

Thu, July 28, 2016

Vietnam Daily Review

Weak rise

BSC's Forecast on the stock market

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

Highlight

The market had contradictory movements when VN-Index gained points (+1.03 points) and HNX lost points (-0.18%). Market liquidity showed no big changes when cash flow continued to focus on blue-chip stocks. International macroeconomic news seems to impact less on market psychological when trading in the morning session was quite poor though the information last night that Fed decided not to raise interest rates and left the possibility to coming September is quite positive. The highlight of the market may include the Viglacera shares auction result: all 30 million shares for sale with starting price at 11,700 dong per share had been bought by 4 institutional investor and 1 individual investor with an average price of 13,923 dong per share, foreign investors bought half of the shares, respectively with 15.492 million shares.

Recommendation

As expected earlier, VN-Index continued to move positively (+0.2%) to approach the resistance level of 660, trading volume fell slightly despite that cash flow continued to be active, focus on large-cap stocks as HPG, VNM, MSN, HHS, SSI, VIC. Although the liquidity is less than the previous session but Banking stocks still had a representative which supported the rise of VN-Index is VCB. Flourish cash flow on large-cap stocks is a good sign for VN-Index. However, (1) foreign investors' net buy amount began to be narrowed, (2) technical indicators such as MFI, RSI still could not overcome the trend line, ADX continued to stay below 20, though +DI had risen above -DI, (3) trading volume seems not enough to help VN-Index to breakout when it is still lower than the 10-day average, therefore VN-Index may face strong resistance near the level of 660 and move sideways in the next sessions. Investors can use the strategy "buy at low – sell at high" to maximize profits in portfolio.

Company updates - CTI - Cuong Thuan IDICO
Development Investment Corporation (HOSE)
Company updates - APC -
An Phu Irradiation Jsc. (HOSE)

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VN-INDEX **657.14**
Value: 2233.05 bil **1.03 (0.16%)**
Foreigners (net): VND 7.512 bil

HNX-INDEX **83.52**
Value: 515.1 bil **-0.18 (-0.22%)**
Foreigners (net): VND 21.18 bil

UPCOM-INDEX **56.35**
Value 190.04 bil **0.1 (0.18%)**
Foreigners (net): VND 3.9 bil

Macro indicators

	Value	% Chg
Crude oil	41.8	-0.3%
Gold	1,340	0.0%
USDVND	22,300	0.0%
EURVND	24,751	0.3%
JPYVND	21,288	0.6%
1-month Interbank rate	0.0%	-
5yr VN Treasury Yield	6.1%	-

Source: Bloomberg, BSC Research

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This report must be read with the Disclosure, located at the end of this report.

Market highlights

Today, the level of 650 of VN-Index had been challenged. The market was under selling pressure during the morning and early of the afternoon session, and VN-Index once plunged closely to 650 points. However, the strong reaction with this support level helped VN-Index to close even increased by 1.03 point, up to 657.14 points. VIC and HPG had a flourish trading, while VNM and VCB increased slightly, this helped the market to balance with the strong decline of GAS. Especially, MSN - continued to fall sharply during the session with the information about the inspection of Nui Phao Project by the Ministry of Natural Resources and Environment - rebounded sharply in ATC session. Most of Steel stocks, led by HPG, continued the strong upward momentum, Securities stocks unexpectedly rose sharply in the afternoon. Cash flow focused on large-cap stocks and most of these stocks gained point (HPG, VNM, CII, NT2, HSG, HCM, VIC), while penny stocks continued to have a negative trading when a lot of stocks dropped to the floor with weak trading volume.

HNX Index today fell by 0.22%, as opposed to the slight increase of VN-Index. AAA was the highlight with good gain and positively contribute to the Index. Liquidity on UPCOM surged strongly over the last session. Foreign investors were net buyers with a value of 13.25 billion on HoSE and 21.31 billion on HNX. HPG were the biggest net buyers, while MSN was the strongest net sold with over 1.2 million units.

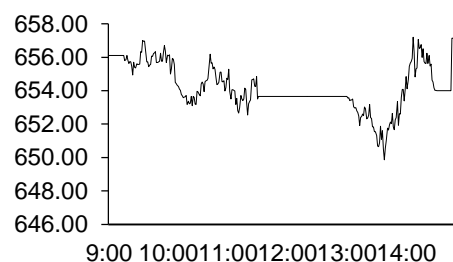
Although VN-Index gained point at the close but market breadth was not really positive when number of gainer is smaller than number of losers, 97 gainers/121 losers. Meanwhile, the breadth on HNX was more balanced with 94 gainers/96 losers.

