JUNE

19

TUESDAY

6PM CALL

Market today: Surprising rebound in the afternoon session

(Khai Tran – khai.tq@vdsc.com.vn)

The market continued to decline sharply. The VN-Index today hit a low of 941, down by 4.6%. At that time, stocks decline were widespread, with many dropping to the floor such as GAS, ROS, BID, TCB, HBC, and DXG. However, demand unexpectedly increased in the ATC session and helped the index bounced back. The VN-Index only lost 2.6% by the end of the day.

Market swing came with increased liquidity. Over 200 million shares were traded on HOSE - the highest level in two months.

Foreign investors did not play a main role today. They net sold VND 120 Bn on HOSE. Panic selling mostly came from domestic investors.

The demand at the end of the session may signal a technical recovery in the next 1-2 sessions. However, after two sharp declining sessions, the market seems to back to the downtrend in the medium term. As such, the recovery will likely not last long, and should be seen as an opportunity for investors to reduce their stock exposure.

VHC has exceeded our target price of VND 61,100/share based on our recommendation on May 21st, 2018. Per the closing price of June 14, 2018 at VND 62,500/share, we recommend **REDUCE**.

We keep our assumptions on VHC's business.

"Surprising rebound in the afternoon session"

The fingerling price is declining sharply, but it will soon rise again in the middle or late of Q3/2018: the fingerling price now has dropped by 50% compared to the end of March 2018 (from VND 60,000/kg to VND 30,000/kg, type 30 pieces/kg). However, this cannot be recognized in input costs of Q2/2018 as the pangasius farming period lasts 7-10 months and therefore input costs can only reduce as early as Q1/2019. MARD also forecasts that fingerling prices will soon increase in the middle or late of Q3 because farmers will simultaneously reduce fingerling production when the prices of fingerlings hit the bottom. This is a consequence of the over-supply situation as many farmers are rushing to produce fingerlings.

We maintain our forecasts of VHC's export price increase in major markets, as consumers are switching to pollock in the US and tilapia in China after pangasius export prices have risen pretty strongly. The average export price of VHC in the first 5 months of 2018 has increased 33% over the same period.

Analyst Pin-board

The eight Mekong Cooperation Economic Summit between Cambodia, Laos, Myanmar, Thailand and Vietnam

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SCS – Good Business but Rich Valuations

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Technical Analyst Recommendation

Indexes fell sharply and then recovered partly at the end of the session. Trading volumes increased strongly on both exchanges. The intermediate-term downtrend is developing. Short-term recovery will be chance for traders to reduce the proportion of stock in portfolio.

PORTFOLIO RECOMMENDED BY TECHNICAL ANALYSTS

Ticker	Price	Action	Buying date	Buying Price	Target Price 1	Target Price 2	Cut loss Price	Selling Date	Selling Price	Gain/ Loose	Duration
VNM	166.30	**Cutloss**	12/06/2018	181.00	190.00		175.00	18/6/2018	175.00	-3.31%	< 1 month
ITD	12.10	**Cutloss**	11/06/2018	13.65	15.00		12.50	19/6/2018	12.50	-8.42%	1-3 months
ACB	39.00	**Cutloss**	11/06/2018	42.60	46.00		39.50	19/6/2018	39.50	-7.28%	1-3 months
ELC	10.30	**Hold**	11/06/2018	11.30	13.00		9.90			-8.85%	1-3 months

Notes:

- **Buying Price** is the Close Price at Buying date. **Selling Price** may be the Target Price, Cut loss Price or Closing Price at Selling date depending on specific cases.
- **Target Price 2** will be updated when the stock passes Target Price 1.
- In the ex-rights date, the prices will also be adjusted accordingly

RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
CTD - "Safety First"	June 04th, 2018	Accumulate – 1 year	160,100
PVS - Catalyst from key Oil & Gas projects	May 31st, 2018	Buy – 1 year	22,500
NCS - Growth Opportunity in the Vietnam Aviation Industry	May 22nd, 2018	Buy – 1 year	60,000
VHC - Affected by raw fish prices in the short-term	May 21st, 2018	Accumulate – 1 year	61,100
KBC - Awaiting for a breakthrough year	May 09th, 2018	Buy – 1 year	16,270

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
ENF	27/04/2018	0% - 3%	0%	19,820	21,012	-5.67%
MBBF	02/05/2018	0%- 0.5%	0%-1%	14,984	14,976	0.05%
MBVF	26/04/2018	1%	0%-1%	14,349	14,758	-2.77%
VF1	07/05/2018	0.25% - 0.75%	0% - 2.5%	43,699	43,734	-0.08%
VF4	07/05/2018	0.25% - 0.75%	0% - 2.5%	19,543	19,547	-0.02%
VFB	04/05/2018	0.25% - 0.75%	0% - 2.5%	16,923	16,917	0.04%

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