

Daily Market Update

Friday, July 21, 2017

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Cambodia Securities Exchange

CSX Index

Value	1D Chg %	1D Vol	Mkt cap (KHRbn)
331.4	0.18	3,918	753

Trading activity by major type of investors

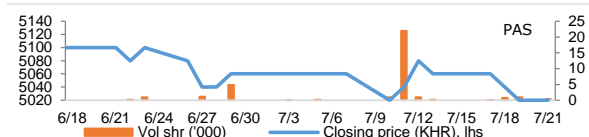
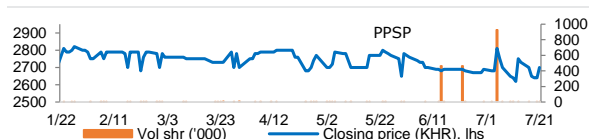
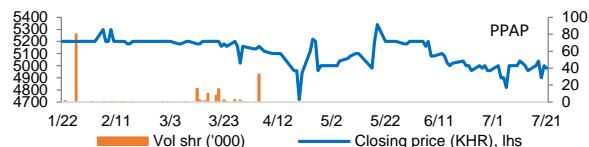
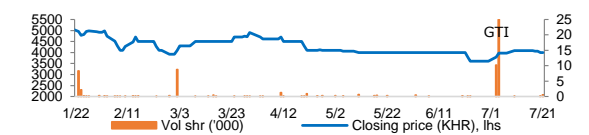
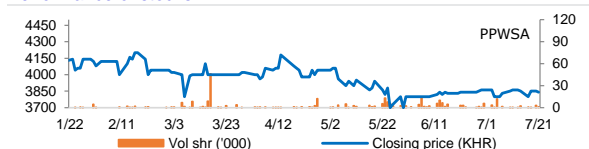
trading vol.	Sell (%)			Buy (%)		
	1D	MTD	3M	1D	MTD	3M
DI	100.0	92.3	81.8	37.0	90.3	83.5
DS	0.0	0.0	0.2	0.0	0.2	2.8
LC	0.0	0.0	0.0	0.0	0.0	0.0
FI	0.0	7.7	17.9	63.0	9.5	13.7

DI: domestic individual investors; DS: domestic securities firms; LC: local general corporation; FI: foreign investors

Stock indicators

Stock symbol	Closing (KHR)	1D chg (%)	MTD chg (%)	YTD chg (%)	1M high (KHR)	1M low (KHR)	MTD trading vol (shr)	Market cap (KHRbn)
PWSA	3,840	-0.26	-0.52	-6.34	3,860	3,800	24,039	334
GTI	4,000	0.00	10.80	-7.41	4,080	3,610	61,039	160
PPAP	4,980	-0.40	0.40	-4.23	5,400	4,720	14,755	103
PPSP	2,700	2.27	0.37	-5.59	2,920	2,560	940,341	156
PAS	5,020	0.00	-0.79	N/A	N/A	N/A	26,772	431

Performance of stocks



Key financials	PPWSA	GTI	PPAP	PPSP	PAS
	1Q17	1Q17	1Q17	2016	2016F
Revenue (KHRbn)	56.2	70.13	16.5	38.19	205.25
EBIT (KHRbn)	14.7	1.78	5.4	9.52	68.48
Net profit (KHRbn)	11.3	1.24	3.3	5.84	31.41
EBIT margin (%)	26.1	2.54	32.5	24.93	33.37
Net margin (%)	20.1	1.77	20.2	15.28	15.30
Revenue (% YoY)	14.2	3.41	5.4	-42.4	4.5
EBIT (% YoY)	15.5	-75.62	-4.6	-61.8	32.0
Net profit (% YoY)	49.3	-80.85	-8.3	-65.0	-17.0
EPS (KHR) (ttm)	624	398	797	101	755*
P/E (x) (ttm)	6.16	10.05	6.25	26.77	8.87**
P/B (x) (mrq)	0.41	0.60	0.20	1.06	0.93**

NOTE: ttm = trailing twelve months; mrq = most recent quarter; P/E & P/B based on the last closing; *Based on adjusted net income; **Book value at end of 2Q16

Source: YSC Research
Source: National Bank of Cambodia

News Highlight

Stock Market

PPWSA shares end week 0.26% lower Shares in Phnom Penh Water Supply Authority (PPWSA) ended the week at KHR3,840, or 0.26% lower than last Friday. This week saw only 4,646 shares change hands.

GTI shares post weekly loss of 1.96% Shares in Grand Twins International (GTI) closed unchanged at KHR4,000, posting a weekly loss of 1.96%. Only 721 shares were traded during the week.

