

ARGENTINA EQUITY MARKET

Weekly Market Strategy Report

July 23, 2019

Strategy

The electoral scenario is somewhat clear as the electorate would be divided into two: center left and center right, which would be almost binary, continuing to generate uncertainty until the primaries take place. Although investors are now assigning a greater probability of a more favorable scenario to the Government, as volatility remains high, we do not recommend increasing exposure to domestic stocks.

Companies with low debt in dollars and hard currency denominated revenues would be the most benefited. In addition, companies with high dividend yields would also experience lower volatility. At current prices, certain stocks remain with very attractive valuations, such as **Ternium (TXAR)** and natural gas distribution companies, especially **Distribuidora de Gas Cuyana (DGPU2)**.

Trade Ideas

	Price	Rating
TRAN	43,00	Market Outperformer
CEPU	38,00	Market Outperformer

HIGHLIGHTS

The Merval index fell 6.1% during the last 7 days, in line with the developed markets' trend.

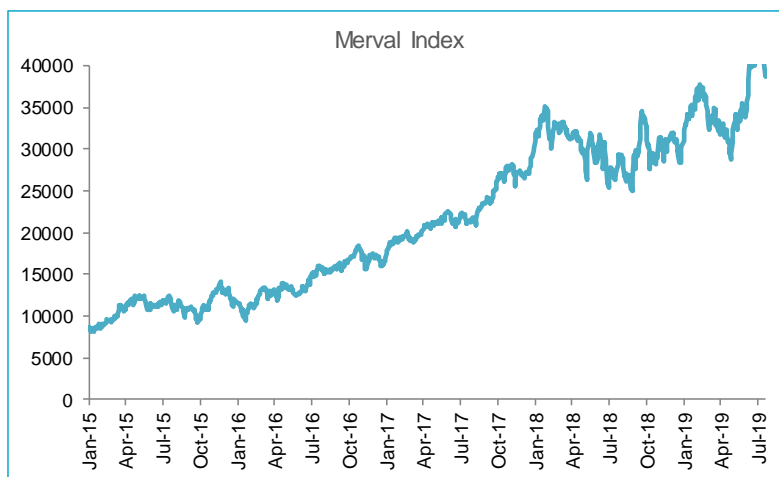
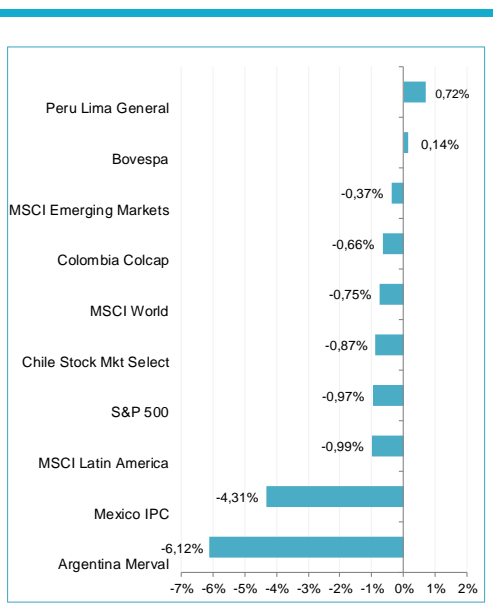
Agribusiness companies were the best weekly performer.

Financial companies were the worst performers.

Merval Argentina Index Control Board.

[See more details page 2.](#)

Indexes Weekly Variation



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Weekly Market Strategy Report

