

Fri, September 13, 2019

Vietnam Daily Review

SBV reduced interest rates, the market rallied

BSC's Forecast on the stock market

	Negative	Neutral	Positive
Day 16/09/2019		•	
Week 16/9-20/9/2019		•	
Month 9/2019		•	

Market outlook

In the morning, despite struggling, VN-Index was still in green as the buying power increased at VCB, GAS, and TCB. In the afternoon, the index widened the gaining band when Banking blue-chips like VCB, BID, CTG, and TCB gained impressively. Inheriting the flourishes of regional indices, the market had a positive session with significantly improved liquidity. In addition to the impact of the quantitative easing policy of the ECB, the announcement of the State Bank of Vietnam on reducing the operating interest rate also brought positive expectations about interest rate cuts in line with the general trend of the world.

Future contracts: Future contracts increased strongly following upward movement of VN30. Movement of liquidity and open interest position reflected increased expectation for price increase in long-term.

Covered warrants: In the trading session on September 13, 2019, overred warrants were diverged in term of price. Majority of underlying securities increased. Trading volume decreased.

Technical analysis: BID Towards the historic peak

(Please go to page 2 for buy/sell status of stocks and page 4 for Blue chip stocks information)

Highlights

- VN-Index **+11.15 points**, closed at 987.22. HNX-Index **+1.08 point**, closed at 102.20.
- Pulling up the index: **VCB (+2.68)**; **BID (+1.23)**; **VHM (+1.09)**; **GAS (+0.96)**; **VIC (+0.88)**.
- Pulling the index down: **HNG (-0.14)**; **LGC (-0.14)**; **MSN (-0.10)**; **YEG (-0.03)**; **VSH (-0.02)**.
- The matched value of VN-Index reached **3,334.36 billion**, **+ 19.9%** compared to the previous session.
- The trading band is 11.27 points. The market has 162 gainers and 135 losers.
- Foreign net selling value: **33.41 billion** on HOSE, including VNM (30.07 billion), VRE (29.13 billion) and SSI (25.79 billion). Foreigners were net buyers on HNX with the value of **0.09 billion**.

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VN-INDEX **987.22**
Value: 3334.36 bil **11.15 (1.14%)**
Foreigners (net): VND -33.41 bill

HNX-INDEX **102.20**
Value: 240.04 bil **1.09 (1.08%)**
Foreigners (net): VND 0.09 bill

UPCOM-INDEX **56.72**
Value 208.27 bil **0.32 (0.57%)**
Foreigners (net): VND 15.45 bill

Macro indicators

	Value	% Chg
Crude oil	54.8	-0.47%
Gold	1,507	0.50%
USDVND	23,215	0.03%
EURVND	25,658	0.47%
JPYVND	21,503	0.17%
1-month Interbank rate	3.4%	2.32%
5yr VN Treasury Yield	2.9%	-5.86%

