

Fri, September 16, 2016

Vietnam Daily Review

High volatility due to ETF reallocation

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 19/09/2016			•
Week 19/9-23/9/2016		•	
Month 9/2016			•

Highlight

The morning session was quite quiet with the total trading volume reached 60 million shares only. The pillars of the stock market such as MSN, VNM, VCB, KDC declined, causing the VN-Index also sink in the red. However, the afternoon session became more exciting when the reallocation transactions of the ETF was pushed in by the end of the session. The indexes were fluctuating sharply in ATC trading with volume spiked to more than 280 million shares traded equivalent to 5600 billion VND as of the end of the session. VNM continued to be under strong selling pressure, dropped deeply together with KDC, VCB, BVH, dragging the VN-Index close down by 4.87 points to 651.31 (-0.74%), the HNX-Index fell by 0.056 points to 82.36 (-0.67 %). Notably, the stocks that ETF bought strongly such as VNM, HSG, VCG dropped while the stocks have been sold out such as HPG, SSI, VIC, PVD, PVT were unchanged or rising.

Recommendation

VN-Index closed at the lowest level of the day due to strong pressure from the reallocation of the ETF at the end of the session and lost the support level MA45 656.5. The technical indicators remain negative. Nevertheless, several indicators like RSI and MFI are moving fast to oversold zone. At the same time, VN-Index is also near the reliable support 650 and pressure from the reallocation phase ETF removed will facilitate the VN-Index to recover in the first trading day next week. Investors are recommended to maintain portfolio acquired in recent days and observe price movements and volume of the market for trading strategy accordingly

Investment Story - Famous investment quotes

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VN-INDEX **651.31**
Value: 3998.78 bil **-4.87 (-0.74%)**
Foreigners (net): -VND 1468.26 bil

HNX-INDEX **82.36**
Value: 672.71 bil **-0.56 (-0.68%)**
Foreigners (net): -VND 55 bil

UPCOM-INDEX **55.13**
Value 45 bil **-0.15 (-0.27%)**
Foreigners (net): VND 0.44 bil

Macro indicators

	Value	% Chg
Crude oil	43.4	-1.1%
Gold	1,315	0.0%
USDVND	22,305	0.0%
EURVND	25,053	-0.2%
JPYVND	21,871	0.1%
1-month Interbank rate	1.7%	-
5yr VN Treasury Yield	5.5%	-

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

The morning session was quite quiet with the total trading volume reached 60 million shares only. The pillars of the stock market such as MSN, VNM, VCB, KDC declined, causing the VN-Index also sink in the red. However, the afternoon session became more exciting when the reallocation transactions of the ETF was pushed in by the end of the session. The indexes were fluctuating sharply in ATC trading with volume spiked to more than 280 million shares traded equivalent to 5600 billion VND as of the end of the session. VNM continued to be under strong selling pressure, dropped deeply together with KDC, VCB, BVH, dragging the VN-Index close down by 4.87 points to 651.31 (-0.74%), the HNX-Index fell by 0.056 points to 82.36 (-0.67 %). Notably, the stocks that ETF bought strongly such as VNM, HSG, VCG dropped while the stocks have been sold out such as HPG, SSI, VIC, PVD, PVT were unchanged or rising.

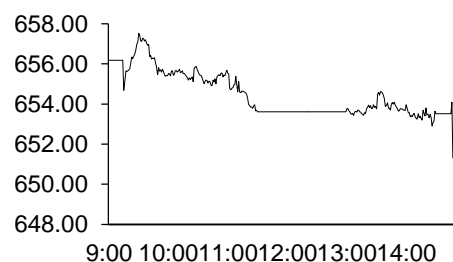
The low value stocks continued to be under strong sell today were FLC, HHS, HAG and ITA. Steel and Constructional materials including CVT, NKG, HPG, LBM, C32 and VCS enjoyed positive transaction contrary to the general market. Oil and gas stocks also maintained the green color until the end of the session such as GAS, PVT.

Transactions of foreign investors have been strengthened today with buying and selling spikes. Foreign investors sold net strongest YTD up to over 1284 billion VND, strongly focused on HPG, VCB, PVT, DOM, KBC. Market breadth was negative with 217 gainers and 245 decliners.

Recommendations

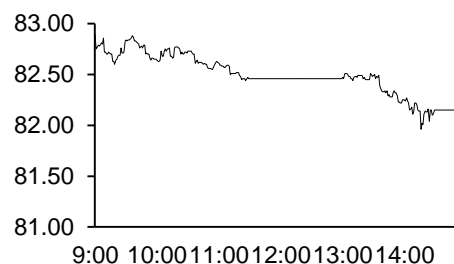
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Exhibit 1



Source: Bloomberg, BSC Research

Exhibit 2



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
ITA	24.91	4.14	-6.97
FLC	19.36	4.18	-6.7
PVT	11.12	13.4	0.75
STB	10.45	9.4	-6.93
HAG	9.56	4.93	-6.98

Source: Bloomberg, BSC Research

Investment story

Investment story - Famous investment quotes

1. "Investing should be more like watching paint dry or watching grass grow. If you want excitement, take \$800 and go to Las Vegas." - Paul Samuelson

If you think investing is gambling, you're doing it wrong. The work involved requires planning and patience. However, the gains you see over time are indeed exciting! (For more reasons to be patient, check out Patience Is A Trader's Virtue.)

