ARGENTINA EQUITY MARKET

Weekly Market Strategy Report

August 7, 2019

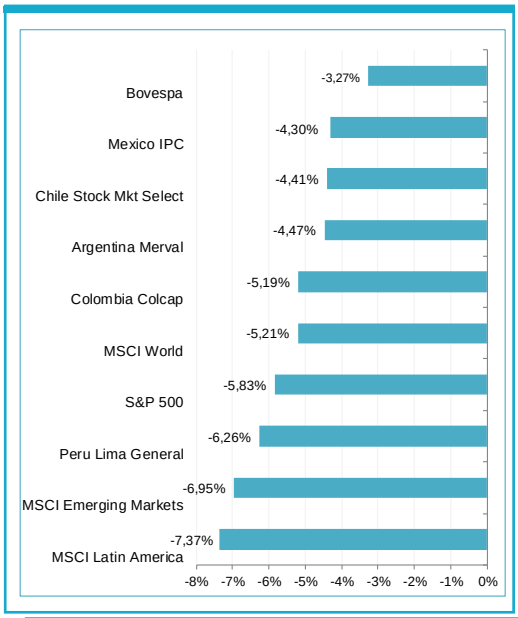
Trade Ideas		
	Price	Rating
TRAN	46,50	Market Outperformer
CEPU	38,35	Market Outperformer

HIGHLIGHTS

- The Merval Index dropped 4.47% during the last 7 days, in line with international markets.
- Companies in the Holding sector were the best weekly performers.
- Banks were the worst performing sector.
- Merval Argentina Index Control Board.
- Portfolios for the primaries (PASO).

See more details page 2

Indexes Weekly Variation

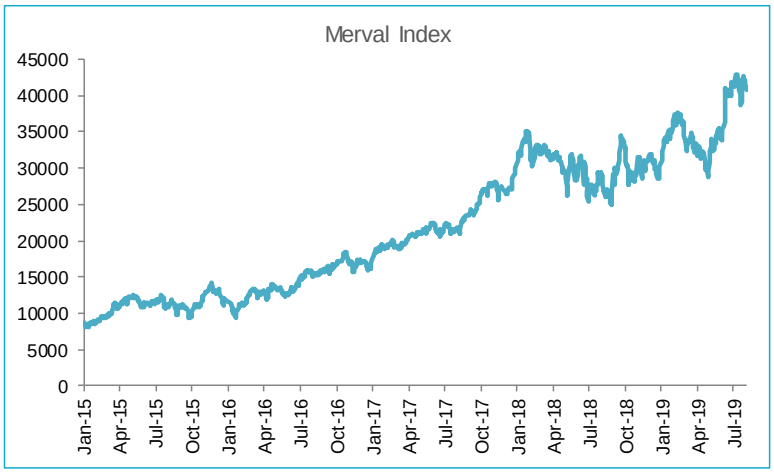


Strategy

Few days remain before the primary elections take place, and volatility is expected to continue in the local market, now also affected by the global context. A positive result for the ruling party could generate a greater rally in stocks, especially in cyclical sectors and in the most undervalued ones. The result is still uncertain, so we recommend having a conservative stance.

In the wake of the primaries (PASO), the difference in votes between the ruling party and the Fernández-Fernández formula will be the factor which will drive the market in the near future (see suggested portfolios below). Risks continue to be high given that the polls propose very different scenarios. The possible freezing of tariffs and the intervention on the FX market continue to be the most relevant when thinking about the reaction of the different economic sectors.

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 (DGCU2).



