

Tue, March 7, 2017

Vietnam Daily Review

Fluctuation in a narrow range

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 08/03/2017		•	
Week 6/3-10/3/2017		•	
Month 03/2016	•		

Highlight

The today market had a correction inside its session under a narrow range. The market was traded under its reference level in the morning due to the corrections of several market drivers such as VJC, VNM, SAB, and BHN, as well as the rubber sector. Then, the market recovered immediately in the morning and moved over the reference level in the afternoon. Today market leaders were still ROS, FLC, as well as other construction-real estate stocks such as CII, VIC, HBC, CTD, and the insurance sector (BVH). Today trading was more intense than yesterday, with liquidity reached VND 3,265 billion in value, together with the considerable fragmentations within Blue-chips stocks, especially in the pharmaceutical, finance-banking, and oil-gas sectors. Market capital flow still focused on the construction-real estate sector such as ROS, FLC, HBC, CTD, KBC, CII, NVL, DXG, as well as, VJC, HPG, VNM. There was also notable negotiated transactions in VNM at the end of the session, as well as, in SBT and NLG. VN-Index slight increased by 0.25 points, equivalent to 0.03%, to 716.54 points.

Recommendation

After the slight correction within the morning, VN-Index became more stable and only fluctuated in a narrow breadth from the beginning of the afternoon to the end. Market liquidity was still at a high level, however the divergence among the stocks in each sector showed more obvious signs. Due to the lack of positive information, the fragmentation among the Blue-chips could prevent the market from reaching the 720 point resistant level and sideways movement in narrow range could continue to happen, despite stable liquidity and capital flow is still focusing on several sectors. BSC recommends that investors should consider the prospect of fundamental stocks with supporting information from their sector to add them under strong correction session. Investors should be cautious to increase the proportion of stock in their portfolio and should wait for the effect of ETF rebalancing and fluctuation of FED's interest rates to be reflected to market price before making any investment decision.

Company Update

'PXS - Petroleum Equipment Assembly (HOSE)

CNG - Compressed Natural gas (HOSE)

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VN-INDEX **716.54**

Value: 3265.39 bil **0.25 (0.03%)**

Foreigners (net): -VND 106.2 bil

HNX-INDEX **86.70**

Value: 451.79 bil **0.15 (0.17%)**

Foreigners (net): -VND 13.83 bil

UPCOM-INDEX **57.01**

Value 156.4 bil **0.17 (0.3%)**

Foreigners (net): -VND 0.999 bil

Macro indicators

	Value	% Chg
Crude oil	53.3	0.2%
Gold	1,224	-0.1%
USDVND	22,805	0.0%
EURVND	24,123	0.0%
JPYVND	20,005	-0.2%
1-month Interbank rate	4.2%	-
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

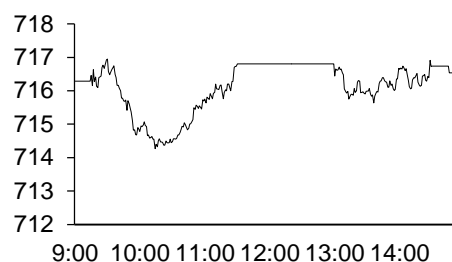
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The foreign investors today came back to net-sell on HOSE after a continuously 3 sessions of net-buy, with a total value of VND 106.2 billion. Net-buy activities were at ROS (VND 17.2 billion) and KBC (VND 16.7 billion). Meanwhile, they did a notable net-sell at NLG (VND 73.9 billion), CTD (VND 47.7 billion), VJC (VND 26.5 billion), and HPG (VND 19.8 billion).

Recommendations

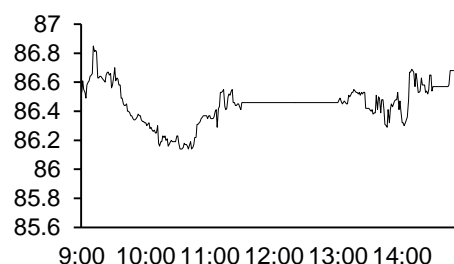
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Exhibit 1



Source: Bloomberg, BSC Research

Exhibit 2



Source: Bloomberg, BSC Research

Exhibit 3

Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	42.44	7.89	6.91
HQC	10.19	2.61	3.98
ITA	9.83	4.10	-5.31
FIT	8.97	5.30	3.92
ROS	8.68	168.00	2.88

Source: Bloomberg, BSC Research

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Company updates

PXS - Petroleum Equipment Assembly

Update for long term projects.

