

Thu, March 10, 2016

Vietnam Daily Review

VN-Index to approach 580 points

BSC's Forecast on the stock market

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

Summary

The market sentiment was quite exciting today as all three indices increased relatively good. Numerous large-cap stocks simultaneously gained keeping the market pace. The rally in petroleum, rubber, and various high liquidated stocks, such as VHG, HNG, HAG and SBT, pushed market sentiment up in the afternoon session. UPCOM welcomed a new promising ticket which is VGG, Viet Tien Garment Corporation.

Unlike yesterday's movements, foreign investors were net buyers on all 3 floors today.

Recommendation

The current psychological state is becoming more positive. However, we still believe that the index will continue to fluctuate in the current price range. VN-Index could reach 580 points soon in the next few sessions. However, the adjustment could occur. In that case, we believe that is the proper time to increase stock weigh.

Investors can consider buying in the technical correction and continue to hold if VN-Index passes successfully 580 points with large volume.

Company updates

EVE - Everpia Viet Nam (HSX)
VIT - Viglacera Tien Son JSC (HNX)
CVT - CMC JSC (HNX)

BSC RESEARCH

Head of Research

Tran Thang Long
longtt@bsc.com.vn

Macro & Market Team

Bui Nguyen Khoa
khoabn@bsc.com.vn

Vu Thanh Phong
phongvt@bsc.com.vn

Do Nam Tung
tungdn@bsc.com.vn

Nguyen Quoc Truong
truongnq@bsc.com.vn

VN-INDEX **575.91**
Value: 1832.17 bil **4.2 (0.73%)**
Foreigners (net): VND 6.5 bil

HNX-INDEX **79.89**
Value: 510.75 bil **0.52 (0.66%)**
Foreigners (net): VND 15.62 bil

UPCOM-INDEX **50.9**
Value 62.19 bil **0.46 (0.91%)**
Foreigners (net): VND 0.0609 bil

Macro indicators

	Value	% Chg
Crude oil	37.9	-0.9%
Gold	1,249	-0.4%
USDVND	22,288	0.0%
EURVND	24,457	-0.3%
JPYVND	19,648	-0.1%
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	6
Market statistics	7

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

Nguyen Quoc Truong
Research Analyst

truongnq@bsc.com.vn

Market highlights

Rubber stocks led the market today.

The market closes at the highest price of the day.

Some stocks surging significantly on both price and volume today are ITQ (+10%), VC3 (+9.7%), VIS (+9.4%) and C32 (+7.5%).

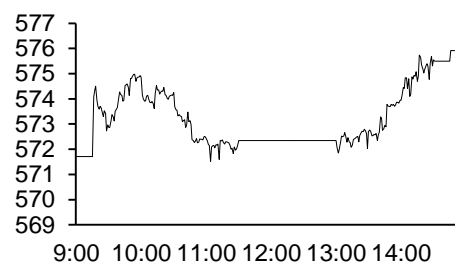
Recommendations

The movement of the market has not much change compared with our previous judgment: the flow between stock lines is still going on, the resistance at 580 points has not yet been broken, and liquidity remains at average. The short-term technical adjustments may be occurred, however, short-term risks are still low.

Investors can consider buying in the technical correction and continue to hold if VN-Index passes successfully 580 points with large volume.

Exhibit 1

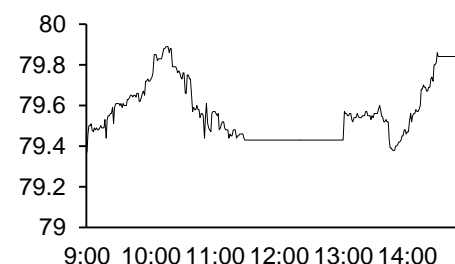
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
VHG	9.15	5.7	5.56
HNG	7.92	8.5	6.25
HAG	6.01	8.5	4.94
SBT	5.5	28.9	6.64
FIT	3.39	8.2	0

Source: Bloomberg, BSC Research

Nguyen Hong Ha*Equity Analyst*hanh@bsc.com.vn

Company updates

EVE - Everpia Vietnam JSC (HSX)

2016 business plan:

Revenue of VND1,000 billion (+ 11% yoy), profit after tax of VND 140 billion (+ 22.8% yoy):

• Bedding segment (accounting for 65% of annual revenue):

EVE will promote sales of spring mattress of Style Master, after becoming an exclusive manufacturer and distributor of Style Master, which is one of four biggest mattress maker of the world. The cooperation with Style Master is essential as Everon' s previous spring mattress products yielded a relatively low consumption rate while the consumers showed preference towards spring mattress over padding mattress.

