

Mon, July 25, 2016

Vietnam Daily Review

Weakened Money Flow

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 25/07/2016	•		
Week 25/7-29/7/2016		•	
Month 7/2016		•	

Highlight

In the opening session of this week, the market was traded around 650 level with a divergence among the pillars. Technical rebound was shown in the session when the Index maintained green during most of trading time. However, cash flow was too weak to hold the patience of investors as selling pressure gradually increased in ATC session, VNM dropped by 2,000 dong made VN-Index closed with a slight decrease. The movements of a number of stocks based on Q2 earning results, as positive number helped ITD, DBC, HLG to gain while TCM, TMT, PPC fell as earnings under expectation. Foreign investors were net buyers with relatively high value on HOSE in the recent period. In the 2nd screening of 2016, BID, GAS, HNG, MWG had replaced EIB, HHS, HVG, PVT in the VN30 after HoSE changed the selection criteria from Trading value to Market capitalization.

Recommendation

The market showed an effort of rebound in most of the trading time but closed with a slight decline and fell below resistance 650, trading volume fell sharply compared with the previous session. VCB and VIC regained and helped the market to be balanced in terms of points in most of trading time. As expected in last report, constructional material stocks such as HPG, NKG, TTC, CVT continues better movements than market. Cash flow weakened significantly and showed the signs of withdrawing from large-cap stocks. Simultaneously, on the technical aspect, ADX weakened to near the level of 20 and +DI is tending to cross-down -DI, other signals such as MFI, MACD, RSI showed no signs of improvement. From the above factors, it is likely that the market will continue to challenge the support level of 640 in the next sessions and investors should note that downside risk in the short term is remaining high.

Investors interested in international financial markets and world commodity markets could refer to a short views of this week in the next page.

Technical Views - CSM - Southern Rubber Industry Jsc. (HOSE)

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VN-INDEX **649.30**
Value: 1518.32 bil **-0.57 (-0.09%)**
Foreigners (net): VND 109.036 bil

HNX-INDEX **84**
Value: 422.38 bil **-0.07 (-0.08%)**
Foreigners (net): VND 19.533 bil

UPCOM-INDEX **57.18**
Value 116.51 bil **0.45 (0.79%)**
Foreigners (net): VND 3.468 bil

Macro indicators

	Value	% Chg
Crude oil	43.9	-0.7%
Gold	1,316	-0.5%
USDVND	22,305	0.0%
EURVND	24,504	0.0%
JPYVND	20,973	-0.2%
1-month Interbank rate	2.2%	-
5yr VN Treasury Yield	6.2%	-

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

The market had a sideways trading session, with the overall oscillation was not too large and VN-Index was traded around the level of 650 points. The divergence of blue-chip stocks had created this balance. VCB, VIC, GAS and HPG gained while in the opposite side, VNM, CTG and BVH decreased slightly. The market breadth today was not too large, with 218 gainers/201 losers on both exchanges. At the end of the session, VN-Index reached 649.30 pts, slightly down 0.57 pts, market liquidity fell sharply today.

Building materials such as Steel and Bricks enjoyed rally today. Positive gain was also seen in Insurance group, except BVH. Notably today was the duo of HAG - HNG hit the ceiling, while some stocks are still faced very strong selling pressure and dropped to the floor as TTF, DRH, EVE. Many stocks with bad business results in the 2nd quarter also plummeted such as TCM, TMT or PPC. By contrast, ITD, DBC and HLG enjoyed the rally thanks to positive Q2 result.

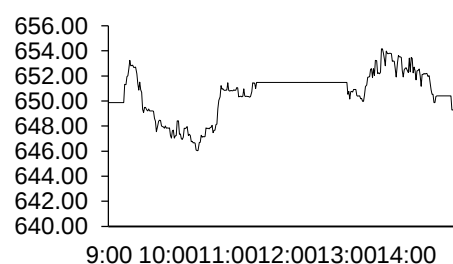
Today there were few shares that foreign investors had net bought with big amount as HPG, VCB, SSI, PVT. While HSG had been sold strongly. HNX today also had less active transactions, notable is ACM with a third-time-in-a-round ceiling hit after a limit-down chain.

Recommendations

The MSCI All-Country World Index is approximate the 2-year high while the S&P500 and the DJIA continued to surge and now standing at the all-time highs. The US Dollar Index increased in context that the central banks of Europe showed no signal of adjusting or expanding the Quantitative Easing Packages and interest rates before September. The increase of the US Dollar Index continues to put pressure on gold price and spot WTI price.

