

### Trade Ideas

	Price	Rating
ALUA	21,60	Market Outperformer
SAMI	78,00	Market Outperformer
TXAR	15,30	Market Outperformer

### HIGHLIGHTS

- The Merval Index dropped 0,29% during the last 7 days, in contrast to international markets.
- Banks were the best weekly performers.
- Industrials was the worst performing sector.

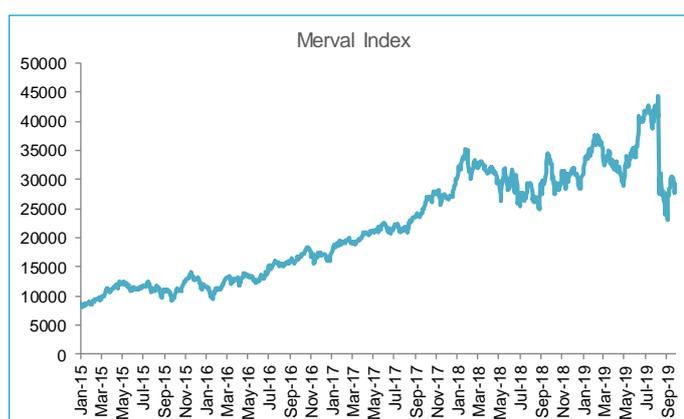
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### Strategy

Following the tightening of FX controls, domestic securities continued falling reflecting significantly weaker economic conditions. 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



