



Fri, January 6, 2017

Vietnam Daily Review

Banks surged

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 09/01/2017	•		
Week 9/1-13/1/2017		•	
Month 01/2016		•	

Highlight

VN-Index traded positive in early session when both price and liquidity were improved. There was time that VN-Index even surged more than 7 points thanks to strong support of the banking group and SAB. Other financial stocks such as stocks, insurance also gained well. Unfortunately, VN-Index could not close at the highest price of the day due to strong selling pressure at closing. VN-Index closed at 679.8 (+ 0.6%), the HNX also increased to 82.09 (+ 0.9%). Market liquidity is significantly improved with over 138 million shares were traded on both exchanges equivalent to transaction value close to 2596 billion.

Recommendation

Although gaining well in session today, there are some negative points such as market breadth was negative, strong selling pressure at the closing and the VN Index faced resistance level at 682. Most likely, VN-index will be corrected in the next session. In the case of VN-Index in the small amplitude correction and liquidity, investors can open a position with good fundamental stocks.

Company Updates - HSG - Hoa Sen Group (HSX)

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VN-INDEX **679.80**

Value: 2289.99 bil

3.99 (0.59%)

Foreigners (net): VND 110.68 bil

HNX-INDEX **82.09**

Value: 243.15 bil

0.76 (0.93%)

Foreigners (net): VND 14.74 bil

UPCOM-INDEX **54.32**

Value 263 bil

0.1 (0.18%)

Foreigners (net): VND 9.966 bil

Macro indicators

	Value	% Chg
Crude oil	54.2	0.9%
Gold	1,178	-0.2%
USDVND	22,556	-0.3%
EURVND	24,042	-0.1%
JPYVND	19,533	-0.4%
1-month Interbank rate	0.0%	-
5yr VN Treasury Yield	5.4%	-

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

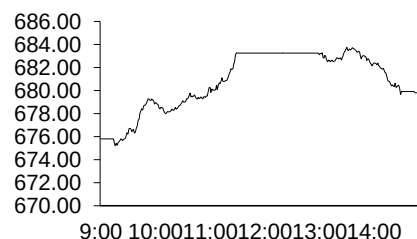
VN-Index traded positive in early session when both price and liquidity were improved. There was time that VN-Index even surged more than 7 points thanks to strong support of the banking group and SAB. Other financial stocks such as stocks, insurance also gained well. Unfortunately, VN-Index could not close at the highest price of the day due to strong selling pressure at closing. VN-Index closed at 679.8 (+ 0.6%), the HNX also increased to 82.09 (+ 0.9%). Market liquidity is significantly improved with over 138 million shares were traded on both exchanges equivalent to transaction value close to 2596 billion.

Banking group showed strong rise in today's trading session despite gains narrowed at the close. The shares of BID, CTG, VCB, ACB, STB increase was the main driver for VN-Index to soar away from the reference. Securities stocks also traded positively thanks to the information on the support of the Government and the State Securities Commission to lift the market ranking. Steel stocks, by contrast, were disappointing when HSG declined during shareholders' General Meeting date, HPG also traded mostly in the red.

Large Put through transactions from MSN, SAB, MWG, with the total value of the deal amounted to nearly 700 billion

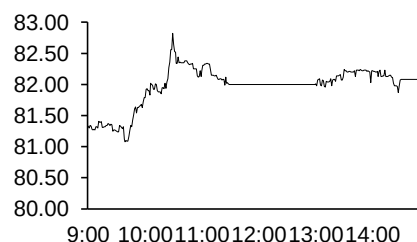
Market breadth was negative with 214 gainers and 269 decliners

Foreign investors posted net buying of nearly 125 billion, focused on SAB and VNM



Source: Bloomberg, BSC Research

Exhibit 2



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
ITA	11.83	4.18	0.72
HQC	6.46	2.23	-0.89
BID	6.34	15.75	2.27
HPG	4.20	43.40	-1.59
CDO	3.91	6.78	-7.00

Source: Bloomberg, BSC Research

Recommendations

Although gaining well in session today, there are some negative points such as market breadth was negative, strong selling pressure at the closing and the VN Index faced resistance level at 682. Most likely, VN-index will be corrected in the next session. In the case of VN-Index in the small amplitude correction and liquidity, investors can open a position with good fundamental stocks.

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Company updates

HSG – Hoa Sen Group (HSX)

Operating performance updates of HSG indicate that the profit in Quarter IV (from 01/10/2016 to 31/12/2016) is greater than VND 400 billion that is quite lower than investors' expectation.

The business plan in the year 2016-2017: In the fiscal year 2016-2017, HSG is looking forward to their output being 1.58 million tons (+20% yoy) including 1.49 million tons of finished goods (+20% yoy). Net revenue will reach the level of VND 23000 billion (+29% yoy) and net income will be about VND 1650 billion (+10% yoy). We see that this is a quite prudent plan because the cool-rolled steel manufacturing process will be operated with the capacity of 400,000 tons per year (the current capacity is about 980,000 tons per year), which will help to improve their gross profit margin.

Issuing ESOP stocks at the time of celebration 15-year operation HSG plans to issue 3.46 million shares (with the rate of issuing is about 1.76% outstanding shares), the issuing price is about VND 10,000 per share. The stocks will be limited to transfer 100% in the next 3 years, and they could be freely transferred 50% for the year 4 and 5.

Plan for operating model restructure of HSG: the company proposes the plan following the trend of establishing Hoa Sen Mien joint stock companies and deploys the mechanism of management as corporation model. HSG that will be the parent company managing Hoa Sen Mien JSCs holds at least 51% of invested capital, the remaining amount will be offered to the public. HSG will transfer all of invested capital and assets in the subsidiaries/ dependent factories to Hoa Sen Mien JSCs in the responsibility areas.

