ARGENTINA EQUITY MARKET

Weekly Market Strategy Report

August 13, 2019

Trade Ideas		
	Price	Rating
ALUA	14,50	Market Outperformer
SAMI	61,00	Market Outperformer
TXAR	10,85	Market Outperformer

HIGHLIGHTS

- The **Merval Index** dropped 32,64% during the last 7 days, in contrast to international markets.
- Companies in the **Oil & Gas** sector were the best weekly performers.
- **Financials** was the worst performing sector.

See more details page 2

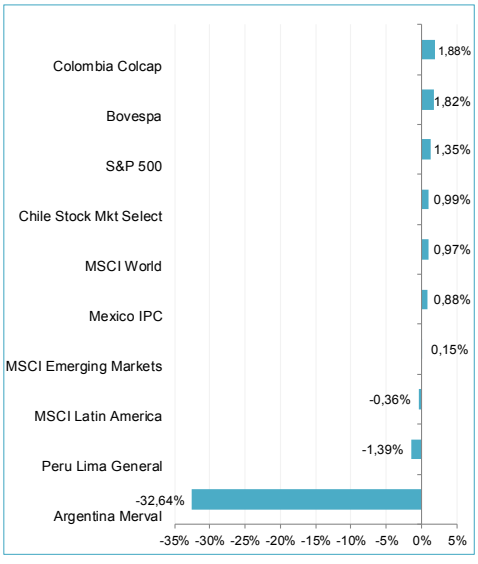
Strategy

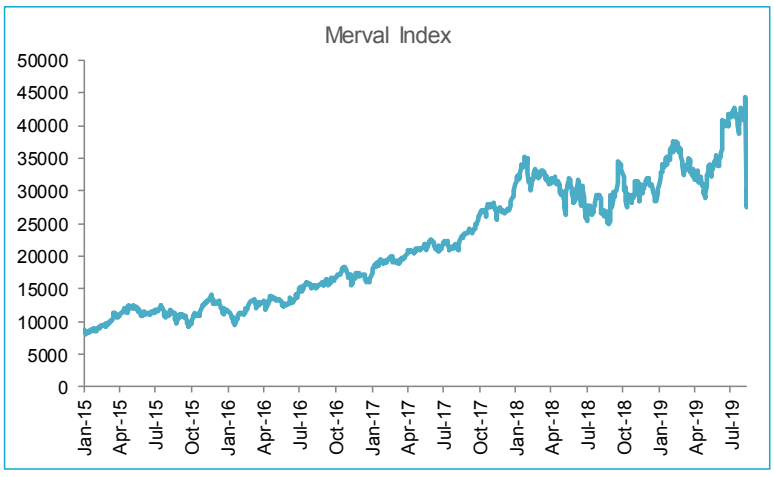
After the primary elections' unexpected result, Argentine securities' prices slumped, pricing a very pessimistic scenario in the medium term. Although, certain stocks are attractive opportunities at current prices. We recommend eliminating exposure to utility companies due to high regulatory risk. Companies with high income in dollars and low debt would have a better relative performance in this scenario.

Alberto Fernandez's victory triggered very pessimistic expectations for Argentine securities. Uncertainty on his economic actions such as the possibility of FX and capital controls and a sovereign debt restructuring led to slumps in prices, therefore, we maintain a conservative strategy. As mentioned in last week's report, the "sell-off" scenario would favor companies in defensive sectors such as **Aluar and Ternium**, as well as those Argentine companies listed in NASDAQ or NYSE, such as **MercadoLibre and Globant**. The potential freeze on utility tariffs and FX controls continue to be the most relevant issues regarding the likely new administration.

Companies with a low level of dollar denominated debt and hard currency denominated revenues, such as **Aluar, Ternium and San Miguel**, continue to stand out and would act as a hedge. **We recommend gradually reducing exposure to companies linked to sectors that may suffer tariff freezes, particularly those in the gas and electricity sectors**.

