

ARGENTINA EQUITY MARKET

Weekly Market Strategy Report
September 3, 2019

Trade Ideas

	Price	Rating
ALUA	22,00	Market Outperformer
SAMI	70,00	Market Outperformer
TXAR	11,60	Market Outperformer

HIGHLIGHTS

- The Merval Index hiked 1,34% during the last 7 days, in line with international markets.
- Companies in the Agribusiness sector were the best weekly performers.
- Industrials was the worst performing sector.

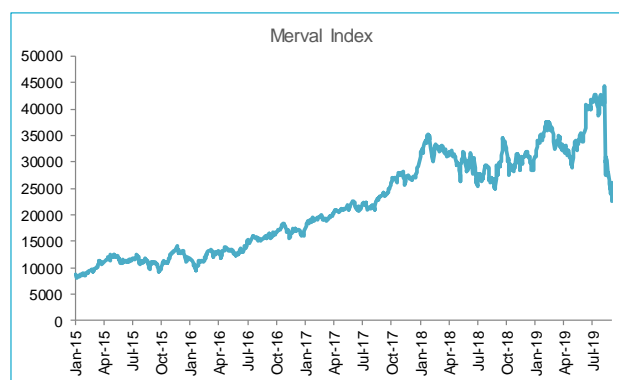
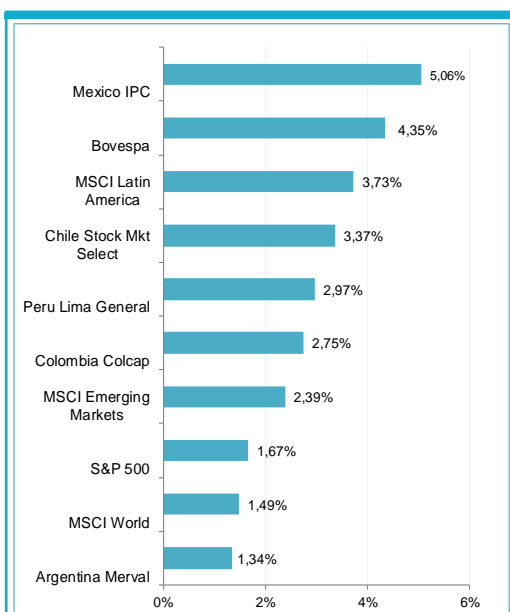
[See more details page 2](#)

Strategy

Following Lecaps and Letes maturities extensions, and FX controls, domestic securities slumped reflecting significantly weaker economic conditions. We suggest eliminating exposure to Argentine banks and utility companies' stocks, 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 a possible debt 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 revenues.

Indexes Weekly Variation



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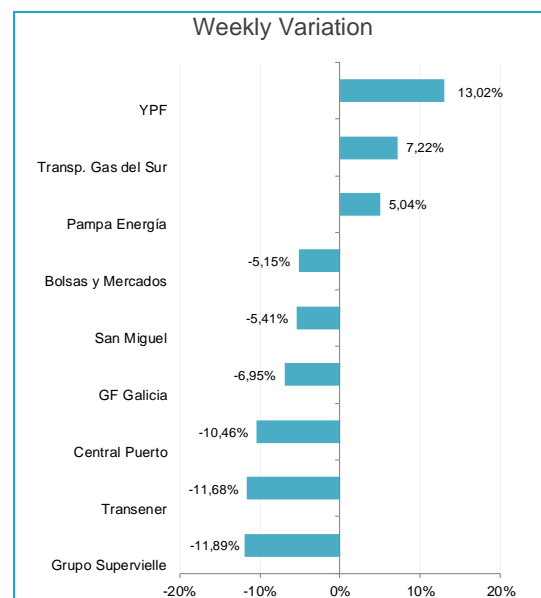
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Argentina

Selected Stocks

Company	Price (ARS)	Chg 5d %	Chg 1 yr %	Rating
YPF	594,35	-4,1	-10,9	Hold
GF Galicia	71,65	-17,6	-30,8	Hold
Grupo Supervielle	31,85	-16,2	-47,6	Hold
Pampa Energía	35,45	-10,8	-33,0	Hold
Transener	18,15	-14,7	-62,9	Hold
Transp. Gas del Sur	99,5	-1,3	-6,0	Hold
San Miguel	70	-10,1	-36,4	Hold
Central Puerto	17,55	-13,6	-56,0	Hold

Source: Bloomberg



The Merval Index hiked 1,34% during the last 7 days. Last week, companies in the Agribusiness sector, along with Oil & Gas sector outstaded.

