

Mon, June 20, 2016

Vietnam Daily Review

Rebound as expected

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 21/6/2016			•
Week 20/6-24/6/2016		•	
Month 6/2016		•	

Highlight

The odd for Brexit dropped after the death of British MP helped global stock markets and oil prices recovered in last friday session. That positivity was spreaded to Vietnam stock market today. Due to the end of sellings from ETFs, the rise of oil and gas group, following the recovery of oil prices, lifted two main indices. In reverse, after a week traded quite well, the news that MTM, one of the stocks with highest liquidity on Upcom, stopped its operation after only 2 months listed on Upcom and was forced to suspend trading, led Upcom decline today.

Recommendation

As we expected last week, as the strong selling pressure from last week is over, the market has recovered well along with common market across the region and the world as the pressure from Brexit is reduced somewhat, leading is the oil and gas stocks which are strongly supported by WTI oil prices. The shares were sold sharply in the previous session as VIC, HPG, NT2 has recovered quite well this session. The technical indicators are showing initial positive sign and with the fact that VN-Index closed at its highest level during the day and higher than resistance 625 is a good signal for the market in the next session. However, the market trend has not been clearly defined, hence, investors should not increase the weights of shares in portfolio, may be interested in the shares of promising good business results in Q2.

Company updates - BMP - Binh Minh Plastics Jsc. (HOSE)

Technical views - BMP - 'Binh Minh Plastics Jsc. (HOSE)

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VN-INDEX **626.46**
Value: 1741.81 bil **7.21 (1.16%)**
Foreigners (net): VND 69.416 bil

HNX-INDEX **84.37**
Value: 565.49 bil **0.45 (0.54%)**
Foreigners (net): VND 5.175 bil

UPCOM-INDEX **58.59**
Value 148.29 bil **-0.2 (-0.34%)**
Foreigners (net): -VND 2.962 bil

Macro indicators

	Value	% Chg
Crude oil	48.8	1.7%
Gold	1,282	-1.3%
USDVND	22,290	0.0%
EURVND	25,328	0.6%
JPYVND	21,328	-0.4%
1-month Interbank rate	0.0%	-
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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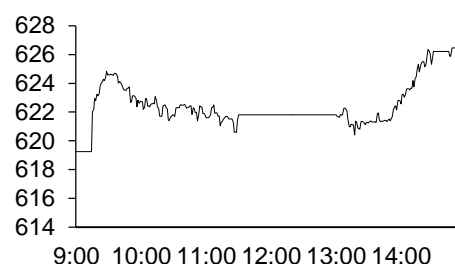
Market highlights

In the end of last week, as investors reduced the fear of Brexit, oil recovered. The recovery of oil had a direct impact on oil and gas stocks today, PVD and GAS on HOSE as well as PVS on HNX lifted VN-Index and HNX-Index recovered significantly. In a bull market, money was fairly distributed, followed by the gains in most of the sectors. The market breadth was fairly positive with the majority of stocks gained on the both floors, 140 advancers / 78 decliners on HOSE, 105 advancers / 80 decliners on HNX. The fall of market liquidity was forecasted as there was much trades from foreign funds but this was relatively low level in this period. Foreign investors were back to net buyers on HOSE, and slightly net sold on HNX. Foreigners buying helped HPG and VIC up and support the market and helped GTN continued impressive rally. Upcom continued its adverse trend against 2 main floors with a slight correction today. However, the decline was mainly caused by MSR and GEX, while in general number of gainers was still dominant on the exchange.

Recommendations

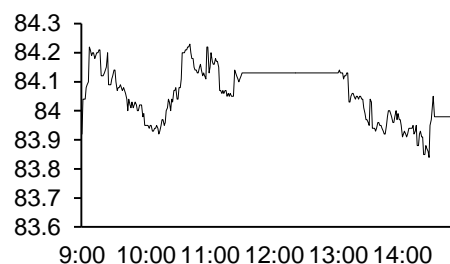
Currently the VN-Index is still trading sideways in the short term and showing no signs of a clear trend. To be able to challenge the peak of years, the VN-Index must conquer resistance at 630 with high trading volume. In the context of that the transaction volume shows no signs of improvement and VN-Index going sideways, smart cash flow is likely to focus on stocks with Q2 business results better than expected rather than on BCs. HNX-Index is moving also quite similar with VN-Index while UPCoM-Index corrected to near support MA15.

