

Wed, March 16, 2016

Vietnam Daily Review

VN-Index to accumulate to conquer 580 pts (2)

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 17/3/2016			•
Week 14/3-18/3/2016			•
Month 3/2016			•

Summary

The indices rallied together today. The green color spread in most of the trading time. The large-cap stocks played a major role in driving market sentiment, typically the bank stocks, or BVH, VNM and GAS on the HSX, as well as VCS on the HNX.

Foreign investors' purchase came back on the HSX and UPCOM, yet they still sold a negligible value on HNX.

Recommendation

VN-Index continued to fluctuate in a narrow range. Correction might appear alternately during the 580-points conquest of the VN-Index. The positive point is that the big money is still rotating positively among the stocks.

Adventurous investors continue to consider buying stocks in the technical correction when the market falls to the supporting level of 570 points.

Company updates

CAV - Vietnam Electric Cable Corporation (HSX) - Neutral
CEO - CEO Group (HNX) - AGM updates

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VN-INDEX **577.07**
Value: 1856.67 bil **3.03 (0.53%)**
Foreigners (net): VND 6.4 bil

HNX-INDEX **80**
Value: 476.71 bil **0.37 (0.46%)**
Foreigners (net): -VND 0.5799 bil

UPCOM-INDEX **52.59**
Value 62.65 bil **0.16 (0.31%)**
Foreigners (net): VND 4.64 bil

Macro indicators

	Value	% Chg
Crude oil	37.1	2.1%
Gold	1,233	0.0%
USDVND	22,295	0.0%
EURVND	24,732	-0.1%
JPYVND	19,626	-0.3%
1-month Interbank rate	4.7%	-
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

Foreign investors were net buyers on the HOSE and net sellers on the HNX.

Market breadth was positive and increased liquidity maintained with 244 advancers / 172 decliners on both exchanges.

Leading market stocks such as VCB, SBT were positive in the session, along with a group of real estate stocks have rebounded as KBC, KDH, FLC, accompanied by most of the recovery of the other stocks on the market, and a number of penny stocks.

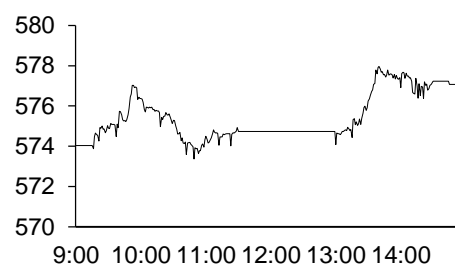
Recommendations

The market is still moving in a wide area of support and resistance 570-580 points, but could not conquer the short-term resistance in this session despite the market improved clarity scores thanks to market demand from some large-cap stocks.

The market remained the stable demand and movement in narrow areas, investors can consider buying when the market is showing signs of correction of the support 570.

Exhibit 1

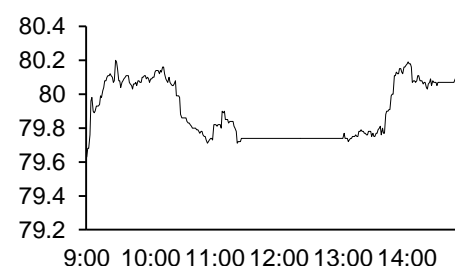
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	18.98	7	4.48
HNG	8.17	9.8	4.26
HAG	5.76	8.5	2.41
TSC	4.82	13.9	4.51
VHG	4.64	6	1.69

Source: Bloomberg, BSC Research

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Company updates

CAV - Vietnam Electric Cable Corporation (HSX)

2015 business results:

Revenue VND 5,668 billion (+ 5.1% yoy) and PBT of VND 219 billion (+ 31.1% yoy). The growth in profit results from (1) Gross margin improved thanks to the raw material costs at a low level in 2015 (down 20% yoy) and the effective cost management (2) Interest expense fell sharply (-28.4% yoy) due to reduced interest rates, which was at 5.1% in 2015, compared with 7.2% of 2014.