Recommendations

Investors who take high risk and prefer short-term trading can start tracking the Petroleum stocks when stocks in this group such as GAS and PVD have fallen to strong support level like Fibonacci 50 and Fibonacci 61.8. At the same time, WTI Oil prices have fallen to target level of 42 USD per barrel and is expected to recover, this expectation may support for these stocks.

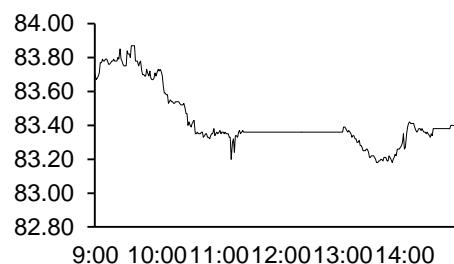
On technical aspect, the current support and resistance of VN-Index and HNX-Index are 650 - 660 and 83 - 84.5. However, HNX Index's movement is now worse than VN-Index because HNX Index is trading below the trend line and lost 2 support levels - MA 15 and MA 45, ADX has been cut through 20 while -DI is higher than +DI, RSI and MFI showed no signs of stopping the fall. Therefore, on the technical aspects, the HNX-Index is likely to continue to correct, approaching the level of 83, equivalent to the MA 100.

Exhibit 1



Source: Bloomberg, BSC Research

Exhibit 2



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
KBC	7.07	17.4	1.75
FIT	6.84	7	-6.67
HHS	6.51	6.7	-6.94
ITA	6.27	5	-1.96
FLC	5.95	5.7	-1.72

Source: Bloomberg, BSC Research

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Company updates

CTI - Cuong Thuan IDICO Development Investment Corporation (HOSE)

Positive performance in the second quarter of 2016: Revenue is estimated at VND305 billion (+ 31% YoY). Profit after tax is estimated at VND 31.5 billion (+ 142% YoY). The significant growth of revenue and profit in Q2/2016 primarily comes from (1) the contribution of construction segment, (2) 70% increase in toll fee for national route 1A; (3) 10-15% growth of vehicle traffic on National route 1A and provincial road 16. We note that the stations on national route 91A did not contribute much revenue and profit in Q2/2016, the company has not collected toll fee on route 91B. CTI is deploying engines in CTI's quarries, therefore, revenues of stone is expected to boost in near future.

2016 business results forecast. As mentioned in the CTI analysis report, we project that net revenue and profit after tax of CTI will be VND 1,329 billion (+ 60% YoY) and VND 114 billion (+ 68% YoY), respectively. Then, 2016 EPS will be VND2,521 per share.

Successful private issuance of 10 million shares at an average price of VND 22,020 per share. In particular, Victory Holding (Vinacapital's fund) bought 4.2 million shares (equivalent to 9.77%), PYN Elite Fund bought 1.8 million shares (equivalent to 4.19%), 4 million shares were distributed to individuals. As of the date of 22nd, July.2016, Vinacapital owned 11.43% of CTI.

We maintain BUY recommendation to CTI with a target price of VND31,800/share (refer to CTI company research). On 28th July, 2016, CTI was traded at VND 27,000/share, equivalent to P/E FW of 10.71x and P/B of 1.41x.

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Company updates

APC -

An Phu Irradiation Jsc. (HOSE)

Irradiation of frozen fruit, dried food increase. In April, 2016, An Phu Binh Minh Jsc, which had been APC's subsidiary transform into a branch of APC. We evaluate that this event does not change the nature and financial results of consolidated firm. Therefore, we calculate fair APC's performance under consolidated statement to make comparison.

Equivalent consolidated revenues was VND 43 billion in 6M2016, almost unchanged from the same period. APC stop irradiating fresh fruit because of low efficiency (refer to APC update report). Output of seafood radiation down while, of frozen fruit and dried food go up. The company is expanding medical equipment radiation.