Exhibit 1



Source: Bloomberg, BSC Research

Exhibit 2



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	6.23	6.2	-1.59
HHS	3.94	10.1	4.12
SBT	3.66	32.9	1.23
HQC	3.44	5.2	1.96
ITA	2.84	4.5	0

Source: Bloomberg, BSC Research

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Company updates

Binh Minh Plastics Jsc. (HOSE)

Output increase sharply. 4T2016, pipes and pipe fittings output reached 24,230 tons (+36% yoy), revenue was VND 1,176 billion (+27% yoy) (price unchanged, product mix change). In May, 2016, output consumed in the Southern market was 7,444 tons (+32% yoy). Currently, both pipes and pipe fittings factories have been operating at full capacity. Approximately 50% of output produced in the North is delivered into the Southern market. We adjust our expectation on BMP's pipe consumption growth rate up to 28%, and net revenue growth rate up to 26% in 2016.

PVC resin price has risen by 19% ytd. Price of plastic resin rose by 15% in 1Q2016, which will reduce BMP's gross margin by about 5% in 2Q2016 (materials inventory period is about 3 months). Because the resin factory in Việt Nam is under maintenance, resin price continued to grow 4% in April, however, current resin price is still lower than that in the same period last year. Assuming that PVC price in 2016 is 5% lower than the average price in 2015, we estimate BMP's net profit in 2016 to be VND 722 billion (+39% yoy), equivalent to EPS of VND 15,882 per share.

Investment plan. As we already mentioned in BMP's company update report, the company's annual general meeting has approved to invest VND 620 billion into phase 2 of Plant No.4 in 2016-2017. Due to strong demand for products, the company is expected to fulfill this plan in 2016. In June 2016, BMP plans to import 17 machines (total investment of about VND 100 billion) which go to operation and in July, 2016 with additional capacity of 10,000 tons of pipe fittings. **Hence, capacity of pipe fittings will increase by 15,000 tons in 2016.** We note that, with the completion of basic infrastructure, BMP will quickly raise its capacity (mainly through purchase of new machinery) in order to meet rising demand for pipes.

*We recommend **BUY** to BMP at expected price of VND 159,800 per share, under FCFE method (upside 14% yoy). On 17th June, 2016, BMP was traded at VND 140,000 per share, equal to P/E FW of 8,81x and P/B of 3,16x.*

Technical views

Binh Minh Plastics Jsc. (HOSE)

Technical highlights:

- Current Trends: is testing the resistance at 142, after breaking out the pennant pattern
- Trend indicator MACD, RSI: Positive, positive divergent MACD and RSI going up supporting short-term uptrend
- Liquidity: Sharp increase in breakout sessions on 15.06, decrease when testing old resistance

Conclusion: BMP has opportunities to enjoy short term uptrend if successful breaking out pennant pattern.

Recommendation: buy and hold with prices expected to reach 160, cut loss when the price falls below 137.5



Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	1w performance	Unrealized gain/ loss	Cutlosses	Target
1	CVT	3/6/2016	26.8	29.8	15.5%	11.2%	24.9	30.0
2	HHG	3/6/2016	8.9	10.4	36.8%	16.9%	8.3	10.0
3	GTN	21/3/2016	15.8	24.3	50.0%	53.8%	14.7	17.7
4	TMS	9/5/2016	66.5	72.5	2.8%	9.0%	61.8	74.5
5	NCT	9/5/2016	112	115	6.5%	2.7%	104.2	125.4
6	CTI	27/5/2016	24.3	27.7	26.5%	14.0%	22.6	31.8
7	S55	13/6/2016	45.5	45.4	3.9%	-0.2%	42.3	51.0
8	HVG	13/6/2016	10.4	10.4	4.0%	0.0%	9.7	11.6
9	HTL	17/6/2016	94.0	98.5	-	4.8%	83	105
Average					18.3%	12.5%		

