

ARGENTINA EQUITY MARKET

Weekly Market Strategy Report

September 11, 2019

Trade Ideas

	Price	Rating
ALUA	20,30	Market Outperformer
SAMI	79,90	Market Outperformer
TXAR	13,90	Market Outperformer

HIGHLIGHTS

- The **Merval** Index hiked 3,74% during the last 7 days, in line with international markets.
- Companies in the **Electric** sector were the best weekly performers.
- **Oil & Gas** was the worst performing sector.

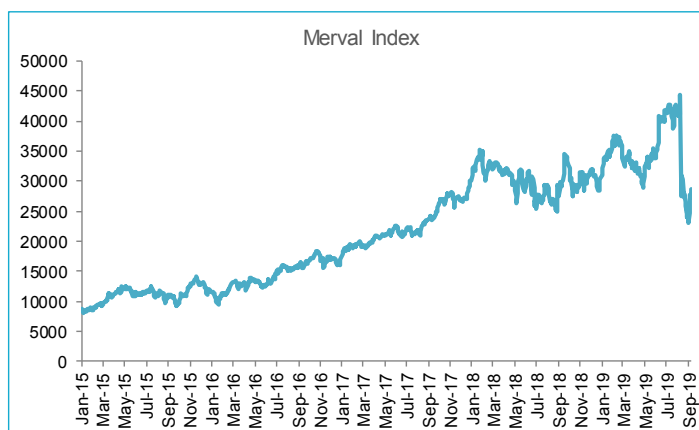
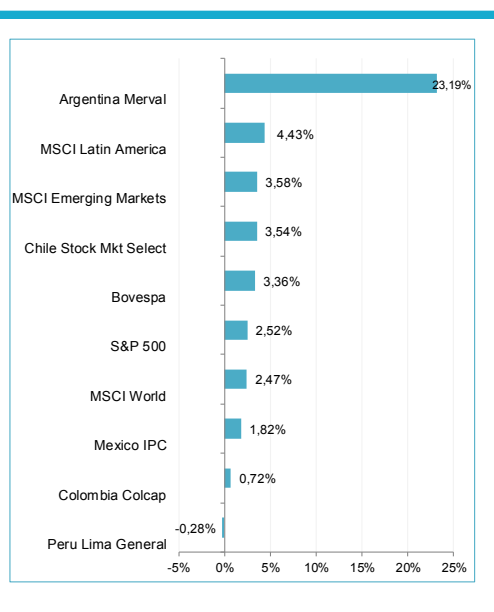
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Strategy

Following Lecaps and Letes maturities extensions, and FX controls, domestic securities slumped reflecting significantly weaker economic conditions. We suggest reducing exposure to Argentine banks, however they trade at book value, an indication of the severe sell off, and utility companies, due to higher regulatory risk and possible tariff freezing. Companies with a high percentage of dollar denominated revenues, lower operating exposure to domestic market and low debt levels would act as a hedge in the current scenario.

Uncertainty about debt repayment and possible restructuring triggered significant cash outflows, reducing exposure to Argentine securities. We suggest reducing or eliminating exposure to companies operating in sectors that may suffer tariff freezes, while banks would suffer most due to the short term debt restructuring and FX controls. We favor defensive stocks such as Aluar, Ternium and San Miguel, also migrating to CEDEARS with limited exposure to Argentina, such as MercadoLibre and Globant. Corporación América Airports (CAAP) also stands out due to its reduced exposure to local macroeconomic risk, and high percentage of dollar denominated revenue.

Indexes Weekly Variation



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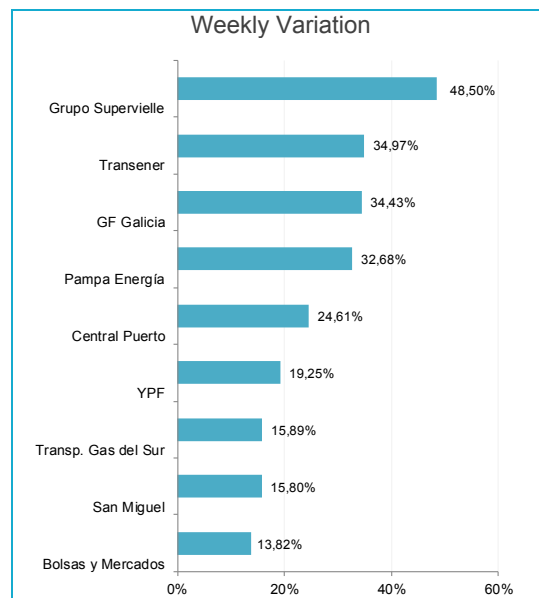
September 11, 2019

