberg, BSC Research

Content

Market highlights	2
Company updates	3
Stock recommendations	4
Market statistics	5

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

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Market highlights

Oil & Gas and Rubber stocks continued leading the market today.

Market breadth was balanced with 207 advancers / 227 decliners on both exchanges.

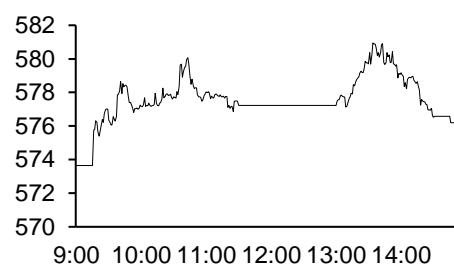
Some stocks surging significantly on both prices and volumes are ITQ (+ 7.1%), HSG (+ 6.7%), GAS (+ 6.7%) and FMC (+6.7 %).

Recommendations

After nearly hitting resistance at 580 points, Vietnam market was faced with strong profit taking in late today trading session. However, both VN-Index and HNX-Index still closed in the green, at the same time, the spread on the market was still occur when Oil & Gas and Rubber stocks continued leading the market today. Trading volume on both exchanges was 220 million shares, which up 17% from the previous trading session, indicating that a sharp dip with large volume is temporarily not happening. Therefore, we believe that short-term risk is still low, and only the techniques shaking rhythm will appear in the near future.

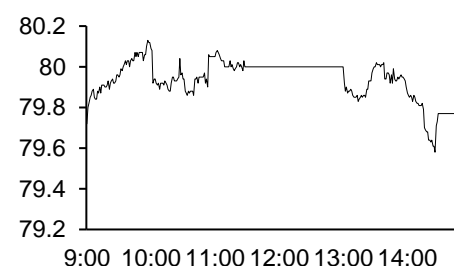
Investors holding high stock proportion should consider selling gradually when the VN-Index approaches resistance at 580 points and recovers at the next technical corrections.

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
VHG	10.36	5.3	1.92
FLC	7.59	6.7	0
HQC	7.41	6.2	5.08
DLG	7.24	6.4	6.67
HNG	6.55	8.2	6.49

Source: Bloomberg, BSC Research

Exhibit 4

Foreign transaction

Top buy	Value	Top sell	Value
GAS	22.4	DRC	11.9
MBB	16.3	DSN	7.2
SSI	15.6	VNS	5.1
SCR	13.8	HSG	4.7
BVH	9.6	VND	3.3

Source: BSC Research

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Company updates

GEX - Vietnam Electrical Equipment JSC (UPCOM)

Not much changes in BOD members:

During the AGM, the shareholders representing 7.8% of the charter capital has nominated Mr. Vo Tan Thinh on the Board, however, because they didn't hold enough 6 months, the nomination was ineligible to stand for election. Mr. Vo Tan Thinh is currently Chairman and CEO of Thinh Phat JSC.

Accordingly, the Board of Directors for the 2016-2020 term were not much changed from the previous term. The only new member was Mr. Vo Anh Linh, Chairman of Construction and Investment JSC Post Office.

Business outlook:

The parent company set out plans to reach VND1,400 billion in revenue (+3.7%) and VND 235 billion of PAT (-5.6% yoy). Business outlook for 2016 is quite difficult:

- Mechanical meters are no longer used in the power grid from 2016 This is a product that was previously monopolized by GEX, but revenue has declined dramatically since 2011, and in 2015 was at 310 billion , contributing 22.9% of net sales of GEX
- Electronic meters face tough competition. The company has developed electronic meters since 2011 and the product is now present in four out of the five distribution system of Vietnam. In 2015, contributions from the electronic meter to net revenue was negligible (3%), but the company targets to raise the revenue from this product by 8 times.
- Lose monopoly position in the secondary voltage transformers product: The Southern power company has installed a chain system that has similar quality and capacity as Gelex system.

Other Updates:

- Real estate project No. 10, Tran Nguyen Han has not been implemented because the company has not yet established a legal entity, and the procedures for architectural planning is incomplete. The company is expected to complete the procedures in this year
- Real estate project 52 Le Dai Hanh was adjusted to allow extraction of excess acreage. Currently the building is filled by 60%, GEX expects its subsidiaries and associates to use, before subleasing.
- Greater flexibility in investing activities in 2016: GEX has VND 682 billion currently invested in 10 subsidiaries and associated companies. Business investment is quite efficient at 18.3% ROI for the period 2012-2015. In 2015, the company was not able to increase the amount of money invested in the subsidiary / associated companies due to the disapproval of the largest shareholder, the Ministry of Industry and Trade. Thus, in 2016, GEX will have more specific plans for additional investment or divestment of subsidiaries and associated companies.

