

IB Securities JSC (VIX/HSX)

Nov. 18, 2015

Chart



Factor	Value	Signal
Price	7,400	
MACD(12,26)	-0.19	Descending
Stochastic(15.3)	33.3	Short-term uptrend, due to breaking above oversold level
RSI(15)	46.3	Neutral
ADX(14)	14.6	The uptrend is still not strong

Comments

VIX's price is reaching to the MA100 and the downtrend line extending from the end of July 2015, which is lying at the 8.000-8.200 range.

Besides, the 8,000-9,000 range is also the area where the 38.2% Fibonacci Retracement existed as well as the solid accumulation of resistance prices in the previous periods.

Notably, the trading volumes surged in the two recent sessions. However, it still needs a further observation about a possibility of maintaining this positive level in the upcoming sessions.

If positive trading volumes are maintained, accompanied with the breaking above of MA100 and the short-term downtrend line, VIX's price could test back up to the MA200 and the 61.8% Fibonacci Retracement at the 10,300-10,400 range.

Actions

Investors should keep observing and can buy for short-term if VIX's price breaks above resistances with positive volume. Quickly cut loss when falling below 6,800.

Fundamental view

VIX (Mkt cap: VND501bn) – Proprietary trading boosts revenue.

The top line of VIX jumped 52% YoY to VND90bn thanks to securities short-term trading. In the recent years, this segment has contributed more and more to the company results while brokerage business has faded out. Although loss from the trading activities and provision making for trading securities also increased markedly, making net profit drop -32% YoY to VND21bn, the profitable results in 9M2015 are very impressive if looking at the sideways movement of the broad market year to date.

As a result, TTM net profit reached VND69 and TTM ROE dropped to 13% from 23% of 2014, but still among the companies having the highest ROE ratios. At the market price of VND7.5k per share, VIX is trading at TTM PER of 7.2x and PBR of 0.7x, lower than most of its listed peers.

As of the end of the last September, VIX had nearly VND400bn investing listed and OTC stocks, jumping 50% YTD and accounting for 50% of total assets. According to audited 1H2015 financial statement, the portfolio of VIX has shifted away from pharmaceutical companies (IMP) to PVN-related ones (GAS, PET, PSD) and increased exposure to fertilizer sector (SFG, DDV).

Unit: VNDbn	9M2104	9M2015	%YoY	TTM
Net sales	59	90	52%	170
EBIT	36	22	-38%	84
<i>Margin (%)</i>	61%	25%		50%
Net profit	31	21	-32%	69
<i>Margin (%)</i>	53%	23%		41%
EPS (bonus-adjusted, VND)	749	315	-58%	1,037
PER (x)				7.2x
PBR (x)				0.7x
ROE (%)				13%

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