Indexes Weekly Variation





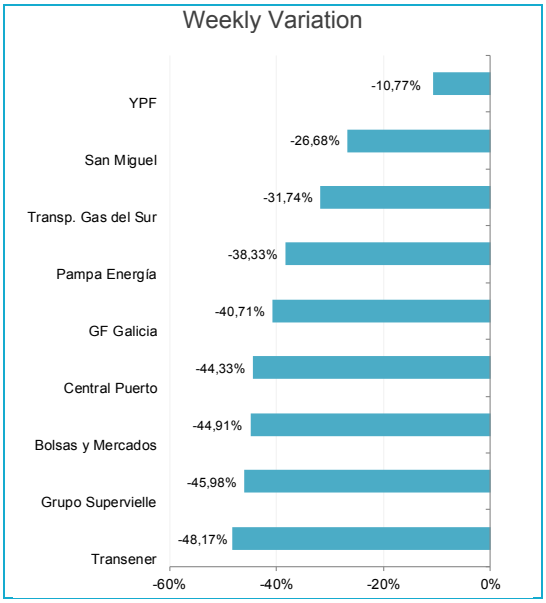
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Argentina

Selected Stocks

Company	Price (ARS)	Chg 5d %	Chg 1 yr %	Rating
YPF	631,45	-6,0	50,3	Hold
GF Galicia	92,4	-35,9	13,1	Hold
Grupo Supervielle	36,3	-37,9	-32,2	Hold
Pampa Energía	35	-32,3	-3,2	Hold
Transener	24,1	-44,4	-40,5	Hold
Transp. Gas del Sur	91,4	-25,4	22,2	Hold
San Miguel	61	-19,4	-29,5	Hold
Central Puerto	21,35	-40,4	-23,5	Hold

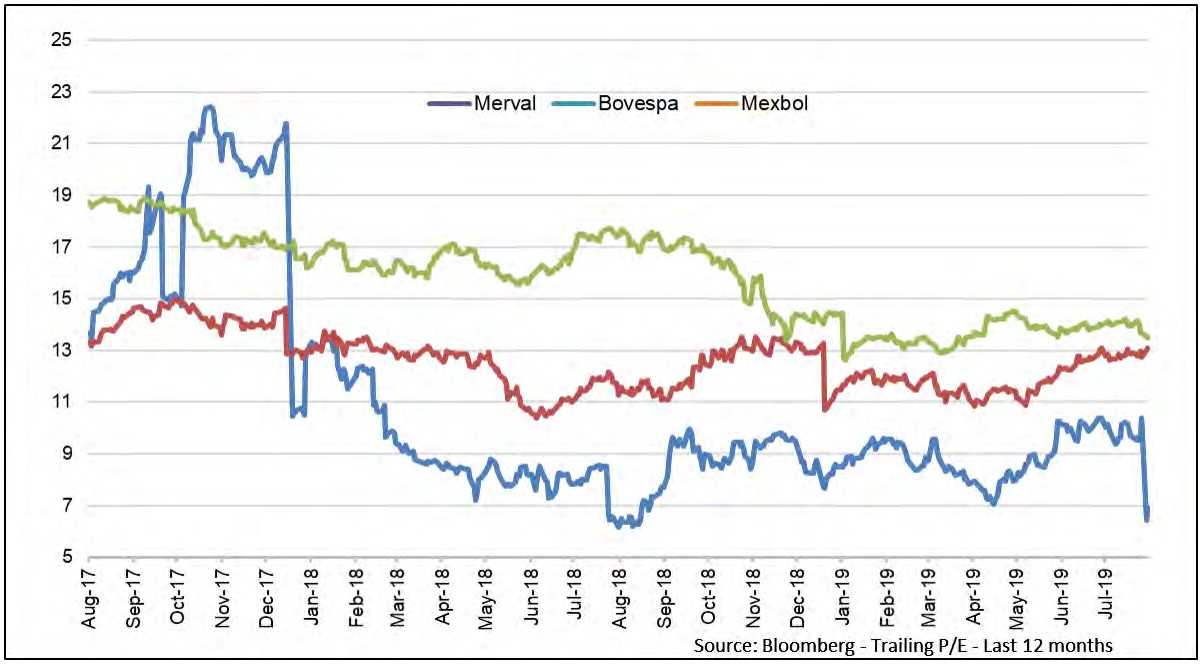
Source: Bloomberg



The Merval Index dropped 32,64% during the last 7 days. Last week, companies in the Oil & Gas sector, along with Materials sector outstanded. On the other hand, Financiero sector, followed by Eléctricas companies, recorded the worst performance.

