

Mon, April 3, 2017

# Vietnam Daily Review

Fragmentation in the banking sector

## BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 04/04/2017		•	
Week 3/4-7/4/2017		•	
Month 04/2017		•	

## Highlights

The market today had a minimal fluctuation movement, with strong fragmentation after the index could not break the 725 resistance level as the market just began. The market leader throughout the day is STB, with significant price gain during the day, while many other stocks in the banking sector with large market capital had no changes or even reduced in prices, such as VCB, BID, CTG, MBB, pressing the market downward. Contributing to support the market are several market drivers such as HPG, VNM, MSN, and ROS, as well as the construction – real estate, steel, and marine products. However, the market could not maintain its positive movement due to the disagreement of most of the Blue-chips in the VN-30, VJC, as well as the pharmaceutical, rubber, plastics, information & technology, oil & gas, and insurance. Market liquidity improved today to VND 3,892.15 billion. Especially, there was a remarkable negotiated trades in SBT. VN-Index closed the day with a minor increase of 0.07 (0.01%) to 722.38; HNX-Index increased by 0.10 (0.11%) to 90.92; and UPCOM-Index increased by 0.10 (0.18%) to 57.61

## Recommendations

The first trading session in April witnessed the recent trend from last week, meaning that VN Index had not succeeded in breaking resistance level at 725. BSC stated that in some next sessions, the market could fluctuate in a similar manner given the support coming from BCs like VNM and Steel, Real Estate and Construction field. It could not take long time for the index to subdue the 725 resistance because performance result in Quarter I will be published and the business plan will be passed in AGMs of fundamental firms. Investors could focus on Construction Material group and should wait for the correction within the session to join in long position. Besides, investors have to follow and evaluate information coming from Quarter I financial statements of companies receiving the positive impact of their sector.

## Company Update

FPT - FPT Corporation (HOSE)

## 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** **722.38**  
Value: 3690.35 bil **0.07 (0.01%)**  
Foreigners (net): VND 63.4 bil

**HNX-INDEX** **90.92**  
Value: 469.15 bil **0.1 (0.11%)**  
Foreigners (net): VND 14.62 bil

**UPCOM-INDEX** **57.61**  
Value 142.53 bil **0.11 (0.19%)**  
Foreigners (net): VND 8.67 bil

## Macro indicators

	Value	% Chg
Crude oil	50.6	0.0%
Gold	1,246	-0.3%
USDVND	22,723	-0.1%
EURVND	24,296	0.2%
JPYVND	20,378	-0.1%
1-month Interbank rate	4.9%	-
5yr VN Treasury Yield	5.2%	-

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

Vietnam Daily Review

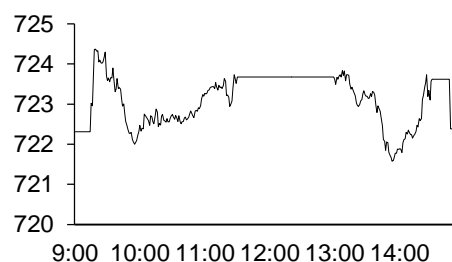
## Market highlights

The market today had a minimal fluctuation movement, with strong fragmentation after the index could not break the 725 resistance level as the market just began. The market leader throughout the day is STB, with significant price gain during the day, while many other stocks in the banking sector with large market capital had no changes or even reduced in prices, such as VCB, BID, CTG, MBB, pressing the market downward. Contributing to support the market are several market drivers such as HPG, VNM, MSN, and ROS, as well as the construction – real estate, steel, and marine products. However, the market could not maintain its positive movement due to the disagreement of most of the Blue-chips in the VN-30, VJC, as well as the pharmaceutical, rubber, plastics, information & technology, oil & gas, and insurance. Market liquidity improved today to VND 3,892.15 billion. Especially, there was a remarkable negotiated trades in SBT. VN-Index closed the day with a minor increase of 0.07 (0.01%) to 722.38; HNX-Index increased by 0.10 (0.11%) to 90.92; and UPCOM-Index increased by 0.10 (0.18%) to 57.61. The foreign investors had a net-buy in all three trading platforms HOSE, HNX, and UPCOM, respectively VND 63.40 billion, VND 14.62 billion, and VND 8.67 billion. They had marked net-buy at VNM (VND 88.26 billion), HPG (VND 30.20 billion), HSG (VND 16.66 billion), and VJC (VND 12.30 billion). In an opposite movement, they sold VCB (VND 29.52 billion), HBC (VND 26.86 billion), PVD (VND 17.84 billion), and DXG (VND 13.92 billion).

