Market today: The VNIndex is Quite Tricky

*(**Thien Bui** – Ext: 1321)*

The VNIndex almost broke out 850 pts as it gained more than 9 pts during the day. However, it slipped by the end of today's session and only increased 4.83 pts. However, we believe such slip really reflected the "true VNIndex". Indeed, market breadth was so narrow that the numbers of decliners doubled the numbers of gainers. ROS turned to be more powerful when other large-cap fell in late afternoon as it went higher and higher until reached the ceiling price. SAB and GAS were another two pillars that supported actively the VNIndex.

Large-cap stocks alternatively increased to push the VNIndex to higher ground. Investors cannot feel satisfied as they cannot make profit but the VNIndex keeps going to higher points. Only a few large-cap stocks made their gain. But even investors try to buy these stocks, they might not be able to improve their NAV because these stocks move up and move down very unexpectedly during this period.

"The VNIndex is Quite Tricky"

Macro Updates:

GSO published CPI in October 2017. Accordingly, CPI in October increased 0.41% over the previous month and up 2.98% over the same period. Raw material prices increased partly due to floods and flash floods in northern and central mountainous provinces, high demand for food in the wedding season, high prices for medical services, and increased tuition fees is the main reason for the CPI increase in October.

Corporate News Updates:

PC1: Power Construction JSC No.1 (HSX:PC1) has just released its financial report in Q3 2017, in which revenue reached VND920 billion (+74% YoY) and NPAT reached VND119 billion (+35% YoY), corresponding to gross profit margin (GPM) of 13%, falling 4% compared to Q3 2016. This was mainly due the change in trading revenue, which accounted for a large majority of the increase in revenue while only had low GPM at about 4-6%. In addition, the GPM of power construction segment declined by 8% to 11% while the GPM of steel structure manufacturing segment also fell by 2% to 10%. However, the representative of PC1 also revealed that the timing of revenue recognition of large contracts with high margin in these segments falling in later quarters only led to this temporary decline in GPM and it would recover in the following quarters. In Q3 2017, NPAT of PC1 reached VND64 billion. For the whole 9M2017, the company achieved an NPAT of VND193 billion (-26% YoY).

PVS: In Q3 2017, PTSC recognized VND3,185B in net revenue, down 33.2% YoY. Totally, net revenue in 9M decreased by 21.8%, to VND10,872B, mainly due to the E&C segment. Since the beginning of 2017, PTSC has only recorded the old projects like White Lion Full Field, GPP Ca Mau, NPK Phu My or Long Phu Thermal Plant while the income of new project – Red Emperor can be booked in 2018. However, gross margin improved from 5.4% to 7.2% that minimized the falling of 9M net profit to 4.8%. For 2017, the bottom line may hit VND850B (-10.9% YoY).

PVD: PVD has released its Q3 2017 financial statement with a surprising number. In details, the top line climbed 33.8% QoQ to VND1,265B while the bottom line turned to positive (VND16B) after being loss in 2 consecutive quarters. However, the strong net profit in Q3 2017 mainly came from the Development and Technology fund reversal – around VND148B. Meanwhile, PVD continued to record VND33B provision for PVEP's account receivable. If excluding all these amounts, PVD should post a loss of VND 41B in net profit in Q3 2017.

LTG: In Q3 2017, the business result was not very positive. Net revenue decreased 9% YoY to record VND1,800 billion. COGS decreased minorly 6% YoY. Therefore, gross profit still slipped 18% YoY to book VND451.5 billion. GPM dropped 2.6% to 25.1% from 27.7% in Q3 2016. However, thanks to large cut-off 19% and 44% in selling and administrative expenses respectively, LTG still saw a slight increase of 5% in PAT, which is VND83.3 billion. So, after 9 months, LTG recorded net revenue of VND5,524 billion (+6% YoY) and NPAT of VND279.5 billion (+17% YoY). The company fulfilled 61% its FY2017 plan.

Analyst Pin-board

DQC & RAL - Q3 2017 Business Updates

(*Hieu Nguyen* – *Ext: 1514)*

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RONGVIET RESEARCH – 9M17 Results Update

Unit: VND Billion

Ticker	3Q17				9M17				Compared with our estimation
	Net Revenue	%YoY	PAT	%YoY	Net Revenue	%YoY	PAT	%YoY	
BFC	1,556	6%	72	-13%	4,779	6%	280	10%	☹
BMP	882	0%	120	-38%	2,619	6%	348	-36%	😐
CHP	173	49%	67	193%	584	101%	265	971%	☺
CTD	7,641	44%	478	30%	18,185	35%	1,191	24%	😐
DHA	67	41%	16	117%	189	36%	48	59%	☺
DHG	902	-2%	138	-15%	2,710	4%	498	6%	☹
DQC	260	4%	24	-47%	678	-3%	74	-51%	☹
FPT	11,766	19%	744	-56%	31,000	14%	1,507	-14%	😐
GAS	15,085	9%	1,963	99%	47,489	60%	6,073	104%	😐
HPG	12,540	54%	2,139	33%	33,417	43%	5,613	21%	☺
HT1	1,933	-9%	94	-64%	5,982	-1%	318	-50%	😐
HTI	95	12%	15	-1%	267	-16%	62	28%	😐
IMP	251	16%	29	26%	751	17%	89	40%	☹
LTG	1,800	-9%	84	4%	5,875	6%	280	17%	☹
NKG	3,813	52%	206	40%	9,300	44%	557	23%	😐
NLG	375	-38%	72	39%	1,637	-2%	465	147%	😐
NT2	1,137	-25%	34	-79%	4,687	5%	491	-43%	😐
PC1	920	74%	64	17%	2,301	10%	193	-26%	😐
PGS	1,564	13%	31	3%	4,429	15%	85	-71%	😐
PHR	463	30%	109	68%	1,121	45%	249	87%	☺
PPC	1,472	16%	152	22436%	4,630	3%	745	n/a	☺
PVD	1,265	6%	16	-51%	2,713	-40%	-264	-277%	☺
PVS	3,185	-33%	71	16%	10,873	-22%	714	-5%	😐
QNS	2,011	4%	194	-38%	5,935	13%	684	-15%	☹
REE	1,083	16%	398	51%	3,327	41%	1,099	105%	☺
SHP	212	1%	98	0%	433	27%	118	n/a	😐
STK	513	67%	18	146%	1,431	47%	67	71%	😐
TCM	902	14%	52	31%	2,449	6%	171	90%	😐
TNG	849	43%	46	56%	1,848	28%	88	26%	☺
VCB	7,288	20%	2,149	31%	14,586	-20%	6,379	26%	😐
VNM	13,297	9%	2,688	5%	38,758	11%	8,545	13%	☺
VSC	352	24%	72	19%	959	22%	190	0%	☹