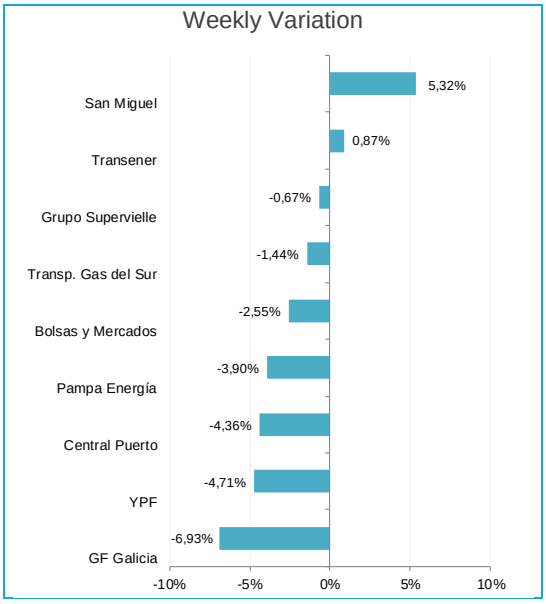
Capital Markets Argentina S.A.
Esmeralda 130 Piso 5 (1035)
54 (11) 4320-1900
www.capitalmarkets.com.ar

Argentina

Selected Stocks

Company	Price (ARS)	Chg 5d %	Chg 1 yr %	Rating
YPF	707,7	-2,8	60,7	Hold
GF Galicia	155,85	-3,3	57,0	Hold
Grupo Supervielle	67,2	-1,5	-8,6	Hold
Pampa Energía	56,75	-2,3	31,6	Hold
Transener	46,5	-1,2	-13,4	Hold
Transp. Gas del Sur	133,9	-3,2	52,0	Hold
San Miguel	83,2	3,8	-25,2	Hold
Central Puerto	38,35	-4,5	18,9	Hold

Source: Bloomberg



The Merval Index dropped 4.47% during the last 7 days. Companies in the Holding sector, along with Materials sector outstanded. On the other hand, Banks, followed by Oil & Gas companies, recorded the worst performance.

During the week, shares with the best performance were Soc. Comercial del Plata (COME, +12.54%), Ternium Argentina (TXAR, +2.11%) and Transener (TRAN, +0.87%). The lowest returns were for Banco Macro (BMA, -8.60%), Edenor (EDN, -7.16%) and Grupo Financiero Galicia (GGAL, -6.93%).

Portfolios for the primary elections (PASO)

According to the difference in votes between the Fernández-Fernández and Macri-Pichetto formulas arising from the PASO elections, the market is expected to react favorably or pessimistically in the short term.

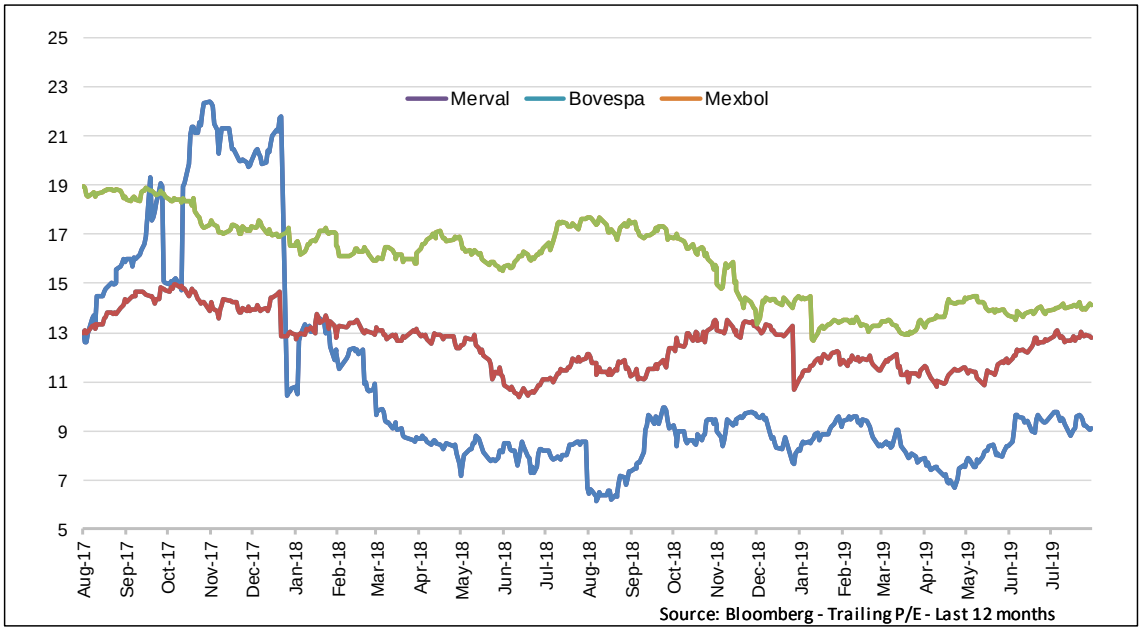
- Optimistic scenario (“Rally”): A positive response from the market is expected, in which companies from cyclical sectors, such as banking, and utilities, which depend on tariff regulation and are currently priced for an adverse result, will be favored. A lower probability of an FX market intervention could also favor exporting companies.

