

Trade Ideas

	Price	Rating
SAMI	77,30	Market Outperformer
TGSU2	114,90	Market Outperformer
TXAR	17,20	Market Outperformer

HIGHLIGHTS

- The **Merval Index** hiked 6,45% during the last 7 days, as opposed to international markets.
- Companies in the **Industrial** sector were the best weekly performers.
- **Holdings** was the worst performing sector.

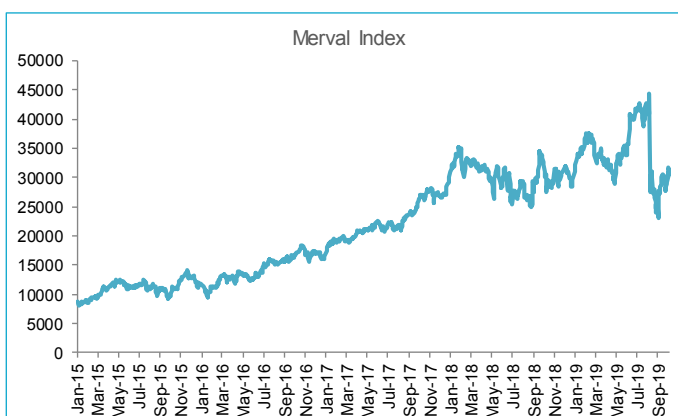
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Strategy

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 sovereign 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 revenue.

Indexes Weekly Variation



ARGENTINA EQUITY MARKET

Weekly Market Strategy Report

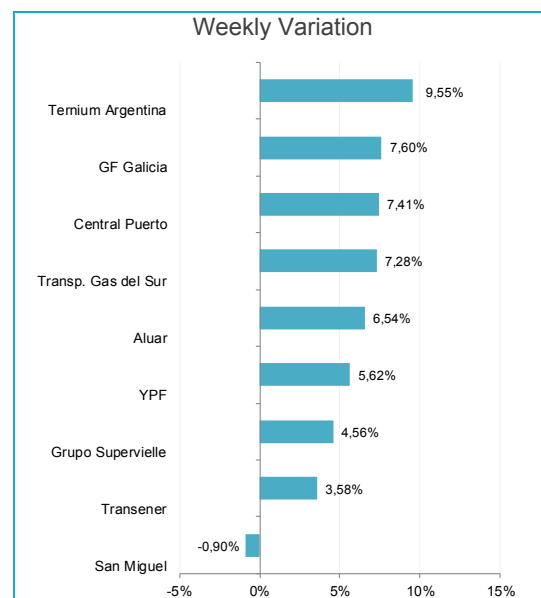
October 8, 2019

Argentina

Selected Stocks

Company	Price (ARS)	Chg 5d %	Chg 1 yr %	Rating
YPF	625,75	0,9	9,8	Market Performer
GF Galicia	87,75	1,7	-7,8	Market Performer
Grupo Supervielle	42,4	0,4	-24,8	Market Performer
Ternium Argentina	17,2	3,8	10,7	Market Outperformer
Aluar	22,8	2,9	9,6	Market Performer
Transener	21,7	0,9	-49,7	Market Performer
Transp. Gas del Sur	114,9	-0,4	2,6	Market Outperformer
San Miguel	77,3	0,0	-32,8	Market Outperformer
Central Puerto	20,3	5,2	-40,6	Market Performer

Source: Bloomberg



The Merval Index hiked 6,45% during the last 7 days. Last week, companies in the Industrial sector, along with Materials sector outstanced. On the other hand, Holding sector, followed by Financial companies, had the worst performance.