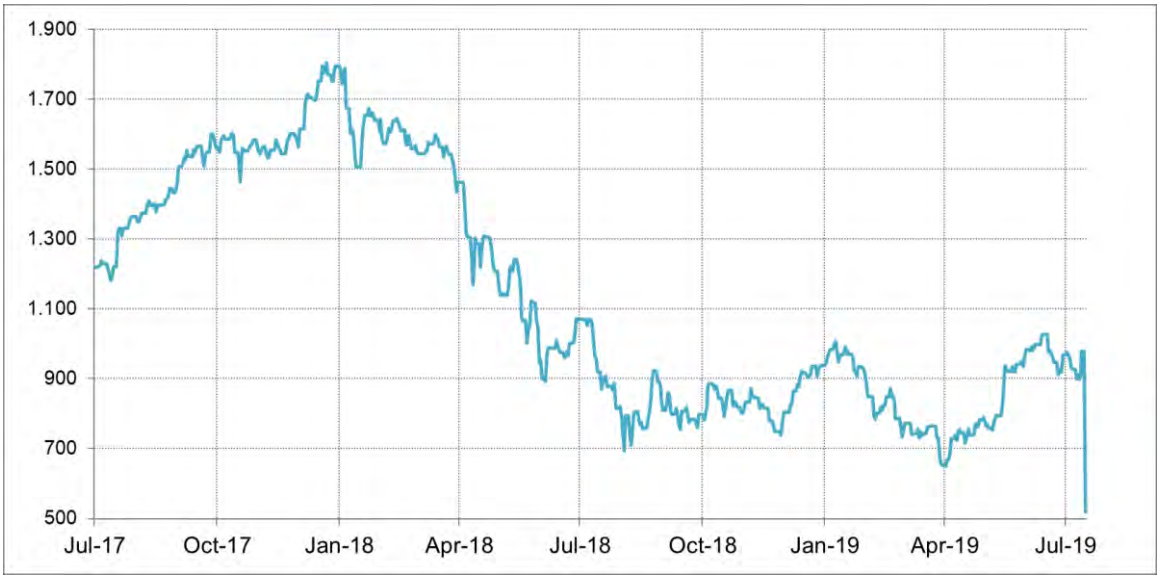
During the week, shares with the best performance were YPF (YPFD, -10,77%), Aluar (ALUA, -17,37%) and Telecom Argentina (TECO2, -22,20%). The lowest returns were for Transener (TRAN, -48,17%), Grupo Supervielle (SUPV, -45,98%) and Edenor (EDN, -45,38%).

Latam – P/E Ratios



Dollar-denominated Merval Index

The dollar-denominated Merval Index was down 73,10% over the week, closing this time at 519 points, primarily driven by the index return in pesos.



