

Fri, April 1, 2016

# Vietnam Daily Review

Week ahead: Technical recover could occurred

## BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 01/4/2016	•		
Week 4/4-8/4/2016	•		
Month 4/2016		•	

## Summary

Market sentiment becomes more stable than yesterday, but it is still negative. The indices fluctuated in the session, closing at the lowest price of the day. VN-Index lost the 560-pts support. Market liquidity declined steadily over 3 floors; Market breadth was also negative.

Foreign investors' transactions dropped significantly today, they were net buyers on all three exchanges.

## Recommendation

The market is currently in the risky status, so we recommend that investors should continue to observe the market.

A technical rebound could take place early next week, adventurous investors can take low position in stocks and quickly take profit. In the case of VN-Index fails to hold 558-560 points, investors should not rush into catching bottom.

## Macro updates

Vietnam PMI rose slightly to 50.7 in March from 50.3 in the previous month: Manufacturing sector rose modestly, the number of new orders tend to increase. Meanwhile, the state employment fell slightly in the first time in 4 months, and input costs rose for the first time in 9 months.

## Company updates

HPG - Hoa Phat Group JSC (HSX)

FPT - FPT Corporation (HSX)

## 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** **558.43**

Value: 2145.45 bil

-2.79 (-0.5%)

Foreigners (net): VND 33.09 bil

**HNX-INDEX** **78.47**

Value: 386.94 bil

-0.58 (-0.73%)

Foreigners (net): VND 14.79 bil

**UPCOM-INDEX** **59.68**

Value 94.77 bil

-1.71 (-2.79%)

Foreigners (net): VND 1.39 bil

## Macro indicators

	Value	% Chg
Crude oil	38.2	-0.4%
Gold	1,234	0.1%
USDVND	22,280	-0.1%
EURVND	25,405	0.1%
JPYVND	19,838	0.2%
1-month Interbank rate	4.7%	-
5yr VN Treasury Yield	6.3%	-

Source: Bloomberg, BSC Research

## Content

Market highlights	2
Company updates	3
Stock recommendations	5
Market statistics	6

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

Support level at 560 pts are temporarily broken, however, market's liquidity reduced.

Foreign investors backed to buy on HSX.

## Recommendations

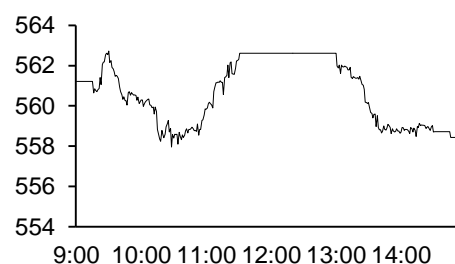
We believe that the short-term risk is greater because the demand was not so strong when VN-Index breaks down support level 560 points. Divergence continued, however, mainly occurring in the Mid-caps. Large-caps continued to decline slightly, hence the VN-Index remained temporarily around 560 pts. A technical rebound could take place early next week, adventurous investors can take low position in stocks and quickly take profit. In the case of VN-Index fails to hold 558-560 points, investors should not rush into catching bottom.

Exhibit 1

---

**VN-Index Intraday**


---



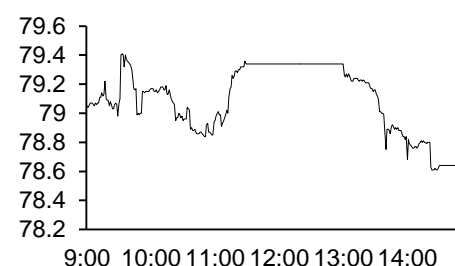
Source: Bloomberg, BSC Research

Exhibit 2

---

**HNX-Index Intraday**


---



Source: Bloomberg, BSC Research

Exhibit 3

**Top 5 volume leaders**

Ticker	Volume	Price	% Chg
FLC	7.96	6.3	-1.56
BCG	4.98	7.1	2.9
VHG	4.76	5.4	-3.57
HAG	3.88	7.7	-1.28
CII	3.24	24.1	1.69

Source: Bloomberg, BSC Research

---

**Luong Thu Huong***Equity Analyst*huonglt@bsc.com.vn

---

## Company updates

### HPG - Hoa Phat Group JSC (HSX)

**Business Plan 2016:**

Revenue reached VND28,000 billion (+ 1.99% yoy) and net profit of HPG shareholders reached VND3,198 billion (-8.25% yoy), equivalent to EPS 2016 = VND3,794. 2015 dividends are 15% in cash and 15% stock. Implementation in 2Q2016. On 31/03/2016, HPG shares are traded at VND29,500, PE FW = 7.78x (if calculated according to the target profit of HPG).