Argentina

Selected Stocks

Company	Price (ARS)	Chg 5d %	Chg 1 yr %	Rating
YPF	599,75	14,5	7,7	Hold
GF Galicia	79,65	18,5	-6,0	Hold
Grupo Supervielle	41,95	23,8	-25,3	Hold
Pampa Energía	40,4	32,0	-7,1	Hold
Transener	20,65	38,4	-55,9	Hold
Transp. Gas del Sur	106,85	10,6	4,3	Hold
San Miguel	79,9	5,9	-20,6	Hold
Central Puerto	20	20,6	-43,0	Hold

Source: Bloomberg



The Merval Index hiked 3,74% during the last 7 days. Last week, companies in the Electric sector, along with Holding sector outstanced. On the other hand, Oil & Gas sector, followed by Materials companies, recorded the worst performance.

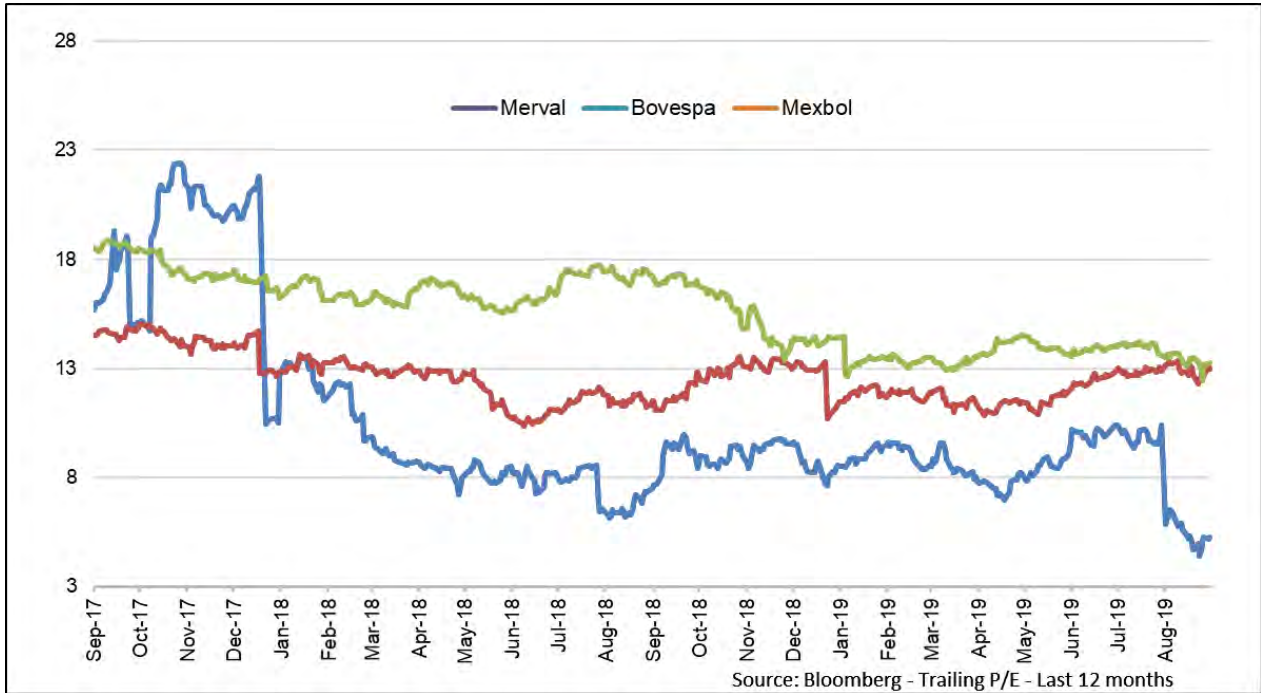
During the week, shares with the best performance were Grupo Supervielle (SUPV, +28,57%), TGN (TGNO4, +26,40%) and Ternium Argentina (TXAR, +15,08%). The lowest returns were for Aluar (ALUA, -9,31%), YPF (YPFD, -3,10%) and Banco Macro (BMA, -1,09%).