6M2016 profit after tax increased by 54% yoy to VND 19 billion thanks to VND 5.7 billion of investment gain which was recorded from the conversion of An Phu Binh Minh subsidiary into branch in the second quarter of 2016. However, no money was generated from this gain. Excluding VND 5.7 billion, 6M2016 profit before tax was VND 17 billion (virtually unchanged). We forecast that 2016 revenues and net profit is VND 103 billion and VND 34 billion, respectively. Then 2016 EPS will be VND 2,821 per share.

On 27th July, 2016, APC was traded at VND 18,700 per share, equal to P/E FW of 6.63x and P/B of 1.11x. Irradiation is monopolistic sector with high barriers to entry. Profit margin is high and relatively stable at average of 53% from 2009-2015 and 52% in the second quarter of 2016. We believe that the company will maintain its efficiency thanks to monopolistic sector and product portfolio irradiation with higher margin.

Recommendation: hold

Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	HHG	3/6/2016	7.9	9.8	24.1%	7.3	12.2
2	GTN	21/3/2016	15.8	22	39.2%	14.7	17.7
3	CTI	27/5/2016	24.3	28.2	16.0%	22.6	31.8
4	ITA	25/7/2016	5.3	5	-5.7%	4.3	6.7
5	C47	11/07/2016	13.2	12.9	-2.3%	12	15
Average					14.3%		

Source: BSC Research

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	MBB	27/4/2015	13	15.1	16.2%	13	15.6
2	CMG	16/10/2015	14.6	13.5	-7.5%	17	17.5
3	DAG	10/6/2016	12.2	14.9	22.1%	11	15.0
4	DHC	11/07/2016	38.8	38.4	-1.0%	36	47
5	TTC	27/5/2016	21.7	23.8	9.7%	20	26.0
6	CTI	25/07/2016	26.9	28.2	4.8%	25	32.3
7	BIC	17/6/2016	22.1	28	26.7%	21	27
Average					10.1%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VIC	52.5	2.94	1.465	528660
VNM	160	1.27	1.209	1.32MLN
VCB	55	0.92	Weak rise	91390
HPG	44.6	3.24	0.517	5.90MLN
Ticker	Price	% Chg	Index pt	Volume
GAS	58	-4.13	-2.41	434230
CTG	17.8	-1.11	-0.375	292440
BID	17.6	-0.56	-0.172	501590
BVH	59.5	-0.83	-0.171	296000
TTF	24.8	-6.77	-0.127	19850

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
HDG	28.7	8.86	0.081	72500
CYC	3.1	6.9	0	570
VNL	27.9	6.9	0.008	20
BBC	80	6.67	0.039	350
STT	9.7	6.59	0.002	35100

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

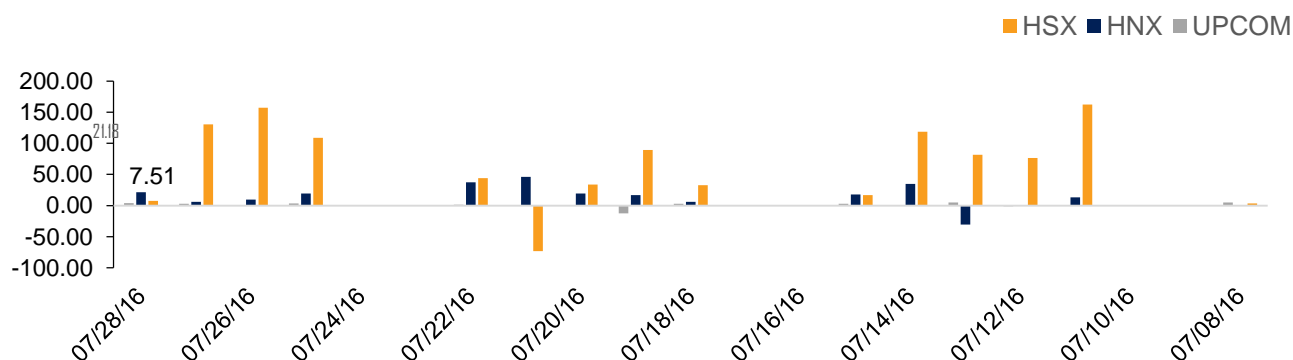
Ticker	Price	% Chg	Index pt	Volume
SIC	12.2	9.91	0.004	2500
TV3	54.4	9.9	0.018	200
PEN	9	9.76	0.021	2900
PVR	3.4	9.68	0.07	100
TFC	22.7	9.66	0.014	23900

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

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