

HIGHLIGHTS OF THE DAY

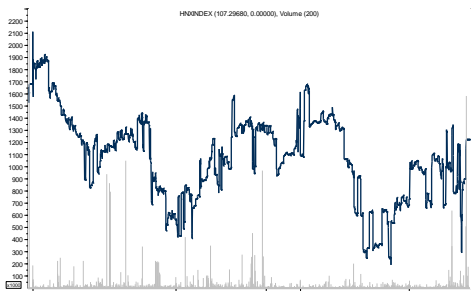
Market summary

	VNINDEX	HNXINDEX
Close	984.46	107.30
Change (%)	-0.14%	-0.17%
Volume (mn)	216.94	38.99
Value (VNDbn)	4363.00	613.00
Gainers	140	69
Losers	159	81
Unchanged	82	229

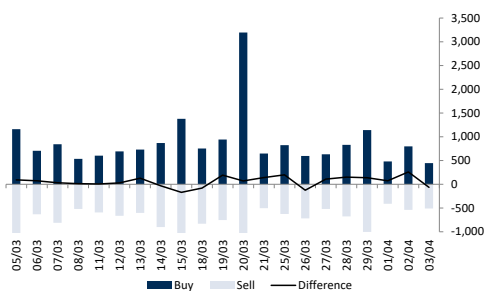
VNINDEX Intraday



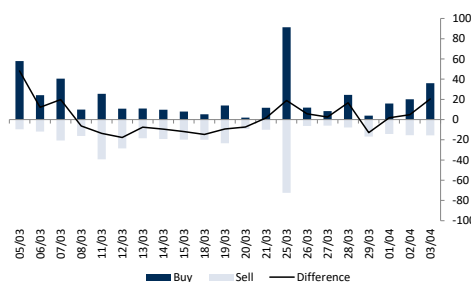
HNXINDEX Intraday



Foreigners' transaction on HSX (VNDbn)



Foreigners' transaction on HNX (VNDbn)



The market had no significant changes compared with yesterday session. Liquidity inched up to the average level of 2019. Foreign investors turned to net sellers, and focused on VJC and HDB. The market breadth was slightly negative.

On the HSX, losers outnumbered gainers, but large-cap stocks increased at a large amplitude such as BID(+2.6%) EIB(+3.6%) FPT(+2.6%)... In contrast, VIC(-1.2%) and BVH(-1.4%) were the worst performers in the market. VJC (0.7%) and HDB (-1.9%) narrowed the decline towards the end of the session due to strong selling pressure from foreign investors. VN30 basket had 07 winners and 18 losers. The HNX was more active thanks to the contribution of PVS (+ 3.8%), but quickly regained its balance when VCG (-5.2%) tumbled along with the weakening of ACB (-0.7%).

WTI oil price continued to rise, which helped oil and petroleum stocks simultaneously gain and become the most positive trading group in the market. FPT and FRT soared together with textile stocks TCM TNG MSH STK... Meanwhile, market-sensitive stocks such as securities, real estate - construction... still had a gloomy trading day.

On the Derivative stock market, the divergence has been back. The F1904 and F1905 contracts gained, while F1906 and F1909 plummeted more strongly than the VN30 Index. The average distance between contracts with VN30 Index is narrowed, lower from 13.5 to 17.8 points. Liquidity climbed slightly again but still below the 2019 average.

**Asian stock markets skyrocketed in Wednesday session** after positive news about the Sino-US trade talks and PMI in China. To be more specific, the main indices such as Nikkei 225, Hangseng Index, and Shanghai Composite gained 0.97%, 1.22% and 1.24% respectively. MSCI in Asia-Pacific region (excluding Japan) climbed 0.8% to the highest level in the last seven months. This index has increased 3% since Thursday last week after released progresses of the trade negotiations between the United States and China.