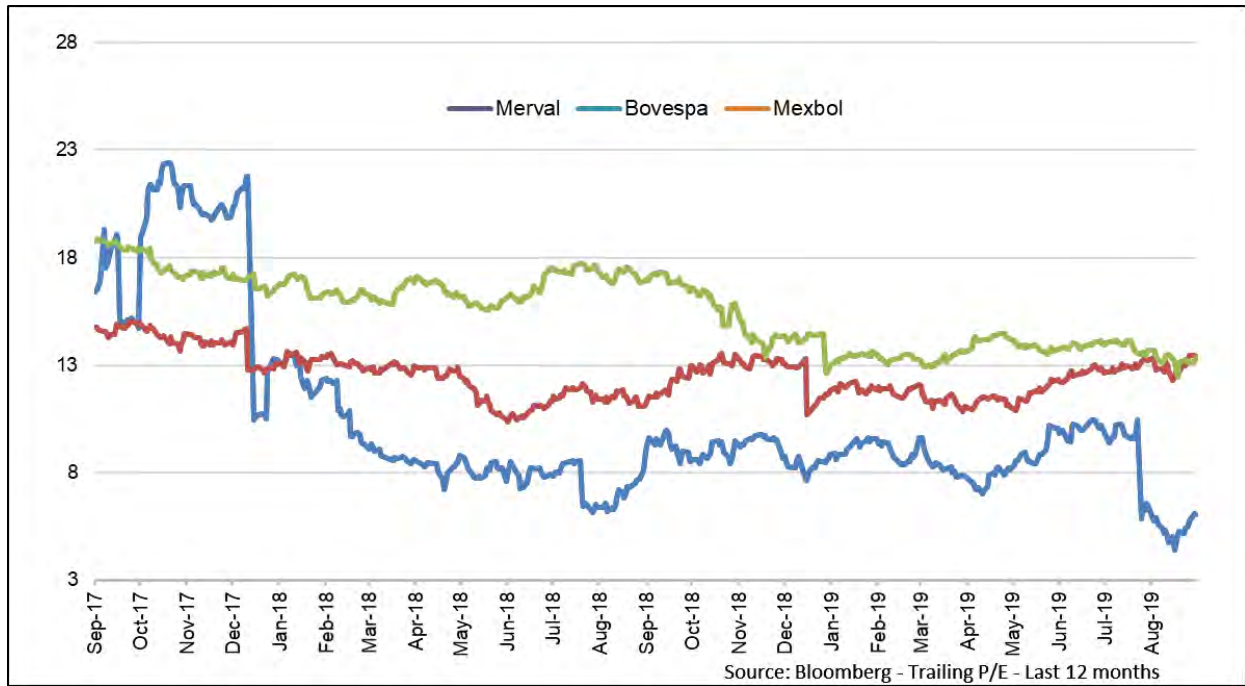
During the week, shares with the best performance were Grupo Supervielle (SUPV, +5,60%), Banco Macro (BMA, +4,73%) and Ternium Argentina (TXAR, +3,97%). The lowest returns were for Transener (TRAN, -9,11%), Mirgor (MIRG, -8,71%) and Central Puerto (CEPU, -8,69%).

ARGENTINA EQUITY MARKET

Weekly Market Strategy Report

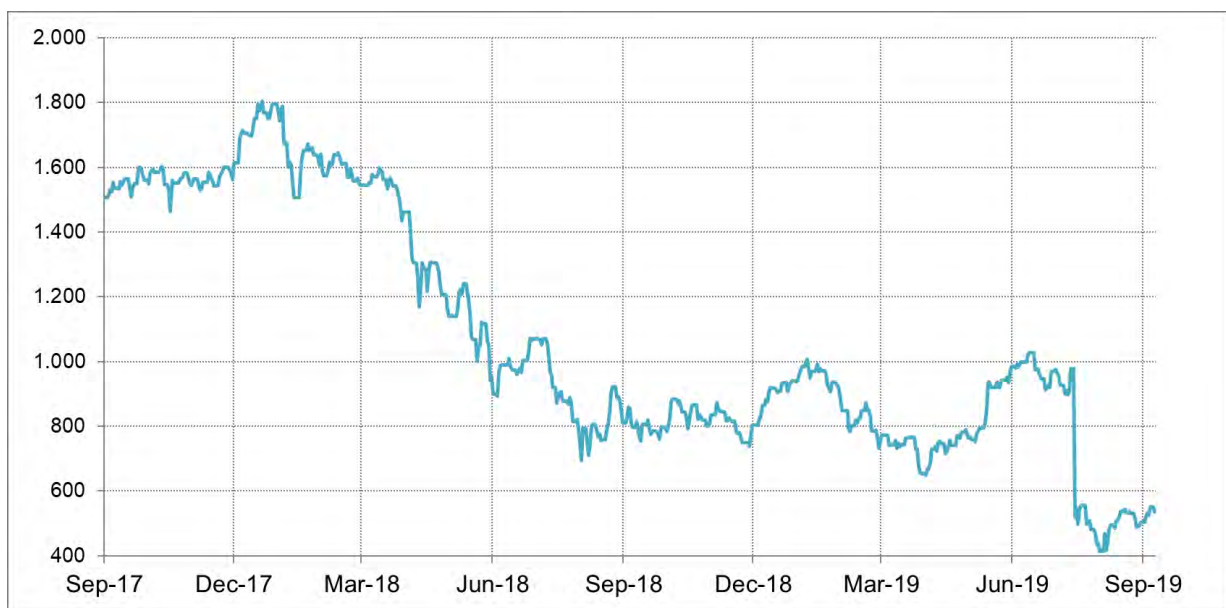
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Latam – P/E Ratios



