



Wed, May 4, 2016

Vietnam Daily Review

VN-Index to conquer 600 pts in the next sessions

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 5/5/2016			•
Week 2/5-6/5/2016			•
Month 5/2016			•

Summary

Losing in the most of trading time, the VN-Index has returned strongly in the afternoon session. VNM, HPG and VCB were the main 3 advancers pushing the VN-Index up. However, buying power gradually weakened in the end of the day, causing the VN-Index rose slightly at closing. Market breadth was balanced on the 3 exchanges.

Foreign investors remained net buyers on all 3 floors of the session today.

Recommendation

Positive psychological recovery since mid-session. We still believe that the market needs time to be retested. VN-Index can conquer the resistance of 600 points in the next few sessions.

Investors can continue to hold the underlying shares in the portfolio, not need to rush to sell, and consider increasing the stock weight in the technical correction.

Company updates

CSV - South Basic Chemicals JSC (HSX)

PVD - PetroVietNam Drilling and Well Services Jsc (HSX)

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VN-INDEX **599.07**

Value: 2162.19 bil

0.7 (0.12%)

Foreigners (net): VND 90.9 bil

HNX-INDEX **80.67**

Value: 533.7 bil

-0.01 (-0.01%)

Foreigners (net): VND 1.42 bil

UPCOM-INDEX **56.89**

Value 113.86 bil

-0.88 (-1.52%)

Foreigners (net): VND 2.24 bil

Macro indicators

	Value	% Chg
Crude oil	43.7	0.1%
Gold	1,276	-0.8%
USDVND	22,290	0.0%
EURVND	25,596	-0.9%
JPYVND	20,862	-0.2%
1-month Interbank rate	4.8%	-
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 closed nearly its strong resistance of 600 points.

Steel stocks (HSG, HPG) continued increasing significantly. On the other hand, HAG and HNG experienced a sharp dip.

Foreign investors were net buyers on both exchanges.

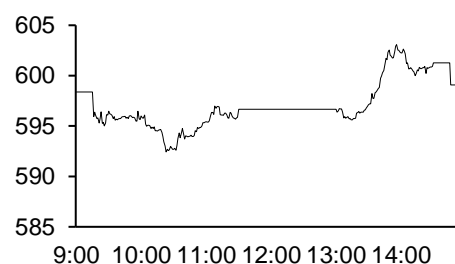
Recommendations

Vietnam market had a clear consensus as many important stocks alternately rose. We continue to believe that the market will be positive tomorrow and soon surpass 600 points thanks to the leading of large-cap stocks. In contrast, speculative stocks will not rise sharply due to lack of support from the cash flow.

Investors can continue to hold the underlying shares in the portfolio, not need to rush to sell, and consider increasing the stock weight in the technical correction.

Exhibit 1

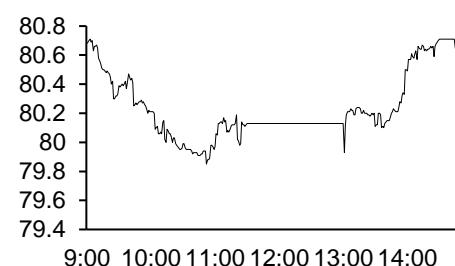
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	11.41	6.8	0
VHG	8.46	5	-5.66
HAG	6.87	7.5	-6.25
HPG	6.4	35	4.48
KSA	3.69	6.4	6.67

Source: Bloomberg, BSC Research

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Company updates

CSV - South Basic Chemicals JSC (HSX)

2015 business result witnessed slight decrease:

In 2015, CSV recorded VND 1,546 bil in revenue and VND 151 bil in profit after tax, decreased by 2% and 5% respectively by year on year basis. Even though price of salt and sulfur fell, gross profit margin still dropped from 23.6% to 22.3% due to increase in electricity price and power consumption.

First quarter 2016 business performance has risen lightly:

CSV recorded VND 400 bil revenue (+11%yoy) and VND 51 bil net income (+1%yoy). While gross margin remained stable, selling expenses increased significantly making PAT just rose lightly.

