

Wed, August 31, 2016

# Vietnam Daily Review

## Foreign Investors sold VCB strongly

### BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 1/09/2016			•
Week 29/8-2/9/2016		•	
Month 8/2016		•	

### Highlight

In contrast to the gloomy developments in the morning session, the market opened the afternoon session with stronger positive cash flow. Closing the session, the VN-Index rose 1.96 points (+ 0.29%) to 674.63, the HNX-Index increased 0.49 points (+ 0.58%) to 84.17. The liquidity in the market was higher than the previous trading session, with 153 million shares changed hands, equivalent to transaction value of about 3,400 billion. Notable put-through transactions include STG with 10 million shares and SAM with 2.27 million shares changing hands.

TTF and DRH continued to increase to ceiling in this session with large overbought. In contrast, TNT has not yet stopped down.

The market breadth continued to maintain positive with 228 gainers and 155 losers on the 2 floors.

Foreign investors remained net sellers on the HSX with the net value of about 30 billion, focused on VCB.

### Recommendation

Market index moved closer to the resistance level of 680 today, liquidity increased but not improved compared to the 15-day average volume. The market rose only slightly despite that VNM increased 4 points in the session, the reason came from the selling pressure by foreign investors today put on VCB with its trading volume spiked.

Market cash flow remained at a certain number of sectors, foreign transaction were showing signs of growing up in both sell and buy side, market index went closer to 680 - the old peak. We still hold the point that it is a chance for investors to lower proportion of stocks when the market is approaching this milestone in the next trading session, take short term profit and maintain a reasonable amount of cash to make a purchase of shares as the market falls back to 660 price zone.

Sectors updates - ceramic tiles - CVT - CMC Jsc. (HNX), VIT - Viglacera Tien Son Jsc.(HNX), TLT - Viglacera Thang Long JoSC (Upcom)

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**VN-INDEX** **674.63**  
Value: 2350.5 bil **1.96 (0.29%)**  
Foreigners (net): -VND 30.7 bil

**HNX-INDEX** **84.38**  
Value: 513.26 bil **0.7 (0.84%)**  
Foreigners (net): VND 13.77 bil

**UPCOM-INDEX** **56.32**  
Value 88.53 bil **0.67 (1.2%)**  
Foreigners (net): VND 3.55 bil

### Macro indicators

	Value	% Chg
Crude oil	46.1	-0.6%
Gold	1,314	0.2%
USDVND	22,302	0.0%
EURVND	24,864	0.0%
JPYVND	21,596	-0.3%
1-month Interbank rate	0.0%	-
5yr VN Treasury Yield	5.9%	-

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 contrast to the gloomy developments in the morning session, the market opened the afternoon session with stronger positive cash flow. Closing the session, the VN-Index rose 1.96 points (+ 0.29%) to 674.63, the HNX-Index increased 0.49 points (+ 0.58%) to 84.17. The liquidity in the market was higher than the previous trading session, with 153 million shares changed hands, equivalent to transaction value of about 3,400 billion. Notable put-through transactions include STG with 10 million shares and SAM with 2.27 million shares changing hands.

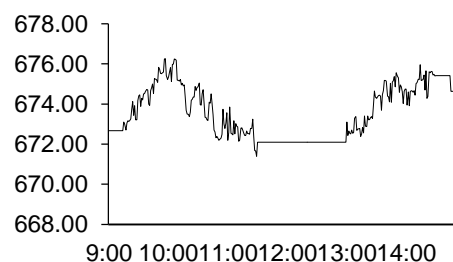
The shares in SCIC's portfolio divestment plan including VNM, BMP, NTP, BMI, VNR gained well. About the large-cap stocks, except VCB declined and were sold net by foreign investors strongly, and some other Bluechip GAS, MSN, BVH also declined, the Bluechip like VNM, HPG, FPT, CTD, DPM increased well. Moreover, real estate, construction stocks such as CTD, HBC, HUT, KBC, VCG and steel groups such as VIS, HPG, NKG moved better than the average of the market.

TTF and DRH continued to increase to ceiling in this session with large overbought. In contrast, TNT has not yet stopped down.

The market breadth continued to maintain positive with 228 gainers and 155 losers on the 2 floors.

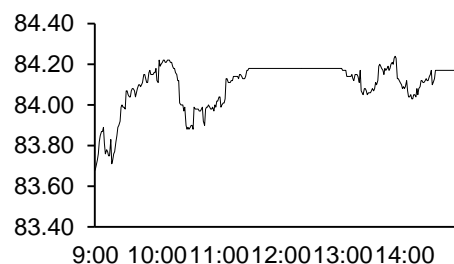
Foreign investors remained net sellers on the HSX with the net value of about 30 billion, focused on VCB.