Negotiators from the two countries have reached many common points in most of thorny issues and gradually approached a specific deal, said the Financial Times. However, according to this newspaper, the two sides have not agreed on the mechanism to implement the deal and measures to handle violations, which can be considered the last obstacle against them to achieve a deal to end the trade war lasting from July last year. The final key point is Beijing wants Washington to remove the tariffs of the US on Chinese commodities, while Washington expects Beijing to accept implementation mechanism provisions to ensure compliance with the deal. Mr. Myron Brilliant, Vice President of the American Trade Council, stated that 90% of the deal was completed, but the last 10% was the hardest part of the negotiation and required both sides' trade-offs.

In addition, the Chinese PMI Caixin Index in March surged to 54.4 from 51.1 in February. The recovery in March was mainly supported by significant improvements, especially in new export orders which increased at the second strongest level since December 2017. According to data by the National Bureau of Statistics on Sunday, China's PMI also rose to 54.8 in March from 54.3 in

February.

*Thai Thi Viet Trinh – Analyst – [trinhttt@kbsec.com.vn](mailto:trinhttt@kbsec.com.vn)*

## **COMPANY FULL REPORT – KINHBAC CITY DEVELOPMENT HOLDING CORPORATION – JSC (KBC: HSX)**

**KBC has accumulated and owned an industrial land bank at a low price**, which has advantages compared to other companies in the same industry. KBC is a leading company in industrial real estate with a land bank of 5,174ha, accounting for 5.5% area of the state-owned industrial park land (IPL) and 1100ha of urban area land (UAL) from the North to the South, which is sufficient enough for the company to develop in the next 10 years.

**The demand for industrial real estate is increasing.** According to our assessment, KBC's IPL leasing segment has been benefited from (1) FDI flow into Vietnam still sees a positive growth (2) Available large land bank (3) Northern infrastructure has gradually been improved (4) Manufactures from China have been moved to Vietnam (5) The number of satellites of Samsung and LG increased.

**Revenue in 2019 may slightly decline**, but is expected to rebound in the next few years when the Trang Due 3 Industrial park comes into effective. However, we assess that the revenue gained from IPL leasing may saw a dip 2019 as the remarkable industrial parks such as Que Vo and Trang Due almost achieved the maximum occupancy rates in the previous years. Meanwhile, earnings from sold land of Phuc Ninh urban area is expected to go up. In 2019, KBSV forecasts KBC revenue will reach VND2403 billion (+4% yoy) and NPAT will be VND672.7 billion (-10% yoy).

The revenue from leasing IPL is expected to grow in the mid-long term as the Trang Due 3 Project is developed in 2019.

**The risks are inherent.** KBC might face some risks including (1) Unpredictable business performance due to one-time revenue record (2) Risks involved in legal issues of landing projects or land clearance.

Considering the valuation and business outlook in the near future, in a prudent viewpoint, KBSV recommend to **HOLD** KBC shares at the target price of VND17,300, higher than the closing price on 19/03/2019.

*Pham Hoang Bao Nga – Analyst – [ngaphb@kbsec.com.vn](mailto:ngaphb@kbsec.com.vn)*

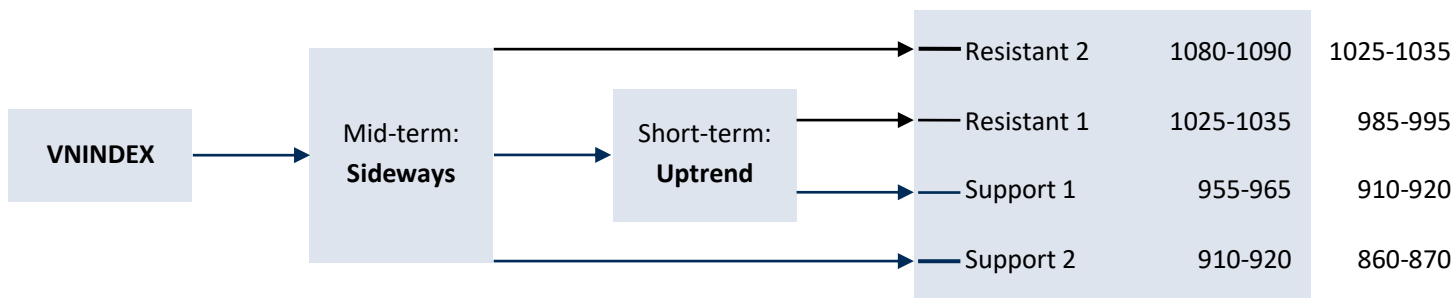
*For more information please click [here](#).*