2. "I would not pre-pay. I would invest instead and let the investments cover it." - Dave Ramsey

A perfect answer to the question: "Should I pay off my _____(fill in the blank) or invest for retirement?" That said, a credit card balance ringing up 30% can turn into a black hole if not paid off quickly. Basically, pay off debt at high interest rates and keep debt at low ones.

3. "The four most dangerous words in investing are: 'this time it's different.'" - Sir John Templeton

Follow market trends and history. Don't speculate that this particular time will be any different. For example, a major key to investing in a particular stock or bond fund is its performance over five years. Nothing shorter.

4. "Wide diversification is only required when investors do not understand what they are doing." - Warren Buffett

In the beginning, diversification is relevant. Once you've gotten your feet wet and have confidence in your investments, you can adjust your portfolio accordingly and make bigger bets. (For more reason to reduce your diversification, read The Dangers Of Over-Diversifying Your Portfolio.)

5. "You get recessions, you have stock market declines. If you don't understand that's going to happen, then you're not ready, you won't do well in the markets." - Peter Lynch

When hit with recessions or declines, you must stay the course. Economies are cyclical, and the markets have shown that they will recover. Make sure you are a part of those recoveries!

Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	HHG	3/6/2016	7.90	9.70	22.8%	7.3	12.2
2	DXP	8//08/2016	23.40	20.30	-13.2%	21.8	26.2
3	CTI	27/5/2016	24.80	29.30	18.1%	23.1	31.8
4	REE	1/08/2016	20.30	20.35	0.2%	19.5	23.5
5	GMD	8//08/2016	26.30	27.35	4.0%	24.2	28.5
6	HSG	15/08/2016	40.30	42.00	4.2%	35.5	45.0
7	PVI	29/08/2016	28.00	28.50	1.8%	26.0	33.0
Average					5.4%		

Source: BSC Research

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	MBB	27/4/2015	13.00	14.75	13.5%	13	15.6
2	CMG	16/10/2015	14.60	16.30	11.6%	17	17.5
3	DHC	11/07/2016	38.80	33.90	-12.6%	36	47
4	TTC	27/5/2016	21.70	23.50	8.3%	20	26.0
5	CTI	25/07/2016	26.90	29.30	8.9%	25	32.3
6	BIC	17/6/2016	22.10	41.90	89.6%	21	27
Average					19.9%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VIC	12/2/1900	4.37	1.98	2.87MLN
ROS	24/1/1900	6.83	0.34	672750
GAS	3/3/1900	0.32	0.20	104950
BIC	10/2/1900	6.89	0.16	51690
Ticker	Price	% Chg	Index pt	Volume
VNM	17/5/1900	-3.50	-3.71	6.62MLN
VCB	4/2/1900	-2.78	-1.36	7.27MLN
BVH	27/2/1900	-3.78	-0.80	818180
STB	9/1/1900	-6.93	-0.53	9.56MLN
SBT	31/1/1900	-6.89	-0.23	4.96MLN

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
KSH	1/1/1900	6.98	0.00	284570
HU1	5/1/1900	6.95	0.00	10
SSC	7/2/1900	6.94	0.02	20
SCD	24/2/1900	6.92	0.02	34250
ANV	6/1/1900	6.90	0.01	50

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

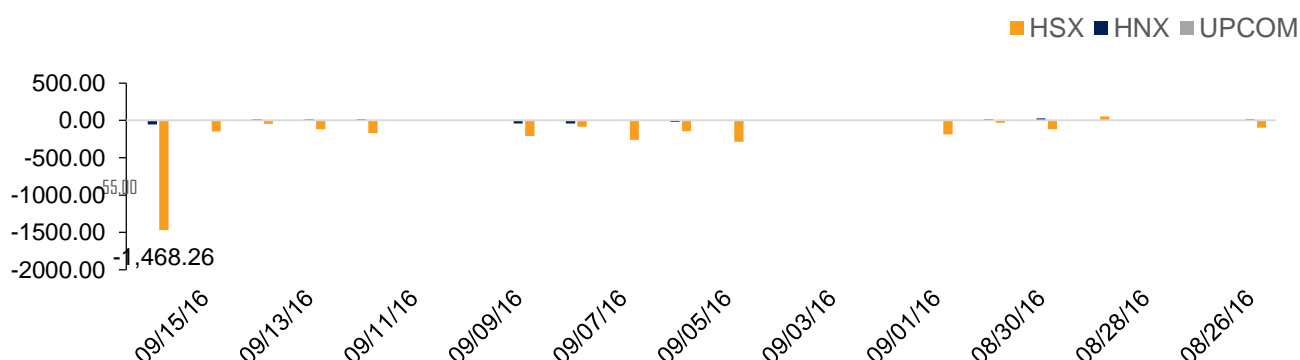
Ticker	Price	% Chg	Index pt	Volume
SIC	12/1/1900	9.91	0.00	2500
TV3	23/2/1900	9.90	0.02	200
PEN	9/1/1900	9.76	0.02	2900
PVR	3/1/1900	9.68	0.07	100
TFC	22/1/1900	9.66	0.01	23900

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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