Exhibit 1



Source: Bloomberg, BSC Research

Exhibit 2



Source: Bloomberg, BSC Research

Exhibit 3

### Top 5 volume leaders

Ticker	Volume	Price	% Chg
KBC	5.86	17.8	1.71
FLC	4.87	5.4	-1.82
HQC	4.51	5.3	1.92
ITA	4.34	5	4.17
HPG	4.19	42.8	2.15

Source: Bloomberg, BSC Research

## Recommendations

Market index moved closer to the resistance level of 680 today, liquidity increased but not improved compared to the 15-day average volume. The market rose only slightly despite that VNM increased 4 points in the session, the reason came from the selling pressure by foreign investors today put on VCB with its trading volume spiked.

Technical indicators are still positive showing that market is getting better, but market liquidity is not really good, while foreign investors remained net sellers today, the volume of transactions in this area tends to rise.

Market cash flow remained at a certain number of sectors, foreign transaction were showing signs of growing up in both sell and buy side, market index went closer to 680 - the old peak. We still hold the point that it is a chance for investors to lower proportion of stocks when the market is approaching this milestone in the next trading session, take short term profit and maintain a reasonable amount of cash to make a purchase of shares as the market falls back to 660 price zone.

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## Sectors updates - ceramic tiles

### **CVT - CMC Jsc. (HNX), VIT - Viglacera Tien Son Jsc.(HNX), TLT - Viglacera Thang Long JoSC(Upcom)**

Updating the consumption of some ceramic tiles companies: Q3 and Q4 is the peak consumption of ceramic tiles:

CVT: Average consumption in Q3 was 1.3 million m2 per month, up 18% from the quarter 2, the consumption in Q3 and Q4 is expected to reach 4 million m2 per quarter. The rate of Class 1 was at a high level, especially the rate in plant 1 increased from 79% in 2015 to 92% in 2016. The plants are running at full capacity. Selling prices and raw material prices fell slightly.

CVT plans to invest an glazed roof tile factory (this product has been not produced in with a capacity of 15 million per year. The plan is expected to implement in the Oct- Nov 2016 and can be put into operation after 1 year. CVT is completing the procedures to issue stocks in Jan 2017 for funding for the project ( VND 300-500 billion, upon technology choosen). Project Microcrystalline brick in the second half of the year (2016) will be postponed.

We estimates the EAT 2016 will reach about VND 135 billion, equivalent to EPS 2016 of VND

7,000 per share, PE trailing of 7.98x, PE fw of 5.6x.

TLT: Average consumption in Q3 was about 600,000 m2 per month (in Q2, the consumption was 570,000 m2 per month), selling prices and input costs fell slightly by 3-4%. Consumed products mostly are ceramic tiles (85-90%), the rest is roof tiles. TLT has no investment plan in the 2016.

We estimates that TLT will complete the goal of VND 43 billion EBT, equivalent to VND 36.2 billion EAT, equivalent to EPS 2016 of VND 5,179 per share, trailing PE of 3.68x, PE fw of 3.5x.

VIT: In Q3, the average consumption was 650-700 thousand m2 per month, (In Q2, the average was 600 thousand m2 per month). Selling prices and raw material prices fell slightly. The recovery rate reached a high level (94% in Thai Binh plant, 90% in Tien Son plant). VIT has switched to CNG gas at Tien Son plant in August, the prices of CNG and coal are equivalent.

WE estimates that EAT 2016 will reach VND 52 billion, equivalent to EPS 2016 of VND 3,467 per share, PE trailing of 10.22x and PE fw of 7.8x.

## Stock recommendations

### Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	HHG	3/6/2016	7.90	9.20	16.5%	7.3	12.2
2	DXP	8//08/2016	23.40	21.70	-7.3%	21.8	26.2
3	CTI	27/5/2016	24.80	27.20	9.7%	23.1	31.8
4	REE	1/08/2016	20.30	20.10	-1.0%	19.5	23.5
5	GMD	8//08/2016	26.30	28.20	7.2%	24.2	28.5
6	HSG	15/08/2016	40.30	43.40	7.7%	35.5	45.0
7	PVI	29/08/2016	28.00	29.10	3.9%	26.0	33.0
<b>Average</b>					<b>5.2%</b>		