- Neutral scenario (“Wait-and-see”): A greater portfolio diversification and a positioning in highly liquid assets would allow to adapt quickly as the economy and surveys evolve in the run to October’s elections.

- Pessimistic scenario (“Risk-off”): Minimize exposure in Argentine stocks, and position in assets with low correlation with the Merval index. Both Aluar (ALUA) and foreign assets (CEDEARs, MELI, GLOB) would minimize risk within the stocks asset class.

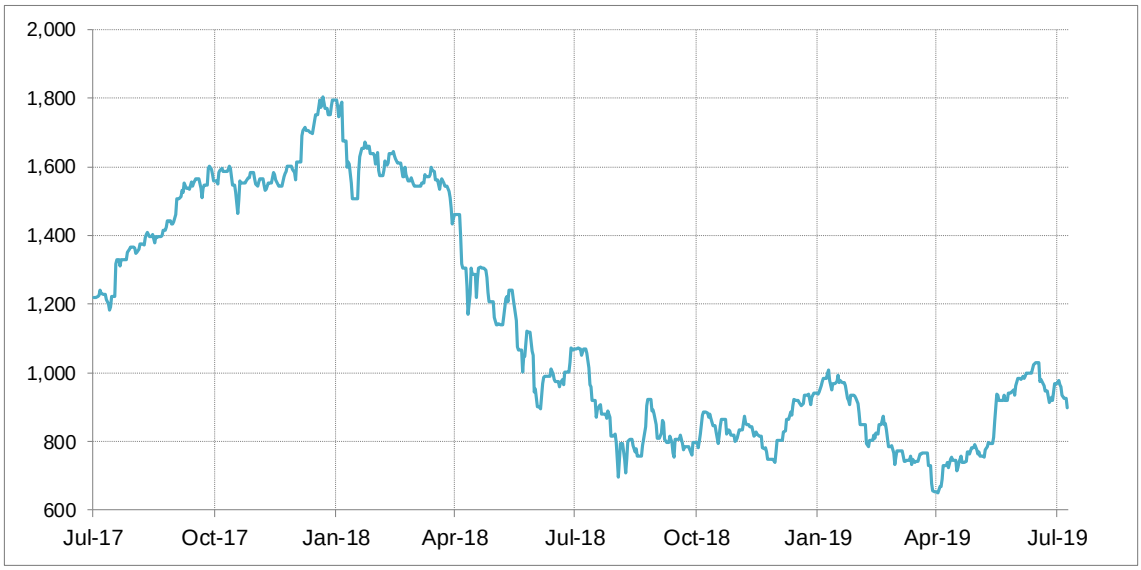
Scenario	Stocks
Rally (diff FF - MM <3%)	Take positions in cyclical sectors and undervalued stocks. - Financials: GGAL, SUPV, BYMA - Utilities: CEPU, PAMP, TRAN, DGCU - Exporters: SAMI
Wait-and-see (diff FF - MM 3%-5%)	Keep a diversified portfolio, prioritizing quality companies and/or with hard currency revenue. - High liquidity: CEPU, GGAL, YPF - Take position in selected stocks.
Risk-off (diff FF - MM >5%)	Diversify between defensive sectors and foreign companies. Avoid highly regulated sectors. - ALUA, TXAR - CEDEARs - Companies in foreign markets: MELI, GLOB

Latam – P/E Ratios



Dollar-denominated Merval Index

The dollar-denominated Merval Index was down 8.57% over the week, closing this time at 899 points, primarily driven by the index return in pesos.