## Recommendations

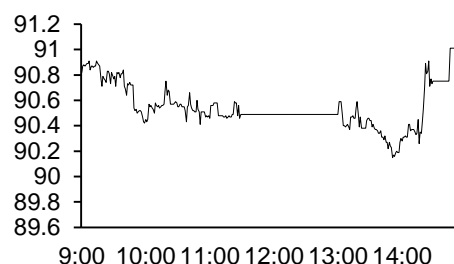
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Exhibit 1 Break the 715 resistance



Source: Bloomberg, BSC Research

Exhibit 2



Source: Bloomberg, BSC Research

Exhibit 3

### Top 5 volume leaders

Ticker	Volume	Price	% Chg
STB	18.14	12.25	6.99
FLC	17.03	8.34	2.21
ITA	12.09	3.99	-0.99
HQC	8.33	2.65	-0.38
DXG	6.03	21.70	5.34

Source: Bloomberg, BSC Research

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**Nguyen Bao Hoang Le**

Equity Analyst

lenbh@bsc.com.vn

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## Company updates

### FPT - FPT Corporation (HOSE)

**2016 business result:** Consolidated Revenue reached VND 40,545 billion (+1.4% YoY), EAT of the parent company reached VND 1,991 billion (+3.1% YoY). While the Technology and Telecommunication segments had respective growths of 16% and 22% in revenue, the Distribution & Retail segment (accounted for 56.8% of total revenue) booked a reduction of 9% YoY in revenue to only VND 23,037 billion, EBT reduced 25% YoY to VND 544 billion. The main reasons are:

- Apple allowed large retailers to import iPhone directly, reducing over VND 3,000 billion iPhone revenue of the Distribution segment.
- Due to the Microsoft's announcement to halt the Lumina business, FPT recorded a loss of VND 121 billion from inventory write-off.

#### Business plan 2017:

Business division	Revenue 2017	YoY	Profit before tax 2017	YoY
Technology	11,830	18.9%	1,359	23.3%
Telecommunication	7,746	16.2%	1,210	1.0%
Retail and Distribution	26,093	13.3%	741	36.2%
Education and Investment	950	6.8%	98	-42.4%
<b>Total</b>	<b>46,619</b>	<b>15.0%</b>	<b>3,408</b>	<b>13.1%</b>

**Capital withdrawal from Retail division.** According to BOD of FPT, there has not yet been a capital withdrawal from Retail division as customers have not agreed to the plan of merging Retail and Distribution division. Therefore, FPT is going to separate FPT Retail and FPT Trading into two deals to sell separately before continuing to negotiate with customers.

**Dividend plan.** The remaining 10% dividend in 2016 will be paid in the second quarter of 2017. Dividend plan in 2017 was approved in the shareholders meeting. 35% dividend will consist of 15% stock dividend will be paid Q2/2017, the remaining 20% will be cash distribution.

With the proposed business plan, 2017 EPS is expected to be VND 4,942, forward P/E will be 9.38x.

#### Update for PVB – April, 3rd 2017.

**2017 Plan:** Consolidated revenue in 2017 is projected to be VND 46,619 billion (+15%yoy). Profit before tax is expected to reach VND 3,408 billion. Technology division will continue to be the leader in revenue generation of the company with revenue and profit before tax growth of 19.9% and 23% yoy, thanks to company business activity of exporting software (accounts for 50% revenue of Technology division). This business line is expected to grow by 30%. Profit before tax in Distribution and Retail is also forecasted to rise sharply (+36.2%yoy) since there is no abnormal loss as in 2016.