**1Q2016 result:**

The result was very positive with net income reaching VND900 billion, if the situation continued positive performance, 2016 earnings will exceed its objectives (EAT 2016 = VND3,200 billion)

Steel Segment: During the first 2 months of 2016, steel consumption reached nearly 220,000 tons, up sharply increased from 142,835 tons in the same period in 2015; 2 months consumption of steel pipes reached 54,000 tons (the same period of 2015 was only 36,600 tons). Phase 3 Hoa Phat Steel Complex- Billets Plant went into operation in mid Jan 2016 (capacity of 750 thousand tons / year, currently operates approximately 80% of design capacity), the rolling line was tested in late March and officially put into operation in early April 2016.

HPG expected output of construction steel in 2016 will reach 1.60 to 1.65 million tons. Additionally, HPG are looking for viable projects to continue to grow, increasing the capacity of steel production.

**Feed Segment:**

HPG's target capacity of approximately 1 million tons of feed. In particular, Hung Yen factory capacity of 300,000 tons (expected completion in April 2016), Dong Nai factory capacity of 300,000 tons (completed in 2016) and the factory in Phu Tho (will be in construction soon). HPG said in 2016 and 2017, the proportion of this segment for the whole group almost negligible and will develop after 2018.

**Real Estate Segment:**

Mandarin Garden 2 project will open in 2Q 2016, in addition HPG has land bank in other two positions (apartment project), it is expected to continue to implement at reasonable times.

**Open room for foreign investors:**

Views of HPG is not opening more room for foreign investors.

**Investment views:**

*We believe that the recovery of the iron ore price movement is only in the short term, the Chinese economy will continue affect negatively on the price trend of iron ore and steel prices in worldwide.*

*RSI remained neutral showing selling pressure temporarily not great. However, short-term downtrend that can appear. If HPG does not break through the resistance 30 in large quantities, investors purchased only at the strong correction, the purchase of 28.5 - 28.8. Cut loss 28 / Target price 32.*

---

**Luong Thu Huong***Equity Analyst*huonglt@bsc.com.vn

---

## Company updates

### FPT - FPT Corporation (HSX)

**Business Plan 2016:**

FPT aims to reach PBT of VND3,151 billion in 2016 (+ 10.5% yoy), PAT for FPT's shareholders may reach VND2,121 billion, equivalent to EPS 2016 = VND4,965 (excluding the effect of divestment plan).

**Technology Segment:** PBT 2016 is expected to reach VND1,210 billion (+ 30.5% yoy), continued good growth trend with the expansion of the Japanese market (outsourcing) and strengthen M&A domestic technology companies.

**Telecom Segment:** PBT 2016 is estimated at VND1,042 billion (-0.2% yoy), the decrease caused by FPT continuing to promote changing optical fiber in the provinces after finishing in Hanoi and HCMC. In addition, since 2016, the telecom business will have to pay the Public Telecommunications Fund (1.5% Rev from Internet connection), it also reduce the profitability of the business. Excluding the cost of this new policy, PBT of Telecommunications segment will increase by 10% yoy.

**Distribution Retail Segment:** FPT is working with consultants (Nomura and Ban Viet Security Company) to finalize the deal. In the meeting, FPT said it would reduce its stake in this Segment more than 51%. Cash flow will be used to for M&A and acquisition of shares of FPT Telecom. Time of completion and deal value has not been disclosed.

**Open room for foreign investors:**

To increase its stake in FPT Telecom, FPT will not open room for foreign investors.

**Investment views:**

*RSI is falling near the oversold threshold, indicating the technical recovery pace may soon reappear. The investors can buy at 46.3. Cut loss 44 / Target price 51.3.*

*In our opinion, FPT stock is the attractive investment opportunity in 2016 due to expectations from the divestment in Distribution Retail Segment, the cash inflow will be used for M&A to develop software segment and repurchasing FPT Telecom's shares when SCIC divested. BSC maintains medium and long term Buy recommendation with FPT shares with a target price of VND 56,186 as of 2016 Sector Outlook. On 31/03/2016, FPT shares were traded at VND47,100, PE FW = 9.49x.*

## Stock recommendations

### Short-term portfolio

No.	Ticker	Date	Buy price	Current price	1w performance	Unrealized gain/ loss	Cutlosses	Target
1	FPT	14/3/2016	48.7	46.8	-2.3%	-3.9%	45.3	54.5
2	GMD	14/3/2016	40.4	38.5	-1.5%	-4.7%	37.6	45.2
3	DPS	22/3/2016	6.4	6.5	3.2%	1.6%	6.0	7.2
4	GTN	21/3/2016	15.8	16.2	1.3%	2.5%	14.7	17.7
<b>Average</b>					<b>0.1%</b>	<b>-1.1%</b>		

