

Fri, February 17, 2017

Vietnam Daily Review

VN-Index continued to correct

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 20/02/2017		•	
Week 20/2-24/2/2017		•	
Month 02/2016		•	

Highlight

After strong fluctuations during yesterday session, the market today experienced several adjustments, but showed no sign of positive movement. From the morning session, the selling pressure increased significantly, pushed down several BCs from their reference prices. For example, VIC, HPG, VNM, and the rubber sector tumbled. Besides, there are stocks that continued their uptrends such as POM or ACB, VCB from the banking sector, and especially EIB with a dramatic rise to its cap. After a slight increase at the beginning of the morning session, VN-Index started to fall with an accelerating pace in the afternoon session. This is maybe due to investor cautious sentiment after recent market rally as well as profit realization pressure in the market. During the afternoon session, there is a positive trading trend maintained among the construction sector with ROS, CTD, FLC. The market liquidity slightly dipped, but is still at high level, with a total trading value of VND 3,545.79 billion and a private deal value of VND 362 billion.

The two markets closed oppositely, with HN-Index recovered to 85.88 points (+0.28%), while VN-Index closed this week at 707.83 points (-0.21%).

Recommendation

Today's market witnessed a correction after VN Index broke out the resistance level at 710 points because investors make short term profit. Market cash flow maintained its strong divergence, creating several attractive chances for investors. Market liquidity was still at a high level though it saw a drop today. The reasons could be that the market psychology is in caution. Investors are waiting for a lower area of the index to take their long position. BSC states that VN Index could continue getting a correction around 710 at the beginning of next week. Buyers should maintain their buy & hold strategy and purchase fundamental stocks after the market remains stable.

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VN-INDEX **707.83**

Value: 3181.84 bil **-1.52 (-0.21%)**
Foreigners (net): -VND 34.89 bil

HNX-INDEX **85.88**

Value: 441.79 bil **0.23 (0.27%)**
Foreigners (net): VND 7.91 bil

UPCOM-INDEX **54.92**

Value 124.71 bil **-0.19 (-0.34%)**
Foreigners (net): VND 10.63 bil

Macro indicators

	Value	% Chg
Crude oil	53.3	-0.1%
Gold	1,241	0.1%
USDVND	22,793	0.1%
EURVND	24,248	-0.3%
JPYVND	19,900	-0.2%
1-month Interbank rate	4.6%	-
5yr VN Treasury Yield	5.0%	-

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

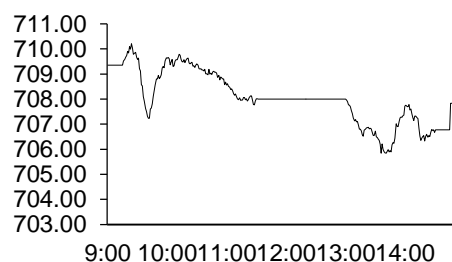
After strong fluctuations during yesterday session, the market today experienced several adjustments, but showed no sign of positive movement. From the morning session, the selling pressure increased significantly, pushed down several BCs from their reference prices. For example, VIC, HPG, VNM, and the rubber sector tumbled. Besides, there are stocks that continued their uptrends such as POM or ACB, VCB from the banking sector, and especially EIB with a dramatic rise to its cap. After a slight increase at the beginning of the morning session, VN-Index started to fall with an accelerating pace in the afternoon session. This is maybe due to investor cautious sentiment after recent market rally as well as profit realization pressure in the market. During the afternoon session, there is a positive trading trend maintained among the construction sector with ROS, CTD, FLC. The market liquidity slightly dipped, but is still at high level, with a total trading value of VND 3,545.79 billion and a private deal value of VND 362 billion.

The two markets closed oppositely, with HN-Index recovered to 85.88 points (+0.28%), while VN-Index closed this week at 707.83 points (-0.21%). Additionally, there is a strong differences in movements of stocks, especially among the banking, steel, and oil stocks. The capital flow focused toward real estates and construction sectors.

The foreign investors conducted a net sell of VND 34.89 billion in HOSE and a net buy of VND 7.91 billion in HNX. Notable net-sells are VNM (VND 34.02 billion), PVD (VND 21.14 billion), and DXG (VND 9.76 billion). Notable net-buys are TLH (VND 8.45 billion), ROS (VND 7.77 billion), and SSI (VND 7.67 billion).

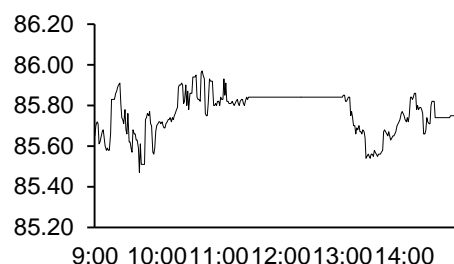
Recommendations

Today's market witnessed a correction after VN Index broke out the resistance level at 710 points because investors make short term profit. Market cash flow maintained its strong divergence, creating several attractive chances for investors. Market liquidity was still at a high level though it saw a drop today. The reasons could be that the market psychology is in caution. Investors are waiting for a lower area of the index to take their long position. BSC states that VN Index could continue getting a correction around 710 at the beginning of next week. Buyers should maintain their buy & hold strategy and purchase fundamental stocks after the market remains stable.