INVESTMENT VIEWPOINTS AND STRATEGIES

VNINDEX



Market Trend



Investment Viewpoint

Surging WTI oil price helped the market to gain big contribution from petrol stocks. Mid-small cap stocks also rebounded sharply at the closing session, which brought back the dominant divergence to the market, and minimized the declining momentum of the indices.

We have observed that although the market sentiment showed signs of regaining its balance, the indices were still in a sensitive technical state under the risk of a further correction. Investors are advised not to buy stocks at high prices, and should only buy at low prices for trading positions mentioned in previous daily notes.

**Dang Thanh The** – Senior Associate – [thedt@kbsec.com.vn](mailto:thedt@kbsec.com.vn)

## INVESTMENT PORTFOLIO RECOMMENDATIONS

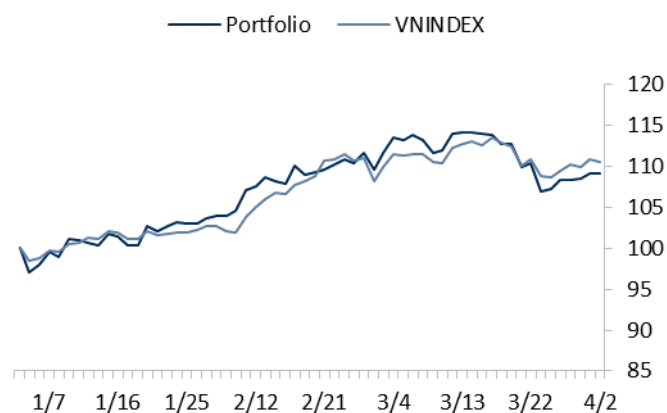
### Investment Note

**(1)** The portfolio for mid-term investment (3-month at least) or may be flexible depending on the market movement.

**(2)** Profit taking threshold is +30% and cutting loss level is -15%.

**(3)** The fixed proportion of stocks in the portfolio is 100% (the proportion of each stock is equal) to make a comparison with VNINDEX. Investors should consider the general market trend to have a good proportion allocation and risk management.

### Portfolio's performance vs VNINDEX



Stocks	Date of recommendation	Closing price	Daily returns	Accumulative returns	Main investment catalysts
PNJ	22/03/2019	99.7	-0.6%	-0.8%	<ul style="list-style-type: none"> <li>Jewelry retail sales has witnessed a high growth as the number and value of the purchase orders increased. In 2018, PNJ jewelry retail sales surged 41%, supported by the estimated increase of 34% in the number of transactions and 5% gain in the average purchase value.</li> <li>Given the advantage of the available customer base, the segment of watches and accessories of PNJ is strong enough to be successful as the watch market in Vietnam has no large distribution enterprise despite gaining high value. Watches are expected to account for 5% of total revenue gained from PNJ contracts in 2022.</li> <li>The negative operating cash flow of PNJ in the previous years is resulted from the store system expansion, and the inventory increase. It is expected that PNJ will have a positive operating cash flow from 2019.</li> </ul>
BMP	05/03/2019	49.4	-0.6%	-7.0%	<ul style="list-style-type: none"> <li>The current price of BMP stocks is quite attractive as BMP is the leading company in plastic pipe industry, with healthy financial status, sales policy with the most attractive 15% discount on the market, and stable dividend payment history.</li> <li>After two consecutive years of decreasing profit, BMP profit is expected to rebound in 2019 thanks to a slight increase in production (+6%) and profit margin (+0.6%) given that the prices of PVC compound manufacturing input materials are lower than the 2018 average. Besides, the direct competitor HSG no longer has many promotion policies as before due to its own difficulties.</li> <li>Export potential to Thailand and the support of managing shareholder Nawa Plastic is a favorable factor for long-term</li> </ul>

