

Fri, March 10, 2017

# Vietnam Daily Review

Between the devil and the deep blue sea

## BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 13/03/2017		•	
Week 13/3-17/3/2017	•		
Month 03/2016	•		

## Highlight

The market marked the end of the week with a negative correction of the VN-Index, notably the correction within the trading session of the banking stocks. In the morning, the market moved up briefly with the major supports from the banking stocks, yet these stocks joined forces to bring down the index in the afternoon. This pattern could be demonstrated clearly in VCB, BID, CTG, and MBB. Leading the downtrend today were also the beverage sector with SAB, BHN, the oil-gas sector with GAS, PVT, PGD, the pharmaceutical sector with DCL, DHG, DMC, the fertilizer sector with DPM, DCM, and VNM. The market supporters today were the real estate-construction sector with ROS, FLC, DXG, HBC, VIC, as well as HPG, VJC, FPT, and HT1. However, they could not offset the trend, as there were strong fragmentations within their industries. Fragmentation was also a similar story in the market, with accelerated index drop and high liquidity (only slightly decrease by VND 140 billion to yesterday), demonstrating the relatively clear willings to realize profits of investors. VN-Index dropped by 3.59 points, corresponding to 0.5%, to 712.21 points. Meanwhile, HNX-Index and UPCOM moved in contradiction to increase to respectively 88.04 points (+0.37%) and 57.63 points (0.69%).

## Recommendation

After participating in a narrow fluctuation in the morning, the VN-Index experienced a strong drop in the afternoon and its breadth was widen to the end of the session. The resistance level at 715 was broken, implying the obvious attitudes of investors to avoid getting losses in the future, due to the effect of macroeconomics information, such as: oil prices movement, the possibility of FED's increasing interest rates and the trend of foreigner's net sale in this week. We believed that the market could still be negative in next week, the VN-Index might recover in one or two sessions, but the overall trend is bearish. Investors need to follow the positive signs of business result in Q1/2017 from fundamental companies and they should wait for the better chances after FED makes its final decision.

## Company Update

HPG - Hoa Phat Group JSC.

## BSC RESEARCH

### Head of Research

**Tran Thang Long**  
longtt@bsc.com.vn

### Macro & Market Team

**Bui Nguyen Khoa**  
khoabn@bsc.com.vn

**Do Nam Tung**  
tungdn@bsc.com.vn

**VN-INDEX** **712.21**  
Value: 3256.1 bil **-3.59 (-0.5%)**  
Foreigners (net): -VND 35.75 bil

**HNX-INDEX** **88.13**  
Value: 515.32 bil **0.41 (0.47%)**  
Foreigners (net): VND 22.49 bil

**UPCOM-INDEX** **57.67**  
Value 172.46 bil **0.43 (0.75%)**  
Foreigners (net): VND 7.58 bil

## Macro indicators

	Value	% Chg
Crude oil	49.8	1.0%
Gold	1,197	-0.3%
USDVND	22,802	0.0%
EURVND	24,205	0.3%
JPYVND	19,767	-0.3%
1-month Interbank rate	4.8%	-
5yr VN Treasury Yield	5.1%	-

Source: Bloomberg, BSC Research

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This report must be read with the Disclosure, located at the end of this report.

**Đỗ Nam Tùng**

tungnd@bsc.com.vn

## Market highlights

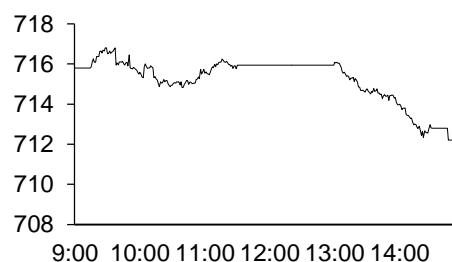
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The foreign investors today continued a net-sell on HOSE with a value of VND 35.75 billion, focusing on DXG (VND 74.0 billion), VJC (VND 27.8 billion), and VIC (VND 25.0 billion). Notable net-buys were at HPG (VND 69.6 billion), VNM (VND 21.3 billion), and ROS (VND 12.5 billion).

## Recommendations

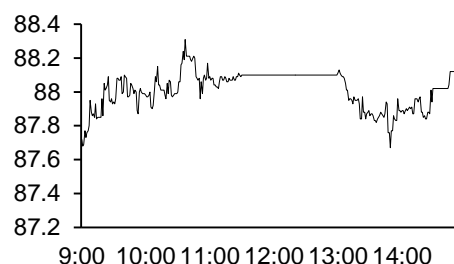
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Exhibit 1



Source: Bloomberg, BSC Research

Exhibit 2



Source: Bloomberg, BSC Research

Exhibit 3

### Top 5 volume leaders

Ticker	Volume	Price	% Chg
FLC	42.52	7.95	3.92
ITA	16.10	4.22	0.24
OGC	6.83	1.40	-2.78
HQC	6.79	2.56	0.00
FIT	5.98	5.00	2.04

Source: Bloomberg, BSC Research

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**Luong Thu Huong***Equity Analyst*huonglt@bsc.com.vn

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## Company updates

### HPG - HOA PHAT GROUP JSC. (HOSE)

**HPG had held an AGM in this morning** 10th March 2017. Most of shareholders' attention were on the Dung Quat project and 250 mil new shares issuing in 2017. Here are some key takeaways from the AGM:

- **The Dung Quat project:** Dung Quat has total capacity of 4 mil tonnes of steel per year, in which 2 million tonnes of long rolled steel and 2 million tonnes of hot rolled coil for the color coated industry. This capacity is estimate to be 2 times higher than the plant in Hai Duong. The project will be deployed into 2 phases; the first one has already started in Feb 2017 and the second one will be built in Aug 2017 in order to take advantages of high growth of domestic steel industry.