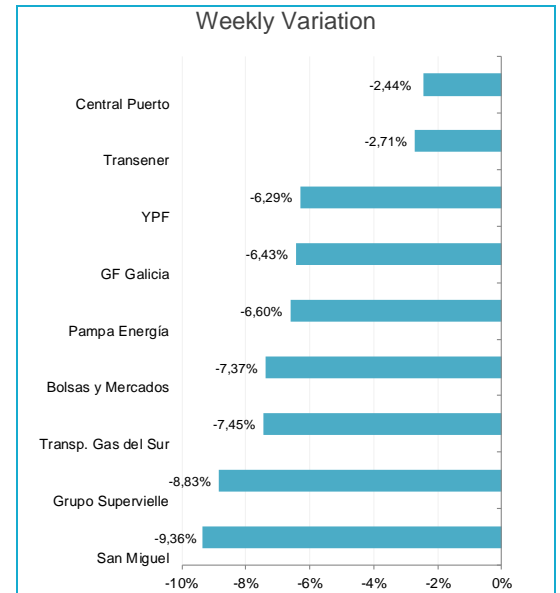
July 23, 2019

Argentina

Selected Stocks

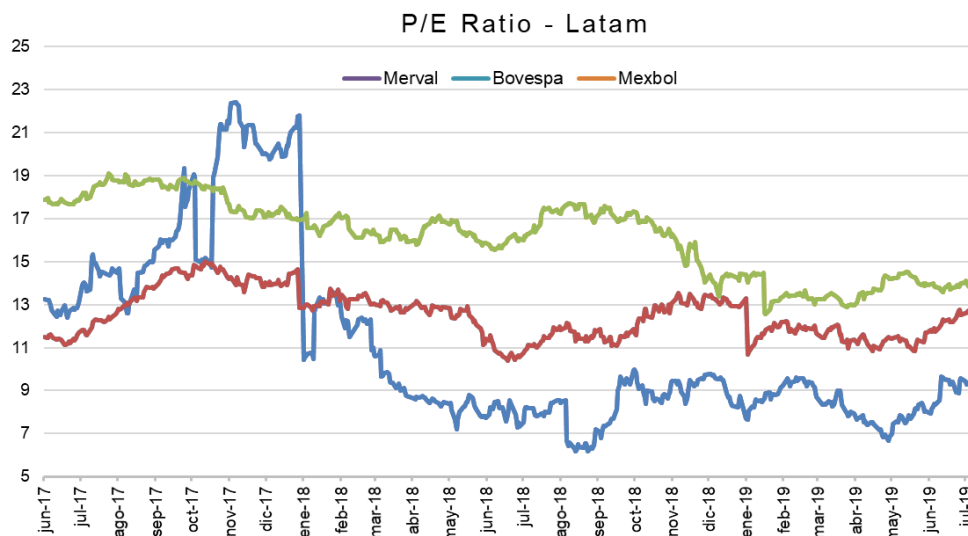
Company	Price (ARS)	Chg 5d %	Chg 1 yr %	Rating
Bolsas y Mercados	314	-3,0	-11,5	Hold
YPF	717,8	-7,0	58,3	Hold
GF Galicia	142	-7,9	46,1	Hold
Grupo Supervielle	60,9	-11,7	-4,9	Hold
Pampa Energía	53,1	-7,7	30,0	Hold
Transener	43	-2,6	-9,0	Hold
Transp. Gas del Sur	122,45	-7,9	53,7	Hold
San Miguel	78,4	-10,3	-29,9	Hold
Central Puerto	38	-2,4	23,7	Hold

Source: Bloomberg



The Merval index fell 6.1% in the last 7 days, in line with the developed markets' trend. Last week Agribusiness companies, as well as Industrial companies, outperformed. On the other hand, Financial companies, followed by banks, had the worst performance.

During the week, shares with the best performance were Cresud (CRES, -1.54%), Transportadora Gas del Norte (TRAN, -1.71%) and Central Puerto (CEPU, -2.44%). The lowest returns were for Grupo Valores (VALO, -10.29%), Cablevisión Holding (CVH, -9.65%), and Grupo Supervielle (SUPV, -8.83%).