Dollar-denominated Merval Index

The dollar-denominated Merval Index was up 5,66% over the week, closing this time at 534,985 points, driven by unchanged FX.



ARGENTINA EQUITY MARKET

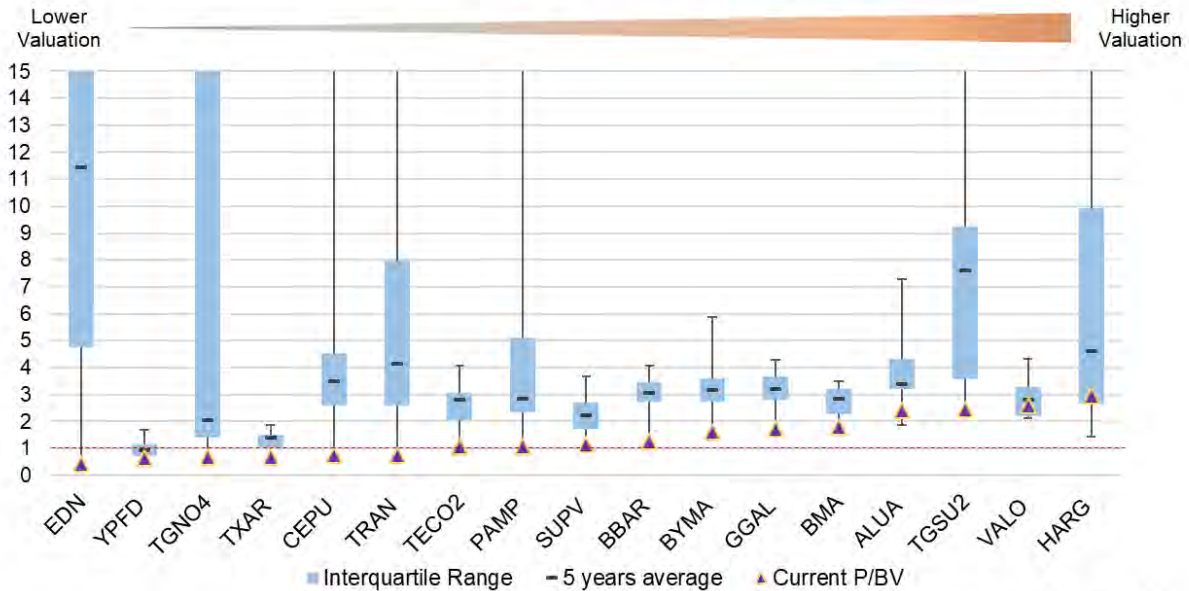
Weekly Market Strategy Report

October 8, 2019

Are Argentine stocks cheap vs their historical value?