# ARGENTINA EQUITY MARKET

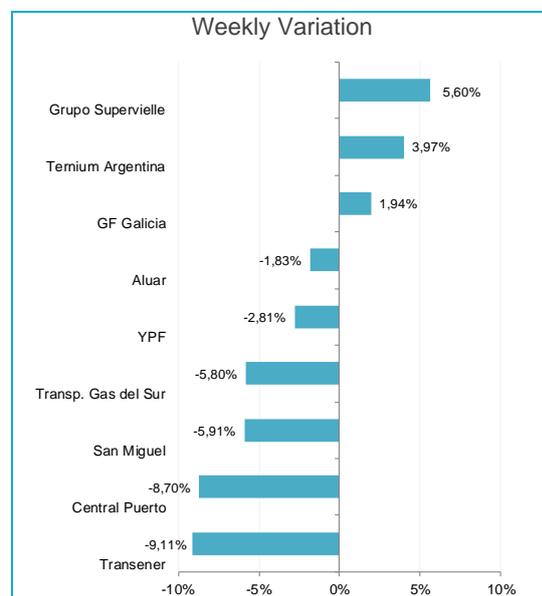
Weekly Market Strategy Report

October 2, 2019

## Argentina

### Selected Stocks

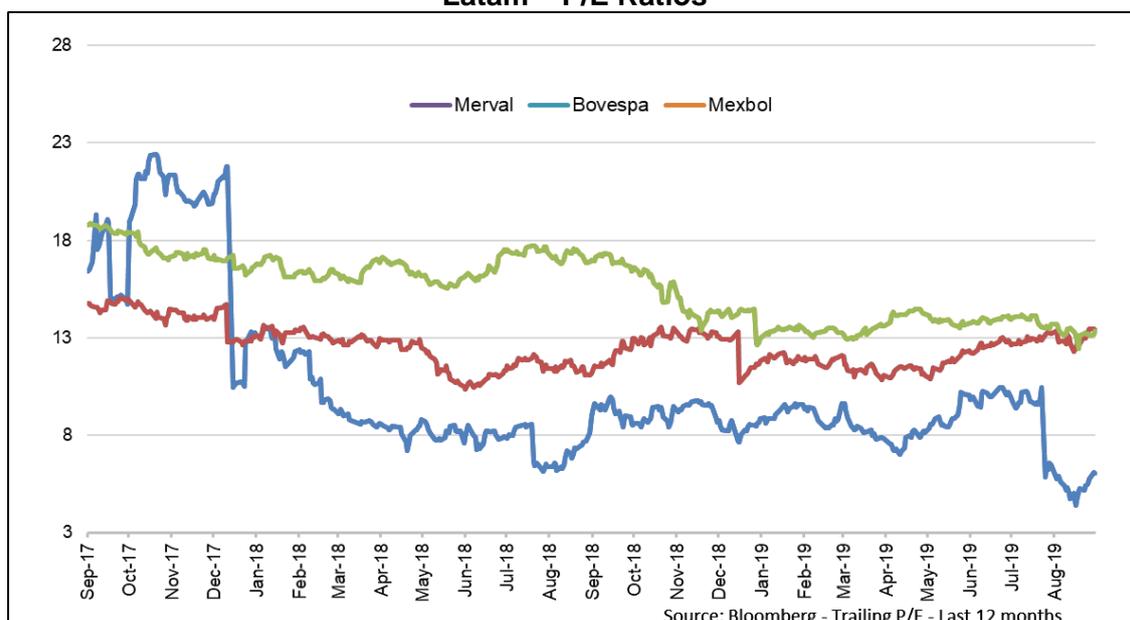
Company	Price (ARS)	Chg 5d %	Chg 1 yr %	Rating
YPF	592,45	5,8	3,3	Hold
GF Galicia	81,55	9,1	-17,5	Hold
Grupo Supervielle	40,55	12,3	-36,4	Hold
Ternium Argentina	15,7	8,2	-5,9	Hold
Aluar	21,4	3,2	2,5	Hold
Transener	20,95	1,6	-54,1	Hold
Transp. Gas del Sur	107,1	2,9	-4,5	Hold
San Miguel	78	-3,1	-38,0	Hold
Central Puerto	18,9	1,8	-52,0	Hold



The Merval Index dropped 0,29% during the last 7 days. Last week, Banks, along with Financial sector outstaded. On the other hand, Industrial sector, followed by Agribusiness companies, recorded the worst performance.

During the week, shares with the best performance were Grupo Supervielle (SUPV, +5,60%), Banco Macro (BMA, +4,73%) and Ternium Argentina (TXAR, +3,97%). The lowest returns were for Transener (TRAN, -9,11%), Mirgor (MIRG, -8,71%) and Central Puerto (CEPU, -8,70%).