Source: Bloomberg, BSC Research

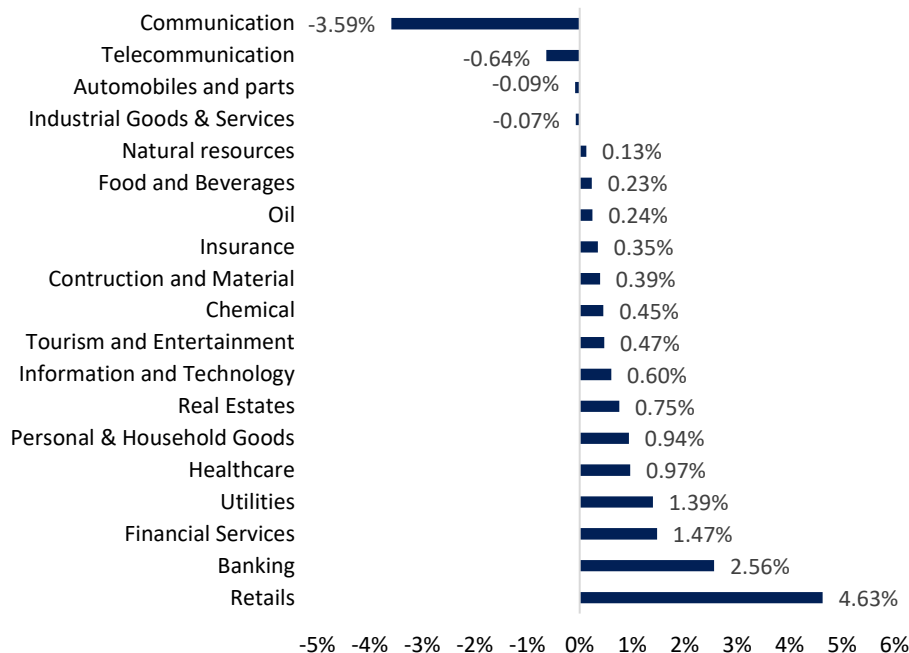
Top Foreign trading stocks

Top Buy	Value	Top Sell	Value
HPG	52.53	VNM	30.07
VJC	10.95	VRE	29.13
BID	7.79	SSI	25.79
PC1	6.27	MSN	15.11
TNA	5.69	HDB	5.84

Source: Bloomberg, BSC Research

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Noticable sectors update



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Exhibit 1

HSX-Index Intraday

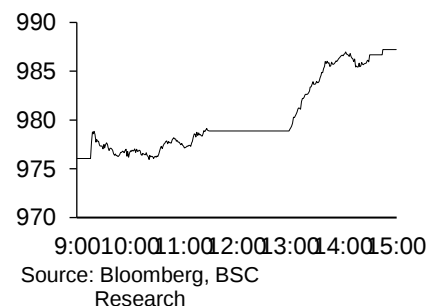
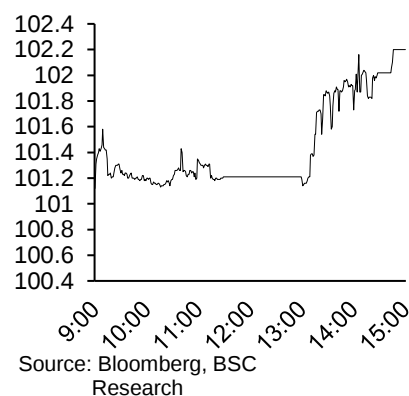


Exhibit 2

HNX-Index Intraday



Technical Analysis

BID Towards the historic peak

Technical highlights:

- Current trend: Uptrend.
- MACD trend indicator: appear Golden Cross.
- RSI indicator: in the overbought area.
- MAS line: EMA12 above EMA26.

Outlook: BID is on an uptrend after setting a fairly stable price at 31-32 from mid-year. The trend indicators also support the positive status of this stock. Although the RSI is in the overbought area, recently, every time the index reached this level, BID would only accumulate short-term and then increase again. In general, this stock is moving to the historic peak at the area above 45 and it is likely that BID will conquer this price level in the next few weeks.



SBV reduced official interest rate

The State Bank of Vietnam (SBV) reduced official interest rate. Accordingly, refinancing rate decreased from 6.25% to 6%/year, discount rate decreased from 4.25% to 4%/year. Overnight lending interest rate in inter-bank electronic payment and capital lending decreased from 7.25%/year to 7.0%/year. Interest rate of valuable papers through open market operations decreased from 4.75%/year to 4.5%/year.