On the other hand, Industrial sector, followed by Financial companies, recorded the worst performance.

During the week, shares with the best performance were Cresud (CRES, +16,64%), YPF (YPFD, +13,01%) and Edenor (EDN, +7,47%).

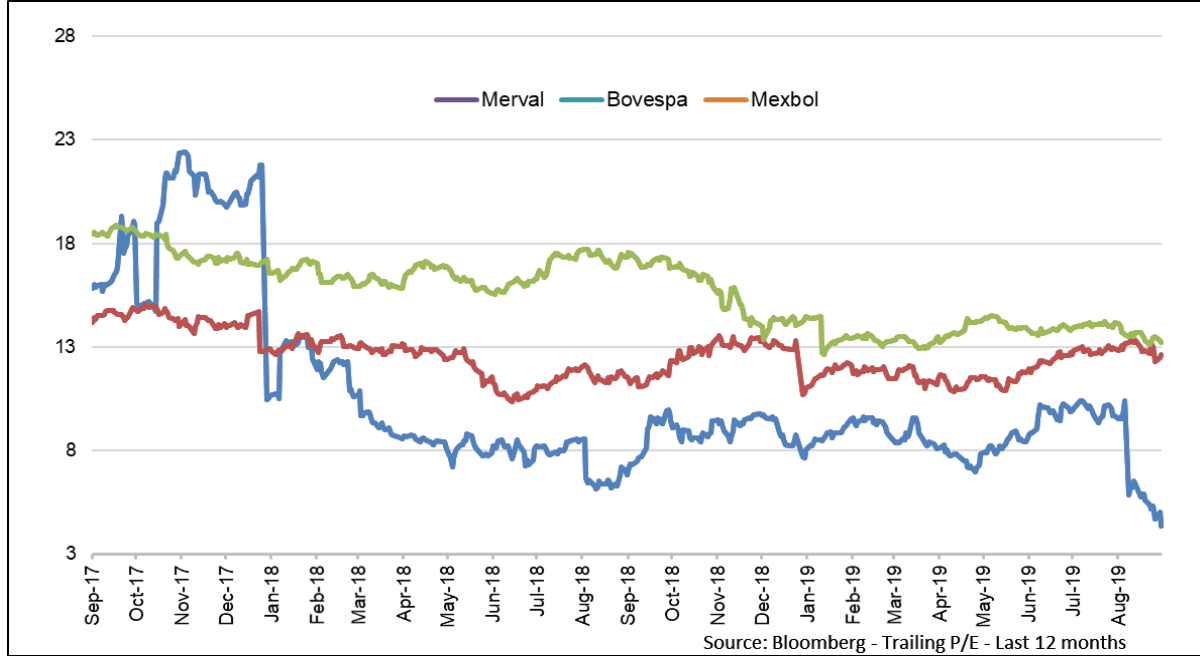
The lowest returns were for TGN (TGNO4, -30,87%), Grupo Supervielle (SUPV, -11,89%) and Transener (TRAN, -11,67%).