### Latam – P/E Ratios



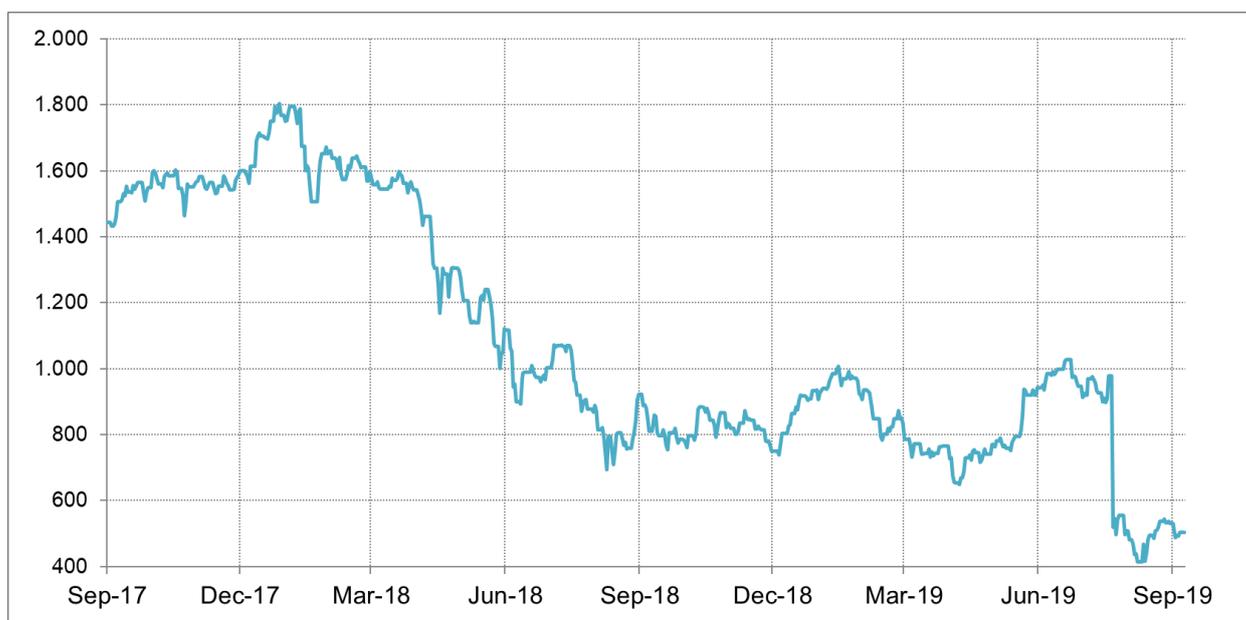
# ARGENTINA EQUITY MARKET

Weekly Market Strategy Report

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## Dollar-denominated Merval Index

The dollar-denominated Merval Index was down 1,47% over the week, closing this time at 504,70 points, primarily driven by the index return in pesos.



# ARGENTINA EQUITY MARKET

Weekly Market Strategy Report

October 2, 2019

## Which Argentine stocks are most attractive in the current uncertain context?

Ticker	BBG	Industry	Return Sep-19	Return YTD	Return post-Primary elections	% of operating business in Argentina
CRES	CRES AR Equity	Agribusiness	6%	-46%	-35%	
VALO	VALO AR Equity	Banks	28%	-12%	-34%	100%
BMA	BMA AR Equity	Banks	15%	-31%	-63%	100%
GGAL	GGAL AR Equity	Banks	21%	-48%	-63%	100%
BBAR	BBAR AR Equity	Banks	10%	-55%	-60%	100%
SUPV	SUPV AR Equity	Banks	37%	-57%	-54%	100%
TECO	TECO2 AR Equity	Communications	17%	-27%	-28%	~100%
CVH	CVH AR Equity	Communications	21%	-52%	-43%	~100%
MIRG	MIRG AR Equity	Discretionary	0%	-50%	-36%	100%
BYMA	BYMA AR Equity	Financial	14%	-61%	-51%	100%
COME	COME AR Equity	Holding	46%	-45%	-30%	100%
ALUA	ALUA AR Equity	Materials	4%	-16%	-4%	30%
TXAR	TXAR AR Equity	Materials	46%	-18%	-14%	95%
YPFD	YPFD AR Equity	Oil & Gas	9%	-22%	-39%	91%
TGSU	TGSU2 AR Equity	Utilities	16%	-30%	-41%	82%
PAMP	PAMP AR Equity	Utilities	38%	-38%	-45%	100%
TGNO	TGNO4 AR Equity	Utilities	91%	-42%	-54%	100%
CEPU	CEPU AR Equity	Utilities	14%	-63%	-63%	100%
TRAN	TRAN AR Equity	Utilities	25%	-64%	-65%	100%
EDN	EDN AR Equity	Utilities	36%	-71%	-58%	100%
<b>MERVAL</b>	<b>MERVAL Index</b>		<b>21%</b>	<b>-37%</b>	<b>-48%</b>	
AGRO	AGRO US Equity	Agribusiness	4%	-14%	-17%	25%
BIOX	BIOX US Equity	Agribusiness	11%	-36%	-10%	
MELI	MELI US Equity	Discretionary	-7%	89%	-20%	26%
DESP	DESP US Equity	Discretionary	3%	-8%	-23%	23%
ARCO	ARCO US Equity	Discretionary	2%	-13%	-18%	<25%
GLOB	GLOB US Equity	Technology	-4%	61%	-15%	<10%
CAAP	CAAP US Equity	Transport	-8%	-31%	-36%	57%

The current political and economic context look significantly volatile. The main risk is that the project sent by the Government to Congress does not contain any details for the sovereign debt re-scheduling, which still generates significant uncertainty, along with the possible economic actions the next administration would undertake.