Block B O Mon project has been approved the Feasibility Study Report on January, 20th 2017. The project is expected to operate in 2019, meaning bidding could happen at the end of 2018.

PXS has won of Package G for Long Son Refinery, estimated at USD 110 million or VND 2,200 billion. This amount could start to be recorded from 2H2018 till 2020. PXS is bidding for subcontractor of other parts of Long Son project which also performed in 2018-2020.

The company also expects from other projects such as: Ca Rong Do, Sao Vang Dai Nguyet which all contribute since 2018.

2017 is considered as the bottom of PXS's business performance, and 2018 expects a slight upside, before the strong rally in 2019. With 2017 plan, 2017 EPS is about VND 1,170. On March, 6th 2017, PXS was traded at VND 10,400 per share, equivalent to P/E forward of 8.9x.

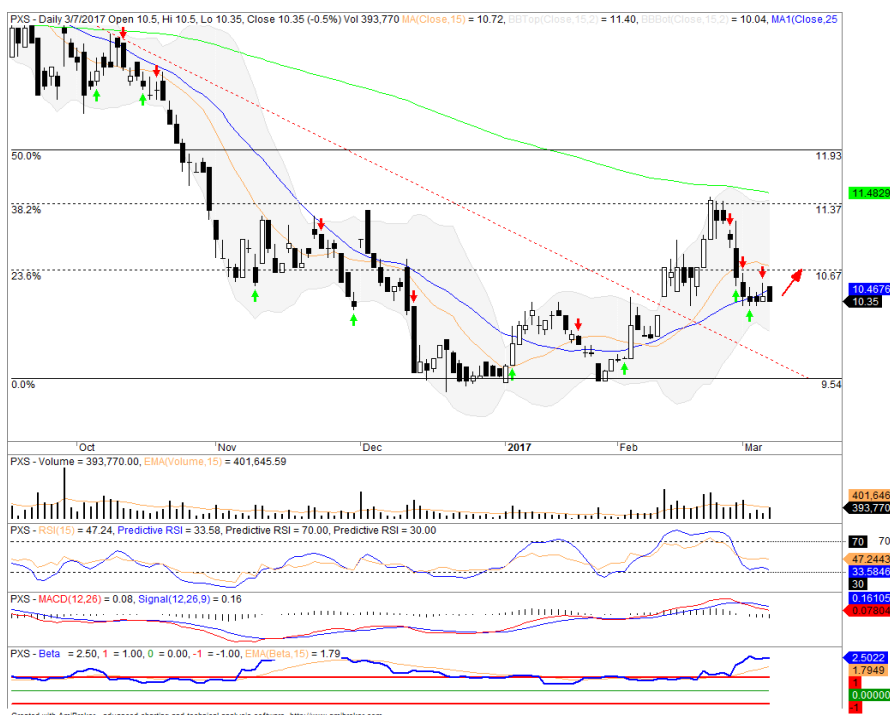
Update for PXS – March, 6th 2017.

According to 2017 plan, EPS 2017 could reach VND 1,170 per share. On March, 6th 2017, PXS was traded at VND 10,400 per share, equivalent to P/E forward of 8.9x.

For 2016. PXS's net revenue was VND 1,548 billion (-11.2%) and this figure for EBT was VND 110.5 billion (-21.6%).

EPS in this year reached

Plan for the year 2017: The revenue and EBT is expected at VND 1,300 billion (-16% YoY) and VND 91 billion (-17% YoY), in which the revenue coming from the project for Ministry of National Defense contributed about VND 800 billion, which is to be recorded in 1H2016. The remaining amount coming from in-progress projects from 2016, including Song Hau and Thai Binh. All projects are onshore, which bring GPM of about 10%.



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Company updates

CNG - COMPRESSED NATURAL GAS CORP (HOSE)

For 2016, revenue reached VND 891 billion (-6.2% YoY) and EBT was VND 147 billion (+1.4% YoY). The profit became higher compared to unaudited figure, due to the decline in environment fund of VND 4 billion from VND 9 billion previously. CNG has sold 91.7 million sm3 for the South market (+6.7% YoY) and 27.8 million sm3 for the North (+3x). Note that CNG is at the breakeven point in the North market, meaning the strong growth in output did not translate to business results.

Increase in the peg rate based on FO price of input price. PV Gas raised the percentage pegged to FO of input price, which squeezes profit margin. From 2017, PV Gas will adjust this rate each quarter, in which the percentage applied to the quarter is determined at the quarter end. This will make CNG's profit significantly dependent on PV Gas' policy, especially in the context of that output price cannot increase due to high competition.

Update for CNG – March, 6th 2017.

