



Mon, May 9, 2016

## Vietnam Daily Review

VN-Index to keep correcting

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 10/5/2016	•		
Week 9/5-13/5/2016		•	
Month 5/2016			•

### Summary

VN-Index couldn't maintain increase momentum until sessions ended despite VNM's strong rally. Trading volume rose strongly with sized deal of 30 million shares from TTF.

Large sized deal of VND 233 Bil. from VIC made foreign investors net sellers.

### Recommendation

Although led by VNM, Vietnam market still experienced a technical correction as the number of advances overwhelmed that of declines.

To reduce risk, investors may lower the proportion of gainers in the rallies and consider recovering in the technical correction.

### Company updates

RAL - Rangdong Light Source And Vacuum Flask JSC

## 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** **603.85**  
Value: 2023.96 bil **-2.67 (-0.44%)**  
Foreigners (net): -VND 123.39 bil

**HNX-INDEX** **80.4**  
Value: 437.28 bil **0.03 (0.04%)**  
Foreigners (net): VND 18.79 bil

**UPCOM-INDEX** **55.73**  
Value 146.4 bil **-0.02 (-0.04%)**  
Foreigners (net): VND 1.29 bil

### Macro indicators

	Value	% Chg
Crude oil	45.7	2.3%
Gold	1,277	-0.9%
USDVND	22,295	0.1%
EURVND	25,390	-0.2%
JPYVND	20,666	-1.0%
1-month Interbank rate	4.7%	-
5yr VN Treasury Yield	6.4%	-

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.

**Nguyen Quoc Truong***Research Analyst*

truongnq@bsc.com.vn

## Market highlights

VNM surged significantly after announcing the highest dividend rate in 2015.

Market breadth was negative with 171 gainers / 277 losers on both exchanges.

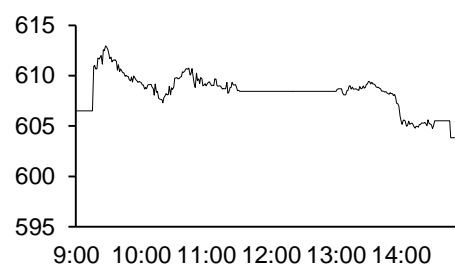
Foreign investors remained net buyers on the HSX.

## Recommendations

Although led by VNM, Vietnam market still experienced a technical correction as the number of losers overwhelmed that of gainers. Several positive points are (1) foreigners still buying, and (2) the market volume has not increased dramatically. However, there will be less positive information supporting the market, and Sell in May effect may return, both of which can impact negatively on the the market in short term.

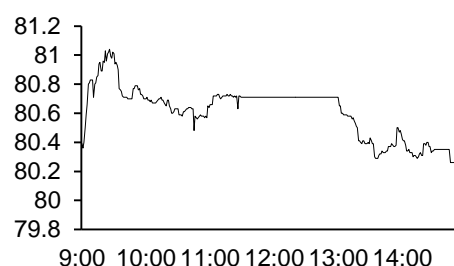
Investors may lower the proportion of gainers in the rallies and consider recovering in the technical correction.

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	7.46	6.4	-3.03
HQC	4.54	5.7	0
TSC	3.63	7.2	-4
HPG	3.51	33.9	-0.29
ITA	3.46	4.5	0

Source: Bloomberg, BSC Research

---

**Tran Thi Hong Tuoi***Equity Analyst*tuoith@bsc.com.vn

---

## Company updates

### **RAL - Rangdong Light Sources & Vacuum Flask JSC (HOSE)**

**Business results 2015:**

net sales reached 2,659 billion (+ 2.31% yoy). If not exclude 122 billion sales promotion (effect of the Circular 200), the turnover of the RAL is 2781 billion (+ 7% yoy). Profit after tax of 94 billion (+ 43% yoy) thanks to cost of sales fell sharply (-32% yoy while 318 billion). 1/2016 ended quarter, net revenue reached 813 billion (+ 4% yoy), profit after tax of 28 billion (+ 41% yoy) due to the reduction in financial expenses, cost of sales and administration enterprise management. Net profit margin from business operations increased production from 3.4% to 4.5%.

**Consumption of LEDs increases faster:**

With features Vietnamese advantages of LEDs as to save about 25% compared with the Compact ball, true light, and does not shine, do not contain mercury, lead, environmental friendliness, higher life expectancy 8-10 Compact lamp, while prices continued to fall, now only 2-3 times higher than the Compact lamp, ... tend to use the increasingly popular LED. The traditional products of the company are tough competition, particularly from the trend replaced by LEDs. LEDs are the only products saw growth. In 2015, sales volume increased by 65% LEDs, reaching 4.6 million units (46% of design capacity), contributing 27% of total revenue and 20% of the company's profits. RAL oriented capacity and output LEDs, towards LED product revenue contributed 50% of total company revenue in the next 3-5 years. The average price of LED products in the price 6 months 1 times due to LED chip production technology constantly updated.

**Business Plan 2016.** General meeting of shareholders approved a plan to reach 2446 billion revenue in 2016 (equivalent to 92% of sales in 2015), the minimum pre-tax profit of 90 billion (equivalent to 71% of profits in 2015). Dividends in 2016 is 40% cash. the company also plans to invest 193 billion in 2 years 2016-2017. In it, the company will spend 60 billion for electronics and LED workshop, 40 billion investment for glass furnace maintenance is not cooked completely electric, glass furnace 40 billion for posters, 5 billion for investors compact equipment factory , 15 billion environmental investment wastewater treatment and 10 billion implementation of quality management systems.