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	15.1	-3.8%	16.2%	13	15.6
2	CMG	16/10/2015	14.6	14.5	-4.6%	-0.7%	17	17.5
3	DAG	10/6/2016	12.2	12.1	6.1%	-0.8%	11	15.0
4	CTD	29/4/2016	168.5	200	16.3%	18.7%	157	202
5	TTC	27/5/2016	21.7	23.5	10.8%	8.3%	20	26.0
6	BIC	17/6/2016	22.1	22.2			21	27
Average					5.0%	8.3%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
GAS	61.5	3.36	1.927	322630
VIC	53.5	2.88	1.465	231660
MWG	107	7	0.518	288080
FPT	42.7	5.69	0.462	1.88MLN
Ticker	Price	% Chg	Index pt	Volume
MSN	69.5	-2.11	-0.564	214630
VCB	46.9	-0.42	-0.268	622260
MBB	15.1	-0.66	-0.081	73780
SII	24	-6.98	-0.053	10
DPM	27.6	-0.72	-0.039	417370

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNH	1.5	7.14	0	111100
MWG	107	7	0.518	288080
PVD	32.1	7	0.368	1.79MLN
TDW	29.4	6.91	0.008	370
LSS	18.6	6.9	0.042	1.15MLN

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNH	0.9	-10	0	9870
BTT	35.6	-6.32	-0.013	13980
D2D	30.6	-5.26	-0.009	2760
VPS	19.8	-4.81	-0.009	50
VOS	2.1	-4.55	-0.007	10470

Source: Bloomberg, BSC Research

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
PVR	3.4	9.68	0.07	100
KKC	14.5	5.84	0.069	5800
AAA	24.1	7.11	0.041	1.12MLN
VBC	70.5	5.22	0.036	2400
Ticker	Price	% Chg	Index pt	Volume
	3.8	-2.56	-0.049	206800
TV2	92.1	-0.97	-0.02	1700
NTP	58.8	-0.17	-0.016	6100
PVG	7.7	-1.28	-0.012	26600
L14	79	-4.7	-0.011	800

Top 5 gainers on the HNX

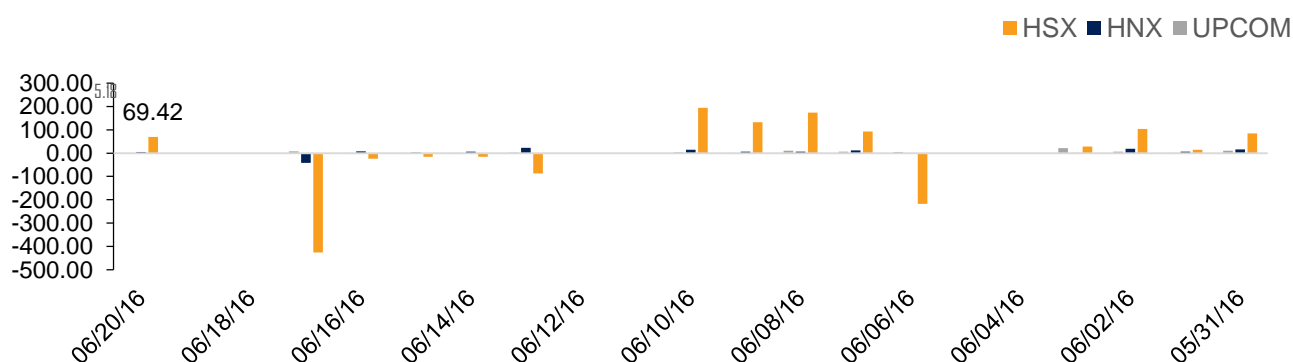
Ticker	Price	% Chg	Index pt	Volume
SIC	12.2	9.91	0.004	2500
TV3	54.4	9.9	0.018	200
PEN	9	9.76	0.021	2900
PVR	3.4	9.68	0.07	100
TFC	22.7	9.66	0.014	23900

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
GMX	21	-9.87	-0.005	3200
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

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