JULY

27

THURSDAY

6PM CALL

Market today: Not Many Investors Turned Out to be Profit Takers

*(**Thien Bui** – Ext: 1321)*

Although we did not observe strong selling pressure from those "bottom fishers" on Monday, the VNIndex still closed in the red. Since the recent addition of ROS, NVL and SAB to the VN30 Index, this index and the VNIndex tend to fluctuate quite closely. Both of them closed in the red. On the other hand, the HNXIndex closed higher than yesterday by 0.20 points. Market liquidity increased very slightly 1.5%. We think the situation is better for the market as liquidity did not surge when the market went down in today's session.

The global macro news shows that FED maintained the interest rate at the July meeting. Investors are still looking forward to another rate hike in September. After then, FED will announce its detailed plan to shrink its balance sheet. Our chief economist believes that FED will not try to shock the market with any sudden moves.

Back to the stock market, we see 3 companies in our coverage list announcing the Q2 2017 earnings results.

BMP: In H1 2017, revenue and NPAT were VND1,737 billion (+8.6%YoY) and VND228 billion (-34%YoY) respectively. Gross profit margin collapsed to 25% from 34.3% in the H1 last year, mainly due to the sharp increase in input material costs (+17%YoY) and an increase in the base sales discount rate (+4%YoY) in tough competition in order to maintain their market share.

"Not Many Investors Turned to Profit Takers"

PC1: accumulated revenue in H1 2017 reached VND1,383 billion (-12% YoY) and accumulated gross profit reached VND248 billion(-24% YoY), responding to gross profit margin (GPM) of 18%, decreasing by 3% compared to the same period last year. This is mainly due to the decrease in real estate revenue from VND417 billion to VND2.5 billion as PC1 had no real estate projects coming online this year while they booked revenue from Thanh Xuan Complex project in H1 2016. Since real estate segment of PC1 has relatively higher GPM them company-wide average level (26% compared to 17–20% of the company), the fall in revenue of this segment consequently leads to the decrease in company-wide GPM as well. However, this movement is predictable so it does not surprise us.

Besides, the most noteworthy point in the Q2 financial report of PC1 is a 33% decrease in revenue of steel structure manufacturing segment to VND152 billion. This can be attributable to the export contract to Bangladesh market (worth nearly VND60 billion), which they had delivered but not yet recognized revenue. We believe that the delay in revenue recognition from this contract does not affect the outlook for this segment in 2017.

Overall, NPAT of PC1 in H1 2017 reached VND129 billion, which is still in line with our expectations though having a 37% decrease compared to the same period last year.

REE: The Q2 2017 earnings look positive. The net revenue recorded VND1,156 billion (+33% YoY) and the PBT booked VND375 billion (+81% YoY). Profit from associates reached more than VND236 billion, a strong upside from the previous loss of VND27 billion. PPC is the key driver for REE's earnings, thanks to the three reasons: (1) Core business of PPC recovered; (2) loss from FX decreased; (3) PPC reversed provision for Quang Ninh Thermal Plant. In addition, consolidated earnings from PPC contributed VND103 billion to REE. In total, REE recorded H1 2017 net revenue and PBT of VND2,244 billion (+58% YoY) and VND701 billion (+159% YoY). The company finished 48.6% revenue target and 62% profit plan for FY2017.

Analyst Pin-board

TCM – Q2/2017 Business Result Update

(Quang Vo – *Ext: 1517)*

If you are interested in this content, please click here to view more detail.

RONGVIET RESEARCH – 2Q17 Results Update

Unit: VND Billion

Ticker	2Q17				1H17				Compared with our estimation
	Net Revenue	%YoY	PAT	%YoY	Net Revenue	%YoY	PAT	%YoY	
DHC	201	47%	16	-23%	361	31%	29	-25%	😐
RAL	530	-9%	35	-12%	1.408	1%	83	23%	☹
SKG	112	9%	62	-5%	201	6%	106	-11%	😐
DHG	926	6%	186	20%	1.808	7%	359	17%	😐
IMP	276	17%	34	75%	500	17%	60	47%	😐
PVT	1.369	-21%	45	-61%	3.021	-7%	152	-20%	☹
MBB	3.479	57%	1.108	39%	6.380	50%	1.998	33%	☺
VCB	7.299	16%	2.016	27%	14.586	19%	4.222	23%	😐
REE	1.156	33%	337	134%	2.244	58%	668	175%	☺
VFG	578	-5%	36	-24%	1.051	-5%	62	-18%	☹
DPM	2.372	-2%	231	-39%	4.350	-2%	454	-42%	☹
STK	470	17%	24	-19%	918	38%	49	52%	😐
TNG	597	20%	28	8%	999	17%	42	6%	☹
TCM	772	-1%	70	154%	1.547	2%	118	137%	☺
PC1	816	-11%	69	-31%	1.383	-12%	129	-37%	😐
CHP	167	108%	59	n/a	412	135%	198	n/a	☺
NT2	1.781	14%	190	-50%	3.550	20%	456	-34%	☹
PPC	1.682	11%	451	n/a	3.158	-2%	593	n/a	☺
DBC	1.073	-33%	-33	-117%	2.549	-11%	-20	-108%	☹
PNJ	2.345	46%	129	7%	5.476	39%	378	54%	😐
PGI	572	9%	47	19%	1.084	8%	79	23%	😐
PAC	680	15%	56	100%	1.372	21%	77	54%	😐
DRC	864	-3%	35	-69%	1.764	8%	105	-47%	☹
PTB	1.031	9%	84	57%	1.954	10%	141	33%	😐
HAX	1.035	21%	-7	-167%	1.814	40%	21	-38%	☹
SVC	3.573	8%	20	-20%	6.722	11%	40	-6%	😐
NKG	3.105	43%	194	-19%	5.497	38%	350	14%	☺
CTD	6.183	24%	412	16%	10.544	29%	713	20%	😐
HPG	10.740	33%	1.535	-24%	21.005	38%	3.469	14%	😐
FPT	10.718	20%	512	-1%	20.136	16%	925	7%	😐
BMP	979	9%	128	-13%	1.737	9%	228	-34%	☹

RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
SHP – A Long-term Growth Story	July 20th, 2017	Neutral – Intermediate term	25,400
CHP – Beyond the Expectation	July 20th, 2017	Accumulate - Intermediate term	31,900
NKG – Proving Its Capability	July 19th, 2017	Buy - Intermediate term	39,800
HSG – The most Profitable Business Has Received the Highest Priority	July 19th, 2017	Buy - Intermediate term	40,000
HPG–Robust Core Business	July 19th, 2017	Buy - Intermediate term	36,300

Please find more information at http://www.vdsc.com.vn/en/companyReport.rv?categoryId=302

FUND CERTIFICATES INFORMATION

Fund name	Trading Day	Subscription Fee (% of trading value)	Redemption Fee (% of trading value)	NAV per unit at valuation date	NAV per unit last valuation date	Change in NAV
VF1	19/07/2017	0.25% - 0.75%	0% - 2.5%	14,632	14,559	0.50%
VF4	16/03/2017	0.25% - 0.75%	0% - 1.5%	6,777	6,802	-0.37%
VFA	14/07/2017	0.25% - 0.75%	0% - 2.5%	15,043	14,838	1.38%
VFB	14/07/2017	0% - 3%	0%	17,306	17,365	-0.34%
ENF	13/07/2017	1%	0%-1%	13,307	13,305	0.02%
MBVF	12/07/2017	0%-0.5%	0%-1%	13,932	13,872	0.43%
MBBF	19/07/2017	0.25% - 0.75%	0% - 2.5%	14,632	14,559	0.50%

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