Capital Markets Argentina S.A.
Esmeralda 130 Piso 5 (1035)
54 (11) 4320-1900
www.capitalmarkets.com.ar

Acciones Argentinas / Argentine Stocks

Compañía / Company			05-ago-19	% Semana / Week	% Mes / Month	% 1 Año / year	% YTD
Agrometal	AGRO AR Equity	Agropecuario	10,90	-1,80%	-14,84%	0,93%	21,11%
Aluar	ALUA AR Equity	Materiales Básicos	17,55	-0,85%	-5,18%	-7,43%	5,50%
Autopistas del Sol	AUSO AR Equity	Consumo no Ciclico	101,00	-0,49%	-11,40%	19,78%	-8,95%
Autopistas Oeste	OEST AR Equity	Consumo no Ciclico	37,50	-0,79%	-3,72%	39,48%	20,49%
Banco Hipotecario	BHIP AR Equity	Financiero	18,50	-1,33%	-1,60%	28,93%	59,65%
Banco Patagonia	PATA AR Equity	Financiero	24,00	-4,00%	4,35%	-11,93%	-0,83%
Banco Rio	BRIO AR Equity	Financiero	21,30	-9,36%	5,45%	3,51%	25,40%
BBVA Banco Francés	BBAR AR Equity	Financiero	165,95	-5,74%	-0,51%	38,04%	21,61%
BMA Banco Macro Bansud	BMA AR Equity	Financiero	288,40	-8,60%	-5,58%	68,09%	84,28%
Boldt	BOLT AR Equity	Juego	4,62	-1,91%	5,48%	14,66%	56,35%
Bolsas y Mercados Argentinos	BYMA AR Equity	Financiero	363,50	-2,55%	-1,22%	-2,73%	-2,32%
Cablevisión Holding	CVH AR Equity	Comunicaciones	243,25	0,00%	-9,24%	-25,00%	2,01%
Carlos Casado	CADO AR Equity	Consumo no Ciclico	11,85	-1,25%	-4,44%	29,24%	-5,96%
CAPEX	CAPX AR Equity	Utilities	68,50	-2,14%	7,03%	15,51%	10,66%
Celulosa	CELU AR Equity	Materiales Básicos	29,00	-4,92%	0,00%	188,56%	59,34%
Central Puerto	CEPU AR Equity	Utilities	38,35	-4,36%	-2,17%	22,72%	15,17%
Come. del Plata	COME AR Equity	Conglomerado	1,92	12,55%	4,95%	-22,57%	1,08%
Cresud	CRES AR Equity	Consumo no Ciclico	44,90	-0,44%	-8,37%	1,69%	0,00%
Dycasa	DYCA AR Equity	Construcción	40,00	-1,23%	-5,88%	42,10%	5,26%
Edenor	EDN AR Equity	Energia	39,55	-7,16%	-6,72%	-15,49%	-22,37%
Endesa Costanera	CECO2 AR Equity	Utilities	10,40	-2,35%	8,56%	46,06%	69,28%
Ferrum	FERR AR Equity	Construcción	3,40	3,34%	-2,58%	-10,76%	31,87%
Fiplasto	FIPL AR Equity	Construcción	3,20	-5,60%	-11,11%	-35,45%	-5,67%
Garovaglio	GARO AR Equity	Conglomerado	4,76	2,59%	8,43%	-33,24%	0,63%
GasBan	GBAN AR Equity	Energia	33,50	-0,89%	-4,29%	-31,63%	-12,99%
Grimoldi	GRIM AR Equity	Consumo no Ciclico	20,50	-1,91%	-10,87%	-31,31%	10,51%
Grupo Clarin	GCLA AR Equity	Media	40,00	-2,44%	-4,65%	-20,00%	-19,19%
