

Tue, August 9, 2016

Vietnam Daily Review

Short-term optimism

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 10/08/2016			•
Week 8/8-12/8/2016		•	
Month 8/2016	•		

Highlight

The market rose from the start of the trading session. Most sectors have recovered well, Constructional materials, Real Estate, Oil and Gas maintained green color till the end helped VN-Index rise firmly during the session.

Cash continued to focus on the large-cap stocks such as VNM, VIC, HPG, HSG. In addition, Oil and gas stocks such as PVS, GAS, PVD also benefited from the rebound of commodity prices. The steady rise of Bluechip sustained rising momentum of main index and spread to other groups such as Sugar, Stock, Rubber, Transport and Construction.

Recommendation

The market has recovered well with both volume and prices increased as expected before. Closing the trading session, VN-Index rose 1.3% to 637.3 with slightly higher trading volume than the previous session. Cash flew to Bluechip such as VIC, VNM, PVD, BVH, NT2, keeping sustainable market rally in both morning and afternoon sessions. The market breadth on the VN-Index continued to be positive with 152 advancers/57 decliners. VN-Index is expected to challenge resistance 640 in the next sessions. Since this is the strong resistance and significant in determining whether VN-Index can reversed the medium-term trend or not, investors should carefully observe the reaction of the VN-Index at this level.

Company Updates - DBT - Ben Tre Pharmaceutical Jsc. (HNX)

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VN-INDEX **637.34**
Value: 1785.57 bil **7.88 (1.25%)**
Foreigners (net): -VND 144.9 bil

HNX-INDEX **81.67**
Value: 417.03 bil **0.68 (0.84%)**
Foreigners (net): VND 16.38 bil

UPCOM-INDEX **55.1**
Value 56.69 bil **0.92 (1.7%)**
Foreigners (net): VND 11.06 bil

Macro indicators

	Value	% Chg
Crude oil	43.0	0.0%
Gold	1,334	-0.1%
USDVND	22,295	0.0%
EURVND	24,732	-0.1%
JPYVND	21,785	0.1%
1-month Interbank rate	2.3%	-
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.

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Market highlights

During the session, VNM increased strongly and were the main support for the market. In addition, the large-cap stocks such as BVH, GAS, PVD, VIC, NT2, MSN were also attracting cash flow and rebounded well. In the groups of small and medium shares, the focus was put on HAG and HNG when this pair traded at ceiling price although trading volume changed little compared to the previous trading session.

Today's session is the first day TTF is under special control and can only be traded in the afternoon session. At the end of the session, TTF and DRH still couldn't halt FL streak.

Foreign investors sold net VND 114 billion on the HSX, focusing on the KDH and SBT, VIC. On HNX, foreign net buying remains focused on PVS. Overall market breadth remained positive with 256 advancers / 138 decliners on the both floors.

Recommendations

On the technical aspects, the resistance of the VN-Index is currently located at zone 640-645. Technical indicators such as MFI and RSI are showing positive signals after falling to oversold zone despite negative MACD and neutral ADX. Further gains that could help VN-Index close above MA45 corresponding to 642 will make PSAR signal reversal. HNX-Index today was trading also quite positive as both prices and volume recovered. The resistance of HNX-Index is currently at zone 82.5-83. The HNX-Index indicators such as MFI and RSI after falling to oversold zone are rising back. HNX-Index is expected to challenge resistance at 82.5

VN-Index graph

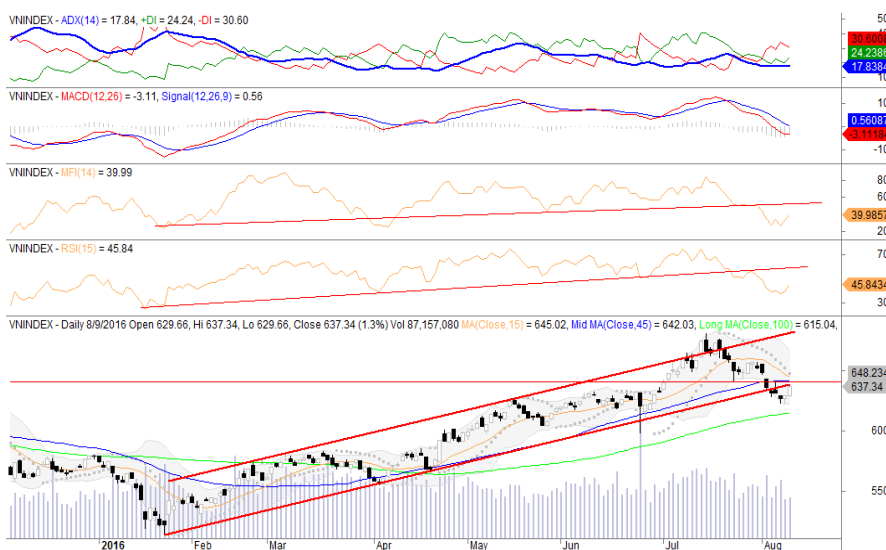
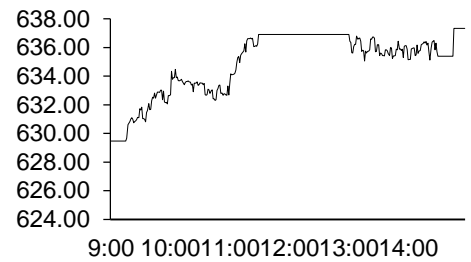
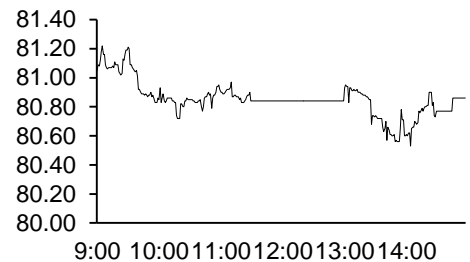