The pilot model will be deployed in the North of Viet nam. After this project is completed, HSG will expand their operation to The South and The Central.

Based on the fundamental perspective, estimated revenue in 2017 of HSG could reach VND 22,367 billion, the net income in this year will be about VND 1,919 billion, 2017 EPS could equal to VND 9,763 per share (current amount of shares). BSC maintains our recommendation as Buy in medium and long term with the target price of VND 66,386.

Technical highlights : Current trend: Adjustment in short term (supporting point: 50.9), increase in medium and long term (supporting point: 47.4)

- MACD has reached the low line indicating the risk of short term reversal. Positive value has proved that there will be an uptrend in medium and long term. RSI has cut the overbought line from above.

- Liquidity: average liquidity has been stably about 1.6 million shares per section.

Conclusion: HSG has been in the downtrend, which comes back to the supporting line in short term (the range of price less than 51) due to the making profit of investors, however it could maintain the stable uptrend in medium and long term, even in the market leveling off and the liquidity declining.

Recommendation: medium and long term investors should hold HSG and try to come back the long position in the appropriate short time range of price (less than 51). Expected price is about 58, cut loss when HSG goes out of the uptrend channel (less than 50), the time for holding should be at least 20 sections.



Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutloss	Target
1	GMD	8/8/2016	26.3	27.6	4.9%	24.2	28.5
2	VIC	17/10/2016	43.0	43.1	0.2%	41.0	47.0
3	PVT	28/11/2016	13.0	11.9	-8.8%	12.0	14.0
Average					-1.22%		

Source: BSC Research

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutloss	Target
1	MBB	27/4/2015	13.8	13.8	-0.4%	12.8	16.6
2	GMD	4/7/2015	26.6	27.6	3.8%	24.7	31.9
3	VCS	16/12/2016	130.0	126.9	-2.4%	120.9	156.0
4	HPG	28/10/2016	40.8	43.4	6.4%	36.4	44.9
Average					1.8%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
SAB	206.00	4.52	2.55	212390.00
VCB	37.90	2.02	1.21	2.50MLN
VIC	43.10	1.89	0.94	850050.00
BID	15.75	2.27	0.54	6.34MLN
Ticker	Price	% Chg	Index pt	Volume
GAS	60.40	-1.79	-0.94	73420
VNM	126.00	-0.55	-0.45	1.37MLN
HPG	43.40	-1.59	-0.26	4.20MLN
HSG	50.90	-4.50	-0.21	3.44MLN
CTD	178.20	-1.82	-0.11	157610

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
AAM	10.70	7.00	0.00	4270
DRL	37.45	7.00	0.01	510
KAC	5.22	6.97	0.00	310
NSC	95.20	6.97	0.04	1700
APG	4.92	6.96	0.00	392210

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNH	0.90	-10.00	0.00	9870
BTT	35.60	-6.32	-0.01	13980
D2D	30.60	-5.26	-0.01	2760
VPS	19.80	-4.81	-0.01	50
VOS	2.10	-4.55	-0.01	10470

Source: Bloomberg, BSC Research

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
PVR	3.40	9.68	0.07	100
KKC	14.50	5.84	0.07	5800
AAA	24.10	7.11	0.04	1.12MLN
VBC	70.50	5.22	0.04	2400
Ticker	Price	% Chg	Index pt	Volume
SGO	3.80	-2.56	-0.05	206800
TV2	92.10	-0.97	-0.02	1700
NTP	58.80	-0.17	-0.02	6100
PVG	7.70	-1.28	-0.01	26600
L14	79.00	-4.70	-0.01	800

Top 5 gainers on the HNX

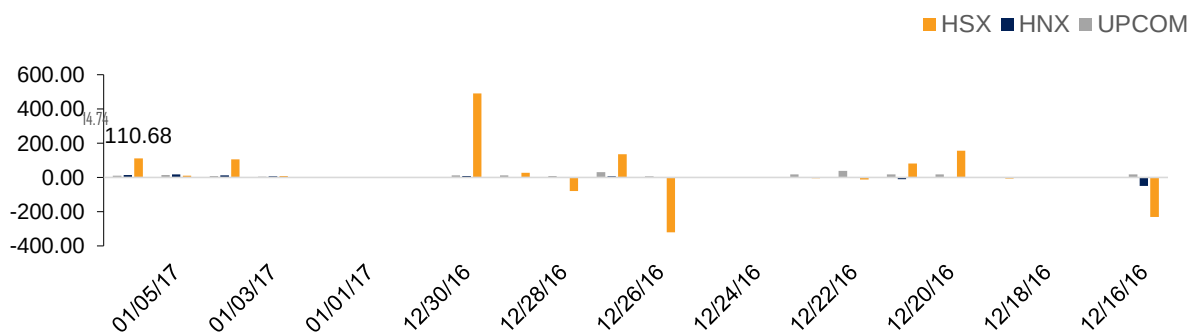
Ticker	Price	% Chg	Index pt	Volume
SIC	12.20	9.91	0.00	2500
TV3	54.40	9.90	0.02	200
PEN	9.00	9.76	0.02	2900
PVR	3.40	9.68	0.07	100
TFC	22.70	9.66	0.01	23900

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
GMX	21.00	-9.87	-0.01	3200
ONE	9.10	-9.90	0.00	31100
DID	4.60	-9.80	0.00	10100
NHA	9.30	-9.71	-0.01	100
KMT	5.80	-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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