Domestic stocks are already discounting a very pessimistic scenario, specially banks and utilities. Regarding banks, the main risk is a restructuring of the short-term Liquidity Bills (7 days Bills issued by the Central Bank for commercial banks), which could significantly weaken banks' balance sheet. Regarding Utility companies, the main risk is a tariff freeze, as many contracts are dollar linked and due to severe devaluation, they could have to be strongly adjusted.

We favor defensive stocks such as Aluar and Ternium, that although they performed relatively better than cyclical sectors, still appear to be undervalued, considering their reduced operating exposure to Argentina (Aluar only has 30% of its operations in Argentina). MercadoLibre and Globant are also attractive securities, and while they are Argentine companies, they are not correlated to domestic volatility, and outperforming S&P500 in 2019. Corporación América Airports (CAAP) also stands out due to its reduced exposure to local macroeconomic risk, and high percentage of dollar denominated revenue.

## Acciones Argentinas / Argentine Stocks

Compañía / Company			30-sep-19	% Semana / Week	% Mes / Month	% 1 Año / year	% YTD
Agrometal	AGRO AR Equity	Agropecuario	7,77	-11,70%	19,35%	-37,21%	-13,67%
Aluar	ALUA AR Equity	Materiales Básicos	21,40	-1,83%	1,90%	3,89%	28,65%
Autopistas del Sol	AUSO AR Equity	Consumo no Ciclico	77,00	5,77%	26,44%	-1,90%	-21,97%
Autopistas Oeste	OEST AR Equity	Consumo no Ciclico	25,00	2,88%	20,77%	-2,75%	-7,24%
Banco Hipotecario	BHIP AR Equity	Financiero	9,70	-7,62%	-11,01%	-21,31%	-16,29%
Banco Patagonia	PATA AR Equity	Financiero	17,05	-7,84%	0,29%	-34,42%	-29,55%
Banco Río	BRIO AR Equity	Financiero	13,80	7,81%	33,98%	-42,32%	-18,76%
BBVA Banco Francés	BBAR AR Equity	Financiero	93,15	-2,87%	7,25%	-39,95%	-31,74%
BMA Banco Macro Bansud	BMA AR Equity	Financiero	165,95	4,73%	12,85%	1,05%	6,04%
Boldt	BOLT AR Equity	Juego	3,00	-3,23%	25,00%	-25,55%	1,53%
Bolsas y Mercados Argentinos	BYMA AR Equity	Financiero	223,00	2,29%	11,22%	-36,98%	-40,07%
Cablevisión Holding	CVH AR Equity	Comunicaciones	174,00	-1,69%	18,17%	-48,48%	-27,03%
Carlos Casado	CADO AR Equity	Consumo no Ciclico	12,15	-0,00%	7,05%	11,12%	-3,58%
CAPEX	CAPX AR Equity	Utilities	51,50	-1,90%	19,77%	-30,97%	-16,80%
Celulosa	CELU AR Equity	Materiales Básicos	19,65	-1,75%	15,59%	9,47%	7,97%
Central Puerto	CEPU AR Equity	Utilities	18,90	-8,70%	11,18%	-54,07%	-43,24%
Come. del Plata	COME AR Equity	Conglomerado	1,61	-3,59%	42,48%	-36,95%	-15,24%
Cresud	CRES AR Equity	Consumo no Ciclico	37,10	-5,84%	3,78%	-32,88%	-17,37%
Dycasa	DYCA AR Equity	Construcción	37,80	0,80%	2,02%	-1,82%	-0,53%
Edenor	EDN AR Equity	Energia	22,60	-7,76%	32,94%	-55,95%	-55,64%