Technical Analysis Recommendation

VN-Index kept going up thanks to large cap stocks while HNX-Index went down. Trading volumes increased on both exchanges. Selling forces rose and the number of losers overwhelmed the number of gainers. Traders consider taking profits and cover at lower prices.

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
FPT	50.00	Hold	21/09/2017	49.40	54.00		47.00			1.21%	Intermediate
MBB	22.60	Hold	21/09/2017	22.10	25.45		20.75			2.26%	Intermediate
CHP	27.00	Hold	18/09/2017	26.90	29.00		25.00			0.37%	Intermediate
PHR	40.45	Hold	21/08/2017	40.20	44.00		38.00			0.62%	Intermediate
ITD	19.50	Hold	16/08/2017	19.50	22.00		18.00			0.00%	Long-term
RDP	19.40	Cutloss	16/08/2017	20.80	24.00		19.50	26/10/2017	19.50	-6.25%	Intermediate

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
- 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
BMP - Facing up to Challenge of Rising Input Price	October 26th, 2017	Neutral – 1 year	89,000
PVD - Temporarily Go Through the Gloomy Time	October 06th, 2017	Neutral – 1 year	15,100
HAX - Rapid Growth Thanks To Expanding Market Shares	October 02nd, 2017	Neutral – 1 year	42,300
DPM - 2019 – The Turning Point	September 29th, 2017	Neutral – 1 year	22,400
KDF - An Attractive Business Model	September 28th, 2017	Neutral – 1 year	68,000

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	24/10/2017	0.25% - 0.75%	0% - 2.5%	34,792	35,176	-1.09%
VF4	24/10/2017	0.25% - 0.75%	0% - 2.5%	15,737	15,932	-1.22%
VFA	20/10/2017	0.25% - 0.75%	0% - 2.5%	15,725	15,693	0.20%
VFB	20/10/2017	0% - 3%	0%	17,743	17,775	-0.18%
ENF	19/10/2017	1%	0%-1%	13,726	13,676	0.37%
MBVF	11/10/2017	0%-0.5%	0%-1%	14,377	14,372	0.03%
MBBF	24/10/2017	0.25% - 0.75%	0% - 2.5%	15,737	15,932	-1.22%

ANALYSIS & INVESTMENT ADVISORY DEPARTMENT

Truc Doan
Head of Research
truc.dtt@vdsc.com.vn
+ 84 28 62992006 (1308)

Ha My Tran
Deputy Manager
my.tth@vdsc.com.vn
+ 84 28 62992006 (1309)
- Macroeconomics

Lam Nguyen
Senior Strategist
lam.ntp@vdsc.com.vn
+ 84 28 6299 2006 (1313)
- Banking
- Conglomerates

Thien Bui
Senior Analyst
thien.bv@vdsc.com.vn
+ 84 28 6299 2006 (1321)
- Market Strategy
- Financial Services
- Personal Goods

Hoang Nguyen
Senior Analyst
hoang.nh@vdsc.com.vn
+ 84 28 6299 2006 (1319)
- Transportation
- Infrastructure
- Industrial Real Estates

Hieu Nguyen
Senior Analyst
hieu.nd@vdsc.com.vn
+ 84 28 6299 2006 (1514)
- Market Strategy
- Pharmaceuticals
- Durable Household Goods

Duong Lai
Senior Analyst
duong.ld@vdsc.com.vn
+ 84 28 6299 2006 (1522)
- Real Estates
- Building Materials

Vu Tran
Senior Analyst
vu.thx@vdsc.com.vn
+ 84 28 6299 2006 (1518)
- Oil & Gas
- Food & Beverage

Trinh Nguyen
Analyst
trinh.nh@vdsc.com.vn
+ 84 28 6299 2006 (1331)
- Steel
- Construction
- Technology

Quang Vo
Analyst
quang.vv@vdsc.com.vn
+ 84 28 6299 2006 (1517)
- Market Strategy
- Basic Materials
- Personal Goods

Son Phan
Analyst
son.pnt@vdsc.com.vn
+ 84 28 6299 2006 (1519)
- Utilities
- Natural Rubber

Thu Le
Analyst
thu.lta@vdsc.com.vn
+ 84 28 6299 2006 (1521)
- Automobiles and Parts

Ha Tran
Assistant
ha.ttn@vdsc.com.vn
+ 84 28 6299 2006 (1526)

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