2016 business plan:

CSV is planning to record VND 1,448 bil in revenue (-6%yoy) and VND 200 bil in profit before tax (+2%yoy). Sales volume plan as below:

	Plan 2016	Plan 2016/Done in 2015
NaOH 100%	22,685	-9%
HCl 32%	62,000	13%
Cl ₂	4,800	-6%
Silicate	35,500	12%
Javel	19,500	-5%
H ₂ SO ₄	48,970	11%
Alum	7,000	2%
H ₃ PO ₄	1,357	8%
Yellow phosphorus	6,500	-10%
PAC	16,500	-15%

Dividend payout plan:

Not as announced before, CSV is planning to pay out 16% cash dividend on 2015's after tax profit. In 2016, firm's dividend payout ratio is planning at 14%.

Investment views:

We maintain our **BUY** recommendation for CSV with 12-month target price of 26.666 dong/share, an upside of 17% compared with its price closed on 29.4.2016. We expect that fully depreciated machinery and low material input price will help improve firm's business performance in terms of revenue and net profit.

We expect net income may increase dramatically in 2016 thanks to decrease in depreciation expense. Combined with material input price staying low, in 2016 depreciation expense is expected to drop by around VND 12-13 bil and VND 45 bil in 2017 thanks to full depreciated machinery in Bien Hoa and Tan Binh 2. Based on 2015 business performance and future outlook, BSC has made adjustment on our forecast. We expect CSV will record VND 1.549 bil in revenue (+0%yoy) and VND 177 bil (+18%yoy), EPS 2016 standing at 3,245 dong/share. In period 2016-2020, we reckon revenue will witness slight increase of 1% per year while net income grow at 6% per year thanks to falling in depreciation expense. Please take notice that our forecast does not factor Bien Hoa factory relocation plan since CSV still has not specific plan.

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Company updates

PVD - PetroVietNam Drilling and Well Services Jsc (HSX)

2015 business results:

in 2015, PVD recorded VND14,444 bil. of revenue and VND1,748 bil. of NPAT, down 31%. Due to downtrend of oil price, day rate fell by 10-25% to the average price of USD122,000 /day. Moreover, the number of leased rigs declined 50% to 2.7 rigs. The revenue and profit of leased rigs reduced VND3,686 bil and VND31 bil. in respectively. In November and December, PV Drilling I and III were paused in 15 days, which lead to revenue and profit decreased by VND931 bil and VND599 bil in respectively. The revenue and profit of relative services also fell by VND2,507 bil and VND262 bil in respectively. However, PV Drilling VI started from March and it accounted for VND 895 bil. of revenue and VND98 bil. of profit.

1Q2016 business results:

PVD recorded VND1,577 bil. of revenue and VND82 bil of NPAT, down 64%y.o.y and 84%y.o.y. In 1Q2016, the average day rate was about USD81,000/day, down 25%y.o.y. PVD run only 2 rigs in 1Q2016 including PV Drilling I and PV Drilling 11. Moreover, the volume and the price of relative services also fell by 30-50%.

2016 business plan:

In terms of average oil price below USD60/bbl in 2016, PVD plans to reach VND5,000 bil. of revenue and VND100 bil of profit attributable to share holder (in 1Q2016, PVD recorded VND 56 bil of profit attributable to share holder). In 2016, in order to reduce expenses, PVD will change depreciation policy from straight-line depreciation to depreciation according to the number of operation days. On 29/04/2016, PVD is trading at VND24,400/share, P.B=0.66 and P/E=125

Dividend plan: PVD plans to pay 10% dividend by stock for the year 2015.