Exhibit 1



Source: Bloomberg, BSC Research

Exhibit 2



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
KBC	5.78	17.5	3.55
DLG	4.21	6.4	0
SBT	3.87	34.5	4.55
CII	3.77	25.4	0
HAG	2.97	5.6	5.66

Source: Bloomberg, BSC Research

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Company updates

DBT - Ben Tre Pharmaceutical Jsc. (HNX)

Positive 1H2016 Business Results. At 1H2016 end, total net revenues reached 271 billion, (+ 2.38% yoy), profit after tax of 12 billion (+ 31.5% yoy) because gross profit margin improved sharply, up from 23% during 1H2015 to 28% during 1H2016. The company aims to achieve total revenue of 580 billion and after tax profit of 22.5 billion in 2016, equivalent to FW EPS of 2775 VND / share.

Main roduction and business activity is the distribution of pharmaceutical products. Pharmaceutical distribution revenue accounted for 99% of total revenue of the company in 2015. The company owns the distribution system that consists of 1 head office and 6 branches, 8 pharmacy, 30 stores and 700 agent units in the country. DBT distributed imported pharmaceutical products (mainly from Hungary) and the products of domestic manufacturers (about 50-50% of the turnover). DBT is almost exclusively in the distribution of Egis, Gedeon Richter ... (Hungagry) with gross profit margin of about 26-27%, while the gross profit margin of the domestic pharmaceutical product distribution is about 6- 7%. About imports, the company contracted to import at annual fixed purchase price, paid in EUR. From mid-2014, the EUR has continued to depreciate has helped the company reduce input costs, together with a number of changes in the method of accounting in donated goods accordance with Circular 200 (from 01/01/2015) has improved sharply gross profit margin of the company.

Stable outlook. Thanks to good relations with suppliers and regulations that foreign pharmaceutical companies have not been allowed to directly distribute pharmaceuticals in Vietnam, we believe that the company will continue to maintain benefits by being distributor for the Hungarian pharmaceutical companies in the near future, with a high profit margin.

High dividends. Dividend payout ratio of 10% in 2015 in cash. The company expects a 15% share dividend in the second quarter of 2016.

Risks: (1) higher inventories, accounts for 40% of total assets of the company, and high inventory day outstanding (155 days); (2) higher receivables, accounts for 24% of the total assets of the DBT. This increases financial expenses and provision expenses of DBT. We note that the overdue receivables of the company is showing signs of increasing, investors should closely monitor the progress of collection and quality of the company's receivables.

Shareholder structure. After SCIC divestment, the largest shareholder of DBT is now Bank, accounting for 51% of charter capital, Le Thi Truc Linh holds 5.18% and Nguyen Hoang Son (board members) holds 3.6 %

Date 09/08/2016, DBT shares traded at 21,000 VND / share, equivalent to a P / E FW is 7,57x and P / B is 1,38x.

Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	HHG	3/6/2016	7.9	9.3	17.7%	7.3	12.2
2	GTN	21/3/2016	15.8	20.5	29.7%	14.7	17.7
3	CTI	27/5/2016	24.3	26.8	10.3%	22.6	31.8
4	ITA	25/7/2016	5.3	4.9	-7.5%	4.3	6.7
5	C47	11/07/2016	13.2	13.3	0.8%	12.2	14.8
6	REE	1/08/2016	20.3	19.6	-3.4%	19.5	23.5
Average					7.9%		

Source: BSC Research

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	MBB	27/4/2015	13	14.8	13.8%	13	15.6
2	CMG	16/10/2015	14.6	14.6	0.0%	17	17.5
3	DHC	11/07/2016	38.8	40.5	4.4%	36	47
4	TTC	27/5/2016	21.7	24	10.6%	20	26.0
5	CTI	25/07/2016	26.9	26.8	-0.4%	25	32.3
6	BIC	17/6/2016	22.1	28.9	30.8%	21	27
Average					9.9%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNM	162	2.53	2.411	1.91MLN
VCB	53	1.92	1.328	181050
GAS	61.5	1.65	0.954	155570
VIC	45.5	1.79	0.858	827360
Ticker	Price	% Chg	Index pt	Volume
CTG	16.9	-1.74	-0.557	434340
BID	16.5	-0.6	-0.17	519900
STB	10.7	-1.83	-0.148	190360
MWG	131	-0.76	-0.073	99040
TTF	14	-6.67	-0.07	10

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
VMD	32.9	6.82	0.009	30
EVE	23.6	6.79	0.021	654470
LIX	55.5	6.73	0.038	54710
LSS	14.4	6.67	0.031	1.52MLN
TMT	24	6.67	0.025	20560

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		-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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