Source: Bloomberg, BSC Research

Exhibit 2



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	14.90	6.25	2.29
HAG	10.52	7.24	2.70
STB	7.61	11.00	5.26
HPG	5.44	44.30	-0.89
OGC	4.88	1.44	-2.04

Source: Bloomberg, BSC Research

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Company updates

VGT- Vietnam National Textile and Garment Group

We maintain our Hold recommendation to VGT share with target price range from VND 11,245 to VND 13,619 per share under net asset value method adjusting historical value of Vinatex's subsidiaries and affiliates under 2 sides: (1) Based on assets; (2) Based on Income (link). VGT is the leading in term of size in Vietnam textile and garment, owns robust subsidiaries and affiliates which is recorded at low value. We believe that the deeply decline in stock price of many Garment firms (because TPP likely to be failed) brings bottom fishing for these stock, especially when new orders come back to Vietnam companies. Beside TPP, we have also signed FTA Vietnam – EU, FTA Vietnam-Korea, RCEP, etc whom are main and important exporters.

2016 performance . At the end of the year 2016, total net revenue of parent company was VND 871 billion (+93% YoY) thanks to the contribution of new plants such as cotton factories in Phu Hung, Nam Dinh, Phu Cuong and Kien Giang, Yarn-dyed factory, etc. However, the parent company recorded losses in core operation, at about VND 103 billion. As we stated in our previous report, the most important sources of income of the parent company are dividends received from its subsidiaries and affiliates (of VND 308 billion, up from VND 289 billion in 2015). Net income of the parent firm reached

Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	GMD	26/09/2016	26.3	31.8	20.9%	24.2	28.5
2	VIC	17/10/2016	43.0	44.0	2.3%	41.0	47.0
3	PVT	27/5/2016	12.3	13.4	8.5%	11.7	13.5
4	CSV	19/12/2016	26.8	30.1	12.3%	26.0	30.0
5	KBC	26/12/2016	13.6	14.6	7.7%	13.0	15.0
Average					10.37%		

Source: BSC Research

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	MBB	27/4/2015	13.8	14.8	6.9%	12.8	16.6
2	GMD	4/7/2015	26.6	31.8	19.5%	24.7	31.9
3	VCS	16/12/2016	130.0	143.5	10.4%	120.9	156.0
4	HPG	28/10/2016	40.8	44.3	8.6%	36.4	44.9
Average					11.3%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
STB	11.00	5.26	0.36	7.61MLN
EIB	10.30	4.89	0.26	531620.00
ROS	141.50	0.78	0.21	3.02MLN
CTD	206.00	2.44	0.17	167910.00
Ticker	Price	% Chg	Index pt	Volume
VNM	130.00	-1.52	-1.27	953520
CTG	18.90	-2.07	-0.65	2.78MLN
VCB	38.30	-0.78	-0.47	1.22MLN
GAS	58.90	-0.67	-0.33	507400
SAB	214.70	-0.32	-0.20	34430

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
VTB	15.30	6.99	0.01	9420
HU1	6.14	6.97	0.00	31740
SSC	51.50	6.96	0.02	20
BTT	32.45	6.92	0.01	10
HBC	43.30	6.91	0.12	2.93MLN

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

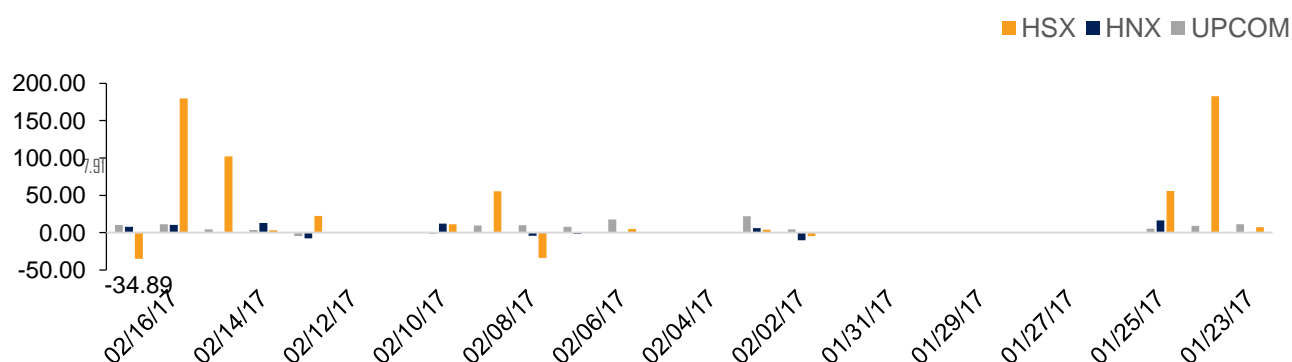
Ticker	Price	% Chg	Index pt	Volume
SIC	12.20	9.91	0.00	2500
TV3	54.40	9.90	0.02	200
PEN	9.00	9.76	0.02	2900
PVR	3.40	9.68	0.07	100
TFC	22.70	9.66	0.01	23900

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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