

Tue, May 17, 2016

Vietnam Daily Review

VN-Index to rally further

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 18/5/2016		•	
Week 16/5-20/5/2016			•
Month 5/2016			•

Summary

VN-Index (+1.46%) experienced a strong advance thanks to oil and gas stocks (GAS +6.3%, PVD +6.7%) and banking stocks (CTG +2.9%, BID +2.2%, STB +5.0%). VN-Index rose strongly along with trading volume (+28%) and value (+32%), climbed convincingly over resistance level at 620 pts and closed at 624.75 pts. HAG and HNG enjoyed reaching ceiling price after a news that central bank may consider restructuring Hoang Anh Gia Lai's debt was released.

HNX (+0.57%) and Upcom (+0.4%) also rose with trading volume and value stayed at a good level.

Foreign Investors went long strongly on HOSE and HNX, stayed put on Upcom.

Recommendation

VN-Index has an impression rally thanks to the contribution from blue-chips and closed above the upper boundary of the rising channel. VN-Index may have one slight correction before the next rally to approach resistance area at 638-640.

Investors consider increasing the proportion of shares in case of market correction.

Company Updates

VNM - Vietnam Dairy Products Jsc. (HOSE)

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VN-INDEX **624.75**
Value: 2052.9 bil **8.97 (1.46%)**
Foreigners (net): VND 147.68 bil

HNX-INDEX **82.21**
Value: 676.76 bil **0.46 (0.56%)**
Foreigners (net): VND 34.09 bil

UPCOM-INDEX **56.89**
Value 66.29 bil **0.22 (0.39%)**
Foreigners (net): -VND 0.1 bil

Macro indicators

	Value	% Chg
Crude oil	47.9	0.4%
Gold	1,271	-0.2%
USDVND	22,306	0.1%
EURVND	25,251	0.0%
JPYVND	20,355	-1.0%
1-month Interbank rate	3.8%	-
5yr VN Treasury Yield	6.4%	-

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

Foreigners were net buyers on the HOSE and on the HNX today.

Market maintained the uptrend in the session and improved liquidity, with 269 advancers /150 decliners on both exchanges.

Market index rose sharply throughout the session due to the impact of oil and gas stocks that were the most prominent in today's session, interaction of positive news from the world oil prices. The typical stocks GAS, PVD, PXS, PVC, PVS ... had strong growth.

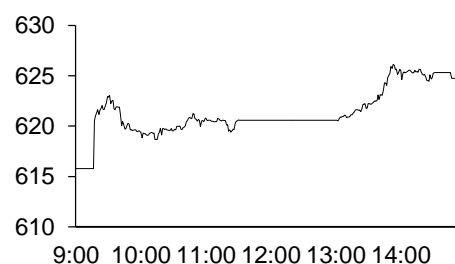
Recommendations

The market increased by 4.96 points, closed above the support level at 610 points and stayed at 615.78 points, approaching the resistance near 620 points. Demand maintained and the VN-Index has moved in a safe area.

Investors should restrict trading on new shares and continue to take profit partially on available gainers in the portfolio when the market index approaches the sensitive resistance near the 620 points.

Exhibit 1

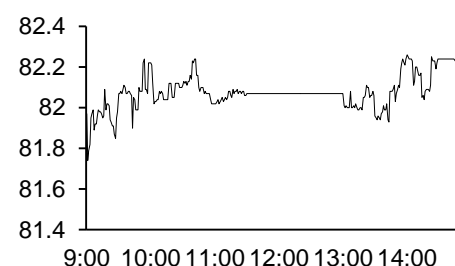
VN-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 2

HNX-Index Intraday



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	7.92	6.5	1.56
TSC	7.64	7.9	2.6
HHS	5.84	8.4	0
STB	5.65	12.7	4.96
TLH	5.4	8.8	-2.22

Source: Bloomberg, BSC Research

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Company updates

VNM - Vietnam Dairy Products Jsc. (HOSE)

1Q2016 Earning Result Update: Net Rev 1Q2016 was VND 10,332.91 bil (+18.55%yoy), gross margin in 1Q reach 42%, much higher than the level 35.67% of the same period 2015. PAT 1Q2016 was VND 2,161.78 bil (+38.56%yoy), EPS 1Q2016 = VND 1,620.

