BSC

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Vietnam Daily Review

A downward correction

Overview

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 27/02/2017		●	
Week 27/2-3/3/2017		●	
Month 02/2016		●	

Highlight

In accordance to BSC last report, today market continued to have a correction session within a small range. After almost reaching 719 point in the morning session, the market immediately adjusted downward near the previous closing price because of BCs disunited movement under short-term profit realization. The market went down to 712 points, before rebounding back to the previous closing price. The main supportive forces were GAS, SAB, the construction and real estate sector (ROS, FLC, CII, HBC). However, VIC, the banking sector (VCB, CTG, EIB), insurance sector, oil sector, and mining sector made the index decreased. Market liquidity continued to be maintained at high rate, and it slightly decreased by VND 171 billion compared to the previous session. The cash flow were directed to construction and real estate stocks such as ROS, FLC, HBC, NVL, CII, and HPG of the steel industry. Investors should pay attention to the negotiated trading deals of VNM and PGI. At the end of the session, VN-Index decreased by 0.37 point, down to 716.87 point, a decrease of 0.05%.

Recommendation

The market continued its corrections today within narrow range, but with high level of liquidity. The VN-Index could not follow ít uptrend to break the 720 resistant level, and immediately did an adjustment during the session under short-term profit realization of investors. With intense trading and without no breaking trend, we continue to expect the market to continue to be corrected within a narrow range tomorrow. Investors should hold on to their selected portfolio and limit adding more stocks to the portfolio..

VN-INDEX **714.47**
Value: 3570.23 bil -2.4 (-0.33%)
Foreigners (net): VND 67.11 bil

HNX-INDEX **86.32**
Value: 483.48 bil 0.05 (0.06%)
Foreigners (net): VND 3.13 bil

UPCOM-INDEX **55.92**
Value 319.83 bil 0.44 (0.79%)
Foreigners (net): VND 12.87 bil

Macro indicators

	Value	**% Chg**
Crude oil	54.1	-0.6%
Gold	1,256	1.4%
USDVND	22,798	-0.1%
EURVND	24,163	0.3%
JPYVND	20,257	0.5%
1-month Interbank rate	3.8%	-
5yr VN Treasury Yield	5.0%	-

Source: Bloomberg, BSC Research

Content

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Market highlights

The market today had a similar pattern with the previous session, which is an increase at the beginning, followed by a downward correction, and then slightly recovered. However, its movement was more negative today as the VN-Index could not recover to its reference level. Overall, most Bluechips declined in value, especially CII, HAG, STB or HNG. Stocks with strong impacts to the declining trend of the index were GAS, STB, VCB, the security-investment, insurance, and rubber sectors. In opposite, the recovery of VNM, combined with the gains of CTG and ROS played a great role to counter the downtrend. The market showed significant segmentation in price movements within the Bluechips and among industries such as construction, real estate, banking, or oil and gas. Market liquidity remained high with an increase of VND 133 billion in trading value. Capital flow continued focusing on ROS, FLC, HBC, CII, and increased in VNM, HAG, STB. At the end of the week, VN-Index decreased 2.4 points (-0.33%) to 714.47 points.

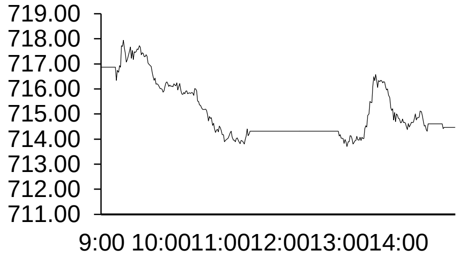
Foreign investors came back to net buy in HOSE, with a total amount of VND 67.11 billion, especially on VNM (VND 55.7 billion), TDH (VND 7.6 billion), and SAB (VND 7.6 billion). Meanwhile, they did a net-sell at KBC (VND 8.5 billion) and NVL (VND 7.0 billion).

Market recommendation

Recommendations

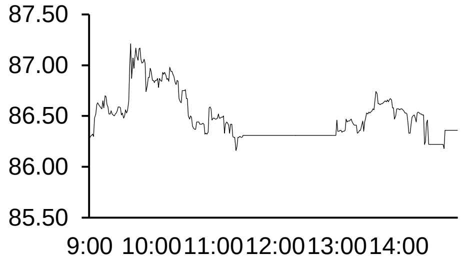
Today market continued correcting within a small margin, market liquidity increased and it was maintained at high level. Short-term profit acquisition pressure from bullish stock made the cash flow spread into small caps stock in order to find a more attractive investment opportunity. Investors started investing in small speculative stocks during today session. The market must test the resistant levels that are lower than 710 in the following sessions if selling pressures remain at the Bluechips. These correction sessions are necessary for the market after the continuous increase in value of the index in recent weeks, before the market could begin to test the 720 resistant level. Investors should maintain their portfolio at the current time and restructure their portfolio when the market reaches 720 point.

A downward correction



Source: Bloomberg, BSC Research

Exhibit 2



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	44.43	7.80	4.70
HQC	14.57	2.50	-4.94
HAG	14.28	7.58	-6.88
FIT	13.68	4.96	6.90
STB	10.60	10.30	-6.79

Source: Bloomberg, BSC Research

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Company updates

VNR - MOBILE WORLD INVESTMENT CORP (HOSE)

On 24/02/2017, BSC has joined analyst meeting of MWG, the meeting content is briefed as follow:

As of January /2017, MWG achieved a revenue of VND 6,852 billion (+94%yoy) including thegioididong.com series of VND 3,559 billion (+41%yoy), dienmayxanh.com series of VND 3,248 billion (+222%yoy) and BHX series of VND 45 billion. Total profit-after-tax of January was VND 268 billion (+75%yoy), which accomplished 12% of the plan over the year. On average, revenue of a thegioididong store achieved VND 3.67 billion and revenue of a dienmayxanh store achieved VND 10.9 billion.
As compared with the first 2 months of 2016 (due to Tet occurred at the beginning of February 2016), monthly average revenue reached VND 4.15 billion pre store for thegioididong and billion 10.82 VND/store for dienmayxanh.

