BSC

Overview

Wed, September 7, 2016

Vietnam Daily Review

Focus on VNM

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 8/09/2016	●		
Week 5/9-9/9/2016		●	
Month 9/2016		●	

Highlight

On world financial markets, the focus put on the US market when the information about the lowest growth rate in six years in the service industry has made investors skeptical whether the health of the US economy is strong enough to prepare for the Fed to raise interest rates. Immediately after the growth data of services industry are in place, the US dollar index has plummeted more than 1%, WTI raised, and the probability that Fed would raise interest rates soon in September fell below 30%.
Closing the trading session, VN-Index closed down 2.62 points down to 661.28 (-0.39%), the HNX-Index also fell slightly by 0.14 point to 84.22 (-0.16%). There was time that VN-Index has plummeted nearly 7 points due to VNM sharp correction and net selling by foreign investors, however, at the end of the trading session selling pressure declined and Bluechip such as BVH, CTG, HPG maintained the green color in late trading helped narrow market decline. The focus of the session was put on steel stocks such as HPG and NKG as after early adjustment they have recovered impressively.

Recommendation

VN-Index corrected for the fourth consecutive session due to strong selling pressure on blue-chips. As the selling pressure on stocks like VNM, VCB, PVD has not decreased and ETFs are still in the period of review and reallocating portfolio, investors should not hold Bluechip. Investors can consider buying Small and Midcap which are expected Q3 positive results such as steel, real estate, construction and constructional materials when the VN Index dropped to support levels.

Company Updates - NKG - Nam Kim Steel Jsc. (HSX)

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VN-INDEX **661.28**
Value: 2548.52 bil -2.62 (-0.39%)
Foreigners (net): -VND 258.63 bil

HNX-INDEX **84.22**
Value: 447.28 bil -0.13 (-0.15%)
Foreigners (net): -VND 4.48 bil

UPCOM-INDEX **56.04**
Value 43.83 bil -0.14 (-0.25%)
Foreigners (net): VND 1.53 bil

Macro indicators

	Value	% Chg
Crude oil	45.2	0.8%
Gold	1,349	-0.1%
USDVND	22,295	0.0%
EURVND	25,074	-0.2%
JPYVND	21,957	0.5%
1-month Interbank rate	0.0%	-
5yr VN Treasury Yield	5.7%	-

Source: Bloomberg, BSC Research

Content

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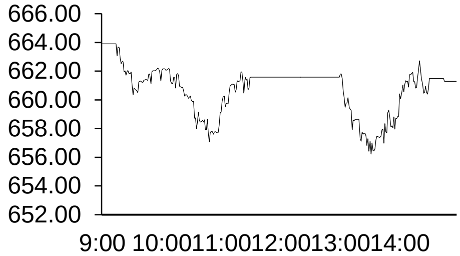
Market highlights

On world financial markets, the focus put on the US market when the information about the lowest growth rate in six years in the service industry has made investors skeptical whether the health of the US economy is strong enough to prepare for the Fed to raise interest rates. Immediately after the growth data of services industry are in place, the US dollar index has plummeted more than 1%, WTI raised, and the probability that Fed would raise interest rates soon in September fell below 30%. This has a positive impact on the emerging stock markets in Asia and in Europe as concerns about the withdrawal of capital from emerging markets dropped.
Closing the trading session, VN-Index closed down 2.62 points down to 661.28 (-0.39%), the HNX-Index also fell slightly by 0.14 point to 84.22 (-0.16%). There was time that VN-Index has plummeted nearly 7 points due to VNM sharp correction and net selling by foreign investors, however, at the end of the trading session selling pressure declined and Bluechip such as BVH, CTG, HPG maintained the green color in late trading helped narrow market decline. The focus of the session was put on steel stocks such as HPG and NKG as after early adjustment they have recovered impressively. Stocks of real estate and construction, pharmaceutical such as KBC, SCR, CTD, VCG and IMP, DCL, DMC also gained well
Foreign investors remain net sellers of about 277 billion on the HSX, focusing mainly on VNM and VCB.
Market breadth remained negative with 185 gainers and 237 decliners.