Source: Bloomberg - Trailing P/E - Last 12 months

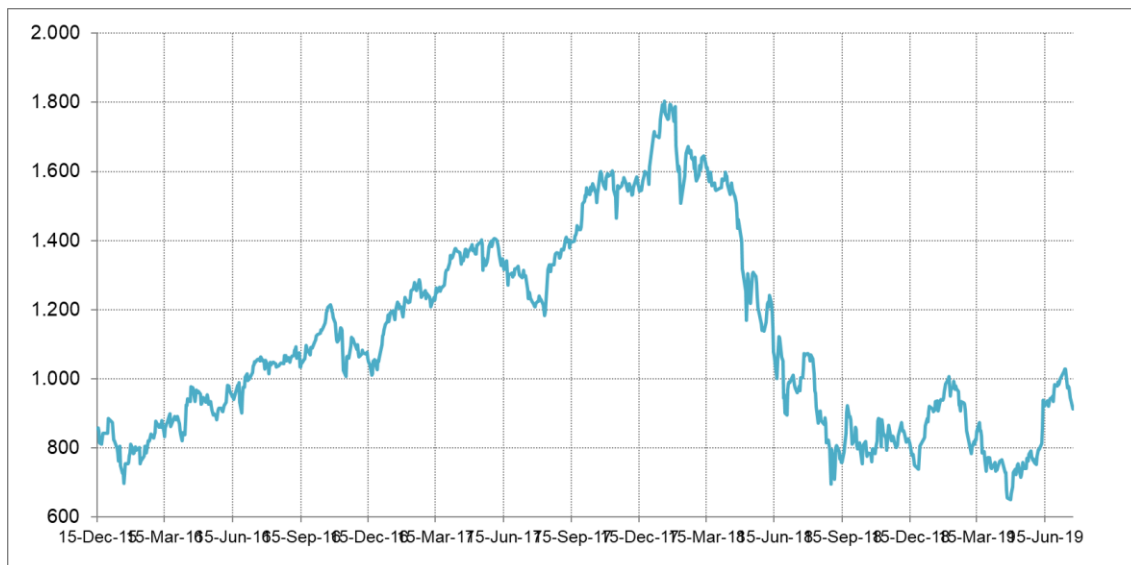
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Merval Index in Dollars

The dollar-denominated Merval index fell 2.47% over the week, closing this time at 973 points, mainly driven by the fall in the pesos denominated index.