MWG shared that, in 2017, it will open an addition of 100 thegioididong stores. With dienmayxanh, the total number of stores will reach 500 at the end of 2017 (currently, the number of dienmayxanh stores is 298, a 42 stores increase only in January of 2017). In 2016, the same store sale growths of thegioididong is around 10% and dienmayxanh is around 15%, which are expected to be reduced in the future. With inventory, the optimal days outstanding should be 45 days for mobiles and 70 days for electronics.

For Bach hoa Xanh chain, the number of stores could dramatically increase in the last 6 months of the year, being 300 for the target for December, 2017. Is is planned that the firm could finish moving the good supply from distributors to producers. Management system through technology for Bach hoa Xanh is currently designed and the rate of completing is 70%. Long term purpose of Bach hoa Xanh is reaching net profit margin of 2%.
According to MWG plan for capital increase, USD 50 million will be under consideration in the coming shareholders meeting. There are two settlement choices (1) Arranging a private placement for domestic and foreign partners or (2) additional issuance to existing shareholders at VND 10,000 per share (ratio 1:1). This amount of capital increase is partly used for fixed assets investment in 300 BHX stores and the remaining amount is for purchasing working capital.

We maintain our recommendation of Buy in mid and long term for MWG with the target price of VND 182,000 as mention in out report on 08/08/2016. On February 24, 2017, MWG was traded at VND 166,000, with 2017 PE FW of 11.12x

Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlos-s	Target
1	GMD	26/09/2016	26.3	33.9	28.9%	24.2	28.5
2	VIC	17/10/2016	43.0	45.3	5.2%	41.0	47.0
3	PVT	27/5/2016	12.3	12.9	4.9%	11.7	13.5
4	CSV	19/12/2016	26.8	29.9	11.6%	26.0	30.0
5	KBC	26/12/2016	13.6	14.4	5.9%	13.0	15.0
Average					**11.30%**		

Source: BSC Research

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlos-s	Target
1	MBB	27/4/2015	13.8	14.2	2.5%	12.8	16.6
2	GMD	4/7/2015	26.6	33.9	27.4%	24.7	31.9
3	VCS	16/12/2016	130.0	151.9	16.8%	120.9	156.0
4	HPG	28/10/2016	40.8	40.5	-0.9%	36.4	44.9
Average					**11.5%**		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNM	131.90	1.23	1.01	1.32MLN
CTG	18.05	0.84	0.24	1.41MLN
ROS	146.70	0.76	0.21	3.22MLN
GTN	21.70	6.90	0.15	2.63MLN
Ticker	**Price**	**% Chg**		**Volume**
GAS	61.70	-2.06	-1.09	749570
STB	10.30	-6.79	-0.49	10.60MLN
CII	35.45	-6.96	-0.32	4.14MLN
BVH	59.60	-1.49	-0.27	379040
MSN	41.70	-1.18	-0.25	371930

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	-1.28	-1.28	-0.01	26600
L14	58.80	-4.70	-0.01	800

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
LGL	8.87	7.00	0.01	10
HBC	53.10	6.95	0.14	3.27MLN
DIC	6.51	6.90	0.01	100130
FIT	4.96	6.90	0.04	13.68MLN
GTN	21.70	6.90	0.15	2.63MLN

Top 5 gainers on the HSX

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 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

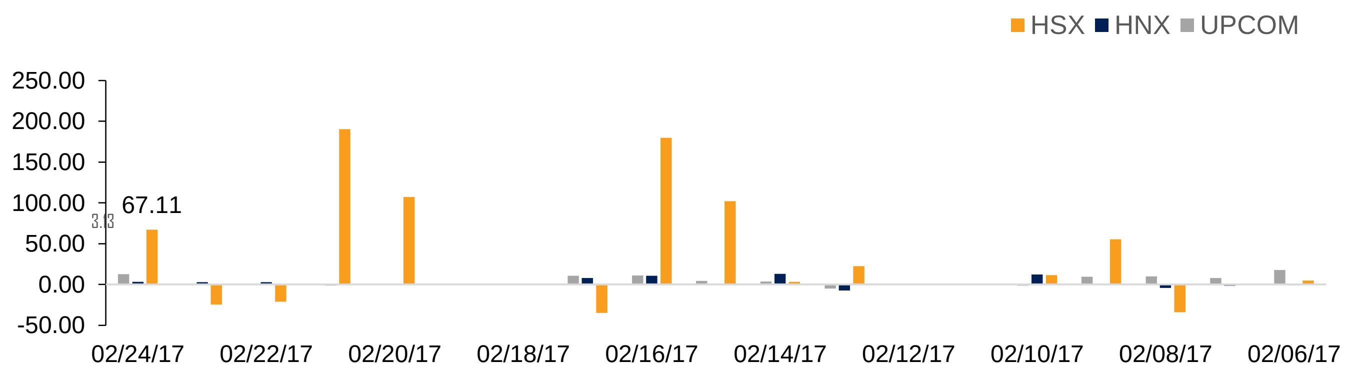
Top 5 losers on the HNX

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

Source: Bloomberg, BSC Research

Exhibit 3

Foreign transaction



Source: HSX, HNX, BSC Research

Disclosure

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