CNG reached the 2016 EPS of VND 4,160. On March, 6th 2017, the stock was traded at VND 39,300, equivalent to trailing P/E of 9.5x, higher than the sector average.

2017 plan: The firm planned to sold 100 million sm3 to the South market (+9%YoY) and EBT could be at VND 100 billion (-30%YoY), which is set based on oil price of 50\$. Profit margin falls due to PV Gas policy, the main reason for the conservative plan. However, BSC believes CNG could keep the profit level of 2016 because: (1) Plan for output excluded some potential clients and (2) Oil price is expected to be higher than \$50. With 2016 business result, EPS is around VND 4,160. On March, 6th 2017, the stock was traded at VND 39,300, equivalent to trailing P/E of 9.5x, higher than the sector average.



Stock recommendations

Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutloss	Target
1	GMD	26/09/2016	26.3	35.4	34.6%	24.2	28.5
2	VIC	17/10/2016	43.0	44.9	4.3%	41.0	47.0
3	PVT	27/5/2016	12.3	13.0	5.3%	11.7	13.5
4	CSV	19/12/2016	26.8	29.0	8.0%	26.0	30.0
5	KBC	26/12/2016	13.6	14.9	9.6%	13.0	15.0
Average					12.36%		

Source: BSC Research

CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutloss	Target
1	MBB	27/4/2015	13.8	14.0	1.1%	12.8	16.6
2	GMD	4/7/2015	26.6	35.4	33.1%	24.7	31.9
3	VCS	16/12/2016	130.0	152.4	17.2%	120.9	156.0
4	HPG	28/10/2016	40.8	41.2	1.0%	36.4	44.9
Average					13.1%		

Source: BSC Research

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
ROS	168.00	2.88	0.86	4.15MLN
VCB	37.50	0.54	0.31	561990.00
CII	35.85	6.86	0.27	1.98MLN
DHG	121.60	5.74	0.25	308000.00
Ticker	Price	% Chg	Index pt	Volume
VJC	132.50	-3.57	-0.63	901520
VNM	130.00	-0.69	-0.56	444700
SAB	222.60	-0.85	-0.52	35720
BHN	100.50	-3.37	-0.35	18190
STB	10.50	-2.78	-0.19	2.22MLN

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
SAV	8.31	6.95	0.00	26470
TTF	7.71	6.93	0.03	87560
FLC	7.89	6.91	0.14	42.44MLN
CYC	4.49	6.90	0.00	4400
NBB	22.45	6.90	0.04	873580

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
NTP	79.00	-4.70	-0.01	800

Top 5 gainers on the HNX

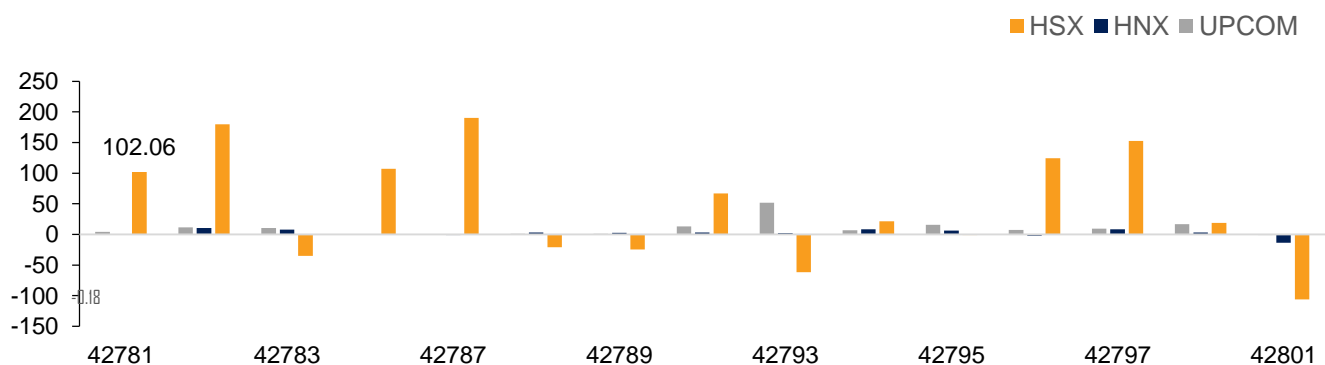
Ticker	Price	% Chg	Index pt	Volume
SIC	12.20	9.91	0.00	2500
TV3	54.40	9.90	0.02	200
PEN	9.00	9.76	0.02	2900
PVR	3.40	9.68	0.07	100
TFC	22.70	9.66	0.01	23900

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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