Acciones Argentinas / Argentine Stocks

Compañía / Company			22-jul-19	% Semana / Week	% Mes / Month	% 1 Año / year	% YTD
Agrometal	AGRO AR Equity	Agropecuario	10,95	-8,37%	-1,79%	3,18%	21,67%
Aluar	ALUA AR Equity	Materiales Básicos	17,70	-6,35%	14,34%	-3,39%	6,40%
Autopistas del Sol	AUSO AR Equity	Consumo no Ciclico	99,00	-7,48%	-7,69%	21,40%	-10,76%
Autopistas Oeste	OEST AR Equity	Consumo no Ciclico	36,60	-4,56%	-7,11%	51,28%	17,60%
Banco Hipotecario	BHIP AR Equity	Financiero	17,95	-1,91%	6,21%	37,37%	54,91%
Banco Patagonia	PATA AR Equity	Financiero	24,10	0,42%	4,78%	-9,06%	-0,41%
Banco Río	BRIO AR Equity	Financiero	21,45	-7,34%	19,83%	11,05%	26,28%
BBVA Banco Francés	BBAR AR Equity	Financiero	153,25	-8,10%	-1,86%	27,27%	12,30%
BMA Banco Macro Bansud	BMA AR Equity	Financiero	270,45	-7,38%	-5,42%	50,59%	72,81%
Boldt	BOLT AR Equity	Juego	4,33	4,09%	11,31%	15,58%	46,54%
Bolsas y Mercados Argentinos	BYMA AR Equity	Financiero	314,00	-7,37%	-14,91%	-12,97%	-15,62%
Cablevisión Holding	CVH AR Equity	Comunicaciones	234,00	-9,65%	-8,59%	-25,17%	-1,87%
Carlos Casado	CADO AR Equity	Consumo no Ciclico	12,10	-1,63%	-1,29%	37,86%	-3,98%
CAPEX	CAPX AR Equity	Utilities	62,50	-6,02%	4,17%	11,21%	0,97%
Celulosa	CELU AR Equity	Materiales Básicos	28,95	-0,17%	5,27%	232,76%	59,07%
Central Puerto	CEPU AR Equity	Utilities	38,00	-2,44%	3,26%	25,41%	14,11%
Come. del Plata	COME AR Equity	Conglomerado	2,86	-7,14%	-8,33%	-21,53%	-11,43%
Cresud	CRES AR Equity	Consumo no Ciclico	44,90	-1,54%	-3,02%	3,60%	0,00%
Dycasa	DYCA AR Equity	Construcción	40,00	-1,72%	-2,44%	45,45%	5,26%
Edenor	EDN AR Equity	Energia	40,00	-4,76%	-1,72%	-6,76%	-21,49%
Endesa Costanera	CECO2 AR Equity	Utilities	9,62	-2,83%	-5,69%	50,03%	56,58%
Ferrum	FERR AR Equity	Construcción	3,35	-1,47%	3,08%	-5,58%	29,93%
Fiplasto	FIPL AR Equity	Construcción	3,51	-1,96%	3,24%	-30,29%	3,47%
Garovaglio	GARO AR Equity	Conglomerado	4,35	-1,14%	-4,40%	-37,86%	-8,03%
GasBan	GBAN AR Equity	Energia	35,90	2,57%	-4,01%	-25,21%	-6,75%
Grimoldi	GRIM AR Equity	Consumo no Ciclico	21,80	-7,23%	3,81%	-31,52%	17,52%
Grupo Clarin	GCLA AR Equity	Media	42,50	-1,05%	6,25%	-13,97%	-14,14%
Grupo Financiero Valores	VALO AR Equity	Financiero	7,24	-10,29%	-0,96%	50,34%	52,05%
