RONGVIET SECURITIES

APR

07

THURSDAY

6 PM CALL

Market today: What attracted investors in today session?

(Tuan Huynh - Ext: 1318)

Some tickers, which saw many consecutive bearish sessions, rallied strongly in today session, typically TMS, BCG, TTF, CCL. Among them, BCG movements were supported by the news that its BODs promised not to receive their 2016's bonus if BCG closed below VND15,000 per share in the end of this year. And TMS also went ceiling likely due to attractively low PE ratio, which caused a sudden rise in demand to absorb all today's selling pressure.

Besides, VNM was also another ticker attracting a lot of cash flows, with the order-matching trade value of over VND300 billion, accounting for 15% out of today HSX's traded value. Therefore, investors seemed to follow what was happening at VNM to predict market's sentiment. With many pieces of news awaiting at VNM, investors expected that this stock would surge with high momentum in order to make other stocks go higher. Currently, VNM is trading at 12-month trailing PER of 24x so investors can take a look at the below table which presents some relative financial ratios of comparable companies in regional countries.

"What attracted investors in today session?"

Table: Comparable ratios of companies operating in the same sector of VNM, according to the third classification level of ICB

Ticker	Country name	Market cap(trillion VND)	6M volume (thousand shares)	ROE	ROA	Basic EPS growth (5-year average)	3-yr sales growth	P/E	P/B	EV/EBITDA T12M	BEst EPS YoY Gwth
VNM	VN	**169**	**647**	**34.7**	**29.2**	**19.8**	**14.7**	**24.2**	**8.2**	**14.8**	**21,6**
ICBP IJ	INDONESIA	149	2,536	20.6	11.6	5.4	13.6	29.4	5.7	16.2	22,2
KLK MK	MALAYSIA	144	1,036	15.7	9.1	49.1	11.6	17.6	2.5	16.5	18,4
2319 HK	CHINA	139	12,826	10.9	4.8	11.4	11.3	17.0	1.8	10.9	3,7
000876 CH	CHINA	119	7,199	12.4	6.4	96.4	(0.7)	15.6	1.8	#N/A	4,6
151 HK	CHINA	221	24,170	27.7	13.4	8.1	1.1	18.7	5.4	10.8	12,6
1216 TT	TAIWAN	215	8,640	15.0	3.5		0.9	22.2	3.3	10.6	14,9
002385 CH	CHINA	106	26,251	13.1	6.8	25.9	34.4	37.3	4.6	#N/A	(11,6)
002143 CH	CHINA	112	3,135	**43.2**	24.8	1,550.3	(5.3)	57.3	20.4	#N/A	#N/A
002714 CH	CHINA	108	6,269	21.8	10.7		26.6	47.4	8.9	#N/A	160,4
BRIT IN	INDIA	108	194	**67.4**	28.1	151.1	12.5	47.0	26.0	29.8	18,9
INDF IJ	INDONESIA	107	9,367	11.3	3.3	16.0	8.6	24.7	2.3	8.2	35,5
URC PM	PHILIPPINES	226	2,235	21.7	12.4	32.4	15.3	33.8	6.8	18.0	17,2
CPIN IJ	INDONESIA	99	7,528	15.6	8.1	309.5	12.4	32.0	4.7	12.1	54,2
002311 CH	CHINA	86	8,610	16.7	9.8		18.3	32.0	5.0	#N/A	34,4
000895 CH	CHINA	231	9,457	26.4	19.0	23.7	4.3	15.8	4.0	#N/A	7,5

Median	129	7,363	18.7	10.2	25.9	12.0	**27.0**	4.8	13.4	18,4
Equally-weighted average	146	8,131	23,4	12.6	12.6	11.2	**29.5**	7.0	14.8	27.6
Market cap weigted average							**27.6**			

Source: Bloomberg, Rongviet Research

Under this statistics, if VNM's operating efficiency is improved in next years, meaning that its VNM's ROE does go higher to meet a range of 50%-60%, market will probably accept PER at around 40-60x. However, if VNM remains at current situation, our market analyst believes that the most positive PER for VNM will be just around 27-30x, the average of food producer sector in the emerging market, which has yet discounted for our country risk premium.

Analyst Pin-board

Kraft industry is expected to maintain significant growth.

(Trien Lee- Ext: 1315)

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

Recommendations:

The market kept moving up strongly and crossed above resistances temporarily. The liquidity increased slightly but was still lack of credibility. The trading volumes need to be higher in next sessions to confirm the reversal. Trader should maintain the stock/cash ratio at a reasonable degree.

PORTFOLIO RECOMMENDED BY TECHNICAL ANALYSIS

Ticker	Price	Action	Buying date	Buying Price	Target Price 1	Target Price 2	Cut loss Price	Selling Date	Selling Price	Gain/ Loose	Duration
HSG	37.9	**Buy**	06/04/2016	37.2	43.0		34			1.88%	Intermediate
KMR	5.4	**Buy**	06/04/2016	5.1	6.2		4.5			5.88%	Intermediate
ITD	21.5	**Hold**	11/03/2016	18.7	22.0		17			14.97%	Intermediate
BCC	15.6	**Hold**	22/01/2016	13.7	15.0		12.5			13.87%	Intermediate
DNP	38.0	**Hold**	11/01/2016	20.0	24.0		18			90.00%	Intermediate
LHC	50.0	**Hold**	21/08/2015	40.5	49.0		37			23.46%	Long

Notes:
- **Buying Price** is the Close Price at Buying date. **Selling Price** may be the Target Price, Cutloss 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
- Duration: **Short-term** is less than 01 month; **Intermediate-term** is from 01 to 03 months; **Long-term** is more than 03 months.

RONG VIET NEWS

COMPANY REPORTS	Issued Date	Recommend	Target Price
PTI – Impressive growth	March 08th, 2016	Accumulate – Long-term	28,500
SVC - Profit driver switches from automobile to services segment	February 22nd, 2016	Accumulate – Long-term	41,800
HPG- An attractive price for the leading firm	January 15th, 2016	Buy – Long term	39,700
HAH - Effective performance is being undervalued	January 08th, 2016	Buy – Intermediate term	56,000
ELC- A new growth cycle	December 3rd, 2015	Buy – Long term	33,000

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

FUND CERTIFICATION 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	1/3/2016	0.2% - 1%	0.5%-1.5%	23,589	23,480	0.46%
VF4	1/3/2016	0.2% - 1%	0%-1.5%	10,692	10,624	0.64%
VFA	25/02/2016	0.2% - 1%	0%-1.5%	6,758	6,662	1.44%
VFB	25/02/2016	0.3% - 0.6%	0%-1%	12,795	12,755	0.31%
ENF	25/02/2016	0% - 3%	0%	11,966	11,924	0.35%
MBVF	25/02/2016	1%	0%-1%	10,782	10,730	0.48%
MBBF	17/02/2016	0%-0.5%	0%-1%	12,504	12,489	0.12%
VF1	1/3/2016	0.2% - 1%	0.5%-1.5%	23,589	23,480	0.46%
VF4	1/3/2016	0.2% - 1%	0%-1.5%	10,692	10,624	0.64%

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