Investment view:

Earnings prospects in 2016 of GEX is quite difficult due to key products ceases, while new products face tough competition. The noteworthy point for GEX is the investment plans / divestments in subsidiaries and associate in the near future.

On 7/3/2016, with 155 million shares, GEX is traded at VND 23.200 VND/share, equivalent to a P/E trailing of 8.9x

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	12	3.4%	1.7%	10.5	13
2	TNG	29/2/2016	19	20.2	6.3%	6.3%	18	20.9
3	HT1	29/2/2016	26.7	26.5	0.0%	-0.7%	25.4	29.3
Average					3.3%	2.4%		

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	14.8	-1.3%	7.2%	12.8	16.6
2	VIC	7/7/2014	37.96	45.8	1.8%	20.7%	35.3	45.6
3	CMG	19/10/2015	14.7	16.9	7.0%	15.0%	13.4	17.5
4	VSC	13/11/2015	74.5	68.5	0.7%	-8.1%	69.3	89.4
5	APC	18/12/2015	18	17.3	0.0%	-3.9%	16.7	21.6
Average					1.6%	6.2%		

Source: BSC Research

CANSLIM portfolio: Take profit VIC, cutloss VSC.

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
GAS	49.4	6.7	2.989	1.97MLN
PVD	26.9	6.32	0.281	3.66MLN
HNG	8.2	6.49	0.178	5.89MLN
HSG	33.4	6.71	0.139	1.39MLN
PNJ	50.5	5.21	0.124	19000

Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNM	131	-0.76	-0.605	598820
BID	17.9	-1.1	-0.344	1.71MLN
MBB	14.8	-1.33	-0.161	1.34MLN
TTF	24.2	-6.92	-0.127	465570
DPM	29.4	-1.67	-0.096	642320

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
KSS	1.1	10	0.002	832110
GTT	1.3	8.33	0.002	589340
TRC	21.4	7	0.021	200020
HVX	6.2	6.9	0.007	10
SAV	10.9	6.86	0.004	2520

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
SSC	48.4	-6.92	-0.027	320
TTF	24.2	-6.92	-0.127	465570
TSC	15	-6.83	-0.082	3.97MLN
HTL	69.5	-6.71	-0.03	22100
VLV	1.4	-6.67	-0.001	1700

Source: Bloomberg, BSC Research

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
PVS	16.8	6.33	0.232	5.73MLN
DGL	47.4	7.24	0.077	32700
ACB	19.8	0.51	0.049	168600
VNR	19.4	3.19	0.041	500
OCH	6	5.26	0.031	2000

Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
VCS	79.3	-2.7	-0.061	111000
PHP	22.7	-1.3	-0.051	67000
SHB	6.7	-1.47	-0.049	771500
NTP	57.6	-2.21	-0.042	22400
NVB	5.7	-3.39	-0.031	1500

Top 5 gainers on the HNX

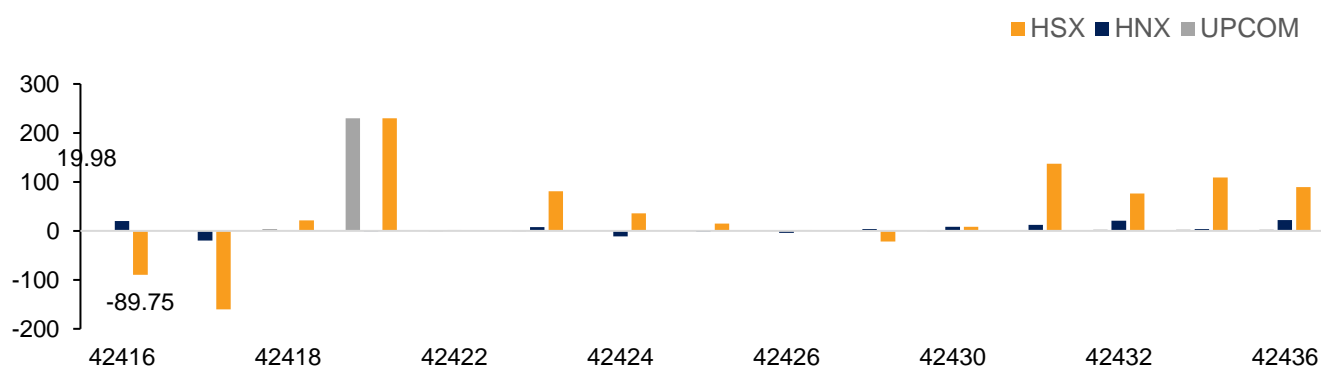
Ticker	Price	% Chg	Index pt	Volume
BED	36.6	9.91	0.005	18500
PIV	11.1	9.9	0.001	97500
BSC	25.7	9.83	0.004	5900
VMC	29.4	9.7	0.013	1200
TKU	7.1	9.23	0.001	100

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
MCF	12	-11.11	-0.006	1100
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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