Earning Results improved because:

(1) Increase in Demand: Demand of consumers with dairy products increased. Vietnam Dairy Sector is in the growth cycle, milk consumption per capita of Vietnam is still low compared with other countries in the region and the world.

(2) Milk powder price at low level: the price of WMP is at the lowest since 2008 – 2009. It is expected to remain at low level in 2016 with the total world production of 5 mil tons WMP (+3.16%yoy) and total world consumption of 3.98 mil tons (+0.73%yoy). However, the price trend is now slightly recovering, thanks to the demand in China is anticipated to increase and the production & export of WMP in New Zealand is forecast to hold steady.

Source: Bloomberg, BSC

(3) Export recovery: Oversea gross profit of VNM in 1Q2016 reached VND 1,090 billion (+ 62.85% yoy). VNM continued exporting to the traditional markets in Southeast Asia and the Middle East, exploring potential markets in Africa.

(4) Corporate Income Tax Incentive: CIT rate of VNM is at average of around 17% in 2015 and expected to be 17.5% in 2016.

(5) Extended fresh milk supply: In 2015, the total number of milk cows (including Vinamilk farms and farms signing contracts with VNM) were more than 110,000 heads (in 2014 there were 88,000 heads). Total Milk outputs were about 37,600 tons from VNM farms (+ 28% yoy) and 178,900 tons buying from farmers (+ 16% yoy). In 2016, VNM intends to import about 2,000 cows for VNM farms.

2016 Earning Results:

Unit: bil. VND	2016 Plan	2015 Implemented	Up / Down
DTT	44,560	40,223	11%
LNTT	10,020	9,367	7%
LNST	8,266	7,770	6%

On May 17 2016, VNM shares are trading with VND 147,000, equivalent to PE trailing = 25.18x. PAT 2016 is estimated to be VND 8,266 bil, EPS 2016 = VND 5,695 (with total number of shares = 1,451,492,633 including the plans of bonus share and ESOP 2016), PE FW 2016 = 25.81x.

According to the Circular 123/2015/TT-BTC, VNM can open the room for foreign shareholders up to 100% without existing shareholders' approval, the procedure only requires a resolution from the BOM; the effective date has not yet determined.

Profit distribution plan in 2016

Development investment fund: 10% PAT
 Bonus and welfare fund: 10% PAT
 Cash Dividend 2016: minimum of 50% PAT (Prepaid Dividend Period 1 in Aug/Sep 2016 is VND 4,000 /share; Period 2 will be in May / June 2017)

Issuance of bonus shares on the 40th anniversary of establishment of VNM

The rate will be 5: 1, shares of additional issue is not restricted to transfer.

The last day to register to receive bonus shares is expected to be in 3Q2016

ESOP 2016 Total number of shares under the ESOP will be 9,437,795 shares including 522,795 of treasury shares and 8,915,000 of new issuing shares.

The issuance of new shares and selling prices of treasury shares will be equal to 2 times the BVPS of the Company in the newest audited financial statement.

Expected implementation: in the year 2016

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	47.6	0.2%	-2.3%	45.3	54.5
2	GMD	14/3/2016	40.4	44	6.8%	8.9%	37.6	45.2
3	GTN	21/3/2016	15.8	16	0.0%	1.3%	14.7	17.7
4	TMS	9/5/2016	66.5	70	3.7%	5.3%	60.0	74.5
5	NCT	9/5/2016	112	112	0.9%	0.0%	107.0	125.4
Average					2.3%	2.6%		