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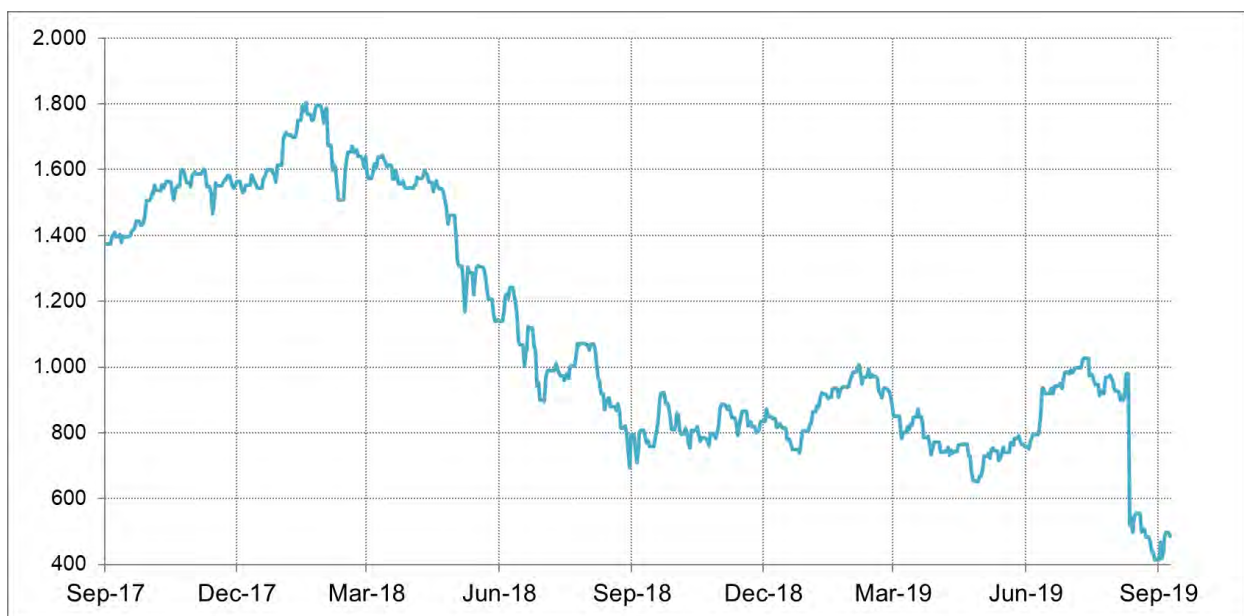
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Latam – P/E Ratios



Dollar-denominated Merval Index

The dollar-denominated Merval Index was up 3,62% over the week, closing this time at 485,206 points, primarily driven by the index return in pesos.