• Padding segment (about 30-35% annually revenue):

In addition to Korea, this year, EVE has received large orders from manufacturers in China. EVE padding products are used for winter jackets.

Investment view:

(1) Occupy the biggest market share in the bedding segment (26% market share) as well as padding segment (29%). Regular customers account for about 80 -90% revenue, which leads to relatively stable income;
(2) EVE products focuses on the middle class, with high advantage since Everon designs its own fabric pattern;
(3) Business activities are highly seasonal and weather - dependent: with padding segment's peak time is from March to September, while the bedding segment's is from September to March. Recent changing trend in weather, with delayed winter may reduce sales in Q4;
(4) Profit margin improved thanks to the reduction in cotton and polyester prices;
(5) Current valuation multiple is relatively low, with P/E Forward ~ 7.4;
(6) Loosening foreigner's ownership room to 100% can attract strategic investors, especially suppliers or customers of EVE.

Nguyen Hong Ha

Equity Analyst

hanh@bsc.com.vn

Company updates

VIT - Viglacera Tien Son JSC

2016 business plan:

Revenue of 1.020 billion (+ 49% yoy), EBT of 70.5 billion (+ 22.8% yoy), 15% cash dividend. Output is expected to reach approximately 6.2 million m2 (~95% the capacity)

Q1 results:

Revenue is forecast to reach 185 billion (+ 45% yoy), EBT 15 billion (increased by 3.75 times the same period) with growth coming from: (1) The new factory has operated at 100% capacity; (2) CNG decreased to 3.100 D/m3, boosting gross margin.

The production line 1 in Tien Son will fully depreciated in 2017, which reduces depreciation expense around 17 billion dong.

New plant in 2017:

VIT plans to build new granite brick factory with a capacity of 4.5 million m2/year. The total investment capital is around 350 billion dong, which will be funded partly by issuing 12 million shares.

Investment view:

Investment view:

(1) The business performance of VIT will grow strongly thanks to the operation of Thai Binh plant and the improvement of profit margin when CNG price decrease. We forecast that in 2016, revenue will be 961 billion dong (+41%y.o.y) and NPAT will be 69.5 billion dong (+86.3%y.o.y), EPS will be 4,632 dong/share.

(2) The market is still in the period of over demand.

(3) Attractive valuation: VIT is trading at P/E FW of 4.92- lower level than the average of sector -5.28

Risks:

(1) Number of granite brick plants are expanding capacity. This may lead to a decrease in selling price.

(2) Tightening credit in real estate may have indirectly impact on the demand of brick;

(3) Dilution risk: when new plant operate, the brick market may be saturated and the real estate market may be slowdown.

Nguyen Hong Ha*Equity Analyst*hanh@bsc.com.vn

Company updates

CVT - CMC JSC (HNX)

2016 business plan:

Revenue of 1,000 billion (+ 33.6% yoy), PBT 90 billion (+ 12.5% yoy). Output is expected to reach 12 million m² / year (80% the capacity), of which about 65% has already signed by distributors such as Hoa Binh Minh Co., company Vietnam Hung, ... cash dividend 25%.

Q1 results:

Revenue is estimated at 250 billion (+ 63% yoy), EBT is 20 billion (+ 33% yoy) in Q1 CMC 2 plant stopped working for maintenance. the new brick has witnessed low demand, while the mainstream products of granite and ceramic tiles CVT have strong sales

Redirect to ceramic product line by building a new plant from Q3 /

2016: CVT plans to invest 2 ceramic tile production lines (with a total capacity of 8 million m² / year. Total investment capital is 300 billion investment, of which CVT will the issuance of 10 million shares at VND15,000 / share or 70% of the market price

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	HT1	29/2/2016	26.7	27	1.9%	1.1%	25.4	29.3
Average					2.7%	1.4%		