However, actual cash inflow to the market may be not as high as expected. Interest rate cuts at banks often move according to monetary management only when liquidity is difficult on the interbank channel. Reason for easing in monetary management is less-than-favour global economic outlook, and reduction in interest rate of major central banks:

- **Central Bank of China (PBOC)** cut reserve requirement ratio for 50 bps for all banks, and at 100 bps for qualified city banks, last Friday. PBOC also cut required reserve ratio at major banks to 13%. Reduction in compulsory reserves is expected to increase liquidity of 900 billion yuan (\$ 126 billion) into the country's weakening economy. PBOC has reduced this ratio for the third time this year, and for the seventh time since the beginning of 2018. However, PBOC reiterated that it still maintains prudent monetary management, avoiding sudden increase in credit.
- **The European Central Bank (ECB)** has approved an economic stimulus package including cutting interest rates and restarting bond purchases, in order to cope with the weakness of inflation as well as risks in global outlook, like recession in Germany or negative effect of trade tensions between US-China. Therefore, ECB reduces deposit interest rates to a record low of -0.5% from -0.4%, and restarts buying at 20 billion Euros/month starting from November.
- Monetary policy at other central banks increase pressure of for further decrease in interest rate in the United States, continue reduction from previous meeting of **Federal Reserves (FED)**, despite macro indicators still show that the domestic economic is growing steadily and has not shown any sign of recession. Continuing to cut interest rates may cause the market to expect a longer cycle of interest rate cut, stimulating the economy which has been growth strongly in recent years. However, as mentioned, pressure of interest rate cuts at other central banks may increase possibility of interest rates cut by FED.

US interest rate cuts will affect Vietnam's interest rates through the exchange rate channel, namely, the appreciation of the VND against the USD. The pegging of the VND to USD exchange rate will result in the SBV having to sell assets in VND and buying assets in USD to coordinate the exchange rate to a reasonable level. Such exchange eventually leads to a decrease in interest rates in VND. In addition, the SBV lowered interest rates also reduced the exchange rate between VND and CNY, avoiding negative effects on exports as well as competitiveness with China, China. The market received information quite positively as this is one of the first signs of economic easing policy. **However, the signal that needed to be monitor will still be the supply and demand of cash flow on the financial system, reflected in M2 growth in the coming period.**

Future contracts market

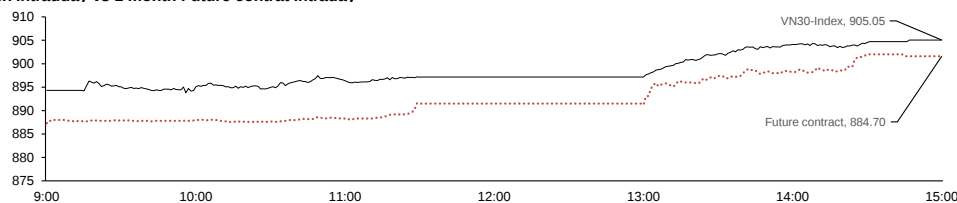
Chart 3
VN30-Index Intraday vs 1 month Future contract Intraday

Table 3

Future contracts							
Ticker	Close	± Daily	Difference	%	Trading vol	Time to Exp	Remaining Days
VN30F1909	901.60	1.63%	-3.45	75.2%	62,852	9/19/2019	6
VN30F1910	903.00	1.59%	-2.05	153.2%	2,261	10/17/2019	34
VN30F1912	900.00	1.27%	-5.05	154.5%	140	12/19/2019	97
VN30F2003	900.00	1.44%	-5.05	243.8%	110	3/19/2020	188

Source: Bloomberg, BSC Research

Outlook:

• VN30 Index increased strongly 10.73 points to 905.05 điểm. Key stocks such as MWG, TCB, VCB, VHM, and VIC strongly impacted the increase of VN30. VN30 struggled around the range of 894-896 for the majority of morning session, increased strongly in the afternoon session, ended the session at 905 points. Liquidity recovered strongly and technical indicators also agreed with the gain of the index, which is expected to increased 915 points.

• Future contracts increased strongly following upward movement of VN30. In terms of trading volume, VN30F1909 and VN30F1910 decreased, while VN30F1912 and VN30F2003 increased. In terms of open interest, all future contracts increased. This reflected increased expectation for price increase in long-term.