Acciones Argentinas / Argentine Stocks

Compañía / Company			12-ago-19	% Semana / Week	% Mes / Month	% 1 Año / year	% YTD
Agrometal	AGRO AR Equity	Agropecuario	7,40	-32,11%	-41,04%	-29,52%	-17,78%
Aluar	ALUA AR Equity	Materiales Básicos	14,50	-17,38%	-23,68%	-17,79%	-12,83%
Autopistas del Sol	AUSO AR Equity	Consumo no Ciclico	74,70	-26,04%	-31,31%	-0,38%	-32,66%
Autopistas Oeste	OEST AR Equity	Consumo no Ciclico	28,30	-24,53%	-26,78%	16,80%	-9,07%
Banco Hipotecario	BHIP AR Equity	Financiero	14,80	-20,00%	-22,11%	11,17%	27,72%
Banco Patagonia	PATA AR Equity	Financiero	24,60	2,50%	6,96%	-8,89%	1,65%
Banco Rio	BRIO AR Equity	Financiero	15,00	-29,58%	-36,03%	-20,55%	-11,69%
BBVA Banco Francés	BBAR AR Equity	Financiero	97,15	-41,46%	-44,02%	-7,73%	-28,81%
BMA Banco Macro Bansud	BMA AR Equity	Financiero	187,65	-34,93%	-38,68%	28,11%	19,91%
Boldt	BOLT AR Equity	Juego	3,14	-32,03%	-26,46%	-12,45%	6,27%
Bolsas y Mercados Argentinos	BYMA AR Equity	Financiero	200,25	-44,91%	-43,99%	-43,42%	-46,19%
Cablevisión Holding	CVH AR Equity	Comunicaciones	157,00	-35,46%	-40,30%	-40,32%	-34,16%
Carlos Casado	CADO AR Equity	Consumo no Ciclico	10,55	-10,97%	-14,23%	19,93%	-16,28%
CAPEX	CAPX AR Equity	Utilities	45,20	-34,01%	-34,49%	-20,35%	-26,98%
Celulosa	CELU AR Equity	Materiales Básicos	27,00	-6,90%	-8,47%	217,65%	48,35%
Central Puerto	CEPU AR Equity	Utilities	21,35	-44,33%	-47,67%	-29,89%	-35,89%
Come. del Plata	COME AR Equity	Conglomerado	1,31	-31,77%	-29,53%	-43,40%	-31,03%
Cresud	CRES AR Equity	Consumo no Ciclico	33,80	-24,72%	-29,36%	-20,25%	-24,72%
Dycasa	DYCA AR Equity	Construcción	34,75	-13,13%	-16,27%	32,13%	-8,55%
Edenor	EDN AR Equity	Energia	21,60	-45,39%	-51,24%	-50,23%	-57,61%
Endesa Costanera	CECO2 AR Equity	Utilities	7,20	-30,77%	-30,43%	14,28%	17,19%
Ferrum	FERR AR Equity	Construcción	2,93	-13,82%	-15,07%	-18,13%	13,64%
Fiplasto	FIPL AR Equity	Construcción	3,30	3,13%	-7,82%	-30,71%	-2,72%
Garovaglio	GARO AR Equity	Conglomerado	3,95	-17,02%	-7,49%	-37,70%	-16,49%
GasBan	GBAN AR Equity	Energia	30,00	-10,45%	-14,29%	-33,33%	-22,08%
Grimoldi	GRIM AR Equity	Consumo no Ciclico	17,00	-17,07%	-26,09%	-43,15%	-8,36%
Grupo Clarin	GCLA AR Equity	Media	32,50	-18,75%	-26,97%	-30,85%	-34,34%
Grupo Financiero Valores	VALO AR Equity	Financiero	5,53	-27,52%	-34,71%	22,65%	16,14%