Acciones Argentinas / Argentine Stocks

Compañía / Company			10-sep-19	% Semana / Week	% Mes / Month	% 1 Año / year	% YTD
Agrometal	AGRO AR Equity	Agropecuario	7,75	17,42%	-29,22%	-25,66%	-13,89%
Aluar	ALUA AR Equity	Materiales Básicos	20,30	-2,87%	15,67%	9,18%	22,03%
Autopistas del Sol	AUSO AR Equity	Consumo no Ciclico	73,00	20,07%	-20,32%	8,73%	-26,02%
Autopistas Oeste	OEST AR Equity	Consumo no Ciclico	27,00	37,06%	-15,73%	15,03%	0,18%
Banco Hipotecario	BHIP AR Equity	Financiero	11,20	2,28%	-40,90%	7,14%	-3,35%
Banco Patagonia	PATA AR Equity	Financiero	17,00	-2,86%	-30,89%	-38,18%	-29,75%
Banco Río	BRIO AR Equity	Financiero	12,50	25,00%	-42,92%	-37,94%	-26,41%
BBVA Banco Francés	BBAR AR Equity	Financiero	97,90	21,54%	-46,63%	-8,62%	-28,26%
BMA Banco Macro Bansud	BMA AR Equity	Financiero	166,45	23,11%	-52,56%	10,40%	6,36%
Boldt	BOLT AR Equity	Juego	2,71	17,83%	-36,68%	-28,08%	-8,29%
Bolsas y Mercados Argentinos	BYMA AR Equity	Financiero	220,25	13,82%	-38,05%	-33,25%	-40,81%
Cablevisión Holding	CVH AR Equity	Comunicaciones	159,00	13,17%	-34,23%	-46,97%	-33,32%
Carlos Casado	CADO AR Equity	Consumo no Ciclico	11,80	2,61%	-1,67%	21,54%	-6,36%
CAPEX	CAPX AR Equity	Utilities	52,00	20,93%	-22,39%	-11,86%	-15,99%
Celulosa	CELU AR Equity	Materiales Básicos	19,20	6,67%	-34,36%	42,22%	5,49%
Central Puerto	CEPU AR Equity	Utilities	20,00	24,61%	-50,56%	-45,13%	-39,94%
Come. del Plata	COME AR Equity	Conglomerado	1,32	13,79%	-27,47%	-44,34%	-30,51%
Cresud	CRES AR Equity	Consumo no Ciclico	42,70	18,28%	-4,58%	-15,82%	-4,90%
Dycasa	DYCA AR Equity	Construcción	35,20	0,57%	-10,89%	43,67%	-7,37%
Edenor	EDN AR Equity	Energia	20,95	27,36%	-50,47%	-51,62%	-58,88%
Endesa Costanera	CECO2 AR Equity	Utilities	8,90	18,67%	-19,82%	49,21%	44,86%
Ferrum	FERR AR Equity	Construcción	2,89	11,15%	-12,16%	-24,90%	12,09%
Fiplasto	FIPL AR Equity	Construcción	3,60	-2,70%	9,09%	-28,77%	6,12%
Garovaglio	GARO AR Equity	Conglomerado	4,00	1,27%	-14,89%	-27,93%	-15,43%
GasBan	GBAN AR Equity	Energia	27,00	-1,82%	-20,59%	-38,36%	-29,87%
Grimoldi	GRIM AR Equity	Consumo no Ciclico	19,50	2,63%	-2,01%	-32,54%	5,12%
Grupo Clarin	GCLA AR Equity	Media	31,40	40,49%	-21,30%	-42,39%	-36,57%
Grupo Financiero Valores	VALO AR Equity	Financiero	5,86	16,04%	-23,40%	14,38%	23,07%
Grupo Galicia	GGAL AR Equity	Financiero	79,65	34,43%	-54,37%	-6,15%	-21,87%
Grupo Supervielle	SUPV AR Equity	Financiero	41,95	48,50%	-39,68%	-25,17%	-32,79%
Irsa	IRSA AR Equity	Real Estate	41,50	29,08%	-8,08%	-18,71%	-13,63%
Havanna	HAVA AR Equity	Consumo Cíclico	82,00	13,89%	0,37%	50,88%	64,85%
Holcim	HARG AR Equity	Industrial	65,00	28,71%	-34,34%	42,23%	11,11%
Ledesma	LEDE AR Equity	Consumo no Ciclico	10,30	4,04%	-18,58%	-29,45%	-15,57%
Loma Negra	LOMA AR Equity	Industrial	69,60	20,62%	-40,26%	20,31%	-13,54%
Longvie	LONG AR Equity	Construcción	2,31	3,13%	-1,70%	-30,00%	5,48%
Metrogas	METR AR Equity	Utilities	16,45	46,88%	-17,13%	-47,78%	-37,92%
Mirgor	MIRG AR Equity	Consumo Cíclico	336,50	14,07%	-0,23%	-3,56%	-5,14%
Molinos	MOLI AR Equity	Consumo no Ciclico	48,00	21,52%	6,79%	11,63%	29,73%
Pampa Holding	PAMP AR Equity	Conglomerado	40,40	32,68%	-36,38%	-11,69%	-13,58%
Patagonia (Imp. Exp)	PATA AR Equity	Consumo no Ciclico	17,00	-2,86%	-30,89%	-38,18%	-29,75%
Petrobras Brasil	APBR AR Equity	Energia	484,25	19,11%	47,34%	140,27%	95,97%
Polledo	POLL AR Equity	Industrial	6,80	4,62%	-12,82%	-21,02%	-28,42%
Quickfood	PATY AR Equity	Consumo no Ciclico	3,75	25,00%	-16,67%	-4,63%	-15,54%
Richmond	RICH AR Equity	Farmacéutico	55,00	15,30%	12,24%	69,23%	51,52%
Rigolleau	RIGO AR Equity	Consumo no Ciclico	25,00	0,00%	-19,35%	-38,77%	-45,09%
San Miguel	SAMI AR Equity	Agricultura	79,90	15,80%	-4,88%	-22,73%	-15,93%
Siderar	TXAR AR Equity	Materiales Básicos	13,90	25,23%	-3,47%	5,86%	10,28%
Solvay Indupa	INDU AR Equity	Materiales Básicos	18,00	13,21%	23,71%	-6,49%	10,43%
Telecom	TECO2 AR Equity	Comunicaciones	131,55	20,97%	-5,70%	9,13%	16,15%
Tenaris	TS AR Equity	Materiales Básicos	760,30	18,57%	46,42%	35,46%	88,94%
TGN	TGNO4 AR Equity	Energia	35,40	34,09%	-54,15%	-26,12%	-30,76%
TGS	TGSU2 AR Equity	Energia	106,85	15,89%	-25,36%	8,46%	6,95%
Transener	TRAN AR Equity	Utilities	20,65	34,97%	-56,62%	-44,36%	-45,46%
YPF	YPFD AR Equity	Energia	599,75	19,25%	-21,09%	8,89%	20,35%
Ind. Merval	MERVAL Index		28.432,16	23,19%	-35,90%	-3,47%	-6,14%
Ind. General	IBG Index		1.222.733,00	22,92%	-35,97%	-6,56%	-6,51%

