

Mon, August 15, 2016

# Vietnam Daily Review

## Supply declined

### BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 16/08/2016			•
Week 15/8-19/8/2016			•
Month 8/2016		•	

### Highlight

The market traded sideways for most of the session. At the end of the session, VN-Index rose by 0.57% to close at 659.47, HNX-Index rose slightly by 0.05% to close at 83.17. Liquidity on the HSX remained well above the 10-day average with a focus on large-cap stocks as they attracted strong cash flow, in addition, MidCap group also traded actively. Market also diverted in terms of sectors as the stocks of Construction, Real estate, Construction materials and oil and gas traded better than the general market.

Foreign investors were net sellers on the HSX with nearly VND 210 billion net and traded balanced on HNX.

### Recommendation

Slight correction in the morning brought market closer to support levels below the 650, however, the market has reversed during the day and then increased until the end of the session. Contributions to market gains did not come from the familiar key stocks, but came from the Midcap such as HBC (+ 6.6%), HT1 (+ 5.1%), KBC (+ 4.5%), PVD (+ 3.2%), the Hoang Anh Gia Lai shares (HAG, HNG). In addition, the market demand was focused on the energy, real estate, construction materials, Textile industries. Investors may continue to keep high stock weights in portfolio to benefit from another market rise.

### Company Updates - BMP - Binh Minh Plastics Jsc. (HOSE)

## BSC RESEARCH

### Head of Research

**Tran Thang Long**  
longtt@bsc.com.vn

### Macro & Market Team

**Bui Nguyen Khoa**  
khoabn@bsc.com.vn

**Do Nam Tung**  
tungdn@bsc.com.vn

**Pham Anh Quang**  
quangpa@bsc.com.vn

**VN-INDEX** **659.47**  
Value: 2135.33 bil **3.76 (0.57%)**  
Foreigners (net): -VND 207.7 bil

**HNX-INDEX** **83.17**  
Value: 448.09 bil **0.04 (0.05%)**  
Foreigners (net): VND 0.4 bil

**UPCOM-INDEX** **55.51**  
Value 53.56 bil **-0.23 (-0.41%)**  
Foreigners (net): -VND 1.18 bil

### Macro indicators

	Value	% Chg
Crude oil	44.9	0.9%
Gold	1,340	0.3%
USDVND	22,295	0.0%
EURVND	24,909	0.0%
JPYVND	22,092	1.0%
1-month Interbank rate	0.0%	-
5yr VN Treasury Yield	6.0%	-

Source: Bloomberg, BSC Research

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

**Pham Anh Quang**

quangpa@bsc.com.vn

## Market highlights

Markets went sideways in most of session. Cash flow only really poured into the market from 10 am and near the closing of the afternoon session, keeping VN-Index traded in the green in the remaining period and closed at its highest level during the day at 659.5 . The market divergence was fairly clear in the session as oil and gas stocks such as GAS, PVD, PVS, PXS, real estate, construction stocks with KBC, KDH, HUT, VCG and pharmaceutical such as DHG, DMC, IMP and building materials like VIS, CVT, VIT, HPG, HSG traded better than the whole market.

HAG and HNG kept rising well while DRH and TTF still could not stop dropping to the floor price. The most notable transactions belonging to KSB as it showed large intraday volatility, dropped to the floor before closing at ceiling price.

Overall market breadth has improved considerably compared to the previous trading session with 236 advancers / 209 decliners.

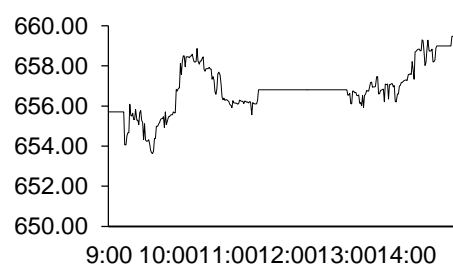
Foreign investors were net sellers on the HSX with nearly VND 210 billion net, focused on VNM, HBC and HPG, traded balance on the HNX

## Recommendations

Slight correction in the morning brought market closer to support levels below the 650, however, the market has reversed during the day and then increased until the end of the session. Contributions to market gains did not come from the familiar key stocks, but came from the Midcap such as HBC (+ 6.6%), HT1 (+ 5.1%), KBC (+ 4.5%), PVD (+ 3.2%), the Hoang Anh Gia Lai shares (HAG, HNG). In addition, the market demand was focused on the energy, real estate, construction materials, Textile industries.