					prospects of BMP business operation.
TCB	03/04/2019	25.5	-0.2%	-4.1%	<ul style="list-style-type: none"> <li>▪ Operating effectiveness has been continuously improved, which helped the bank to be ranked at the top group in 2018. TCB achieved this success thanks to the strategic value chain of Vingroup - Masan - Vietnam Airlines ecosystem combined with the economic growth oriented by export, consumption and real estate investment.</li> <li>▪ The bank is currently the pioneer in some core business segments: Market share ranking No.1 in mortgage loans; advisory and brokerage involved in corporate bonds; bancassurance fee; ranking at the top in transaction banking growth. Effective operating model and dynamic BOM are the premise for the current result.</li> <li>▪ Strong capital base, guaranteed asset quality and the viable strategy are the foundation for TCB to keep its growth momentum in 2019.</li> </ul>
KBC	23/01/2019	14.65	-0.3%	5.4%	<ul style="list-style-type: none"> <li>▪ FDI from Korea, Taiwan, and Japan – mainly absorbed by industrial plants has been rising sharply thanks to the shift of factories' location from China to Vietnam.</li> <li>▪ The demand for industrial land lease in KBC strongly increased in 2018-2019. In 2019, the area for lease is forecast to be 120 ha (+14% yoy), in which there is 70 ha of Quang Chau Industrial Plant and 30 ha of Nam Son Hap Linh Industrial Plant.</li> <li>▪ Gross profit margin still stays high – with the average of 58% in 2018-2019.</li> <li>▪ Phuc Ninh Urban Area Project may gain VND1,000 billion of revenue 2019. Profit margin may reach 75%.</li> <li>▪ Lower the number of long-term loans. Loan/equity ratio is 28%.</li> <li>▪ Industrial plant projects of affiliated companies in Hue, Da Nang will be the attractive point to investors in the long-term after Northern industrial plants run out of land source in the next 2-3 years.</li> </ul>
MBB	18/12/2018	22.45	0.2%	6.1%	<ul style="list-style-type: none"> <li>▪ NOII to continue gaining traction in 2019. The current strong NFI from insurance services was mainly driven by the non-life segment through Military Insurance Corporation (MIC).</li> <li>▪ A strong CASA ratio and increasing retail book (ex MCredit) are drivers for continuous NIM expansion. We believe NIM has headroom to expand from its current high level of 4.5%, given the CASA ratio will remain at a high level and the loan yield gap between ACB and MBB has been closing since 2014. Though funding costs could inch up related to valuable papers issuance in 2019F, we expect it to still be managed below 4% due to its current strong CASA ratio.</li> </ul>

					<ul style="list-style-type: none"> <li>▪ MCredit is still finding its feet but funding advantage increases odds of success. We believe MCredit can triple its loan book in 2018 from a low base, contributing ~1.8% to the consolidated book. Half of MCredit's current funding comes from Shinsei and thus provides significant flexibility in chasing market share in the key cash loan market.</li> </ul>
DXG	15/11/2018	22.35	-0.4%	-10.1%	<ul style="list-style-type: none"> <li>▪ The close-loop business model creates competitive advantage and solid fundamental for DXG. The effectiveness of brokerage sector strongly supports project development sector and generates stable cashflows.</li> <li>▪ The current landbank is sufficient for the next five years of development. The right product segment orientation gives DXG opportunities.</li> <li>▪ Profits from LDG's projects might generate extraordinary profit for DXG.</li> </ul>
REE	11/10/2018	31.8	0.6%	-2.8%	<ul style="list-style-type: none"> <li>▪ In 2019, profit will likely increase by 9%-10% due to the dramatic rebound of electromechanical segment (58%) compared to the low basic level in 2018. This is achieved thanks to REE provisions, the positive growth of 37% in office for lease segment, and successful operation of E-town Central.</li> <li>▪ Profit growth in the long term is maintained thanks to new M&amp;A deals (in electricity and real estate segment).</li> <li>▪ With expected EPS in 2018 at VND5,500/share, REE is comparatively low with ROE reaching 18,6%.</li> </ul>
FPT	6/9/2018	46	0.4%	6.7%	<ul style="list-style-type: none"> <li>▪ Software processing which is the main force of software development segment has been thriving in most of the key markets - Japan, United States, Asia Pacific, European.</li> <li>▪ The acquisition of Intellinet in the U.S allows FPT to provide strategic package IT services to customers, especially in digital transformation projects.</li> <li>▪ FPT profit is forecast to maintain growth rate at over 20% until 2020. With the forecast EPS in 2018 of VND3,500/share, FPT shares are traded at attractive P/E.</li> </ul>
GMD	22/8/2018	26.5	0.2%	9.5%	<ul style="list-style-type: none"> <li>▪ Potential business growth is the key driver for the bounce back of stocks, combining with the divestment of real estate projects or information about VIG divestment at the company.</li> <li>▪ Increase of expected return; attractive long-term valuation. The operation of Nam Dinh Vu Phase 1 project will be the driving force for revenue growth in 2019-2020. The project has increased GMD's handling capacity from 1,250,000 teus to 2,000,000 teus, a rise by 60%. According to the plan, the occupancy rate for 2019 is 80% and 100% in 2020.</li> <li>▪ Logistic profit will grow with a support from CJ Logistics.</li> </ul>