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	15	0.0%	8.7%	12.8	16.6
2	CMG	19/10/2015	14.7	16.3	3.2%	10.9%	13.4	17.5
3	APC	18/12/2015	18	18	4.0%	0.0%	16.7	21.6
Average					2.4%	6.5%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
GAS	48.3	1.9	0.866	896680
BID	17.7	1.72	0.516	951910
VCB	41.6	0.48	0.268	643780
CTG	17.5	0.57	0.187	337750
HNG	8.5	6.25	0.178	7.92MLN

Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
MSN	74.5	-1.32	-0.375	153780
DVP	74.5	-3.87	-0.06	29500
TMP	26.7	-4.3	-0.042	10120
HTL	70	-6.67	-0.03	6770
TNT	28	-6.98	-0.027	12530

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
GTT	1.3	8.33	0.002	999030
C32	47.4	7	0.017	317030
HVX	6.2	6.9	0.007	10
VNS	28.1	6.84	0.061	612720
HLG	4.7	6.82	0.007	110

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
TNT	28	-6.98	-0.027	12530
SVT	15	-6.83	-0.005	10
HTL	70	-6.67	-0.03	6770
PNC	15.5	-6.06	-0.006	100
VID	4.7	-6	-0.004	390

Source: Bloomberg, BSC Research

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
DBC	26.7	6.8	0.055	199500
VCS	82	2.24	0.05	42300
SHB	6.8	1.49	0.049	308600
VND	12.4	3.33	0.032	2.01MLN
NVB	5.8	3.57	0.031	6000

Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
ACB	19.3	-0.52	-0.049	127700
PHP	23.2	-0.85	-0.034	7800
PSI	7.7	-9.41	-0.025	6000
VCG	10.4	-0.95	-0.023	332700
VNR	19	-1.55	-0.02	22300

Top 5 gainers on the HNX

Ticker	Price	% Chg	Index pt	Volume
BED	37.6	9.94	0.005	11000
TKU	7.8	9.86	0.002	100
NHP	19.2	9.71	0.015	817300
VC3	30.6	9.68	0.028	385900
HTP	13.8	9.52	0.001	15100

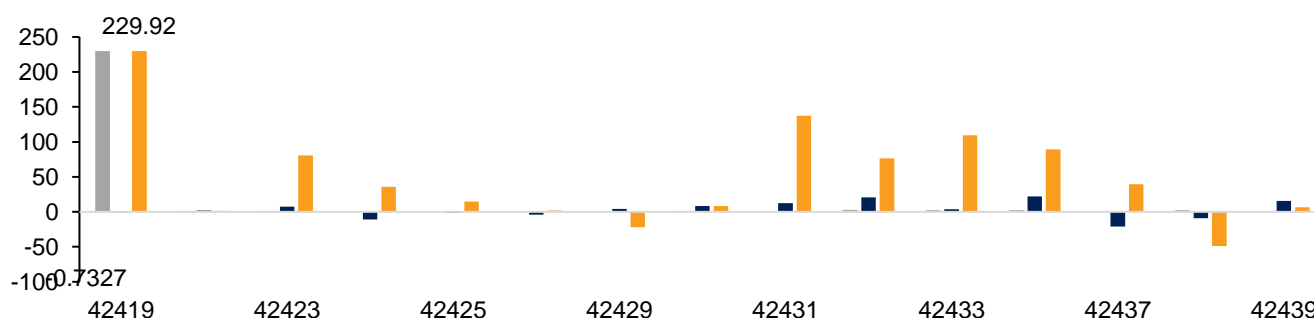
Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
BBS	17.1	-10	-0.004	200
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

■ HSX ■ HNX ■ UPCOM



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).

BSC Headquarters

BIDV Tower, 10th & 11th Floor

35 Hang Voi, Hoan Kiem, Hanoi

Tel: +84 4 3935 2722

Fax: +84 4 2220 0669

Ho Chi Minh City Office

146 Nguyen Cong Tru St, 9th Floor

District 1, HCMC

Tel: +84 8 3821 8885

Fax: +84 8 3821 8510

<http://www.bsc.com.vn>

Bloomberg: BSCV <GO>