Endesa Costanera	CECO2 AR Equity	Utilities	8,15	-5,78%	8,81%	9,86%	32,66%
Ferrum	FERR AR Equity	Construcción	3,20	0,00%	18,52%	-25,09%	24,11%
Fiplasto	FIPL AR Equity	Construcción	3,40	-5,29%	-2,86%	-39,59%	0,23%
Garovaglio	GARO AR Equity	Conglomerado	4,72	12,65%	15,69%	-31,99%	-0,21%
GasBan	GBAN AR Equity	Energia	27,50	-5,17%	-11,29%	-42,71%	-28,57%
Grimoldi	GRIM AR Equity	Consumo no Ciclico	19,60	10,11%	-1,75%	-19,73%	5,66%
Grupo Clarin	GCLA AR Equity	Media	30,60	8,90%	33,04%	-55,26%	-38,18%
Grupo Financiero Valores	VALO AR Equity	Financiero	6,38	-1,09%	24,85%	17,29%	33,99%
Grupo Galicia	GGAL AR Equity	Financiero	81,55	1,94%	17,93%	-21,78%	-20,00%
Grupo Supervielle	SUPV AR Equity	Financiero	40,55	5,60%	34,49%	-35,65%	-35,04%
Irsa	IRSA AR Equity	Real Estate	34,00	-9,45%	8,63%	-44,30%	-29,24%
Havanna	HAVA AR Equity	Consumo Cíclico	80,30	2,55%	14,71%	38,37%	61,44%
Holcim	HARG AR Equity	Industrial	67,80	11,15%	38,37%	22,71%	15,90%
Ledesma	LEDE AR Equity	Consumo no Ciclico	11,25	4,17%	12,50%	-25,25%	-7,79%
Loma Negra	LOMA AR Equity	Industrial	72,45	2,11%	18,67%	-0,00%	-10,00%
Longvie	LONG AR Equity	Construcción	2,35	-1,26%	2,62%	-31,88%	7,31%
Metrogas	METR AR Equity	Utilities	15,15	-4,11%	32,89%	-59,76%	-42,83%
Mirgor	MIRG AR Equity	Consumo Cíclico	272,50	-8,71%	-2,28%	-26,14%	-23,14%
Molinos	MOLI AR Equity	Consumo no Ciclico	43,50	-2,25%	20,83%	-14,54%	17,57%
Pampa Holding	PAMP AR Equity	Conglomerado	44,05	3,53%	35,12%	-13,54%	-5,78%
Patagonia (Imp. Exp)	PATA AR Equity	Consumo no Ciclico	17,05	-7,84%	0,29%	-34,42%	-29,55%
Petrobras Brasil	APBR AR Equity	Energia	457,40	-6,21%	6,86%	86,63%	85,11%
Polledo	POLL AR Equity	Industrial	6,90	-1,43%	6,15%	-18,82%	-27,37%
Quickfood	PATY AR Equity	Consumo no Ciclico	4,15	-3,49%	33,87%	-2,21%	-6,53%
Richmond	RICH AR Equity	Farmacéutico	59,50	-0,83%	48,75%	79,22%	63,91%
Rigolleau	RIGO AR Equity	Consumo no Ciclico	30,00	0,00%	20,00%	-30,84%	-34,10%
San Miguel	SAMI AR Equity	Agricultura	78,00	-5,91%	21,88%	-37,10%	-17,93%
Siderar	TXAR AR Equity	Materiales Básicos	15,70	3,97%	42,73%	-2,43%	24,56%
Solvay Indupa	INDU AR Equity	Materiales Básicos	19,00	-1,30%	15,15%	-15,18%	16,56%
Telecom	TECO2 AR Equity	Comunicaciones	127,00	-4,87%	14,72%	-7,27%	12,13%
Tenaris	TS AR Equity	Materiales Básicos	667,40	-7,41%	-2,87%	-1,20%	65,85%
TGN	TGNO4 AR Equity	Energia	45,35	3,19%	86,63%	-23,06%	-11,29%
TGS	TGSU2 AR Equity	Energia	107,10	-5,80%	13,39%	-2,08%	7,21%
Transener	TRAN AR Equity	Utilities	20,95	-9,11%	22,16%	-44,54%	-44,67%
YPF	YPFD AR Equity	Energia	592,45	-2,81%	7,01%	-6,71%	18,89%
Ind. Merval	MERVAL Index		29.066,96	-0,29%	18,12%	-13,13%	-4,05%
Ind. General	IBG Index		1.240.101,63	-0,54%	16,82%	-18,38%	-5,18%