Table 1

Top leaders VN30			
Ticker	Price	± Daily (%)	Index pt
MWG	122.40	4.79	2.25
TCB	22.65	3.19	2.22
VCB	81.90	3.02	0.99
VHM	88.00	1.27	0.54
VIC	122.40	0.74	0.53

Source: Bloomberg, BSC Research

Table 2

Top laggards VN30			
Ticker	Price	± Daily (%)	Index pt
MSN	76.5	-0.39	-0.20
ROS	26.6	-0.56	-0.04
REE	37.1	-0.13	-0.01
EIB	16.8	0.00	0.00
GMD	27.1	0.00	0.00

Source: Bloomberg, BSC Research

Covered warrant market

Ticker	Issuer	Expiration date	Remaing days	CR**	Volume	% +/- Daily	Annualized sigma	Issuance price	Trading price	% +/- Daily	Theoretical price *
CMWG1903	HSC	12/30/2019	108	5:1	261,880	423.8%	19.98%	2,700	6,400	17.43%	5,739.90
CMWG1902	VND	12/11/2019	89	4:1	103,590	683.0%	19.98%	2,990	9,100	9.64%	8,359.50
CFPT1902	SSI	9/30/2019	17	1:1	68,240	-60.0%	19.23%	3,800	12,540	9.04%	11,764.70
CMWG1904	SSI	12/30/2019	108	1:1	61,150	56.3%	19.98%	14,000	37,000	7.56%	33,661.10
CMBB1902	HSC	12/17/2019	95	1:1	399,900	108.0%	20.37%	3,200	3,400	3.66%	1,918.10
CVNM1901	KIS	12/13/2019	91	10:1	246,720	-4.1%	20.46%	1,200	580	1.75%	3.30
CFPT1903	SSI	12/30/2019	108	1:1	124,440	36.7%	19.23%	6,000	13,900	0.72%	12,312.40
CMBB1901	SSI	9/28/2019	15	1:1	625,580	0.0%	20.37%	1,900	2,270	0.00%	2,510.70
CREE1901	MBS	11/19/2019	67	3:1	267,620	-20.6%	21.67%	1,260	1,600	0.00%	483.30
CHPG1906	KIS	11/14/2019	62	2:1	17,410	-39.5%	28.89%	1,500	870	0.00%	47.30
CHPG1902	KIS	12/11/2019	89	5:1	5,890	-91.5%	28.89%	1,000	490	0.00%	-
CFPT1904	MBS	11/19/2019	67	3:1	337,970	41.4%	19.23%	1,700	2,860	-0.69%	1,837.82
CVIC1901	KIS	11/14/2019	62	5:1	89,530	238.4%	23.06%	1,960	2,060	-1.44%	92.10
CVRE1901	KIS	11/14/2019	62	2:1	152,290	71.6%	28.92%	1,900	1,140	-4.20%	43.20
CMSN1901	KIS	11/14/2019	62	5:1	11,340	-43.1%	23.22%	1,920	1,480	-5.13%	272.00
CHPG1905	SSI	12/30/2019	108	1:1	10,190	47.9%	28.89%	3,300	3,300	-5.71%	1,333.90
CHPG1904	SSI	9/30/2019	17	1:1	54,590	-26.9%	28.89%	2,200	810	-15.63%	371.20

Notes: * Theoretical price is calculated according to Black-Scholes Model

**CR: Conversion rate

Risk free rate is 4.75%

Outlook:

• In the trading session on September 13, 2019, overred warrants were diverged in term of price. Majority of underlying securities increased. Trading volume decreased.

• In term of price, CMWG1904 and CMWG1903 increased the most at 17.43% and 9.64% respectively. In contrast, CHPG1904 continued to decrease by 15.63%. Market liquidity decreased 5.01%, CMBB1902 had the most trading volume accounting for 18% of the market.