With the deeper involvement of CJ Logistic, the management expects to bring better growth motivations for the logistics sector.

PVS	15/8/2018	21.2	1.0%	23.3%
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- Stock price has started to recover after a dramatic and prolonged decline.
- The price is still low compared to the potential for recovery and growth as the major projects of the oil and gas industry has officially kicked off such as Block B - O Mon, Su Tu Trang phase 2, petrochemical complex Long Son.
- In case that oil price rallies and stays at over USD60/barrel, higher than the average breakeven point of Vietnam at about USD55/barrel, the launch of these projects is only a matter of time.

## MONEY FLOW TRACKING AND RIGHTS EXERCISE

### Sector Performance in the day

Top 5 best performers	Change	Major stocks in sector
Oil Equipment & Services	3.60%	PVS PVD PVC PVB...
Clothing & Accessories	2.80%	TCM STK FTM EVE...
Water	2.40%	BWE CLW NBW TWD...
Software & Computer Services	2.40%	FPT CMG SGT CMT...
Automobiles	2.10%	TCH SVC HHS HAX...
Top 5 worst performers	Change	Major stocks in sector
Investment Services	-0.80%	SSI VCI HCM VND...
Heavy Construction	-0.80%	CTD VCG CII HBC...
Forestry	-1.10%	TTF DLG GTA
Fishing	-1.10%	VHC ANV FMC HVG...
Insurance	-1.20%	BVH PVI BIC BMI...

### Top 5 largest net buying/selling stocks by foreign investors

Ticker	Exchangehold by foreigner	remaining room	Net buying value
BID	HSX	3.14%	916,992,350
NKG	HSX	40.63%	104,763,812
CTI	HSX	27.03%	12,987,265
MSN	HSX	42.63%	74,140,264
E1VFN30	HSX	100.00%	4,766,750
Ticker	Exchangehold by foreigner	remaining room	Net selling value
HCM	HSX	3.13%	53,198,129
VNM	HSX	54.22%	707,892,686
VJC	HSX	21.22%	47,560,160
HDB	HSX	26.10%	38,211,725
HPG	HSX	39.90%	193,289,508

### Sector Performance in the week

Top 5 best performers	Change	Major stocks in sector
Oil Equipment & Services	7.90%	PVS PVD PVC PVB...
Automobiles	4.80%	TCH SVC HHS HAX...
Software & Computer Services	4.50%	FPT CMG SGT CMT...
Gas Distribution	4.20%	GAS PGD PGS PGC...
Forestry	3.70%	TTF DLG GTA
Top 5 worst performers	Change	Major stocks in sector
Fertiliser	-1.30%	DPM DCM BFC LAS...
Brewers	-1.30%	SAB BHN THB HAD...
Heavy Construction	-1.30%	CTD VCG CII HBC...
Electronic & Electrical Equipments	-2.10%	GEX LGC CAV PAC...
Marine Transportation	-3.50%	PVT VTO VIP GSP...