Tablero de Control - Índice S&P Merval / S&P Merval Index - Control Panel

Compañía / Company	Especie / Ticker	Precio de Cierre al / Closing Price at 10/09/2019	Industria / Industry	% Sem.	% MTD	% YTD	% 1 Año	Vol. Promedio Últimos 30 días (en pesos) / Average Volume 30d	Ponderación estimada / Estimated Weight	Market Cap (millones de pesos)	Ingresos* /Revenues* (12 meses)	% var. ingresos a/a / % var. Revenues YoY	EBITDA* (12 meses)	Margen de EBITDA /EBITDA Margin	Resultado Neto* (12 meses) /Net Income* (12 months)	Margen Neto / Net Margin	% var. Ganancia a/a / % var. Net Income YoY	PE Ratio (12 meses)	EV/EBITDA (12 meses)	P/BV
Índice S&P Merval		24.744		+23,2%	+15,3%	-10,7%	-8,1%											9,1X	4,7X	
GF Galicia	GGAL	\$79,65	Bancos	+34,4%	+15,2%	-21,9%	-6,2%	\$218.230.000	13,44%	\$113.642	\$ 114.574	124%	-	-	\$ 20.459	18%	111%	5,6x	-	1,8x
Banco Macro	BMA	\$166,45	Bancos	+23,1%	+13,2%	+6,4%	+10,4%	\$64.800.000	10,85%	\$111.465	\$ 85.170	141%	-	-	\$ 19.511	23%	76%	5,7x	-	1,7x
Banco Francés	BBAR	\$97,90	Bancos	+21,5%	+12,7%	-28,3%	-8,6%	\$25.310.000	4,01%	\$59.979	\$ 34.545	41%	-	-	\$ 9.706	28%	232%	6,2x	-	1,4x
Grupo Supervielle	SUPV	\$41,95	Bancos	+48,5%	+39,1%	-32,8%	-25,2%	\$48.280.000	2,13%	\$19.160	\$ 19.373	27%	-	-	\$ 3.706	19%	33%	5,2x	-	1,1x
GF Valores	VALO	\$5,86	Bancos	+16,0%	+14,7%	+23,1%	+14,4%	\$10.700.000	1,27%	\$5.031	-	-	-	-	-	-	-	-	-	2,3x
Soc. Com. del Plata	COME	\$1,32	Conglom.	+13,8%	+16,8%	-30,5%	-44,3%	\$7.210.000	0,05%	\$3.389	\$ 1.669	-26%	-\$ 433	-26%	\$ 482	29%	3650%	5,4x	-	0,4x
Mirgor	MIRG	\$336,50	Consumo	+14,1%	+20,6%	-5,1%	-3,6%	\$7.460.000	3,82%	\$6.057	\$ 32.522	58%	\$ 3.254	10%	-\$ 23	0%	-103%	-	1,7x	1,4x
Pampa Energía	PAMP	\$40,40	Electricidad	+32,7%	+23,9%	-13,6%	-11,7%	\$49.170.000	12,62%	\$75.727	\$ 120.587	71%	\$ 30.926	26%	\$ 16.910	14%	381%	4,6x	4,3x	1,2x
Central Puerto	CEPU	\$20,00	Electricidad	+24,6%	+17,6%	-39,9%	-45,1%	\$14.550.000	7,51%	\$30.280	\$ 18.697	124%	\$ 30.151	161%	\$ 10.984	59%	116%	2,7x	1,2x	0,8x
Edenor	EDN	\$20,95	Electricidad	+27,4%	+23,2%	-58,9%	-51,6%	\$7.760.000	0,43%	\$18.333	\$ 55.954	130%	\$ 6.518	12%	\$ 5.225	9%	964%	3,6x	3,4x	0,6x
Transener	TRAN	\$20,65	Electricidad	+35,0%	+20,4%	-45,5%	-44,4%	\$17.430.000	0,15%	\$9.183	\$ 10.668	60%	\$ 6.079	57%	\$ 3.028	28%	31%	3,0x	1,4x	0,7x
YPF	YPFD	\$599,75	O&G	+19,2%	+8,3%	+20,4%	+8,9%	\$148.730.000	20,37%	\$235.889	\$ 490.904	81%	\$ 138.400	28%	\$ 20.518	4%	42%	11,5x	3,7x	0,6x
TGS	TGSU2	\$106,85	O&G	+15,9%	+13,1%	+7,0%	+8,5%	\$19.030.000	2,72%	\$84.892	\$ 38.295	162%	\$ 11.511	30%	\$ 11.915	31%	337%	7,1x	7,7x	2,3x
TGN	TGNO4	\$35,40	O&G	+34,1%	+45,7%	-30,8%	-26,1%	\$9.730.000	0,34%	\$15.554	\$ 13.337	170%	\$ 7.686	58%	\$ 4.123	31%	457%	3,8x	2,4x	0,5x
Bolsas y Mercados	BYMA	\$220,25	Financiera	+13,8%	+9,9%	-40,8%	-33,3%	\$51.510.000	2,97%	\$16.794	-	-	-	-	-	-	-	-	-	1,6x
Cresud	CRES	\$42,70	Inmobiliaria	+18,3%	+19,4%	-4,9%	-15,8%	\$7.570.000	3,34%	\$21.420	\$ 61.109	-23%	\$ 36.051	59%	-\$ 10.226	-17%	-450%	-	4,9x	0,8x
Aluar	ALUA	\$20,30	Materiales	-2,9%	-3,3%	+22,0%	+9,2%	\$17.430.000	2,78%	\$56.840	\$ 34.292	92%	\$ 11.218	33%	\$ 5.261	15%	55%	10,8x	5,5x	2,5x
Siderar	TXAR	\$13,90	Materiales	+25,2%	+26,4%	+10,3%	+5,9%	\$28.990.000	2,06%	\$62.788	\$ 78.980	19%	\$ 12.614	16%	\$ 11.816	15%	25%	5,3x	5,6x	0,6x
Telecom	TECO2	\$131,55	Comun.	+21,0%	+18,8%	+16,1%	+9,1%	\$10.380.000	6,11%	\$283.318	\$ 181.676	124%	\$ 57.087	31%	\$ 4.302	2%	-52%	65,9x	6,2x	1,1x
Cablevisión Hold.	CVH	\$159,00	Comun.	+13,2%	+8,0%	-33,3%	-47,0%	\$3.720.000	3,04%	\$28.722	\$ 181.676	-	\$ 41.190	23%	-\$ 14.129	-8%	-	-	2,5x	0,8x