Grupo Financiero Valores	VALO AR Equity	Financiero	7,63	-6,72%	-13,30%	48,67%	60,24%
Grupo Galicia	GGAL AR Equity	Financiero	155,85	-6,93%	2,13%	54,83%	52,88%
Grupo Supervielle	SUPV AR Equity	Financiero	67,20	-0,67%	-3,24%	-6,26%	7,66%
Irsa	IRSA AR Equity	Real Estate	46,00	2,79%	4,07%	-0,16%	-4,27%
Havanna	HAVA AR Equity	Consumo Cíclico	76,10	-6,05%	-10,47%	68,60%	52,99%
Holcim	HARG AR Equity	Industrial	91,10	-2,98%	-4,41%	78,28%	55,73%
Ledesma	LEDE AR Equity	Consumo no Ciclico	12,45	-0,40%	-7,78%	4,62%	2,05%
Loma Negra	LOMA AR Equity	Industrial	104,05	-4,54%	3,69%	74,58%	29,25%
Longvie	LONG AR Equity	Construcción	2,40	0,00%	-5,88%	-24,53%	9,59%
Metrogas	METR AR Equity	Utilities	20,35	-0,73%	-0,73%	-44,55%	-23,21%
Mirgor	MIRG AR Equity	Consumo Ciclico	334,50	-2,34%	-2,71%	-12,56%	-5,77%
Molinos	MOLI AR Equity	Consumo no Ciclico	43,55	2,47%	-4,29%	0,35%	17,70%
Pampa Holding	PAMP AR Equity	Conglomerado	56,75	-3,90%	-0,35%	29,86%	21,39%
Patagonia (Imp. Exp)	PATA AR Equity	Consumo no Ciclico	24,00	-4,00%	4,35%	-11,93%	-0,83%
Petrobras Brasil	APBR AR Equity	Energia	323,55	-3,16%	-2,84%	91,78%	30,05%
Polledo	POLL AR Equity	Industrial	7,40	3,50%	3,50%	-35,65%	-22,11%
Quickfood	PATY AR Equity	Consumo no Ciclico	4,55	0,00%	0,66%	2,20%	2,48%
Richmond	RICH AR Equity	Farmacéutico	48,00	8,23%	6,67%	60,00%	32,23%
Rigolleau	RIGO AR Equity	Consumo no Ciclico	31,95	-11,25%	-20,13%	-10,73%	-29,82%
San Miguel	SAMI AR Equity	Agricultura	83,20	5,32%	-0,12%	-25,35%	-12,46%
Siderar	TXAR AR Equity	Materiales Básicos	14,50	2,11%	1,75%	-2,97%	15,04%
Solvay Indupa	INDU AR Equity	Materiales Básicos	14,90	-5,70%	-10,24%	-7,45%	-8,59%
Telefónica	TEF AR Equity	Comunicaciones	340,00	0,00%	-2,30%	40,72%	9,56%
Telecom	TECO2 AR Equity	Comunicaciones	145,45	-5,09%	-3,00%	35,38%	25,15%
Tenaris	TS AR Equity	Materiales Básicos	532,00	-2,73%	-3,84%	17,27%	32,21%
TGN	TGNO4 AR Equity	Energia	74,90	-3,85%	6,39%	40,07%	46,51%
TGS	TGSU2 AR Equity	Energia	133,90	-1,44%	7,68%	71,07%	34,03%
Transener	TRAN AR Equity	Utilities	46,50	0,87%	6,04%	12,10%	22,81%
YPF	YPFD AR Equity	Energia	707,70	-4,71%	-7,01%	58,82%	42,02%
Ind. MERVAL	MERVAL Index		40.873,35	-4,47%	-2,11%	39,90%	34,93%
Ind. General	IBG Index		1.763.912,00	-4,42%	-1,57%	39,47%	34,87%