Grupo Galicia	GGAL AR Equity	Financiero	92,40	-40,71%	-41,44%	0,03%	-9,36%
Grupo Supervielle	SUPV AR Equity	Financiero	36,30	-45,98%	-47,58%	-43,50%	-41,84%
Irsa	IRSA AR Equity	Real Estate	33,65	-26,85%	-23,52%	-22,40%	-29,97%
Havanna	HAVA AR Equity	Consumo Cíclico	56,00	-26,41%	-32,69%	32,16%	12,58%
Holcim	HARG AR Equity	Industrial	78,00	-14,38%	-20,41%	65,96%	33,33%
Ledesma	LEDE AR Equity	Consumo no Ciclico	10,30	-17,27%	-20,46%	-8,85%	-15,57%
Loma Negra	LOMA AR Equity	Industrial	61,35	-41,04%	-41,32%	11,75%	-23,79%
Longvie	LONG AR Equity	Construcción	2,05	-14,58%	-19,92%	-25,45%	-6,39%
Metrogas	METR AR Equity	Utilities	11,00	-45,95%	-52,89%	-62,00%	-58,49%
Mirgor	MIRG AR Equity	Consumo Ciclico	239,00	-28,50%	-33,25%	-25,43%	-32,62%
Molinos	MOLI AR Equity	Consumo no Ciclico	38,00	-12,74%	-13,64%	-4,76%	2,70%
Pampa Holding	PAMP AR Equity	Conglomerado	35,00	-38,33%	-41,28%	-15,76%	-25,13%
Patagonia (Imp. Exp)	PATA AR Equity	Consumo no Ciclico	24,60	2,50%	6,96%	-8,89%	1,65%
Petrobras Brasil	APBR AR Equity	Energia	381,00	17,76%	8,76%	128,17%	53,14%
Polledo	POLL AR Equity	Industrial	7,80	5,41%	4,00%	-17,89%	-17,89%
Quickfood	PATY AR Equity	Consumo no Ciclico	4,20	-7,69%	-6,67%	7,39%	-5,41%
Richmond	RICH AR Equity	Farmacéutico	43,50	-9,38%	-2,03%	51,57%	19,83%
Rigolleau	RIGO AR Equity	Consumo no Ciclico	30,00	-6,10%	-23,08%	-13,78%	-34,10%
San Miguel	SAMI AR Equity	Agricultura	61,00	-26,68%	-30,68%	-38,70%	-35,82%
Siderar	TXAR AR Equity	Materiales Básicos	10,85	-25,17%	-26,69%	-10,88%	-13,92%
Solvay Indupa	INDU AR Equity	Materiales Básicos	11,60	-22,15%	-32,95%	-28,17%	-28,83%
Telefónica	TEF AR Equity	Comunicaciones	#N/A N/A	#¡VALOR!	#¡VALOR!	#¡VALOR!	#¡VALOR!
Telecom	TECO2 AR Equity	Comunicaciones	113,15	-22,21%	-24,82%	15,16%	-2,65%
Tenaris	TS AR Equity	Materiales Básicos	597,60	12,33%	4,42%	22,45%	48,51%
TGN	TGNO4 AR Equity	Energia	49,85	-33,44%	-29,89%	6,76%	-2,49%
TGS	TGSU2 AR Equity	Energia	91,40	-31,74%	-32,70%	19,60%	-8,51%
Transener	TRAN AR Equity	Utilities	24,10	-48,17%	-47,89%	-33,73%	-36,35%
YPF	YPFD AR Equity	Energia	631,45	-10,77%	-17,13%	44,00%	26,72%
Ind. MERVAL	MERVAL Index		27.530,80	-32,64%	-35,61%	2,51%	-9,12%
Ind. General	IBG Index		1.203.629,60	-31,76%	-34,51%	2,43%	-7,97%