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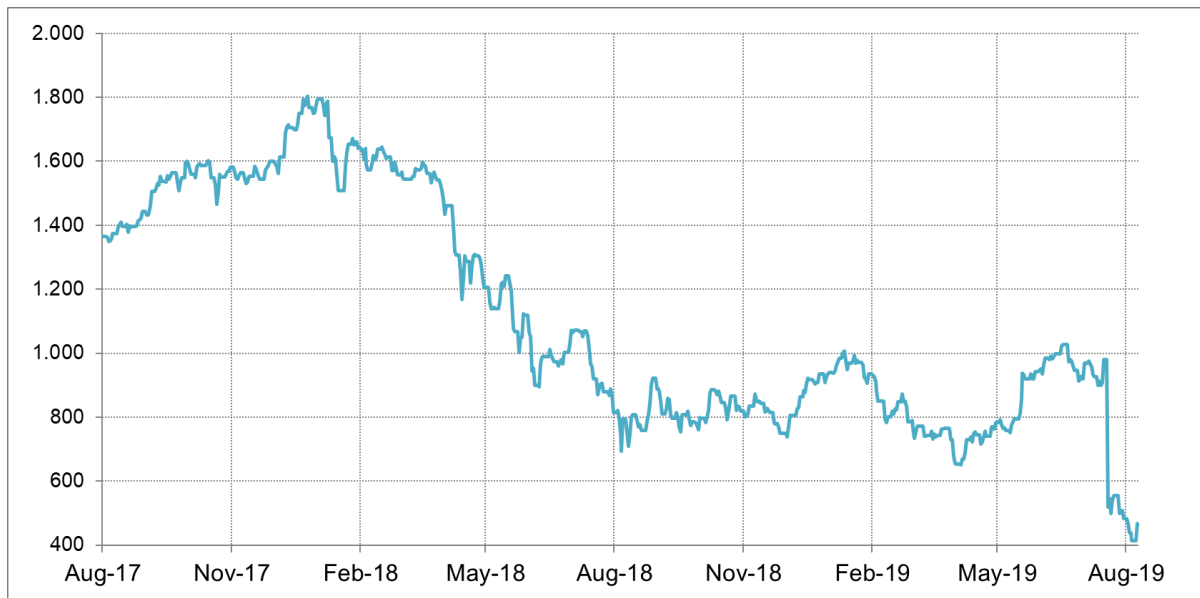
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Latam – P/E Ratios



Dollar-denominated Merval Index

The dollar-denominated Merval Index was up 0,04% over the week, closing this time at 467 points, primarily driven by the index return in pesos, almost offset by the FX hike.



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Argentine banks monitor

After the price slumps since the primaries, the banks' market value is close to their equity book value (P/B close to 1x).

Grupo Financiero Valores (VALO) stands out, as its core business is investment banking and securities custody, without commercial operations.

Among commercial banks, Banco Macro is the most "expensive" while Supervielle is the only one below 1x.