## Stock recommendations

### Short-term portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	GMD	26/09/2016	26.3	34.4	30.8%	24.2	28.5
2	VIC	17/10/2016	43.0	41.5	-3.5%	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	29.0	8.2%	26.0	30.0
5	KBC	26/12/2016	13.6	15.0	10.3%	13.0	15.0
<b>Average</b>					<b>9.82%</b>		

Source: BSC Research

### CANSLIM portfolio

No.	Ticker	Date	Buy price	Current price	Unrealized gain/ loss	Cutlosses	Target
1	MBB	27/4/2015	13.8	15.5	12.0%	12.8	16.6
2	GMD	4/7/2015	26.6	34.4	29.3%	24.7	31.9
3	VCS	16/12/2016	130.0	166.0	27.7%	120.9	156.0
4	HPG	28/10/2016	40.8	32.0	-21.7%	36.4	44.9
<b>Average</b>					<b>11.8%</b>		

Source: BSC Research

## Market statistics

### Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VNM	144.30	0.70	0.63	802030.00
STB	12.25	6.99	0.51	18.14MLN
HPG	31.95	4.58	0.51	4.49MLN
MSN	47.90	1.81	0.42	732940.00
Ticker	Price	% Chg	Index pt	Volume
VCB	36.40	-1.36	-0.78	2.23MLN
BID	17.15	-2.28	-0.59	3.05MLN
BHN	77.00	-5.06	-0.41	11650
VIC	41.50	-0.72	-0.34	623430
VJC	125.80	-1.80	-0.30	282490

### Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
STB	12.25	6.99	0.51	18.14MLN
TIX	35.30	6.97	0.02	4010
C47	9.84	6.96	0.01	292640
DHM	5.40	6.93	0.00	1.31MLN
NAV	9.26	6.93	0.00	18170

### 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

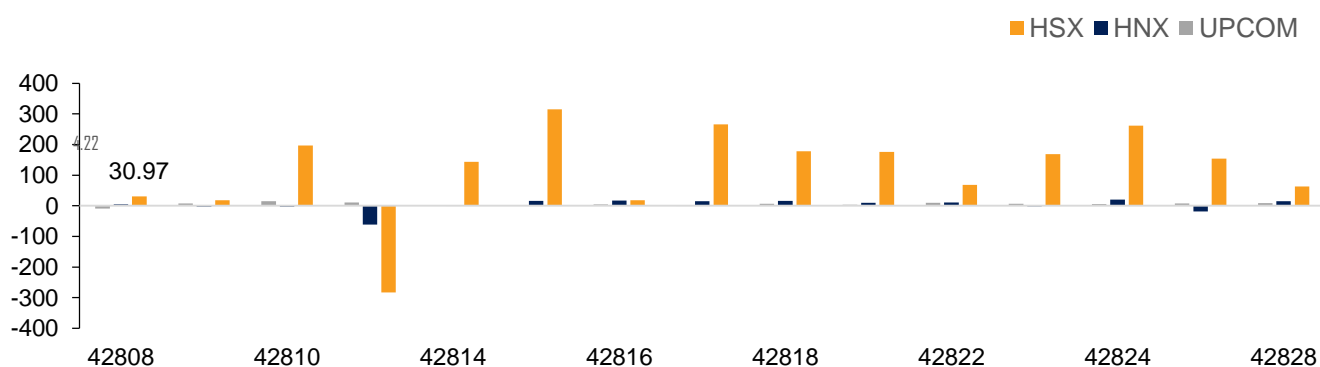
Ticker	Price	% Chg	Index pt	Volume
SIC	12.20	9.91	0.00	2500
TV3	54.40	9.90	0.02	200
PEN	9.00	9.76	0.02	2900
PVR	3.40	9.68	0.07	100
TFC	22.70	9.66	0.01	23900

### 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).*

**BSC Headquarters**

BIDV Tower, 10th &amp; 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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