2016 business plan:

Revenues of VND 6,000 billion (+5.9%); in which export sales of 10 million USD (+ 37% yoy). PBT targets of VND 250 billion (+14.2% yoy), which is corresponding to 2016 EPS of VND 6.944 / share. As of 15/03/2016, CAV shares closed at 70,000 VND, equivalent to a P/E forward = 10.1x.

Prospects for 2016:

1) Input materials prices rose sharply in Q1 2015: CAV inputs are mainly copper, which contributes about 80% of the company's product cost. In Q1/2016, copper prices have recovered by 14% from the record low in January, resulted from the better than expected China and US's economy statistics. The increase in copper prices led to profit in Q1/2016 only reached VND 50 billion, less than planned figure of VND 65 billion.

However, we note that large organizations such as the World Bank, and Goldman Sachs have predicted that the average price of copper will continue to decline in 2016, approximately by 10% compared to 2015.

2) Growth in exports did not contribute much to profit: CAV plans to expand exports to Australia and Japan, which help to increase export sale target in 2016. However, due to high competition from companies in the region and in the world, gross margin from exports is very low, only about 1-2%, compared with a 8.3% average margin of CAV

3) The power cables production project - Phase 2 in Tan Phu Trung is expected to be completed in Q1 / 2017, so will not contribute to business results in 2016.

Investment view:

Earnings prospects of CAV in 2016 is NEUTRAL, with growth driver mainly comes from the expectation of the fall in the average copper price. However, copper price has had a good rise in Q1/2016, which affects the business results of CAV. As of 16/3/2016, CAV shares closed at 68,500 VND, equivalent to a P/E forward = 9.86x.

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Company updates

CEO - C.E.O Investment JSC (HNX)

2015 earnings results:

Revenue reached VND 646.2 billion (+ 43.6% yoy), Net income reached VND 205.6 billion (+ 91.4% yoy), equivalent to 65% of planned sales and 125% planned profit. Revenue failed to reach the plan due to the relatively slow sales rate in Bamboo Garden Project; however, the project has low profit margin and not affect profit plan. In Q4/2015, CEO had record VND 280 billion revenue from the transfer of SR 2 slot (area 6.5 ha) in the Sonasea Resorts and Villas Project.

Progress of the projects:

Novotel Phu Quoc: Went into operation from May 1/2016 with 400 rooms and 40 villas. Revenue is expected to be VND 400 billion per year with 50% of occupancy rate. In 2016, CEO is expected to put into operation other 270 rooms, bringing the total number of rooms to over 600 rooms. CEO has partnered with some European travel agents to book at the hotel, aims to increase the hotel occupancy rate.

Sonasea Villas & Resort: Opened sold 78 villas from Nov 2015 with the average selling price of VND 10 billion - 13 billion. Currently, CEO has sold 20 units and expected to handover in Q2/2016.

Hanam River Silk: Has sold 160 slots over 198 slots in Phase 1 with the average selling price of about VND 8 million per m2. CEO will implement site clearance and infrastructure for phase 2 (13 hectares) in 2016 with a total investment of ~ VND 320 billion, expected to bring revenue from Q4/2016.

Sunny Garden City: Will open sale in 2016.

Bamboo Garden projects: inaugurated CT9B building in Oct 2015, expected to complete and handover the CT9A Building in Q1/2016.

Sonasea Residences: Expected to be completed land clearance and technical infrastructure in 2016, began to generate revenue from Q4/2016.

Dai Viet College (Tien Du, Bac Ninh): constructed from Aug 2015, has completed the H1 amphitheater.

Business Plan in 2016:

Planned revenue is VND 1,200 billion, profit after tax is VND 206 billion, with the main contribution from: villas portion of the Sonasea Villas and Resort Project, Novotel Phuquoc Hotel, Sunny Garden City Project and Bamboo Garden Project.

CEO will expand the land fund through M & A some peers: Accordingly, CEO will make a couple of M & A in 2016 to own enterprises with large, good location land fund, which may include 1 firm having about 120 ha of land in Phu Quoc, 1 firm having 8 ha of land in Nha Trang.

Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	1w performance	Unrealized gain/ loss	Cutlosses	Target
1	HT1	29/2/2016	26.7	25.9	-2.3%	-3.0%	25.4	29.3
Average					-2.3%	-3.0%		

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	14.7	-2.0%	6.5%	12.8	16.6
2	CMG	19/10/2015	14.7	16.5	4.4%	12.2%	13.4	17.5
3	APC	18/12/2015	18	17.8	2.9%	21.6	16.7	
Average					1.8%	726.3%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VCB	43.2	2.86	1.608	1.86MLN
VNM	137	0.74	0.604	376070
GAS	46.9	0.86	0.385	609350
BID	17.7	1.14	0.344	1.40MLN
BVH	53.5	0.94	0.171	554590

Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
VIC	44.6	-0.89	-0.39	434350
MSN	73	-0.68	-0.188	237120
MWG	77	-3.14	-0.185	298870
STB	10.7	-0.93	-0.075	617340
DHG	83.5	-1.76	-0.066	42700

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
KSS	1.2	9.09	0.002	1.63MLN
DHM	10.7	7	0.008	3.86MLN
CCI	10.9	6.86	0.006	60
POM	7.8	6.85	0.047	5250
STG	18.8	6.82	0.008	12050

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNH	1.2	-7.69	0	259960
TNT	22.6	-7	-0.022	295330
HVX	5.4	-6.9	-0.007	170
SVI	35.3	-6.86	-0.017	260
SVT	11.8	-6.35	-0.004	20

Source: Bloomberg, BSC Research

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
VCS	86	8.04	0.177	185000
KLS	8.1	8	0.063	2.08MLN
VCG	10.5	0.96	0.023	680800
CHP	20.3	1.5	0.02	22300
NVB	5.8	1.75	0.016	700

Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
PVI	26.2		-0.049	282800
HGM	33.8	-9.87	-0.024	100
SCR	9.4	-2.08	-0.023	4.64MLN
PHP	22.9	-0.43	-0.017	42800
DGL	45.8	-1.51	-0.017	11600

Top 5 gainers on the HNX

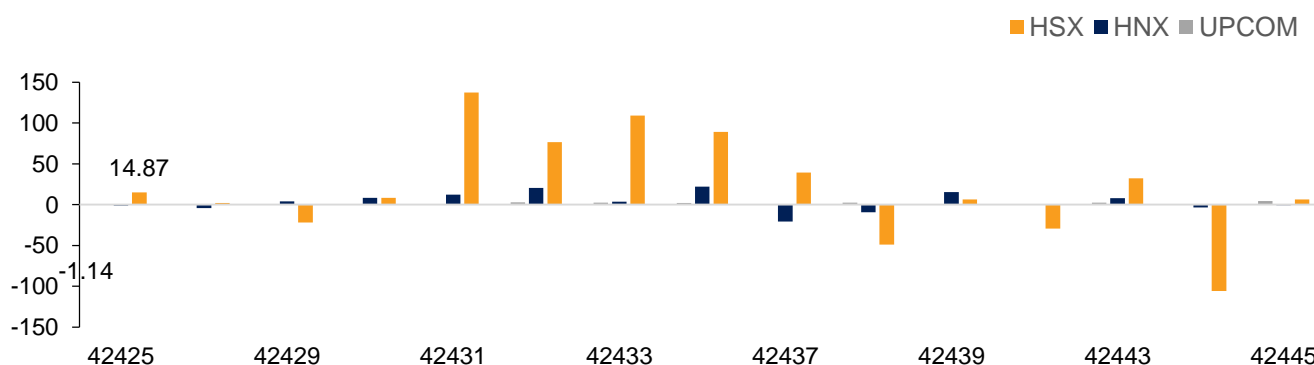
Ticker	Price	% Chg	Index pt	Volume
SPP	9.9	10	0.006	317600
VCM	19.8	10	0.003	100
HKB	14.4	9.92	0.014	100500
FDT	28	9.8	0.004	200
NPS	12.4	9.73	0.001	2200

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
NBP	20.7	-10	-0.015	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



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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