Acciones Argentinas / Argentine Stocks

Compañía / Company			02-sep-19	% Semana / Week	% Mes / Month	% 1 Año / year	% YTD
Agrometal	AGRO AR Equity	Agropecuario	6,80	-12,60%	-39,56%	-34,77%	-24,44%
Aluar	ALUA AR Equity	Materiales Básicos	22,00	5,01%	23,25%	4,94%	32,25%
Autopistas del Sol	AUSO AR Equity	Consumo no Ciclico	62,90	-15,57%	-30,68%	-2,57%	-36,26%
Autopistas Oeste	OEST AR Equity	Consumo no Ciclico	21,50	-24,56%	-34,40%	-3,27%	-20,22%
Banco Hipotecario	BHIP AR Equity	Financiero	11,00	-12,00%	-40,86%	5,23%	-5,07%
Banco Patagonia	PATA AR Equity	Financiero	17,00	-2,86%	-30,89%	-37,04%	-29,75%
Banco Río	BRIO AR Equity	Financiero	10,85	-16,54%	-49,53%	-43,83%	-36,12%
BBVA Banco Francés	BBAR AR Equity	Financiero	92,15	5,19%	-45,75%	-13,59%	-32,47%
BMA Banco Macro Bansud	BMA AR Equity	Financiero	160,50	-2,96%	-45,02%	2,93%	2,56%
Boldt	BOLT AR Equity	Juego	2,49	-13,24%	-47,91%	-24,95%	-15,73%
Bolsas y Mercados Argentinos	BYMA AR Equity	Financiero	207,00	-5,15%	-44,58%	-43,16%	-44,37%
Cablevisión Holding	CVH AR Equity	Comunicaciones	154,00	-0,65%	-38,34%	-46,81%	-35,42%
Carlos Casado	CADO AR Equity	Consumo no Ciclico	11,80	1,72%	-1,67%	29,39%	-6,36%
CAPEX	CAPX AR Equity	Utilities	46,30	-8,86%	-32,90%	-7,40%	-25,20%
Celulosa	CELU AR Equity	Materiales Básicos	17,00	-29,17%	-43,33%	63,46%	-6,59%
Central Puerto	CEPU AR Equity	Utilities	17,55	-10,46%	-55,79%	-51,11%	-47,30%
Come. del Plata	COME AR Equity	Conglomerado	1,20	-3,23%	-35,24%	-50,00%	-36,82%
Cresud	CRES AR Equity	Consumo no Ciclico	37,85	16,64%	-16,26%	-28,16%	-15,70%
Dycasa	DYCA AR Equity	Construcción	36,00	-1,50%	-10,00%	50,00%	-5,26%
Edenor	EDN AR Equity	Energía	18,70	7,47%	-54,39%	-58,81%	-63,30%
Endesa Costanera	CECO2 AR Equity	Utilities	7,97	-1,60%	-26,88%	39,62%	29,73%
Ferrum	FERR AR Equity	Construcción	2,75	-4,51%	-19,12%	-19,71%	6,66%
Fiplasto	FIPL AR Equity	Construcción	3,70	2,78%	15,26%	-26,80%	9,07%
Garovaglio	GARO AR Equity	Conglomerado	3,81	-7,07%	-20,63%	-31,35%	-19,45%
GasBan	GBAN AR Equity	Energía	27,90	-10,00%	-18,90%	-33,57%	-27,53%
Grimoldi	GRIM AR Equity	Consumo no Ciclico	19,40	-14,35%	-5,37%	-29,22%	4,58%
Grupo Clarin	GCLA AR Equity	Media	24,00	-14,29%	-38,54%	-52,94%	-51,52%