Otras empresas / Other Companies

Tenaris	TS	\$760,30	O&G	+18,6%	+10,6%	+88,9%	+35,5%	\$89.750.000		\$897.562	\$ 253.943	138%	\$ 37.315	15%	\$ 12.327	5%	16%	72,8x	24,0x	74,8x
San Miguel	SAMI	\$79,90	Agro	+15,8%	+24,8%	-15,9%	-22,7%	\$3.910.000		\$5.685	\$ 10.454	162%	\$ 2.272	22%	-\$ 1.186	-11%	-323%	-	5,1x	0,5x
Banco Hipotecario	BHIP	\$11,20	Bancos	+2,3%	+2,8%	-3,3%	+7,1%	\$7.330.000		\$16.800	\$ 16.140	64%	\$ 0	0%	\$ 1.515	9%	-19%	11,1x	-	1,6x
Central Costanera	CECO2	\$8,90	Electricidad	+18,7%	+18,8%	+44,9%	+49,2%	\$1.680.000		\$6.248	\$ 8.791	109%	\$ 2.013	23%	\$ 629	7%	586%	9,9x	3,0x	6,2x

*Fuente: CMA en base a Bloomberg y últimas publicaciones trimestrales de resultados. En millones de pesos.

**No se consideran los ingresos de la industria bancaria en el cálculo

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