Recommendations

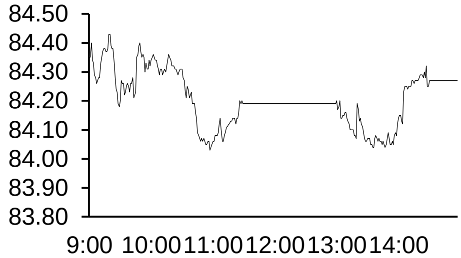
VN-Index corrected for the fourth consecutive session due to strong selling pressure on blue-chips. As the selling pressure on stocks like VNM, VCB, PVD has not decreased and ETFs are still in the period of review and reallocating portfolio, investors should not hold Bluechip. The support and resistance zones of the VN-Index are at 655-660 and 665-670. The technical indicators of the VN-Index is not yet negative.
Investors can consider buying Small and Midcap which are expected Q3 positive results such as steel, real estate, construction and constructional materials when the VN Index dropped to support levels.

Exhibit 1



Source: Bloomberg, BSC Research

Exhibit 2



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
HSG	4.65	43.7	-0.91
HPG	4.53	44	4.02
KBC	4.42	18.2	2.25
DLG	4.22	5.3	0
ITA	4.18	4.8	-2.04

Source: Bloomberg, BSC Research

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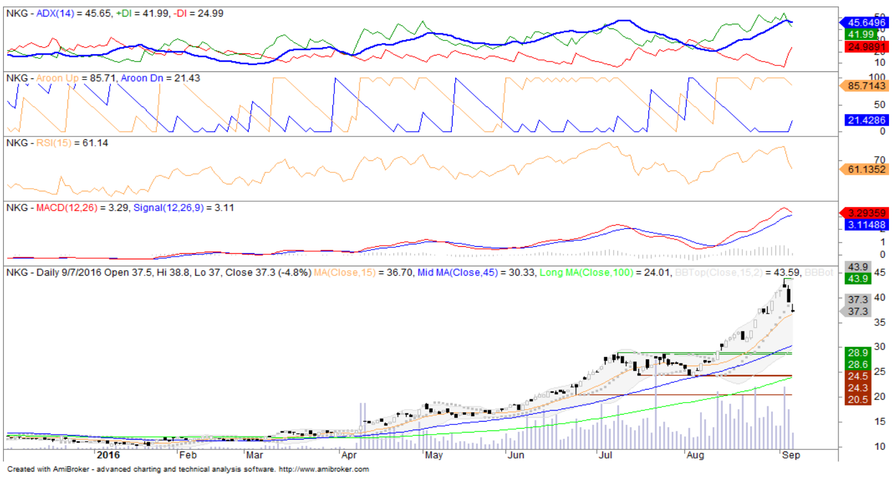
Company updates

NKG - Nam Kim Steel Jsc. (HSX)

We maintain Buy recommendation in medium and long-term with NKG stock, target price VND 47,680/ share. PAT 2016 is estimated at VND 583 billion, EPS 2016 = VND 7,955 (with number of share 73,241,233 – assuming to release the next 5 million shares to strategic partners and issue stock dividend of 20% after that). On 07/09/2016, NKG is traded at VND 40,000, PE FW = 5.03x.
PAT in 3Q 2016 is estimated at around VND 120-150 billion. The Galvanized Line of 300,000 tons/year was put into operation, the current production of 20 thousand tons per month tons. The export orders have filled till November.
In Q4/2016, the 20% stock div will be implemented after the release for the next strategic partners (the number of shares are under negotiation). ESOP 2% is expected in Dec 2016 or in 2017.
Technical View:
Technical view
- Trend: in medium-term bullish, adjusting to MA15 in short-term
- Indicator: MACD maintains positive divergence, ADX, Aroon maintained upward trend, RSI is adjusted to the level of 50
- Liquidity: to maintain above the 10-day average
Conclusion: NKG is still in the medium-term uptrend. NKG can recover after hitting the road MA15 corresponding to the price of 36.7
Recommendation: purchase when the price of NKG close to 36.7 or strong support beyond MA45 and Fibonacci level (38.2). In the short term, it is expected the prices will recover to the level of 43.8, cut loss if the price falls below MA45 (30.3).