The market meltdown following primaries, certain securities are currently trading below their book value ($P/BV < 1x$). In most cases, Merval stocks are trading very close to their 5 years P/BV minimum values. According to this ratio, stocks such as Ternium (TXAR), with stake in affiliate companies in Mexico and Brazil, and TGS (TGSU2) stand out. They trade well below their average valuation despite the fact that their dollarized revenues benefits them in a context of local currency depreciation. Pampa Energía (PAMP) also stands out as relatively undervalued. Regarding banks, BBVA (BBAR) and Supervielle (SUPV) appears undervalued relative to its peers in terms of risk-return considering P/BV .

Merval - Current vs. Historical P/BV (5 years)



Source: CMA based on Bloomberg. CRES, COME and CVH excluded

Acciones Argentinas / Argentine Stocks

Compañía / Company			08-oct-19	% Semana / Week	% Mes / Month	% 1 Año / year	% YTD
Agrometal	AGRO AR Equity	Agropecuario	8,30	3,75%	13,54%	-23,41%	-7,78%
Aluar	ALUA AR Equity	Materiales Básicos	22,70	2,02%	10,46%	19,16%	36,46%
Autopistas del Sol	AUSO AR Equity	Consumo no Ciclico	88,80	11,14%	33,33%	20,01%	-10,01%
Autopistas Oeste	OEST AR Equity	Consumo no Ciclico	25,20	0,80%	10,04%	11,14%	-6,50%
Banco Hipotecario	BHIP AR Equity	Financiero	9,85	-1,50%	-12,83%	-17,79%	-15,00%
Banco Patagonia	PATA AR Equity	Financiero	19,80	13,14%	16,47%	-23,99%	-18,18%
Banco Río	BRIO AR Equity	Financiero	13,90	-2,11%	5,30%	-30,31%	-18,17%
BBVA Banco Francés	BBAR AR Equity	Financiero	97,50	1,99%	2,31%	-27,88%	-28,55%
BMA Banco Macro Bansud	BMA AR Equity	Financiero	170,00	-1,08%	5,89%	14,16%	8,63%
Boldt	BOLT AR Equity	Juego	2,95	-3,28%	11,74%	-17,91%	-0,16%
Bolsas y Mercados Argentinos	BYMA AR Equity	Financiero	220,00	-1,79%	-0,56%	-37,04%	-40,88%
Cablevisión Holding	CVH AR Equity	Comunicaciones	176,00	-2,09%	10,34%	-38,55%	-26,19%
Carlos Casado	CADO AR Equity	Consumo no Ciclico	12,55	1,21%	7,26%	14,26%	-0,41%
CAPEX	CAPX AR Equity	Utilities	55,00	3,77%	0,00%	-22,48%	-11,15%
Celulosa	CELU AR Equity	Materiales Básicos	19,00	-2,06%	-2,31%	7,95%	4,40%
Central Puerto	CEPU AR Equity	Utilities	20,10	4,69%	4,42%	-40,88%	-39,64%
Come. del Plata	COME AR Equity	Conglomerado	1,57	-1,87%	23,62%	-28,85%	-17,34%
Cresud	CRES AR Equity	Consumo no Ciclico	37,10	-2,37%	-10,82%	-19,89%	-17,37%
Dycasa	DYCA AR Equity	Construcción	38,95	2,50%	13,72%	11,29%	2,50%
Edenor	EDN AR Equity	Energia	22,80	0,44%	14,00%	-45,06%	-55,25%
Endesa Costanera	CECO2 AR Equity	Utilities	8,90	8,54%	9,88%	33,37%	44,86%
Ferrum	FERR AR Equity	Construcción	3,29	-2,95%	15,85%	-19,35%	27,60%
Fiplasto	FIPL AR Equity	Construcción	3,75	5,93%	4,17%	-21,26%	10,55%
Garovaglio	GARO AR Equity	Conglomerado	4,88	3,17%	25,13%	-22,54%	3,17%