• Covered warrants maintain a higher market price than the theoretical price. CMWG1904, CFPT1902, and CFPT1903 were the most positive in term of money position CMWG1902 and CFPT1902 are most positive in term of profitability.

Ticker	Break-even price	Exercise price	Underlying stock price
CMWG1903	25,800	95,000	122,400
CMWG1902	48,130	90,000	122,400
CFPT1902	96,981	45,140	56,800
CMWG1904	165,000	90,000	122,400
CMBB1902	26,300	21,800	23,300
CVNM1901	46,340	158,888	122,100
CFPT1903	56,154	45,140	56,800
CMBB1901	23,700	20,600	23,300
CREE1901	41,330	37,550	37,100
CHPG1906	31,088	28,088	22,600
CHPG1902	168,888	41,999	22,600
CFPT1904	57,100	52,000	56,800
CVIC1901	150,688	140,888	122,400
CVRE1901	44,688	40,888	33,950
CMSN1901	98,488	88,888	76,500
CHPG1905	93,300	23,100	22,600
CHPG1904	98,800	23,100	22,600

Source: Bloomberg, BSC Research

Ticker	Sector	Close (VND k)	% Day	Beta	Market cap (USD Mil)	Liquidity (USD Mil)	EPS	P/E	P/B	Foreign owned	ROE
MWG	Retail	122.4	4.8%	0.7	2,356	13.6	7,893	15.5	5.2	49.0%	38.6%
PNJ	Retail	82.0	2.0%	1.0	793	3.3	4,727	17.3	4.5	49.0%	27.9%
BVH	Insurance	74.3	0.5%	1.3	2,264	0.3	1,505	49.4	3.4	25.6%	6.8%
PVI	Insurance	33.7	-0.6%	0.7	339	0.4	3,061	11.0	1.2	52.5%	10.7%
VIC	Real Estate	122.4	0.7%	1.1	17,806	1.5	1,643	74.5	5.0	15.3%	8.3%
VRE	Real Estate	34.0	0.0%	1.1	3,438	2.3		32.9	2.8	32.2%	8.8%
NVL	Real Estate	61.8	0.2%	0.8	2,500	0.9	3,579	17.3	2.8	7.5%	17.8%
REE	Real Estate	37.1	-0.1%	1.0	500	1.9	5,261	7.1	1.2	49.0%	18.1%
DXG	Real Estate	16.6	1.5%	1.4	376	1.6	2,944	5.6	1.3	45.8%	27.0%
SSI	Securities	21.4	2.4%	1.3	472	2.6	1,997	10.7	1.2	57.6%	10.9%
VCI	Securities	32.8	1.5%	1.0	234	0.0	5,067	6.5	1.5	37.4%	24.7%
HCM	Securities	22.2	3.0%	1.4	294		1,434	15.4	1.6	56.1%	11.1%
FPT	Technology	56.8	0.5%	0.8	1,675	5.3	4,349	13.1	2.9	49.0%	23.4%
FOX	Technology	45.5	-0.4%	0.4	492	0.0	3,778	12.0	3.0	0.1%	27.7%
GAS	Oil & Gas	101.0	1.7%	1.5	8,405	1.1	6,066	16.7	4.3	3.7%	26.9%
PLX	Oil & Gas	61.8	0.5%	1.5	3,200	0.5	3,350	18.5	3.6	13.3%	20.1%
PVS	Oil & Gas	19.5	-1.0%	1.7	405	1.4	2,397	8.1	0.7	23.3%	10.0%
BSR	Oil & Gas	8.9	2.3%	0.8	1,200	0.3	1,163	7.7	0.9	41.1%	11.0%
DHG	Pharmacy	91.7	2.0%	0.5	521	0.0	4,616	19.9	3.9	54.3%	20.2%