Tablero de Control - Índice S&P Merval / S&P Merval Index - Control Panel																			
Compañía / Company	Especie / Ticker	Precio de Cierre al / Closing Price at 05/08/2019	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		**36.344**		**-4,4%**	**-2,7%**	**+31,2%**	**+32,7%**											**13,4X**	**6,3X**	
GF Galicia	GGAL	$155,85	Bancos	-6,9%	-3,8%	+52,9%	+54,8%	$162.730.000	17,93%	$222.361	$ 114.574	124%	-	-	$ 20.459	18%	111%	10,9x	-	3,5x
Banco Macro	BMA	$288,40	Bancos	-8,6%	-5,6%	+84,3%	+68,1%	$36.550.000	12,82%	$193.131	$ 85.170	141%	-	-	$ 19.511	23%	76%	9,9x	-	3,0x
Banco Francés	BBAR	$165,95	Bancos	-5,7%	-2,4%	+21,6%	+38,0%	$21.040.000	4,64%	$101.671	$ 34.545	41%	-	-	$ 9.706	28%	232%	10,5x	-	2,3x
Grupo Supervielle	SUPV	$67,20	Bancos	-0,7%	-1,1%	+7,7%	-6,3%	$71.320.000	2,32%	$30.692	$ 19.373	27%	-	-	$ 3.706	19%	33%	8,3x	-	1,8x
GF Valores	VALO	$7,63	Bancos	-6,7%	-5,2%	+60,2%	+48,7%	$10.930.000	1,13%	$6.550	-	-	-	-	-	-	-	-	-	3,1x
Soc. Com. del Plata	COME	$1,92	Conglom.	+12,6%	+6,7%	+1,1%	-22,6%	$7.600.000	0,05%	$4.929	$ 1.669	-26%	-$ 433	-26%	$ 482	29%	3650%	7,8x	-	0,5x
Mirgor	MIRG	$334,50	Consumo	-2,3%	-2,5%	-5,8%	-12,6%	$2.240.000	2,59%	$6.021	$ 32.522	58%	$ 3.254	10%	-$ 23	0%	-103%	-	1,7x	1,4x
Pampa Energía	PAMP	$56,75	Electricidad	-3,9%	-2,1%	+21,4%	+29,9%	$50.420.000	12,09%	$106.374	$ 120.587	71%	$ 30.926	26%	$ 16.910	14%	381%	6,5x	5,3x	1,7x
Central Puerto	CEPU	$38,35	Electricidad	-4,4%	-5,2%	+15,2%	+22,7%	$28.290.000	9,82%	$58.063	$ 18.697	124%	$ 30.151	161%	$ 10.984	59%	116%	5,3x	2,1x	1,5x
Edenor	EDN	$39,55	Electricidad	-7,2%	-4,7%	-22,4%	-15,5%	$13.850.000	0,55%	$34.690	$ 55.954	130%	$ 6.518	12%	$ 5.225	9%	964%	6,8x	5,9x	1,1x
Transener	TRAN	$46,50	Electricidad	+0,9%	-0,1%	+22,8%	+12,1%	$19.520.000	0,23%	$20.677	$ 10.668	60%	$ 6.079	57%	$ 3.028	28%	31%	6,8x	3,2x	1,6x
YPF	YPFD	$707,70	O&G	-4,7%	-3,2%	+42,0%	+58,8%	$50.950.000	16,39%	$278.347	$ 490.904	81%	$ 138.400	28%	$ 20.518	4%	42%	13,6x	4,0x	0,7x
TGS	TGSU2	$133,90	O&G	-1,4%	-2,4%	+34,0%	+71,1%	$28.060.000	2,33%	$106.383	$ 38.295	162%	$ 11.511	30%	$ 11.915	31%	337%	8,9x	9,6x	2,9x
TGN	TGNO4	$74,90	O&G	-3,9%	-2,0%	+46,5%	+40,1%	$21.480.000	0,49%	$32.909	$ 13.337	170%	$ 7.686	58%	$ 4.123	31%	457%	8,0x	4,7x	1,1x
Bolsas y Mercados	BYMA	$363,50	Financiera	-2,5%	-2,0%	-2,3%	-2,7%	$18.270.000	3,34%	$27.717	-	-	-	-	-	-	-	-	-	2,6x
Cresud	CRES	$44,90	Inmobiliaria	-0,4%	-0,4%	+0,0%	+1,7%	$5.120.000	2,39%	$22.524	$ 61.109	-23%	$ 36.051	59%	-$ 10.226	-17%	-450%	-	4,9x	0,8x
Aluar	ALUA	$17,55	Materiales	-0,8%	-0,8%	+5,5%	-7,4%	$8.340.000	1,64%	$49.140	$ 34.292	92%	$ 11.218	33%	$ 5.261	15%	55%	9,3x	4,8x	2,2x
Siderar	TXAR	$14,50	Materiales	+2,1%	+3,9%	+15,0%	-3,0%	$13.040.000	1,47%	$65.498	$ 78.980	19%	$ 12.614	16%	$ 11.816	15%	25%	5,5x	5,8x	0,6x
Telecom	TECO2	$145,45	Comun.	-5,1%	-3,8%	+25,1%	+35,4%	$9.340.000	4,61%	$313.254	$ 181.676	124%	$ 57.087	31%	$ 4.302	2%	-52%	72,8x	6,7x	1,2x
Cablevisión Hold.	CVH	$243,25	Comun.	+0,0%	+0,3%	+2,0%	-25,0%	$4.000.000	3,17%	$43.941	$ 181.676	-	$ 41.190	23%	-$ 14.129	-8%	-	-	2,9x	1,3x
Otras empresas / Other Companies																				
Tenaris	TS	$532,00	O&G	-2,7%	-2,9%	+32,2%	+17,3%	$70.900.000		$628.046	$ 253.943	138%	$ 37.315	15%	$ 12.327	5%	16%	51,0x	16,8x	52,3x
San Miguel	SAMI	$83,20	Agro	+5,3%	+3,4%	-12,5%	-25,4%	$1.240.000		$5.920	$ 10.454	162%	$ 2.272	22%	-$ 1.186	-11%	-323%	-	5,2x	0,6x
Banco Hipotecario	BHIP	$18,50	Bancos	-1,3%	-1,1%	+59,7%	+28,9%	$2.510.000		$27.750	$ 16.140	64%	$ 0	0%	$ 1.515	9%	-19%	18,3x	-	2,7x
Central Costanera	CECO2	$10,40	Electricidad	-2,3%	-1,4%	+69,3%	+46,1%	$3.140.000		$7.301	$ 8.791	109%	$ 2.013	23%	$ 629	7%	586%	11,6x	3,5x	7,3x