Grupo Financiero Valores	VALO AR Equity	Financiero	5,32	-8,90%	-31,53%	10,68%	11,73%
Grupo Galicia	GGAL AR Equity	Financiero	71,65	-6,95%	-54,39%	-15,68%	-29,72%
Grupo Supervielle	SUPV AR Equity	Financiero	31,85	-11,89%	-52,53%	-37,22%	-48,97%
Irsa	IRSA AR Equity	Real Estate	32,75	-0,76%	-28,34%	-37,35%	-31,84%
Havanna	HAVA AR Equity	Consumo Cíclico	71,40	3,48%	-7,27%	49,07%	43,54%
Holcim	HARG AR Equity	Industrial	54,50	-7,63%	-41,40%	14,74%	-6,84%
Ledesma	LEDE AR Equity	Consumo no Ciclico	10,40	1,96%	-17,46%	-21,21%	-14,75%
Loma Negra	LOMA AR Equity	Industrial	64,80	7,55%	-40,22%	14,79%	-19,50%
Longvie	LONG AR Equity	Construcción	2,30	-13,21%	-4,17%	-27,90%	5,02%
Metrogas	METR AR Equity	Utilities	11,95	-7,36%	-42,69%	-60,17%	-54,91%
Mirgor	MIRG AR Equity	Consumo Ciclico	316,50	-10,97%	-5,46%	-8,38%	-10,78%
Molinos	MOLI AR Equity	Consumo no Ciclico	39,90	-5,00%	-8,17%	-7,75%	7,84%
Pampa Holding	PAMP AR Equity	Conglomerado	35,45	5,04%	-38,51%	-23,52%	-24,17%
Patagonia (Imp. Exp)	PATA AR Equity	Consumo no Ciclico	17,00	-2,86%	-30,89%	-37,04%	-29,75%
Petrobras Brasil	APBR AR Equity	Energía	410,20	17,07%	23,43%	103,98%	66,01%
Polledo	POLL AR Equity	Industrial	6,50	-7,14%	-12,16%	-26,55%	-31,58%
Quickfood	PATY AR Equity	Consumo no Ciclico	3,20	-15,34%	-30,43%	-9,52%	-27,93%
Richmond	RICH AR Equity	Farmacéutico	48,00	20,00%	2,56%	55,84%	32,23%
Rigolleau	RIGO AR Equity	Consumo no Ciclico	25,00	-3,85%	-24,24%	-37,24%	-45,09%
San Miguel	SAMI AR Equity	Agricultura	70,00	-5,41%	-18,13%	-35,11%	-26,35%
Siderar	TXAR AR Equity	Materiales Básicos	11,60	-7,94%	-18,88%	-11,97%	-7,97%
Solvay Indupa	INDU AR Equity	Materiales Básicos	16,60	4,40%	9,21%	-14,87%	1,84%
Telefónica	TEF AR Equity	Comunicaciones					
Telecom	TECO2 AR Equity	Comunicaciones	117,50	3,98%	-19,13%	-1,16%	3,74%
Tenaris	TS AR Equity	Materiales Básicos	640,00	6,69%	18,86%	5,50%	59,04%
TGN	TGNO4 AR Equity	Energía	25,75	-30,87%	-66,43%	-41,93%	-49,63%
TGS	TGSU2 AR Equity	Energía	99,50	7,22%	-25,27%	12,70%	-0,40%
Transener	TRAN AR Equity	Utilities	18,15	-11,68%	-61,09%	-47,39%	-52,06%
YPF	YPFD AR Equity	Energía	594,35	13,02%	-16,64%	6,36%	19,27%
Ind. Merval	MERVAL Index		26.195,41	1,34%	-36,66%	-10,58%	-13,53%
Ind. General	IBG Index		1.126.079,00	0,71%	-36,95%	-13,75%	-13,90%