DPM	Fertilizer	13.0	0.4%	0.7	221	0.1	853	15.2	0.7	19.5%	5.0%
DCM	Fertilizer	8.4	-0.4%	0.6	193	0.1	897	9.4	0.7	2.5%	7.3%
VCB	Banking	81.9	3.0%	1.3	13,207	5.0	4,729	17.3	4.0	23.9%	25.6%
BID	Banking	39.9	3.1%	1.5	5,923	3.9	2,091	19.1	2.5	3.3%	13.7%
CTG	Banking	20.9	3.5%	1.6	3,375	5.7	1,470	14.2	1.1	30.0%	7.8%
VPB	Banking	20.7	1.0%	1.2	2,211	2.6	2,989	6.9	1.3	23.2%	20.6%
MBB	Banking	23.3	0.9%	1.1	2,141	7.6	3,215	7.2	1.5	20.0%	21.7%
ACB	Banking	22.6	1.8%	1.1	1,593	1.3	3,438	6.6	1.5	44.3%	26.4%
BMP	Plastic	50.2	0.0%	0.9	179	0.1	5,017	10.0	1.7	77.6%	17.1%
NTP	Plastic	37.9	2.2%	0.3	147	0.0	4,490	8.4	1.4	21.0%	18.0%
MSR	Resources	17.7	-2.7%	1.2	692	0.1	732	24.2	1.3	2.0%	5.6%
HPG	Steel	22.6	0.2%	1.0	2,713	4.6	2,760	8.2	1.4	37.6%	19.9%
HSG	Steel	6.5	-1.4%	1.5	120	0.3	425	15.3	0.5	17.8%	3.3%
VNM	Consumer staples	122.1	0.1%	0.8	9,244	2.7	5,465	22.3	7.5	59.0%	35.0%
SAB	Consumer staples	264.0	1.1%	0.8	7,361	0.3	6,735	39.2	9.7	63.4%	27.1%
MSN	Consumer staples	76.5	-0.4%	1.2	3,888	1.4	3,304	23.2	2.9	40.3%	15.6%
SBT	Consumer staples	17.5	2.3%	0.5	400	1.0	542	32.3	1.6	5.9%	4.9%
ACV	Transport	74.6	4.3%	0.8	7,061	0.4	2,630	28.4	5.3	3.6%	19.7%
VJC	Transport	138.2	0.9%	1.1	3,148	3.5	9,850	14.0	5.3	19.1%	43.3%
HVN	Transport	34.2	0.0%	1.7	2,109	0.6	1,747	19.6	2.7	9.9%	13.4%
GMD	Transport	27.1	0.0%	0.8	350	0.5	1,888	14.4	1.3	49.0%	9.4%
PVT	Transport	18.2	2.5%	0.6	223	0.5	2,435	7.5	1.3	30.4%	17.7%
VCS	Materials	87.8	1.3%	0.9	599	0.6	7,667	11.5	4.5	2.2%	44.1%
VGC	Materials	19.5	-0.3%	0.8	380	0.3	1,327	14.7	1.3	13.3%	9.1%
HT1	Materials	15.5	-0.3%	0.8	256	0.0	1,657	9.3	1.1	6.4%	11.7%
CTD	Construction	95.5	1.0%	0.7	317	0.1	13,535	7.1	0.9	48.9%	13.4%
VCG	Construction	26.5	0.4%	1.1	509	0.5	1,352	19.6	1.8	0.0%	9.9%
CII	Construction	20.7	0.7%	0.5	223	0.3	387	53.4	1.0	52.2%	1.9%
POW	Electricity	12.7	2.0%	0.6	1,288	0.4	820	15.4	1.2	14.7%	7.8%
NT2	Electricity	25.0	-0.2%	0.6	313	0.2	2,241	11.2	1.8	21.9%	16.9%

Market statistics

Top 5 leaders on the HSX

Ticker	Price	% Chg	Index pt	Volume
VCB	81.90	3.02	2.63	1.41MLN
BID	39.85	3.10	1.21	2.30MLN
VHM	88.00	1.27	1.09	361780.00
GAS	101.00	1.71	0.96	260180.00
VIC	122.40	0.74	0.89	278500.00