Source: BSC Research

### CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	1w performance	Unrealized gain/ loss	Cutlosses	Target
1	CMG	19/10/2015	14.7	15.3	-3.8%	4.1%	13.4	17.5
2	APC	18/12/2015	18	17.3	-1.7%	-3.9%	16.7	21.6
3	VIC	7/7/2015	38	47.2	3.1%	24.2%	35.3	45.6
4	ELC	22/2/2016	23.7	23.4	-0.4%	-1.3%	22.0	28.44
5	PGD	29/2/2016	35.7	40	5.8%	12.0%	33.2	42.84
<b>Average</b>					<b>0.6%</b>	<b>7.0%</b>		

Source: BSC Research

## Market statistics

### Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
GAS	41.5	1.22	0.48	470820
CII	24.1	1.69	0.052	3.24MLN
VSH	16.3	1.88	0.031	93800
EVE	42.6	4.41	0.025	486270
SSI	21.2	0.47	0.024	1.88MLN

### Top 5 ladders on the HSX

Ticker	Price	% Chg	Index pt	Volume
BVH	49.2	-1.6	-0.273	451340
MSN	71	-0.7	-0.187	331930
CTG	16.3	-0.61	-0.187	499970
HPG	29	-1.69	-0.184	1.52MLN
NT2	31.9	-3.92	-0.179	1.14MLN

### Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
RIC	10.9	6.86	0.01	290
KMR	4.7	6.82	0.007	1.53MLN
CYC	3.2	6.67	0	10
SSC	44.8	6.67	0.021	910
LBM	24.4	6.55	0.006	3390

### Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNH	1.2	-7.69	0	375300
NBB	17.3	-6.99	-0.038	184820
PTC	8	-6.98	-0.005	81970
SCD	47	-6.93	-0.015	10050
KAC	8.1	-6.9	-0.007	30210

Source: Bloomberg, BSC Research

### Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
PHP	23.2	2.65	0.102	36300
PVS	15.4	0.65	0.023	840700
SCR	8.9	2.3	0.023	2.28MLN
VIX	7.9	5.33	0.014	2.52MLN
SGC	36.7	9.88	0.012	100

### Top 5 ladders on the HNX

Ticker	Price	% Chg	Index pt	Volume
SHB	6.3	-3.08	-0.099	696800
VCS	88	-3.3	-0.083	94100
VCG	9.9	-2.94	-0.069	726500
PVI	24.3	-1.62	-0.049	230400
NTP	66.1	-2.07	-0.045	48600

### Top 5 gainers on the HNX

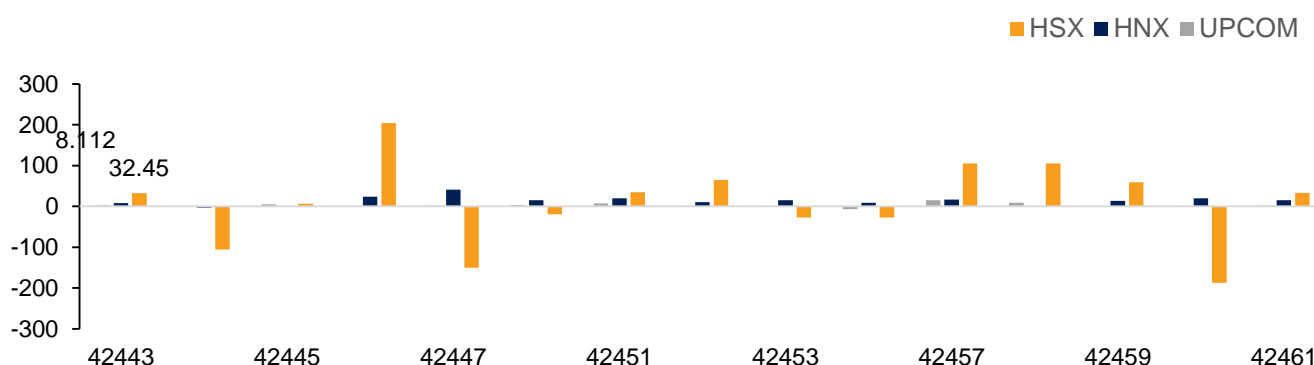
Ticker	Price	% Chg	Index pt	Volume
DLR	7.7	10	0.002	100
L18	11	10	0.003	1100
SGC	36.7	9.88	0.012	100
BSC	22.5	9.76	0.003	100
TV3	29.6	9.63	0.005	100

### Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
TPP	26.1	-10	-0.009	7300
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).*

### **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>