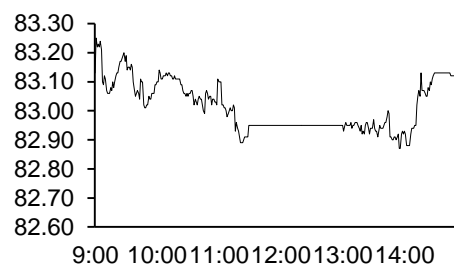
Technical indicators maintained positive, supporting the rebound trend of the market. Market liquidity remained stable, the market is forming a new base in the accumulated zone 650-600 and moving in a safe area. This trend may continue in the next session and the money can stay in Construction, Construction Materials and Real Estate sectors for a while.

Exhibit 1



Source: Bloomberg, BSC Research

Exhibit 2



Source: Bloomberg, BSC Research

Exhibit 3

### Top 5 volume leaders

Ticker	Volume	Price	% Chg
HAG	11.49	6.9	6.15
KBC	11.04	18.4	4.55
ITA	10.43	5.3	0
DLG	7	6	0
HBC	4.25	27.4	6.61

Source: Bloomberg, BSC Research

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**Tran Thi Hong Tuoi***Equity Analyst*tuoith@bsc.com.vn

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## Company updates

### **BMP - Binh Minh Plastics Jsc. (HOSE)**

**6T2016 results** : Output consumption was VND 39,760 billion (+29.5% yoy), net revenue was VND 1,159 billion (+23% yoy), net profit was VND 347 billion (+27% yoy). Gross margin increased from 33% to 34% due to lower input prices. As we mentioned in BMP company updates, resin price has risen by 17-19% after falling sharply in 4Q2015, which reduce 2Q2016 gross margin to 31% (8% lower than 1Q2016 gross margin). In 2Q2016 material price continued to grow by 2-4%, which will affect BMP's gross margin in 3Q2016.

**2016 business results projection** : Output in 7 months of 2016 was 46,000 tons (+23% yoy), revenue reached VND 2,154 billion (+26% yoy). Output consumption growth has slowed down since July. BMP expects 2016 output growth to be 15-20%. We forecast that BMP's revenue will be VND 3,446 billion (+23% yoy) and net income will be VND 626 billion (+21% yoy), equivalent EPS to be VND 13,770 per share.

**Additional information** : BMP's 2016 Annual General Meeting approved the plan to remove its foreign ownership cap, as well as the plan to merge DPC into BMP. The company expects to complete these plans within 2016.

*We recommend **HOLD** to BMP at expected price of VND 159,800 per share under FCFE method (upside 5,8% yoy), as current price is close to the target price. On August 12th, 2016, BMP was traded at VND 151,000 per share, equivalent to forward P/E FW of 10.97 and P/B of 3.26. BMP is the first class pipe company in Vietnam, which benefits from the recovery of real estate market and falling resin price. However, we note that the competition will rise as other companies also boost their production of pipes.*

## Stock recommendations

### Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	HHG	3/6/2016	7.9	9.1	15.2%	7.3	12.2
2	DXP	8//08/2016	23.4	23	-1.7%	21.8	26.2
3	CTI	27/5/2016	24.3	27.5	13.2%	22.6	31.8
4	ITA	25/7/2016	5.3	5.3	0.0%	4.3	6.7
5	C47	11/07/2016	13.2	13.1	-0.8%	12.2	14.8
6	REE	1/08/2016	20.3	20.7	2.0%	19.5	23.5
7	GMD	8//08/2016	26.3	27.5	4.6%	24.2	28.5
8	HSG	15/08/2016	40.3	41.3	2.5%	35.5	45.0
<b>Average</b>					<b>4.4%</b>		