NKG Chart



Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlos-s	Target
1	HHG	3/6/2016	7.90	9.30	17.7%	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	27.70	11.7%	23.1	31.8
4	REE	1/08/2016	20.30	20.60	1.5%	19.5	23.5
5	GMD	8//08/2016	26.30	27.90	6.1%	24.2	28.5
6	HSG	15/08/2016	40.30	43.70	8.4%	35.5	45.0
7	PVI	29/08/2016	28.00	28.90	3.2%	26.0	33.0
Average					**5.9%**		

Source: BSC Research

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlos-s	Target
1	MBB	27/4/2015	13.00	14.80	13.8%	13	15.6
2	CMG	16/10/2015	14.60	15.00	2.7%	17	17.5
3	DHC	11/07/2016	38.80	33.90	-12.6%	36	47
4	TTC	27/5/2016	21.70	22.10	1.8%	20	26.0
5	CTI	25/07/2016	26.90	27.70	3.0%	25	32.3
6	BIC	17/6/2016	22.10	32.50	47.1%	21	27
Average					**9.3%**		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
HPG	13/2/1900	4.02	0.64	4.53MLN
ROS	15/1/1900	6.99	0.22	736700
CTG	17/1/1900	0.58	0.19	183110
BVH	29/2/1900	0.84	0.17	132630
Ticker	**Price**	**% Chg**		**Volume**
VNM	25/5/1900	-2.67	-2.48	4.17MLN
GAS	3/3/1900	-1.56	-0.98	341850
VIC	16/2/1900	-0.84	-0.44	515100
STB	10/1/1900	-1.96	-0.15	741350
MWG	23/5/1900	-1.37	-0.15	148920

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 HSX

Ticker	Price	% Chg	Index pt	Volume
ROS	15/1/1900	6.99	0.22	736700
STG	20/1/1900	6.95	0.02	136950
DAT	15/1/1900	6.94	0.02	600
DMC	3/4/1900	6.78	0.11	299240
PNC	11/1/1900	6.73	0.00	70

Top 5 gainers on the HSX

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 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

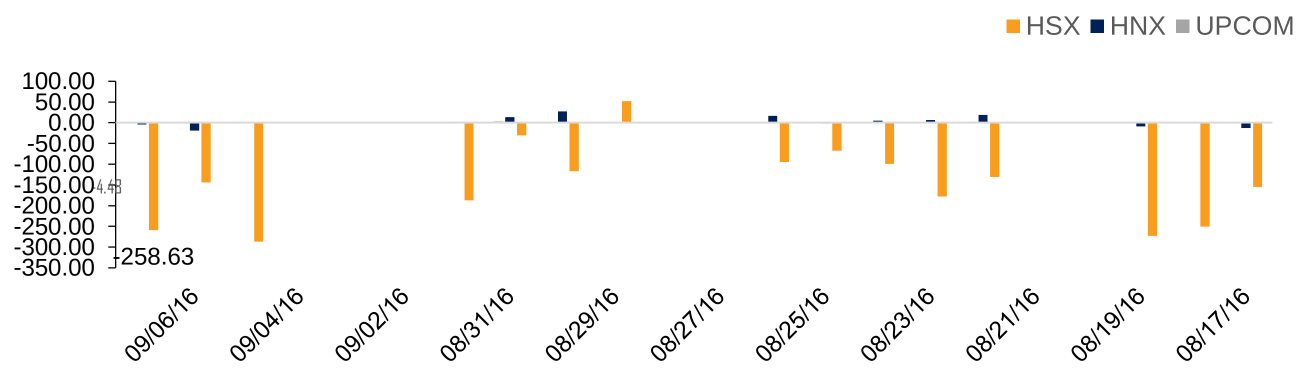
Top 5 losers on the HNX

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

Source: Bloomberg, BSC Research

Exhibit 3

Foreign transaction



Source: HSX, HNX, BSC Research

Disclosure

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