PPAP shares up 0.40% from last Friday Shares in Phnom Penh Autonomous Port (PPAP) were up 0.40% from last Friday to KHR4,980. The volume trading this week came to 4,522 shares.

PAS shares finish KHR20 below IPO price Shares in Sihanoukville Autonomous Port (PAS) finished the week at KHR5,020, or KHR20 below the IPO price. Only 2,290 shares have been traded from Monday to Friday. (Source: YSC Research)

Economy and Industry

Government requires businesses to put price tags in riel The Ministry of Commerce (MOC) issued a prakas (decree) yesterday requiring all businesses to put price tags on their products and services in riel, in order to boost the use of the local currency. According to the prakas, the government will coordinate with multiple agencies to regularly inspect business operations to make sure that price tags are in place, and properly displayed in riel. While it says any business that does not implement the order will be held responsible by law, the decree failed to provide details on what if any fines could be levied on businesses that do not comply. Soeng Sophary, spokesperson for the MOC, said the regulation applies to all businesses registered with the government, but will exempt small vendors and sellers in local markets. Chea Serey, director general of National Bank of Cambodia, welcomed the decree, saying it is in line with central bank's effort to support the national currency. She added that the decree does not bar individuals from paying in dollars. Ngeth Chou, senior consultant at Emerging Markets Consulting (EMC), said that while the decree was a good idea, the implementation would be a challenge seeing that the government continually failed to even enforce the Traffic Law. (Source: Phnom Penh Post)

MEF provides accounting guidelines for minimum tax exemption Nearly a year after the government announced that it would consider scrapping the controversial and burdensome 1% minimum tax obligation that is paid on monthly revenue flows, the Ministry of Economy and Finance (MEF) has provided guidelines on how taxpayers who satisfy its accounting guidelines can obtain an exemption. According to a prakas signed on Jul 4 by the finance minister, only those taxpayers that follow stringent accounting principles will be allowed to apply for the exemption. Actions that bar a taxpayer from qualifying for the exemption include not issuing proper invoices, committing serious negligence, or engaging in tax evasion. In addition, taxpayers with annual turnovers exceeding \$500,000, assets of \$750,000, or over 100 employees are required to have an independent third-party audit their financials to qualify for the exemption. The monthly 1% minimum tax, which is distinct from the annual tax on profit, is a liability that is typically viewed as a burden on retailers and garment manufacturers that generate high amounts of revenue but operate with low margins. (Source: Phnom Penh Post)

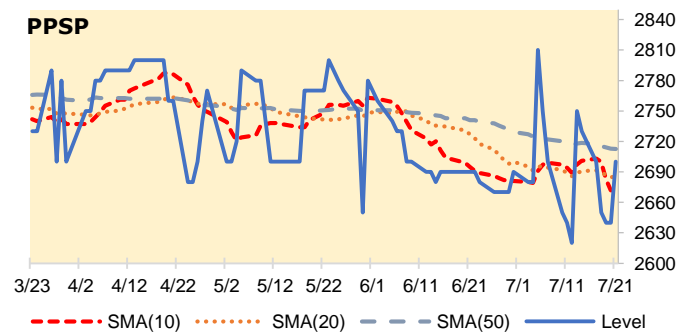
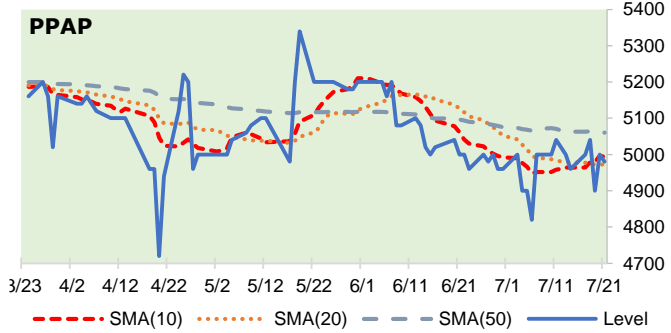
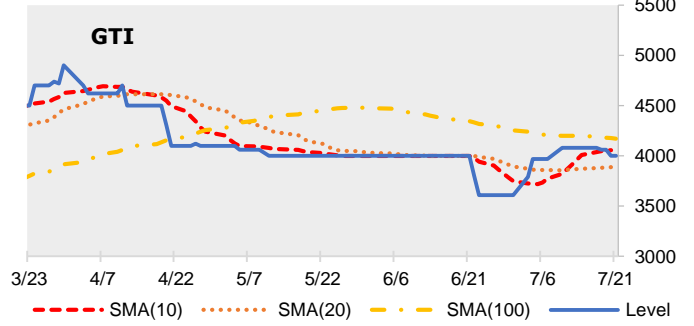
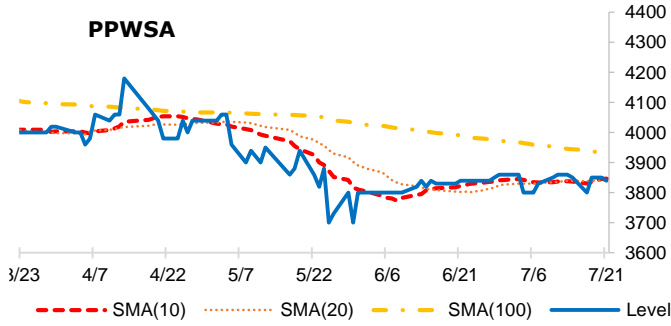
ADB expects robust growth for Cambodia Cambodian economic growth is expected to accelerate further along with its ASEAN neighbors. It is projected to be slightly higher at 7.1% this year and the next, according to the Asian Development Bank's latest report. In its "Asian Development Outlook 2017", the ADB expect Cambodia's exports to expand by 11% this year, outpacing import growth at 9%, with tourism revenues remaining strong this year and next. The current account deficit is likely to narrow to the equivalent of 9.4% of GDP this year and 9% next, the report added. The ADB cautioned that since Cambodia is a highly dollarized economy, it must be careful to align minimum wage adjustments with productivity increases to keep wage costs in check and stay competitive as a manufacturer for export markets. (Source: Khmer Times)