Tablero de Control - Índice S&P Merval / S&P Merval Index - Control Panel																				
Compañía / Company	Especie / Ticker	Precio de Cierre al / Closing Price at 30/09/2019	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
<b>Índice S&amp;P Merval</b>		<b>25.398</b>		<b>-0,1%</b>	<b>+18,3%</b>	<b>-8,3%</b>	<b>-16,5%</b>											<b>9,1X</b>	<b>4,7X</b>	
GF Galicia	GGAL	\$81,55	Bancos	+1,9%	+17,9%	-20,0%	-21,8%	\$122.310.000	13,74%	\$116.353	\$ 114.574	124%	-	-	\$ 20.459	18%	111%	5,7x	-	1,8x
Banco Macro	BMA	\$165,95	Bancos	+4,7%	+12,9%	+6,0%	+1,0%	\$31.460.000	10,80%	\$111.131	\$ 85.170	141%	-	-	\$ 19.511	23%	76%	5,7x	-	1,7x
Banco Francés	BBAR	\$93,15	Bancos	-2,9%	+7,3%	-31,7%	-40,0%	\$11.920.000	3,81%	\$57.069	\$ 34.545	41%	-	-	\$ 9.706	28%	232%	5,9x	-	1,3x
Grupo Supervielle	SUPV	\$40,55	Bancos	+5,6%	+34,5%	-35,0%	-35,6%	\$29.120.000	2,05%	\$18.520	\$ 19.373	27%	-	-	\$ 3.706	19%	33%	5,0x	-	1,1x
GF Valores	VALO	\$6,38	Bancos	-1,1%	+24,9%	+34,0%	+17,3%	\$8.330.000	1,38%	\$5.477	-	-	-	-	-	-	-	-	-	2,6x
Soc. Com. del Plata	COME	\$1,61	Conglom.	-3,6%	+42,5%	-15,2%	-36,9%	\$8.420.000	0,06%	\$4.133	\$ 1.669	-26%	-\$ 433	-26%	\$ 482	29%	3650%	6,6x	-	0,4x
Mirgor	MIRG	\$272,50	Consumo	-8,7%	-2,3%	-23,1%	-26,1%	\$4.610.000	3,09%	\$4.905	\$ 32.522	58%	\$ 3.254	10%	-\$ 23	0%	-103%	-	1,4x	1,1x
Pampa Energía	PAMP	\$44,05	Electricidad	+3,5%	+35,1%	-5,8%	-13,5%	\$33.550.000	13,75%	\$82.569	\$ 120.587	71%	\$ 30.926	26%	\$ 16.910	14%	381%	5,1x	4,5x	1,3x
Central Puerto	CEPU	\$18,90	Electricidad	-8,7%	+11,2%	-43,2%	-54,1%	\$11.180.000	7,09%	\$28.615	\$ 18.697	124%	\$ 30.151	161%	\$ 10.984	59%	116%	2,6x	1,2x	0,8x
Edenor	EDN	\$22,60	Electricidad	-7,8%	+32,9%	-55,6%	-55,9%	\$8.040.000	0,46%	\$19.777	\$ 55.954	130%	\$ 6.518	12%	\$ 5.225	9%	964%	3,9x	3,6x	0,6x
Transener	TRAN	\$20,95	Electricidad	-9,1%	+22,2%	-44,7%	-44,5%	\$10.820.000	0,15%	\$9.316	\$ 10.668	60%	\$ 6.079	57%	\$ 3.028	28%	31%	3,1x	1,4x	0,7x
YPF	YPFD	\$592,45	O&G	-2,8%	+7,0%	+18,9%	-6,7%	\$125.020.000	20,10%	\$233.018	\$ 490.904	81%	\$ 138.400	28%	\$ 20.518	4%	42%	11,3x	3,7x	0,6x
TGS	TGSU2	\$107,10	O&G	-5,8%	+13,4%	+7,2%	-2,1%	\$15.020.000	2,72%	\$85.090	\$ 38.295	162%	\$ 11.511	30%	\$ 11.915	31%	337%	7,1x	7,7x	2,3x
TGN	TGNO4	\$45,35	O&G	+3,2%	+86,6%	-11,3%	-23,1%	\$7.730.000	0,43%	\$19.926	\$ 13.337	170%	\$ 7.686	58%	\$ 4.123	31%	457%	4,8x	3,0x	0,7x
Bolsas y Mercados	BYMA	\$223,00	Financiera	+2,3%	+11,2%	-40,1%	-37,0%	\$30.070.000	3,00%	\$17.004	-	-	-	-	-	-	-	-	-	1,6x
Cresud	CRES	\$37,10	Inmobiliaria	-5,8%	+3,8%	-17,4%	-32,9%	\$5.480.000	2,89%	\$18.611	\$ 61.109	-23%	\$ 36.051	59%	-\$ 10.226	-17%	-450%	-	4,8x	0,7x
Aluar	ALUA	\$21,40	Materiales	-1,8%	+1,9%	+28,6%	+3,9%	\$11.520.000	2,93%	\$59.920	\$ 34.292	92%	\$ 11.218	33%	\$ 5.261	15%	55%	11,4x	5,8x	2,7x
Siderar	TXAR	\$15,70	Materiales	+4,0%	+42,7%	+24,6%	-2,4%	\$17.200.000	2,33%	\$70.918	\$ 78.980	19%	\$ 12.614	16%	\$ 11.816	15%	25%	6,0x	6,2x	0,6x
Telecom	TECO2	\$127,00	Comun.	-4,9%	+14,7%	+12,1%	-7,3%	\$5.410.000	5,89%	\$273.518	\$ 181.676	124%	\$ 57.087	31%	\$ 4.302	2%	-52%	63,6x	6,0x	1,1x
Cablevisión Hold.	CVH	\$174,00	Comun.	-1,7%	+18,2%	-27,0%	-48,5%	\$1.570.000	3,32%	\$31.432	\$ 181.676	-	\$ 41.190	23%	-\$ 14.129	-8%	-	-	2,6x	0,9x