Tablero de Control - Indice S&P Merval / S&P Merval Index - Control Panel																				
Compañía / Company	Especie / Ticker	Precio de Cierre al / Closing Price at 02/09/2019	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
Indice S&P Merval		22.837		+1,1%	+6,4%	-17,6%	-14,4%											8,4X	4,5X	
GF Galicia	GGAL	\$71,65	Bancos	-6,9%	+3,6%	-29,7%	-15,7%	\$318.690.000	13,03%	\$102.228	\$ 114.574	124%	-	-	\$ 20.459	18%	111%	5,0x	-	1,6x
Banco Macro	BMA	\$160,50	Bancos	-3,0%	+9,1%	+2,6%	+2,9%	\$86.440.000	11,28%	\$107.481	\$ 85.170	141%	-	-	\$ 19.511	23%	76%	5,5x	-	1,7x
Banco Francés	BBAR	\$92,15	Bancos	+5,2%	+6,1%	-32,5%	-13,6%	\$35.220.000	4,07%	\$56.457	\$ 34.545	41%	-	-	\$ 9.706	28%	232%	5,8x	-	1,3x
Grupo Supervielle	SUPV	\$31,85	Bancos	-11,9%	+5,6%	-49,0%	-37,2%	\$65.830.000	1,74%	\$14.547	\$ 19.373	27%	-	-	\$ 3.706	19%	33%	3,9x	-	0,8x
GF Valores	VALO	\$5,32	Bancos	-8,9%	+4,1%	+11,7%	+10,7%	\$12.300.000	1,24%	\$4.567	-	-	-	-	-	-	-	-	-	2,1x
Soc. Com. del Plata	COME	\$1,20	Conglom.	-3,2%	+6,2%	-36,8%	-50,0%	\$7.360.000	0,05%	\$3.081	\$ 1.669	-26%	-\$ 433	-26%	\$ 482	29%	3650%	4,9x	-	0,3x
Mirgor	MIRG	\$316,50	Consumo	-11,0%	+13,4%	-10,8%	-8,4%	\$6.820.000	3,87%	\$5.697	\$ 32.522	58%	\$ 3.254	10%	-\$ 23	0%	-103%	-	1,6x	1,3x
Pampa Energía	PAMP	\$35,45	Electricidad	+5,0%	+8,7%	-24,2%	-23,5%	\$73.860.000	11,94%	\$66.449	\$ 120.587	71%	\$ 30.926	26%	\$ 16.910	14%	381%	4,1x	4,0x	1,0x
Central Puerto	CEPU	\$17,55	Electricidad	-10,5%	+3,2%	-47,3%	-51,1%	\$25.520.000	7,10%	\$26.571	\$ 18.697	124%	\$ 30.151	161%	\$ 10.984	59%	116%	2,4x	1,1x	0,7x
Edenor	EDN	\$18,70	Electricidad	+7,5%	+10,0%	-63,3%	-58,8%	\$10.050.000	0,41%	\$16.364	\$ 55.954	130%	\$ 6.518	12%	\$ 5.225	9%	964%	3,2x	3,1x	0,5x
Transener	TRAN	\$18,15	Electricidad	-11,7%	+5,8%	-52,1%	-47,4%	\$22.120.000	0,14%	\$8.071	\$ 10.668	60%	\$ 6.079	57%	\$ 3.028	28%	31%	2,7x	1,2x	0,6x
YPF	YPFD	\$594,35	O&G	+13,0%	+7,4%	+19,3%	+6,4%	\$124.230.000	21,76%	\$233.765	\$ 490.904	81%	\$ 138.400	28%	\$ 20.518	4%	42%	11,4x	3,7x	0,6x
TGS	TGSU2	\$99,50	O&G	+7,2%	+5,3%	-0,4%	+12,7%	\$23.880.000	2,73%	\$79.052	\$ 38.295	162%	\$ 11.511	30%	\$ 11.915	31%	337%	6,6x	7,2x	2,2x
TGN	TGNO4	\$25,75	O&G	-30,9%	+6,0%	-49,6%	-41,9%	\$15.180.000	0,26%	\$11.314	\$ 13.337	170%	\$ 7.686	58%	\$ 4.123	31%	457%	2,7x	1,9x	0,4x
Bolsas y Mercados	BYMA	\$207,00	Financiera	-5,2%	+3,2%	-44,4%	-43,2%	\$60.910.000	3,01%	\$15.784	-	-	-	-	-	-	-	-	-	1,5x
Cresud	CRES	\$37,85	Inmobiliaria	+16,6%	+5,9%	-15,7%	-28,2%	\$10.770.000	3,19%	\$18.987	\$ 61.109	-23%	\$ 36.051	59%	-\$ 10.226	-17%	-450%	-	4,8x	0,7x
Aluar	ALUA	\$22,00	Materiales	+5,0%	+4,8%	+32,3%	+4,9%	\$18.440.000	3,25%	\$61.600	\$ 34.292	92%	\$ 11.218	33%	\$ 5.261	15%	55%	11,7x	5,9x	2,8x
Siderar	TXAR	\$11,60	Materiales	-7,9%	+5,5%	-8,0%	-12,0%	\$29.640.000	1,85%	\$52.398	\$ 78.980	19%	\$ 12.614	16%	\$ 11.816	15%	25%	4,4x	4,8x	0,5x
Telecom	TECO2	\$117,50	Comun.	+4,0%	+6,1%	+3,7%	-1,2%	\$13.550.000	5,88%	\$253.058	\$ 181.676	124%	\$ 57.087	31%	\$ 4.302	2%	-52%	58,8x	5,7x	1,0x
Cablevisión Hold.	CVH	\$154,00	Comun.	-0,6%	+4,6%	-35,4%	-46,8%	\$4.670.000	3,17%	\$27.819	\$ 181.676	-	\$ 41.190	23%	-\$ 14.129	-8%	-	-	2,5x	0,8x

Otras empresas / Other Companies

Tenaris	TS	\$640,00	O&G	+6,7%	-6,9%	+59,0%	+5,5%	\$127.460.000		\$755.544	\$ 253.943	138%	\$ 37.315	15%	\$ 12.327	5%	16%	61,3x	20,2x	62,9x
San Miguel	SAMI	\$70,00	Agro	-5,4%	+9,4%	-26,3%	-35,1%	\$4.120.000		\$4.981	\$ 10.454	162%	\$ 2.272	22%	-\$ 1.186	-11%	-323%	-	4,8x	0,5x
Banco Hipotecario	BHIP	\$11,00	Bancos	-12,0%	+0,9%	-5,1%	+5,2%	\$8.370.000		\$16.500	\$ 16.140	64%	\$ 0	0%	\$ 1.515	9%	-19%	10,9x	-	1,6x
Central Costanera	CECO2	\$7,97	Electricidad	-1,6%	+6,4%	+29,7%	+33,6%	\$2.760.000		\$5.595	\$ 8.791	109%	\$ 2.013	23%	\$ 629	7%	586%	8,9x	2,7x	5,6x

*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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