*Date 05/06/2016, shares RAL traded price 73,500 VND / share, equivalent to a P / E of 9x and P / B is 1,56x.*

**Risk:** (1) High and rising competition, especially with manufacturers from China. Notably, according to incomplete statistics of the Rang Dong, the company's LED lights are now competing with more than 120 units of assembly (purchase LED chips and components for assembly) with the same low cost with over 20,000 LED manufacturing company in China pressure impair the company's market share. RAL oriented competition by quality, promote the development of science and technology. (2) Inventories high (reaching 1,002 billion at the end of 2015, equivalent to 38% of sales year and reached 842 billion at the end of quarter 1/2016, 1/2016 quarter revenue equivalent), in the context of price LED chips and LED products decreased rapidly (median 6 months / time) will negatively impact the company's profit margins in the future.

## 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	47.2	-1.5%	-3.1%	45.3	54.5
2	GMD	14/3/2016	40.4	41.8	6.9%	3.5%	37.6	45.2
3	GTN	21/3/2016	15.8	16	0.0%	1.3%	14.7	17.7
<b>Average</b>					<b>1.8%</b>	<b>0.6%</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	14.9	-6.3%	1.4%	13.4	17.5
2	APC	18/12/2015	18	17.7	0.6%	-1.7%	16.7	21.6
3	VIC	7/7/2015	38	52	13.5%	36.8%	35.3	45.6
4	ELC	22/2/2016	23.7	21.9	-6.8%	-7.6%	22.0	28.44
5	PGD	29/2/2016	35.7	47.8	26.5%	33.9%	33.2	42.84
<b>Average</b>					<b>5.5%</b>	<b>12.6%</b>		

Source: BSC Research

## Market statistics

### Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNM	144	1.41	1.202	1.91MLN
GAS	51	0.99	0.479	576800
TTF	29.1	6.99	0.133	679680
NT2	29.6	2.07	0.082	555280
EIB	10.7	0.94	0.062	319610

### Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
BVH	57	-4.2	-0.852	208600
VCB	48	-1.23	-0.8	831230
BID	17.8	-1.66	-0.513	2.12MLN
VIC	52	-0.95	-0.486	786590
MSN	71.5	-1.38	-0.374	232020

### Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
TTF	29.1	6.99	0.133	679680
BTT	35.5	6.93	0.012	10
HOT	25	6.84	0.006	30
STT	5	6.38	0.001	20
PNC	10.1	6.32	0.003	20

### Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNH	1	-9.09	0	122460
KSS	1.1	-8.33	-0.002	406650
SSC	45.6	-6.94	-0.026	40
SHI	10.1	-6.48	-0.019	2.53MLN
VID	4.4	-6.38	-0.004	4130

Source: Bloomberg, BSC Research

### Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
ACB	18	1.12	0.098	233200
VC6	9.6	4.35	0.092	5400
VBC	66.6	9.9	0.062	4900
SDN	28.1	9.77	0.056	100
VCC	17.3	8.13	0.036	58800

### Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
SCJ	6.3	-10	-0.079	17000
PTD	21	-6.25	-0.059	4100
NST	11.4	-9.52	-0.039	100
TV2	96.5	-1.53	-0.033	4400
NTP	69.2	-0.29	-0.031	20900

### Top 5 gainers on the HNX

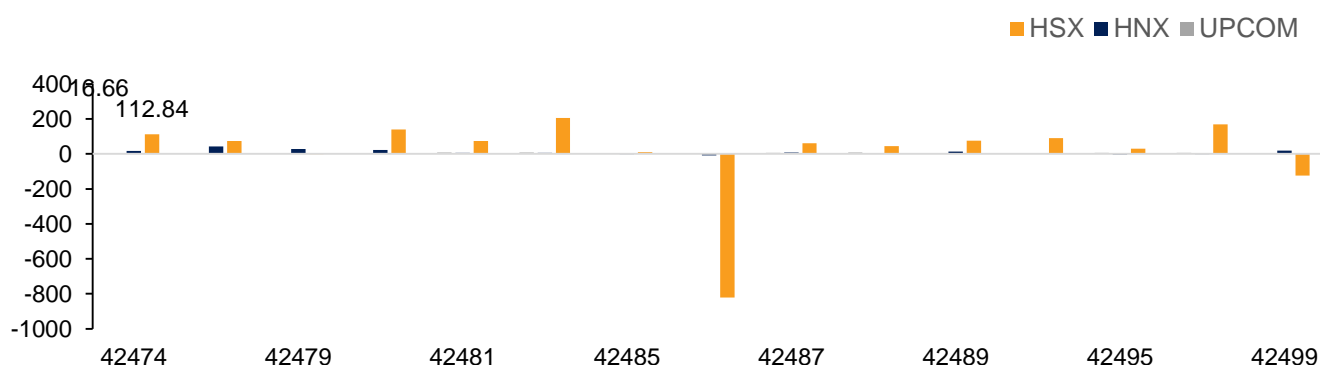
Ticker	Price	% Chg	Index pt	Volume
SCL	7.7	10	0.005	4300
LDP	51.8	9.98	0.009	18000
TAG	26.6	9.92	0.02	2500
VBC	66.6	9.9	0.062	4900
CMI	8.9	9.88	0.006	60300

### Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
KTS	47.5	-13.64	-0.012	7400
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>