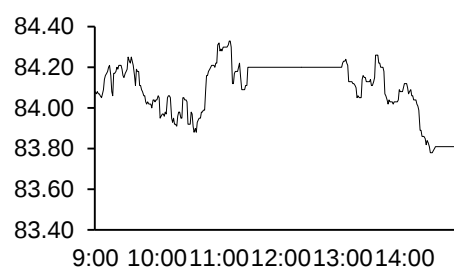
On the technical aspect, the spot gold price had lost the support level at EMA20 and will continue to face the technical selling pressure and back to the support level at EMA50, equivalent to 1300 USD/Ounce while WTI oil price is continuing to correct after losing the EMA support levels and RSI declined below 50. Most likely, the WTI oil price will test the strong support of 42 USD/barrel corresponding to the Fibonacci retracement 38.1 in context that the fundamental factors do not support.

Exhibit 1



Source: Bloomberg, BSC Research

Exhibit 2



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
KBC	6.58	16.9	-0.59
ITA	6.14	5.3	-1.85
KSA	4.71	2.1	-4.55
HPG	3.77	40.9	1.74
HSG	3.68	37.1	-2.62

Source: Bloomberg, BSC Research

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CSM - Southern Rubber Industry Jsc. (HOSE)

Technical views:

- Trend: adjusting to support level of MA 100, equivalent to the price of 22.
- Technical signals: MACD negative divergence, MFI and RSI near oversold, ADX's decline slowed down.
- Trading volume: decreased to below the 10-day average.

Conclusion: CSM can recover while approaching MA100 and the strong support at 21.9, respectively with the Fibonacci retracement 61.8. Trading volume fell sharply following the price fall also shows that selling pressure has weakened.

Recommendation: Buy CSM at price of 21.9 with recover target price at 23.8, cut loss when the price falls below 20.8.

CSM technical chart



Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	HHG	3/6/2016	7.9	11	39.2%	7.3	12.2
2	GTN	21/3/2016	15.8	21.3	34.8%	14.7	17.7
3	CTI	27/5/2016	24.3	27	11.1%	22.6	31.8
5	ITA	25/7/2016	5.3	5.3	0.0%	4.3	6.7
6	C47	11/07/2016	13.2	13	-1.5%	12	15
Average					16.7%		

Source: BSC Research

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	MBB	27/4/2015	13	15	15.4%	13	15.6
2	CMG	16/10/2015	14.6	14.5	-0.7%	17	17.5
3	DAG	10/6/2016	12.2	14	14.8%	11	15.0
4	DHC	11/07/2016	38.8	38.1	-1.8%	36	47
5	TTC	27/5/2016	21.7	23.5	8.3%	20	26.0
6	BIC	17/6/2016	22.1	27.5	24.4%	21	27
Average					10.1%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VCB	53	1.92	1.344	318900
VIC	50.5	1	0.489	148890
GAS	62	0.81	0.482	258480
HPG	40.9	1.74	0.259	3.77MLN
Ticker	Price	% Chg	Index pt	Volume
VNM	154	-1.28	-1.211	551630
CTG	17.5	-1.69	-0.563	463360
BVH	59	-1.67	-0.343	122910
BID	17.6	-0.56	-0.172	581260
MBB	15	-1.32	-0.161	291070

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
VMD	36.7	7	0.01	10
DTL	20	6.95	0.04	3260
SFC	27.8	6.92	0.01	30
VNL	27.8	6.92	0.008	20
DAG	14	6.87	0.018	1.24MLN

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
SGO	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

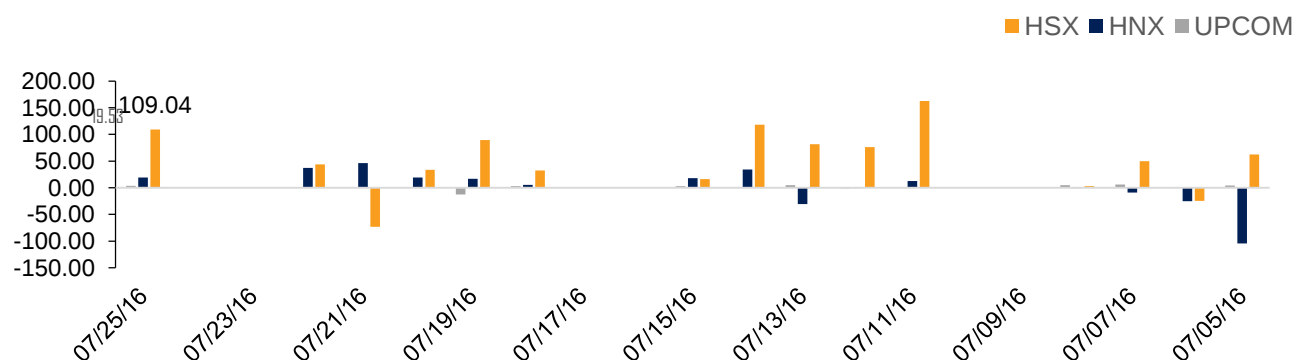
Ticker	Price	% Chg	Index pt	Volume
SIC	12.2	9.91	0.004	2500
TV3	54.4	9.9	0.018	200
PEN	9	9.76	0.021	2900
PVR	3.4	9.68	0.07	100
TFC	22.7	9.66	0.014	23900

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

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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