Otras empresas / Other Companies

Tenaris	TS	\$667,40	O&G	-7,4%	-2,9%	+65,9%	-1,2%	\$63.490.000		\$787.890	\$ 253.943	138%	\$ 37.315	15%	\$ 12.327	5%	16%	63,9x	21,1x	65,6x
San Miguel	SAMI	\$78,00	Agro	-5,9%	+21,9%	-17,9%	-37,1%	\$940.000		\$5.550	\$ 10.454	162%	\$ 2.272	22%	-\$ 1.186	-11%	-323%	-	5,0x	0,5x
Banco Hipotecario	BHIP	\$9,70	Bancos	-7,6%	-11,0%	-16,3%	-21,3%	\$380.000		\$14.550	\$ 16.140	64%	\$ 0	0%	\$ 1.515	9%	-19%	9,6x	-	1,4x
Central Costanera	CECO2	\$8,15	Electricidad	-5,8%	+8,8%	+32,7%	+9,9%	\$920.000		\$5.721	\$ 8.791	109%	\$ 2.013	23%	\$ 629	7%	586%	9,1x	2,7x	5,7x

\*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

# ARGENTINA EQUITY MARKET

Weekly Market Strategy Report

October 2, 2019

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\*\*\*\* Capital Markets Argentina S.A. – Rule 15a-6 Combined Disclosure \*\*\*\*

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