Grupo Galicia	GGAL AR Equity	Financiero	142,00	-6,43%	-3,07%	45,71%	39,29%
Grupo Supervielle	SUPV AR Equity	Financiero	60,90	-8,83%	-2,25%	-3,27%	-2,43%
Irsa	IRSA AR Equity	Real Estate	42,40	-1,40%	2,66%	-3,23%	-11,76%
Havanna	HAVA AR Equity	Consumo Cíclico	77,20	-6,99%	-3,98%	71,04%	55,20%
Holcim	HARG AR Equity	Industrial	86,70	-7,27%	-11,98%	68,35%	48,21%
Ledesma	LEDE AR Equity	Consumo no Ciclico	12,55	-1,18%	2,87%	12,05%	2,87%
Loma Negra	LOMA AR Equity	Industrial	101,00	0,30%	3,22%	68,05%	25,47%
Longvie	LONG AR Equity	Construcción	2,50	-2,72%	4,17%	-13,19%	14,16%
Metrogas	METR AR Equity	Utilities	19,15	-13,54%	-7,71%	-39,59%	-27,74%
Mirgor	MIRG AR Equity	Consumo Ciclico	337,00	-2,74%	-1,27%	-6,18%	-5,06%
Molinos	MOLI AR Equity	Consumo no Ciclico	41,70	-6,71%	-5,23%	-2,00%	12,70%
Pampa Holding	PAMP AR Equity	Conglomerado	53,10	-6,60%	-6,18%	24,79%	13,58%
Patagonia (Imp. Exp)	PATA AR Equity	Consumo no Ciclico	24,10	0,42%	4,78%	-9,06%	-0,41%
Petrobras Brasil	APBR AR Equity	Energia	338,55	-2,99%	-5,04%	119,09%	36,08%
Polledo	POLL AR Equity	Industrial	7,30	-2,67%	4,29%	-39,17%	-23,16%
Quickfood	PATY AR Equity	Consumo no Ciclico	4,34	-3,56%	4,08%	1,27%	-2,25%
Richmond	RICH AR Equity	Farmacéutico	42,50	-3,41%	-3,41%	52,88%	17,08%
Rigolleau	RIGO AR Equity	Consumo no Ciclico	38,00	-2,56%	8,57%	12,61%	-16,53%
San Miguel	SAMI AR Equity	Agricultura	78,40	-9,36%	1,16%	-27,72%	-17,51%
Siderar	TXAR AR Equity	Materiales Básicos	13,40	-6,29%	6,35%	-0,12%	6,31%
Solvay Indupa	INDU AR Equity	Materiales Básicos	15,60	-7,96%	-3,11%	6,85%	-4,29%
Telefónica	TEF AR Equity	Comunicaciones	340,00	0,00%	-7,09%	46,47%	9,56%
Telecom	TECO2 AR Equity	Comunicaciones	145,00	-3,01%	-5,29%	34,42%	24,76%
Tenaris	TS AR Equity	Materiales Básicos	539,50	-5,05%	-2,88%	8,04%	34,07%
TGN	TGNO4 AR Equity	Energia	68,80	-1,71%	-3,10%	44,41%	34,58%
TGS	TGSU2 AR Equity	Energia	122,45	-7,45%	-2,66%	75,38%	22,57%
Transener	TRAN AR Equity	Utilities	43,00	-2,71%	3,24%	20,96%	13,57%
YPF	YPFD AR Equity	Energia	717,80	-6,29%	-7,42%	61,91%	44,04%
Ind. Merval	MERVAL Index		38.729,98	-6,12%	-3,88%	40,20%	27,85%
Ind. General	IBG Index		1.675.861,00	-5,69%	-3,18%	37,86%	28,14%