Tablero de Control - Índice S&P Merval / S&P Merval Index - Control Panel																			
Compañía / Company	Especie / Ticker	Precio de Cierre al / Closing Price at 12/08/2019	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		**24.200**		**-33,4%**	**-35,2%**	**-12,6%**	**-2,7%**											**9,0X**	**4,6X**	
GF Galicia	GGAL	$92,40	Bancos	-40,7%	-43,0%	-9,4%	+0,0%	$232.920.000	15,81%	$131.833	$ 114.574	124%	-	-	$ 20.459	18%	111%	6,4x	-	2,1x
Banco Macro	BMA	$187,65	Bancos	-34,9%	-38,6%	+19,9%	+28,1%	$49.610.000	12,40%	$125.662	$ 85.170	141%	-	-	$ 19.511	23%	76%	6,4x	-	1,9x
Banco Francés	BBAR	$97,15	Bancos	-41,5%	-42,9%	-28,8%	-7,7%	$22.320.000	4,04%	$59.520	$ 34.545	41%	-	-	$ 9.706	28%	232%	6,1x	-	1,3x
Grupo Supervielle	SUPV	$36,30	Bancos	-46,0%	-46,6%	-41,8%	-43,5%	$71.070.000	1,87%	$16.579	$ 19.373	27%	-	-	$ 3.706	19%	33%	4,5x	-	1,0x
GF Valores	VALO	$5,53	Bancos	-27,5%	-31,3%	+16,1%	+22,7%	$9.320.000	1,22%	$4.747	-	-	-	-	-	-	-	-	-	2,2x
Soc. Com. del Plata	COME	$1,31	Conglom.	-31,8%	-27,2%	-31,0%	-43,4%	$7.880.000	0,05%	$3.363	$ 1.669	-26%	-$ 433	-26%	$ 482	29%	3650%	5,3x	-	0,4x
Mirgor	MIRG	$239,00	Consumo	-28,5%	-30,3%	-32,6%	-25,4%	$2.210.000	2,75%	$4.302	$ 32.522	58%	$ 3.254	10%	-$ 23	0%	-103%	-	1,2x	1,0x
Pampa Energía	PAMP	$35,00	Electricidad	-38,3%	-39,6%	-25,1%	-15,8%	$65.180.000	11,09%	$65.605	$ 120.587	71%	$ 30.926	26%	$ 16.910	14%	381%	4,0x	3,9x	1,0x
Central Puerto	CEPU	$21,35	Electricidad	-44,3%	-47,2%	-35,9%	-29,9%	$29.970.000	8,13%	$32.324	$ 18.697	124%	$ 30.151	161%	$ 10.984	59%	116%	2,9x	1,3x	0,9x
Edenor	EDN	$21,60	Electricidad	-45,4%	-48,0%	-57,6%	-50,2%	$10.600.000	0,45%	$18.946	$ 55.954	130%	$ 6.518	12%	$ 5.225	9%	964%	3,7x	3,5x	0,6x
Transener	TRAN	$24,10	Electricidad	-48,2%	-48,2%	-36,4%	-33,7%	$19.320.000	0,17%	$10.717	$ 10.668	60%	$ 6.079	57%	$ 3.028	28%	31%	3,5x	1,6x	0,8x
YPF	YPFD	$631,45	O&G	-10,8%	-13,7%	+26,7%	+44,0%	$55.750.000	21,75%	$248.357	$ 490.904	81%	$ 138.400	28%	$ 20.518	4%	42%	12,1x	3,8x	0,6x
TGS	TGSU2	$91,40	O&G	-31,7%	-33,4%	-8,5%	+19,6%	$26.890.000	2,36%	$72.617	$ 38.295	162%	$ 11.511	30%	$ 11.915	31%	337%	6,0x	6,7x	2,0x
TGN	TGNO4	$49,85	O&G	-33,4%	-34,8%	-2,5%	+6,8%	$21.280.000	0,48%	$21.903	$ 13.337	170%	$ 7.686	58%	$ 4.123	31%	457%	5,3x	3,3x	0,8x
Bolsas y Mercados	BYMA	$200,25	Financiera	-44,9%	-46,0%	-46,2%	-43,4%	$34.920.000	2,74%	$15.269	-	-	-	-	-	-	-	-	-	1,5x
Cresud	CRES	$33,80	Inmobiliaria	-24,7%	-25,1%	-24,7%	-20,2%	$6.380.000	2,68%	$16.956	$ 61.109	-23%	$ 36.051	59%	-$ 10.226	-17%	-450%	-	4,7x	0,6x
Aluar	ALUA	$14,50	Materiales	-17,4%	-18,1%	-12,8%	-17,8%	$8.470.000	2,02%	$40.600	$ 34.292	92%	$ 11.218	33%	$ 5.261	15%	55%	7,7x	4,1x	1,8x
Siderar	TXAR	$10,85	Materiales	-25,2%	-22,2%	-13,9%	-10,9%	$12.680.000	1,63%	$49.010	$ 78.980	19%	$ 12.614	16%	$ 11.816	15%	25%	4,1x	4,5x	0,4x
Telecom	TECO2	$113,15	Comun.	-22,2%	-25,1%	-2,6%	+15,2%	$8.920.000	5,33%	$243.690	$ 181.676	124%	$ 57.087	31%	$ 4.302	2%	-52%	56,6x	5,5x	1,0x
Cablevisión Hold.	CVH	$157,00	Comun.	-35,5%	-35,3%	-34,2%	-40,3%	$3.520.000	3,04%	$28.361	$ 181.676	-	$ 41.190	23%	-$ 14.129	-8%	-	-	2,5x	0,8x

Otras empresas / Other Companies

Tenaris	TS	$597,60	O&G	+12,3%	+9,1%	+48,5%	+22,4%	$92.790.000		$705.489	$ 253.943	138%	$ 37.315	15%	$ 12.327	5%	16%	57,2x	18,9x	58,8x
San Miguel	SAMI	$61,00	Agro	-26,7%	-24,2%	-35,8%	-38,7%	$1.140.000		$4.340	$ 10.454	162%	$ 2.272	22%	-$ 1.186	-11%	-323%	-	4,5x	0,4x
Banco Hipotecario	BHIP	$14,80	Bancos	-20,0%	-20,9%	+27,7%	+11,2%	$3.200.000		$22.200	$ 16.140	64%	$ 0	0%	$ 1.515	9%	-19%	14,7x	-	2,2x
Central Costanera	CECO2	$7,20	Electricidad	-30,8%	-31,8%	+17,2%	+14,3%	$3.310.000		$5.054	$ 8.791	109%	$ 2.013	23%	$ 629	7%	586%	8,0x	2,4x	5,0x

*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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