Source: BSC Research

### CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	MBB	27/4/2015	13	14.9	14.6%	13	15.6
2	CMG	16/10/2015	14.6	13.9	-4.8%	17	17.5
3	DHC	11/07/2016	38.8	40.5	4.4%	36	47
4	TTC	27/5/2016	21.7	23.9	10.1%	20	26.0
5	CTI	25/07/2016	26.9	27.5	2.2%	25	32.3
6	BIC	17/6/2016	22.1	28.5	29.0%	21	27
<b>Average</b>					<b>9.3%</b>		

Source: BSC Research

## Market statistics

### Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
GAS	64	1.59	0.954	261300
VNM	169	0.6	0.603	1.14MLN
MWG	141	2.92	Continued rise	293800
KDC	30.4	6.67	0.243	1.51MLN
Ticker	Price	% Chg	Index pt	Volume
MSN	60	-0.83	-0.188	111560
DPM	28.5	-1.38	-0.078	283070
BMP	148	-1.99	-0.068	85270
TTF	10.7	-6.14	-0.049	391920
BBC	85.5	-6.56	-0.046	2060

### Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
HNG	7.7	6.94	0.191	2.08MLN
BFC	37.8	6.78	0.057	158400
KSB	63	6.78	0.047	1.06MLN
KDC	30.4	6.67	0.243	1.51MLN
EVE	25.7	6.64	0.022	639050

### 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

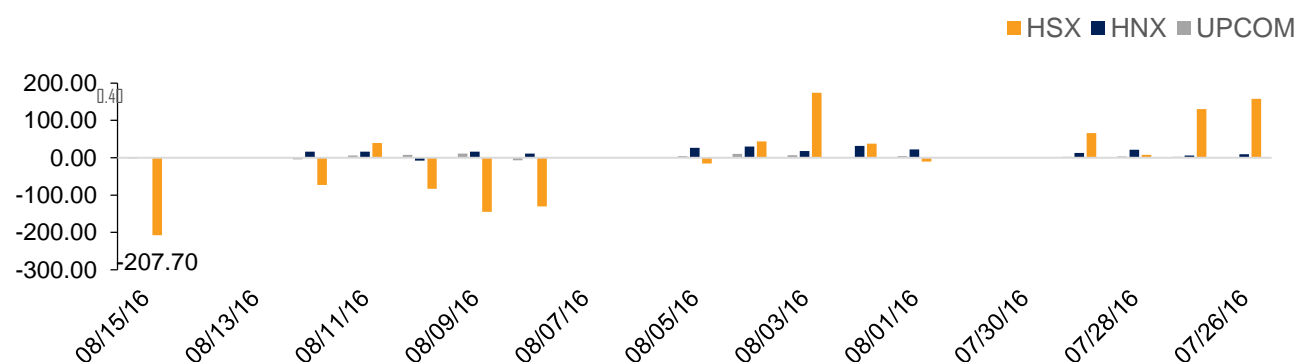
Ticker	Price	% Chg	Index pt	Volume
SIC	12.2	9.91	0.004	2500
TV3	54.4	9.9	0.018	200
PEN	9	9.76	0.021	2900
PVR	3.4	9.68	0.07	100
TFC	22.7	9.66	0.014	23900

### 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).*

**BSC Headquarters**

BIDV Tower, 10th & 11th Floor  
35 Hang Voi, Hoan Kiem, Hanoi  
Tel: +84 4 3935 2722  
Fax: +84 4 2220 0669

**Ho Chi Minh City Office**

146 Nguyen Cong Tru St, 9th Floor  
District 1, HCMC  
Tel: +84 8 3821 8885  
Fax: +84 8 3821 8510

<http://www.bsc.com.vn>

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