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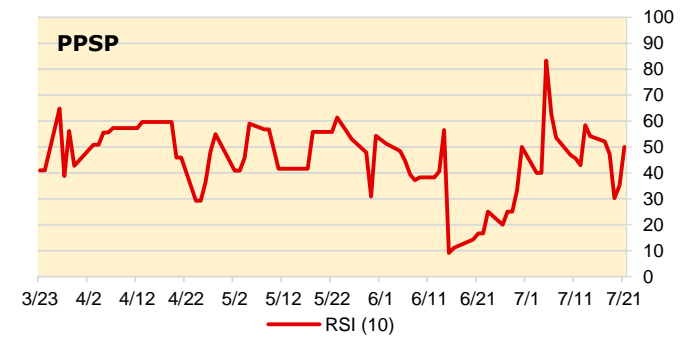
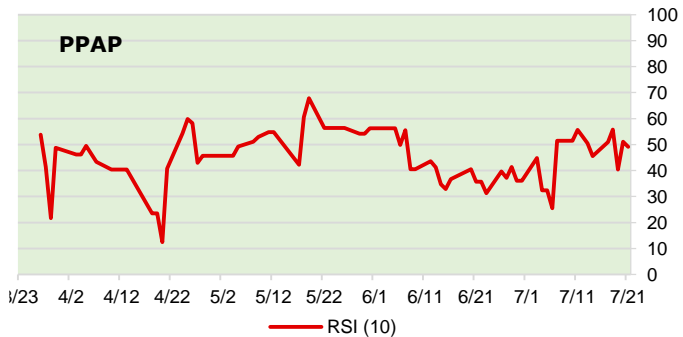
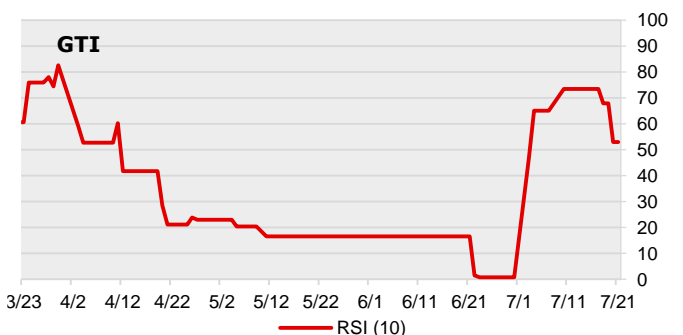
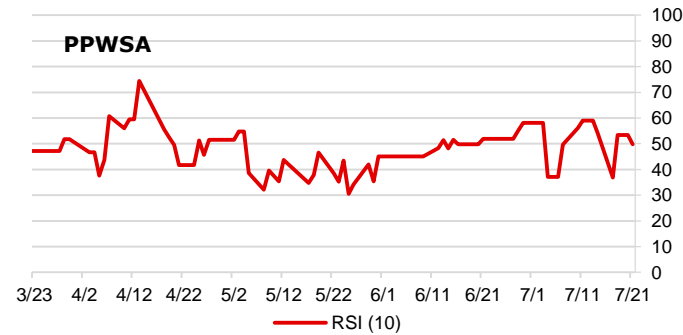
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Technical Indicators

Moving Average



Relative Strength Index



NOTE: SMA(n) = n-day simple moving average, RSI (10) = 10-day relative strength index
Source: YSC Research

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