Tablero de Control - Indice S&P Merval / S&P Merval Index - Control Panel																				
Compañía / Company	Especie / Ticker	Precio de Cierre al / Closing Price at 22/07/2019	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
Indice S&P Merval		34.310		-6,3%	-7,5%	+23,9%	+32,4%											12,7X	6,0X	
GF Galicia	GGAL	\$142,00	Bancos	-6,4%	-6,3%	+39,3%	+45,7%	\$178.910.000	17,12%	\$202.601	\$ 114.574	124%	-	-	\$ 20.459	18%	111%	9,9x	-	3,2x
Banco Macro	BMA	\$270,45	Bancos	-7,4%	-13,6%	+72,8%	+50,6%	\$47.230.000	12,60%	\$181.110	\$ 85.170	141%	-	-	\$ 19.511	23%	76%	9,3x	-	2,8x
Banco Francés	BBAR	\$153,25	Bancos	-8,1%	-4,8%	+12,3%	+27,3%	\$22.930.000	4,49%	\$93.890	\$ 34.545	41%	-	-	\$ 9.706	28%	232%	9,7x	-	2,1x
Grupo Supervielle	SUPV	\$60,90	Bancos	-8,8%	-9,4%	-2,4%	-3,3%	\$76.230.000	2,20%	\$27.814	\$ 19.373	27%	-	-	\$ 3.706	19%	33%	7,5x	-	1,6x
GF Valores	VALO	\$7,24	Bancos	-10,3%	-11,7%	+52,0%	+50,3%	\$26.410.000	1,12%	\$6.215	-	-	-	-	-	-	-	-	-	2,9x
Soc. Com. del Plata	COME	\$2,86	Conglom.	-7,1%	-8,9%	-11,4%	-21,5%	\$6.380.000	0,08%	\$4.319	\$ 1.669	-26%	-\$ 433	-26%	\$ 482	29%	3650%	11,7x	-	0,8x
Mirgor	MIRG	\$337,00	Consumo	-2,7%	-2,0%	-5,1%	-6,2%	\$2.040.000	2,73%	\$6.066	\$ 32.522	58%	\$ 3.254	10%	-\$ 23	0%	-103%	-	1,7x	1,4x
Pampa Energía	PAMP	\$53,10	Electricidad	-6,6%	-10,5%	+13,6%	+24,8%	\$54.930.000	11,85%	\$99.532	\$ 120.587	71%	\$ 30.926	26%	\$ 16.910	14%	381%	6,1x	5,0x	1,6x
Central Puerto	CEPU	\$38,00	Electricidad	-2,4%	-3,6%	+14,1%	+25,4%	\$31.350.000	10,20%	\$57.533	\$ 18.697	124%	\$ 30.151	161%	\$ 10.984	59%	116%	5,2x	2,1x	1,5x
Edenor	EDN	\$40,00	Electricidad	-4,8%	+1,9%	-21,5%	-6,8%	\$21.080.000	0,59%	\$35.085	\$ 55.954	130%	\$ 6.518	12%	\$ 5.225	9%	964%	6,8x	5,9x	1,2x
Transener	TRAN	\$43,00	Electricidad	-2,7%	-0,5%	+13,6%	+21,0%	\$20.510.000	0,22%	\$19.121	\$ 10.668	60%	\$ 6.079	57%	\$ 3.028	28%	31%	6,3x	3,0x	1,5x
YPF	YPFD	\$717,80	O&G	-6,3%	-7,3%	+44,0%	+61,9%	\$64.800.000	17,42%	\$282.320	\$ 490.904	81%	\$ 138.400	28%	\$ 20.518	4%	42%	13,7x	4,0x	0,7x
TGS	TGSU2	\$122,45	O&G	-7,4%	-1,6%	+22,6%	+75,4%	\$21.760.000	2,23%	\$97.286	\$ 38.295	162%	\$ 11.511	30%	\$ 11.915	31%	337%	8,1x	8,8x	2,7x
TGN	TGNO4	\$68,80	O&G	-1,7%	+0,1%	+34,6%	+44,4%	\$19.010.000	0,47%	\$30.229	\$ 13.337	170%	\$ 7.686	58%	\$ 4.123	31%	457%	7,3x	4,4x	1,0x
Bolsas y Mercados	BYMA	\$314,00	Financiera	-7,4%	-15,6%	-15,6%	-13,0%	\$18.310.000	3,02%	\$23.943	-	-	-	-	-	-	-	-	-	2,3x
Cresud	CRES	\$44,90	Inmobiliaria	-1,5%	+0,1%	+0,0%	+3,6%	\$11.600.000	2,51%	\$22.524	\$ 61.109	-23%	\$ 36.051	59%	-\$ 10.226	-17%	-450%	-	4,9x	0,8x
Aluar	ALUA	\$17,70	Materiales	-6,3%	+1,7%	+6,4%	-3,4%	\$11.790.000	1,74%	\$49.560	\$ 34.292	92%	\$ 11.218	33%	\$ 5.261	15%	55%	9,4x	4,8x	2,2x
Siderar	TXAR	\$13,40	Materiales	-6,3%	-2,2%	+6,3%	-0,1%	\$15.290.000	1,42%	\$60.529	\$ 78.980	19%	\$ 12.614	16%	\$ 11.816	15%	25%	5,1x	5,4x	0,5x
Telecom	TECO2	\$145,00	Comun.	-3,0%	-4,6%	+24,8%	+34,4%	\$12.430.000	4,81%	\$312.285	\$ 181.676	124%	\$ 57.087	31%	\$ 4.302	2%	-52%	72,6x	6,7x	1,2x
Cablevisión Hold.	CVH	\$234,00	Comun.	-9,7%	-9,7%	-1,9%	-25,2%	\$4.230.000	3,19%	\$42.270	\$ 181.676	-	\$ 41.190	23%	-\$ 14.129	-8%	-	-	2,8x	1,2x

Otras empresas / Other Companies

Tenaris	TS	\$539,50	O&G	-5,1%	-3,3%	+34,1%	+8,0%	\$37.240.000		\$636.900	\$ 253.943	138%	\$ 37.315	15%	\$ 12.327	5%	16%	51,7x	17,1x	53,1x
San Miguel	SAMI	\$78,40	Agro	-9,4%	-3,1%	-17,5%	-27,7%	\$1.270.000		\$5.578	\$ 10.454	162%	\$ 2.272	22%	-\$ 1.186	-11%	-323%	-	5,0x	0,5x
Banco Hipotecario	BHIP	\$17,95	Bancos	-1,9%	+4,7%	+54,9%	+37,4%	\$3.520.000		\$26.925	\$ 16.140	64%	\$ 0	0%	\$ 1.515	9%	-19%	17,8x	-	2,6x
Central Costanera	CECO2	\$9,62	Electricidad	-2,8%	+3,7%	+56,6%	+50,0%	\$3.050.000		\$6.753	\$ 8.791	109%	\$ 2.013	23%	\$ 629	7%	586%	10,7x	3,3x	6,7x

*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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