Source: BSC Research

### CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	MBB	27/4/2015	13.00	14.80	13.8%	13	15.6
2	CMG	16/10/2015	14.60	14.90	2.1%	17	17.5
3	DHC	11/07/2016	38.80	34.60	-10.8%	36	47
4	TTC	27/5/2016	21.70	23.10	6.5%	20	26.0
5	CTI	25/07/2016	26.90	27.20	1.1%	25	32.3
6	BIC	17/6/2016	22.10	30.40	37.6%	21	27
<b>Average</b>					<b>8.4%</b>		

Source: BSC Research

## Market statistics

### Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNM	4/6/1900	2.63	2.49	2.11MLN
HPG	11/2/1900	2.15	0.34	3.02MLN
FPT	12/2/1900	3.05	0.31	3.19MLN
KDC	7/2/1900	3.77	0.19	635360
Ticker	Price	% Chg	Index pt	Volume
VCB	23/2/1900	-2.70	-2.05	2.59MLN
GAS	4/3/1900	-0.78	-0.49	361250
MSN	9/3/1900	-1.43	-0.39	1.33MLN
BID	16/1/1900	-0.61	-0.18	734920
BVH	2/3/1900	-0.80	-0.18	199960

### Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
ST8	30/1/1900	6.99	0.02	62390
DRH	18/1/1900	6.94	0.03	349630
SCD	12/2/1900	6.83	0.01	24280
SGT	4/1/1900	6.82	0.01	440
DMC	3/4/1900	6.78	0.11	253840

### Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNH	0/1/1900	-10.00	0.00	9870
BTT	4/2/1900	-6.32	-0.01	13980
D2D	30/1/1900	-5.26	-0.01	2760
VPS	19/1/1900	-4.81	-0.01	50
VOS	2/1/1900	-4.55	-0.01	10470

Source: Bloomberg, BSC Research

### Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
PVR	3/1/1900	9.68	0.07	100
KKC	14/1/1900	5.84	0.07	5800
AAA	24/1/1900	7.11	0.04	1.12MLN
VBC	10/3/1900	5.22	0.04	2400
Ticker	Price	% Chg	Index pt	Volume
SGO	3/1/1900	-2.56	-0.05	206800
TV2	1/4/1900	-0.97	-0.02	1700
NTP	27/2/1900	-0.17	-0.02	6100
PVG	7/1/1900	-1.28	-0.01	26600
L14	19/3/1900	-4.70	-0.01	800

### Top 5 gainers on the HNX

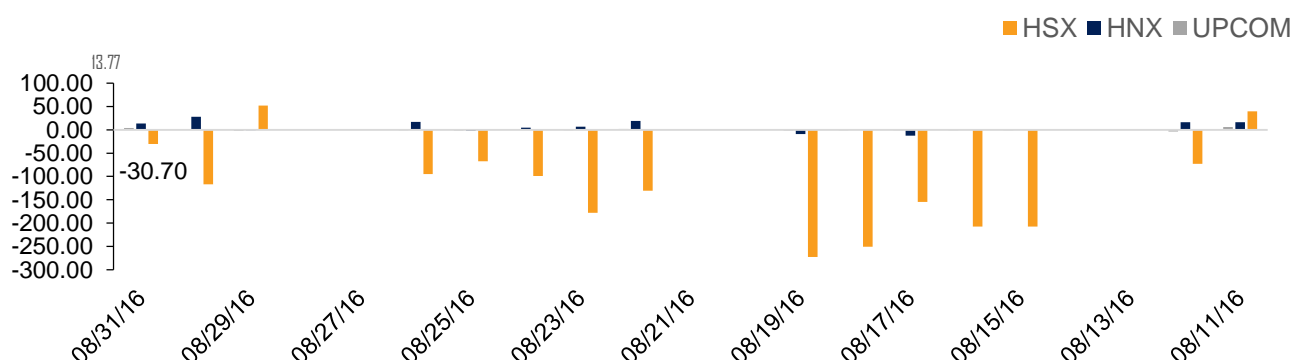
Ticker	Price	% Chg	Index pt	Volume
SIC	12/1/1900	9.91	0.00	2500
TV3	23/2/1900	9.90	0.02	200
PEN	9/1/1900	9.76	0.02	2900
PVR	3/1/1900	9.68	0.07	100
TFC	22/1/1900	9.66	0.01	23900

### Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
GMX	21/1/1900	-9.87	-0.01	3200
ONE	9/1/1900	-9.90	0.00	31100
DID	4/1/1900	-9.80	0.00	10100
NHA	9/1/1900	-9.71	-0.01	100
KMT	5/1/1900	-9.38	0.00	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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