Ticker	Price	% Chg	Index pt	Volume
LGC	36.30	-6.92	-0.15	20.00
HNG	16.50	-2.65	-0.15	570730.00
MSN	76.50	-0.39	-0.10	432610.00
YEG	57.90	-6.31	-0.04	180690.00
VSH	18.55	-2.37	-0.03	4450.00

Top 5 gainers on the HSX

Ticker	Price	% Chg	Index pt	Volume
CIG	2.14	7.00	0.00	19520.00
FRT	46.00	6.98	0.07	243920.00
VMD	21.50	6.97	0.01	20.00
VSI	23.05	6.96	0.01	430.00
HSL	9.84	6.96	0.00	1.29MLN

Top 5 losers on the HSX

Ticker	Price	% Chg	Index pt	Volume
CTS	8.58	-8.72	-0.03	46090
VPS	10.70	-6.96	-0.01	20
LGC	36.30	-6.92	-0.15	20
FTM	5.30	-6.85	-0.01	666000
TTE	12.25	-6.84	-0.01	40

Source: Bloomberg, BSC Research

Top 5 leaders on HNX

Ticker	Price	% Chg	Index pt	Volume
ACB	22.60	1.80	0.67	1.32MLN
SHB	6.30	1.61	0.11	3.72MLN
DGC	26.80	4.28	0.09	124500
SHS	7.30	8.96	0.09	1.30MLN
	7.30	1.39	0.04	12700

Ticker	Price	% Chg	Index pt	Volume
PVS	19.50	-1.02	-0.05	1.66MLN
PHP	11.00	-6.78	-0.03	20500
HUT	2.20	-4.35	-0.02	286300
TKC	16.20	-9.50	-0.01	100
IDV	37.00	-3.14	-0.01	1400

Top 5 gainers on the HNX

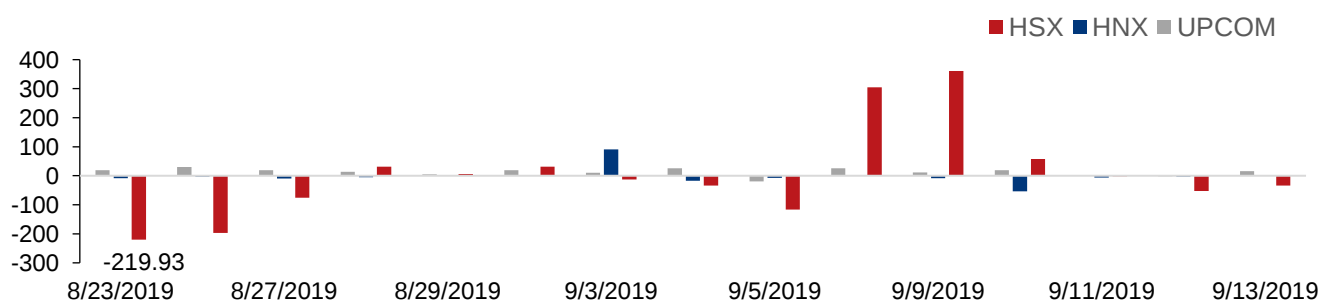
Ticker	Price	% Chg	Index pt	Volume
DPS	0.50	25.00	0.00	3500
DST	1.00	11.11	0.00	87500
KMT	8.90	9.88	0.00	100
QHD	17.20	9.55	0.01	300
MBG	18.40	9.52	0.03	36900

Top 5 losers on the HNX

Ticker	Price	% Chg	Index pt	Volume
HCC	13.40	-20.24	-0.01	27200
ACM	0.40	-20.00	-0.01	153200
NHP	0.50	-16.67	0.00	5200
HVA	0.90	-10.00	0.00	66000
DPC	14.50	-9.94	0.00	1300

Exhibit 3

Foreign transaction



Source: HSX, HNX, BSC Research

Disclosure

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