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	48.1	0.4%	-1.2%	45.3	54.5
2	GMD	14/3/2016	40.4	42.4	8.4%	5.0%	37.6	45.2
3	DPS	22/3/2016	6.4	7.4	17.5%	15.6%	6.0	7.2
4	GTN	21/3/2016	15.8	16.1	0.6%	1.9%	14.7	17.7
Average					6.7%	5.3%		

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	14.6	-8.2%	-0.7%	13.4	17.5
2	APC	18/12/2015	18	17.2	-2.3%	-4.4%	16.7	21.6
3	VIC	7/7/2015	38	51	11.4%	34.2%	35.3	45.6
4	ELC	22/2/2016	23.7	22.1	-6.0%	-6.8%	22.0	28.44
5	PGD	29/2/2016	35.7	47.9	26.7%	34.2%	33.2	42.84
Average					4.3%	11.3%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNM	142	2.16	1.806	833130
HPG	35	4.48	0.551	6.40MLN
MSN	71	1.43	0.374	504510
HSG	50	6.38	0.197	1.93MLN
MWG	77.5	3.33	0.184	322850

Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
VIC	51	-2.86	-1.459	755160
GAS	50.5	-0.98	-0.48	1.30MLN
CTG	16.4	-1.2	-0.373	775300
BID	17.3	-1.14	-0.343	1.43MLN
HAG	7.5	-6.25	-0.198	6.87MLN

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
GIL	45.4	6.82	0.02	13120
HOT	20.5	6.77	0.005	10
VIS	9.5	6.74	0.015	377880
HDG	27.2	6.67	0.059	18390
KSA	6.4	6.67	0.019	3.41MLN

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
GTT	0.8	-11.11	-0.002	2.23MLN
VLF	1.1	-8.33	-0.001	10550
DTT	10.9	-6.84	-0.003	10
STT	4.2	-6.67	-0.001	9860
VNL	25.2	-6.67	-0.008	5090

Source: Bloomberg, BSC Research

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
KKC	16.2	8.72	0.112	56300
TV2	105	5	0.109	15600
NTP	67.7	0.89	0.094	23800
VC6	10	4.17	0.092	200
S55	47	8.29	0.069	163700

Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
SCJ	6.4	-9.86	-0.079	100
SDN	26.5	-4.68	-0.029	700
DGC	43.4	-2.47	-0.027	33700
VCC	15.9	-5.36	-0.025	25000
VTs	9.7	-8.49	-0.024	100

Top 5 gainers on the HNX

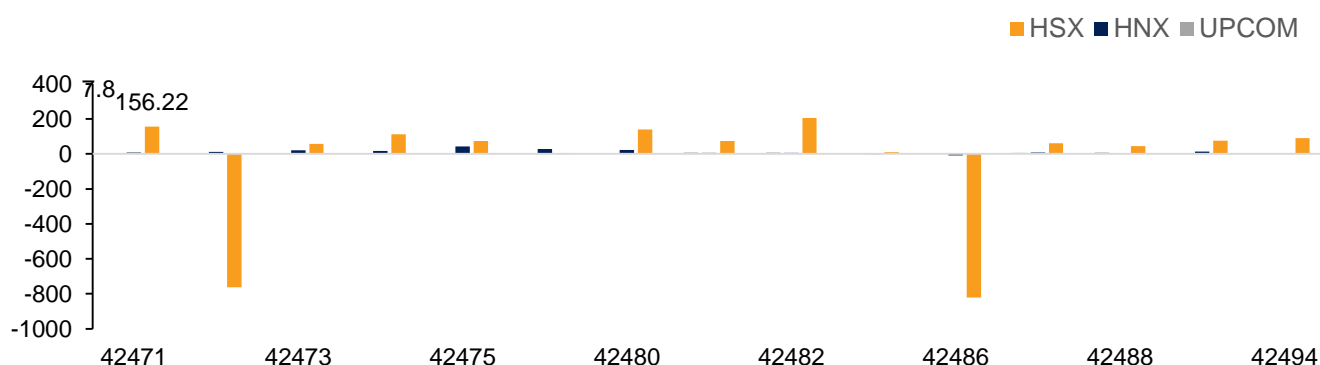
Ticker	Price	% Chg	Index pt	Volume
GMX	22	10	0.004	1800
SPI	6.6	10	0.001	752300
VBC	58.3	10	0.055	6200
MCC	16.6	9.93	0.006	48600
PTS	5.6	9.8	0.01	6100

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
SCJ	6.4	-9.86	-0.079	100
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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