*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

Graciela Cairoli
Director

Alejandro Quelch
Head of Research Department
aquelch@capitalmarkets.com.ar

Jaime Krause
Head of Asset Management
Portfolio Manager

Noelia Lucini, CFA
Fixed Income Strategy.
Portfolio Manager

Nicolas Viveros
Semi Senior Analyst (Fixed Income)
nviveros@capitalmarkets.com.ar

Agustin Giannattasio, CFA
Equity Senior Analyst
agiannattasio@capitalmarkets.com.ar

María Teresa Leiva
Macroeconomic Analyst
mleiva@capitalmarkets.com.ar

Juan José Guma
Analyst
jguma@capitalmarkets.com.ar

Valeria Flores
Virtual Library Administrator.
Assistant
vflores@capitalmarkets.com.ar

Dolores Jáuregui
Communication with external Analysts
Assistant
djauregui@capitalmarkets.com.ar

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Capital Markets Argentina S.A., Esmeralda 130, piso 5 (1035) Buenos Aires, Argentina. Tel. (54 11) 4320-1900, Fax (54 11) 4320-1935. Web Site: www.capitalmarkets.com.ar.

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Capital Markets Argentina S.A.
Esmeralda 130 Piso 5 (1035)
54 (11) 4320-1900
www.capitalmarkets.com.ar