- **Some advantages of Dung Quat project:** (1) 50% of its output will be consumed by HPG's subsidiary to produce steel pipe. (2) Since 100% input will be imported, the seaport near Dung Quat project will help it save production and logistics costs. (2) the knowhow will be different than Formusa in regard of Carbon percentage.

- **The Dung Quat project requires VND 40,000 bil**, in which VND 20,000 bil in owner equity and the rest from borrowing. The first phase which has capacity of 20,000 tonnes steel per year has already successfully raised capital ( in which VND 10,000 bil borrowing from Viettinbank). HPG will be required another VND 10,000 bil this year to proceed the phase 2, which is the reason HPG planned to issue 250 mil.

**Update for HPG – March, 10th 2017.**

**2017 Plan:** HPG (VND 42.1000 dong/share, +0.1%, Market cap USD 1.6 bil)

*BSC maintains the medium- and long-term buy recommendation as in the 2017 Sector Outlook, a target price of VND 53,866 (not including the impact of a 50% share dividend and the issuance of an additional 250 million shares)*

Day 13/03/2017

## Stock recommendations

### Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	GMD	26/09/2016	26.3	37.0	40.7%	24.2	28.5
2	VIC	17/10/2016	43.0	44.2	2.8%	41.0	47.0
3	PVT	27/5/2016	12.3	12.7	3.3%	11.7	13.5
4	CSV	19/12/2016	26.8	28.8	7.5%	26.0	30.0
5	KBC	26/12/2016	13.6	14.5	7.0%	13.0	15.0
<b>Average</b>					<b>12.24%</b>		

Source: BSC Research

Day 13/03/2017

### CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	MBB	27/4/2015	13.8	14.4	4.3%	12.8	16.6
2	GMD	4/7/2015	26.6	37.0	39.1%	24.7	31.9
3	VCS	16/12/2016	130.0	153.4	18.0%	120.9	156.0
4	HPG	28/10/2016	40.8	42.1	3.2%	36.4	44.9
<b>Average</b>					<b>16.2%</b>		

Source: BSC Research

## Market statistics

### Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
ROS	171.20	1.30	0.40	3.77MLN
REE	27.00	4.65	0.16	2.47MLN
HT1	20.15	3.87	0.12	483940.00
FPT	46.00	1.10	0.10	1.20MLN
Ticker	Price	% Chg	Index pt	Volume
SAB	211.00	-2.31	-1.37	17550
GAS	55.80	-1.76	-0.82	1.32MLN
VCB	37.50	-0.79	lay 13/03/201	596520
VNM	129.90	-0.46	-0.37	427360
BID	16.55	-1.49	-0.37	2.21MLN

### Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
HU3	9.00	6.89	0.00	540
STK	19.40	6.89	0.03	820
SAV	10.15	6.73	0.00	165440
BBC	129.00	5.91	0.05	180
TDW	27.00	5.88	0.01	170

### 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 HSX

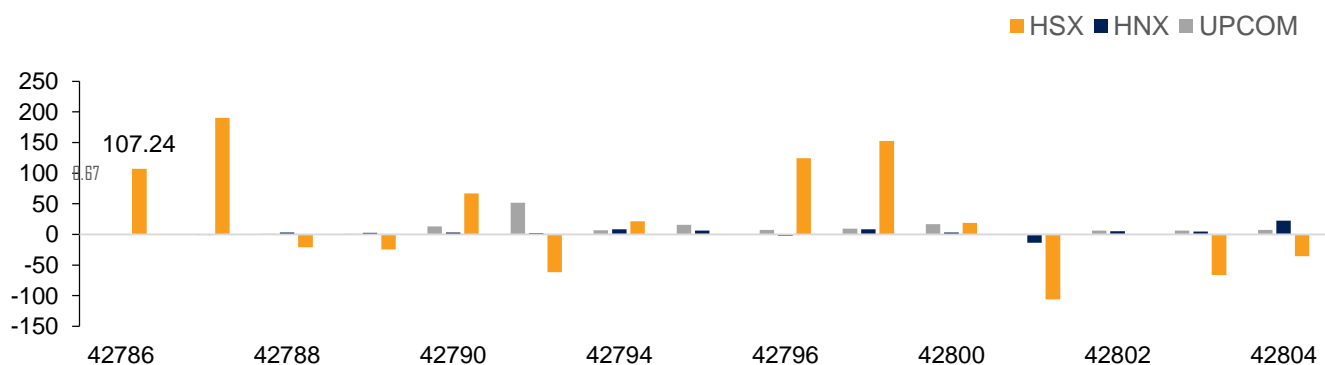
Ticker	Price	% Chg	Index pt	Volume
SIC	12.20	9.91	0.00	2500
TV3	54.40	9.90	0.02	200
PEN	9.00	9.76	0.02	2900
PVR	3.40	9.68	0.07	100
TFC	22.70	9.66	0.01	23900

### Top 5 losers on the 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).*

**BSC Headquarters**

BIDV Tower, 10th & 11th Floor  
35 Hang Voi, Hoan Kiem, Hanoi  
Tel: +84 4 3935 2722  
Fax: +84 4 2220 0669

**Ho Chi Minh City Office**

146 Nguyen Cong Tru St, 9th Floor  
District 1, HCMC  
Tel: +84 8 3821 8885  
Fax: +84 8 3821 8510

<http://www.bsc.com.vn>

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