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	15.4	3.4%	4.8%	13	18
2	APC	18/12/2015	18	17	-2.3%	-5.6%	17	22
3	VIC	7/7/2015	38	54.5	3.8%	43.4%	35	46
4	ELC	22/2/2016	23.7	20.4	-8.1%	-13.9%	22	28
5	PGD	29/2/2016	35.7	46.5	-0.9%	30.3%	33	43
Average					-0.8%	11.8%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
GAS	59	6.31	3.357	1.57MLN
BVH	63	6.78	1.364	900810
CTG	18	2.86	0.933	1.85MLN
BID	19	2.15	0.685	3.21MLN
VNM	147	0.68	0.602	1.08MLN

Top 5 laggards on the HSX

Ticker	Price	% Chg	Index pt	Volume
VIC	54.5	-0.91	-0.486	518280
DHG	82	-3.53	-0.131	41960
VSH	14.5	-3.33	-0.052	44190
LGC	20	-2.44	-0.048	460
DAT	31.1	-6.89	-0.044	34820

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
CLC	53.5	7	0.023	7950
DTA	4.6	6.98	0.002	10
HNG	7.8	6.85	0.192	220600
CCI	11	6.8	0.006	1020
BVH	63	6.78	1.364	900810

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
GTA	16.2	-6.9	-0.006	890
DAT	31.1	-6.89	-0.044	34820
SSC	46.3	-6.84	-0.026	50
VTB	13	-6.47	-0.005	250
TIE	13.1	-6.43	-0.004	81090

Source: Bloomberg, BSC Research

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
PVV	2.3	9.52	0.042	45900
CHP	18.8	2.17	0.026	49900
MBG	21.7	1.88	0.025	630700
PVB	20.4	4.62	0.023	289000
VBC	72	3	0.022	4900

Top 5 laggards on the HNX

Ticker	Price	% Chg	Index pt	Volume
SGO	4.1	-4.65	-0.099	244100
TV2	87.1	-4.81	-0.096	4700
SCJ	5.8	-7.94	-0.057	7600
PJC	19.1	-4.98	-0.042	200
PHC	7.6	-2.56	-0.034	17600

Top 5 gainers on the HNX

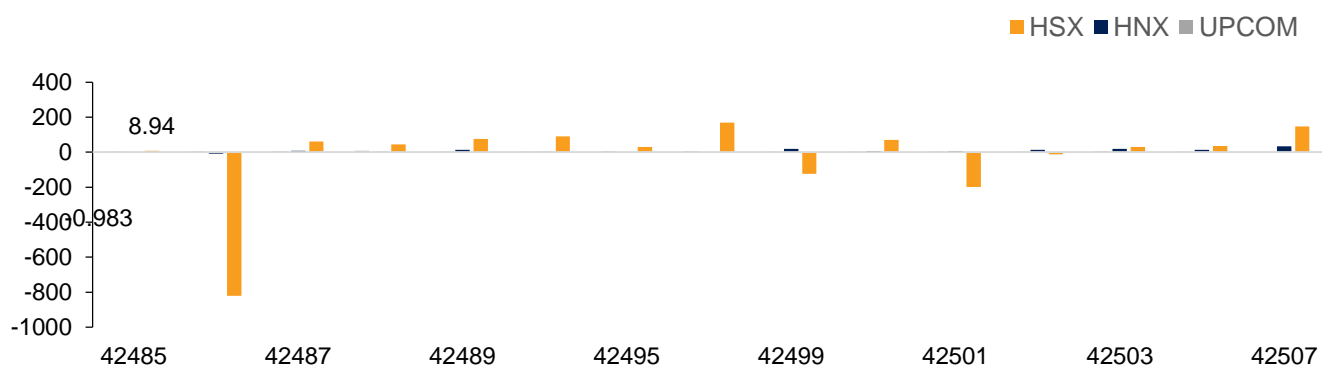
Ticker	Price	% Chg	Index pt	Volume
CTX	19	9.83	0.003	3300
ALV	4.5	9.76	0.001	300
SPI	9.1	9.64	0.001	451300
PVV	2.3	9.52	0.042	45900
SJC	5.8	9.43	0.002	4200

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
CTA	3.6	-10	-0.002	1700
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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