### Sector Performance in the month

Top 5 best performers	Change	Major stocks in sector
Forestry	25.40%	TTF DLG GTA
Rubber	11.10%	PHR DPR TRC HRC...
Clothing & Accessories	9.10%	TCM STK FTM EVE...
Water	7.80%	BWE CLW NBW TWD...
Oil Equipment & Services	7.50%	PVS PVD PVC PVB...
Top 5 worst performers	Change	Major stocks in sector
Tile & Paving Materials	-4.10%	VCS VGC CVT VIT...
Investment Services	-4.30%	SSI VCI HCM VND...
Steel	-5.10%	HPG HSG NKG POM...
Fishing	-5.60%	VHC ANV FMC HVG...
Electronic & Electrical Equipments	-6.80%	GEX LGC CAV PAC...

### Rights exercise in the next 5 trading days

Ticker	Exchange code	Ex-date	Record Date	Exercise Date	Events	Exercise Rate
SGD	HNX	04/04/2019	05/04/2019	19/04/2019	Cash Dividends	VND200/share
DNR	UPCOM	04/04/2019	05/04/2019	10/05/2019	Cash Dividends	VND800/share
CMF	UPCOM	04/04/2019	05/04/2019	31/05/2019	Cash Dividends	VND3000/share
IDV	HNX	05/04/2019	08/04/2019	22/04/2019	Cash Dividends	VND1000/share
SEB	HNX	05/04/2019	08/04/2019	23/04/2019	Cash Dividends	VND1000/share
MBB	HSX	05/04/2019	08/04/2019	26/04/2019	Cash Dividends	VND600/share
QCC	UPCOM	05/04/2019	08/04/2019	02/05/2019	Cash Dividends	VND1000/share
HTC	HNX	08/04/2019	09/04/2019	22/04/2019	Cash Dividends	VND300/share
XHC	UPCOM	09/04/2019	10/04/2019	19/04/2019	Cash Dividends	VND500/share
TCS	HNX	09/04/2019	10/04/2019	24/04/2019	Cash Dividends	VND1000/share
CMS	HNX	09/04/2019	10/04/2019	24/04/2019	Cash Dividends	VND500/share
RAL	HsX	09/04/2019	10/04/2019	29/04/2019	Cash Dividends	VND2500/share
ANV	HNX	11/04/2019	12/04/2019	28/06/2019	Cash Dividends	VND1200/share

(Source: HSX, HNX, KBSV)



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## KB SECURITIES VIETNAM (KBSV)

### Head Office:

Level G, 2&7, Sky City Tower, 88 Lang Ha Street, Dong Da District, Hanoi, Vietnam.

Tel: (+84) 24 7303 5333 - Fax: (+84) 24 3776 5928

### Hanoi Branch

Level 1, VP Tower, 5 Dien Bien Phu Street, Ba Dinh District, Hanoi, Vietnam

Tel: (+84) 24 3776 5929 - Fax: (+84) 24 3822 3131

### Saigon Branch

Level 1, Saigon Trade Center, 37 Ton Duc Thang Street, Ben Nghe Ward, District 1, HCMC, Vietnam

Tel: (+84) 28 7306 3338 - Fax: (+84) 28 3910 1611

### Ho Chi Minh Branch

Level 2, TNR Tower Nguyen Cong Tru, 180-192 Nguyen Cong Tru Street, District 1, HCMC, Vietnam

Tel: (+84) 28 7303 5333 - Fax: (+84) 28 3914 1969

## CONTACT INFORMATION

**Institutional Client Center:** (+84) 28 7303 5333 - Ext: 2656

**Private Customer Care Center:** (+84) 24 7303 5333 - Ext: 2276

**Hotmail:** [ccc@kbsec.com.vn](mailto:ccc@kbsec.com.vn)

**Website:** [www.kbsec.com.vn](http://www.kbsec.com.vn)