GasBan	GBAN AR Equity	Energia	28,00	1,82%	3,70%	-34,88%	-27,27%
Grimoldi	GRIM AR Equity	Consumo no Ciclico	20,00	3,09%	2,56%	-22,82%	7,82%
Grupo Clarin	GCLA AR Equity	Media	28,50	-5,00%	-5,00%	-51,65%	-42,42%
Grupo Financiero Valores	VALO AR Equity	Financiero	6,52	-0,00%	13,19%	31,20%	36,93%
Grupo Galicia	GGAL AR Equity	Financiero	85,25	1,19%	11,95%	-7,06%	-16,38%
Grupo Supervielle	SUPV AR Equity	Financiero	40,95	-1,21%	1,24%	-24,97%	-34,39%
Irsa	IRSA AR Equity	Real Estate	34,65	0,00%	-11,61%	-38,25%	-27,89%
Havanna	HAVA AR Equity	Consumo Cíclico	80,00	0,00%	0,63%	44,75%	60,83%
Holcim	HARG AR Equity	Industrial	78,60	17,31%	22,05%	46,10%	34,36%
Ledesma	LEDE AR Equity	Consumo no Ciclico	11,20	-2,18%	9,27%	-19,71%	-8,20%
Loma Negra	LOMA AR Equity	Industrial	78,00	2,63%	11,99%	27,87%	-3,11%
Longvie	LONG AR Equity	Construcción	2,47	2,92%	4,66%	-21,59%	12,79%
Metrogas	METR AR Equity	Utilities	14,90	-2,61%	-4,18%	-55,85%	-43,77%
Mirgor	MIRG AR Equity	Consumo Ciclico	308,00	12,82%	-6,62%	-6,90%	-13,13%
Molinos	MOLI AR Equity	Consumo no Ciclico	44,50	3,49%	8,94%	-7,29%	20,27%
Pampa Holding	PAMP AR Equity	Conglomerado	45,70	-0,98%	16,58%	-0,76%	-2,25%
Patagonia (Imp. Exp)	PATA AR Equity	Consumo no Ciclico	19,80	13,14%	16,47%	-23,99%	-18,18%
Petrobras Brasil	APBR AR Equity	Energia	455,10	-4,51%	-0,61%	60,91%	84,18%
Polledo	POLL AR Equity	Industrial	6,80	-1,45%	1,49%	-21,93%	-28,42%
Quickfood	PATY AR Equity	Consumo no Ciclico	4,25	5,99%	18,06%	-39,63%	-4,28%
Richmond	RICH AR Equity	Farmacéutico	62,00	2,48%	16,98%	87,88%	70,80%
Rigolleau	RIGO AR Equity	Consumo no Ciclico	32,00	3,23%	39,74%	-27,07%	-29,71%
San Miguel	SAMI AR Equity	Agricultura	78,50	1,29%	0,13%	-31,64%	-17,40%
Siderar	TXAR AR Equity	Materiales Básicos	16,75	5,35%	29,84%	17,72%	32,89%
Solvay Indupa	INDU AR Equity	Materiales Básicos	21,30	12,11%	27,54%	-2,74%	30,67%
Telecom	TECO2 AR Equity	Comunicaciones	136,80	3,95%	10,10%	3,03%	20,78%
Tenaris	TS AR Equity	Materiales Básicos	658,50	-4,20%	-5,88%	6,15%	63,64%
TGN	TGNO4 AR Equity	Energia	50,00	1,94%	60,00%	-1,15%	-2,20%
TGS	TGSU2 AR Equity	Energia	111,20	-0,22%	7,39%	12,85%	11,31%
Transener	TRAN AR Equity	Utilities	21,25	-1,62%	16,44%	-37,19%	-43,88%
YPF	YPFD AR Equity	Energia	615,00	-0,91%	1,10%	9,43%	23,41%
Ind. Merval	MERVAL Index		30.239,61	0,58%	9,33%	-1,01%	-0,17%
Ind. General	IBG Index		1.292.544,38	0,81%	8,50%	-7,58%	-1,17%

Tablero de Control - Indice S&P Merval / S&P Merval Index - Control Panel																				
Compañía / Company	Especie / Ticker	Precio de Cierre al / Closing Price at 08/10/2019	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		26.329		+0,2%	+3,7%	-4,9%	-2,6%											9,5X	4,8X	
GF Galicia	GGAL	\$85,25	Bancos	+1,2%	+4,5%	-16,4%	-7,1%	\$99.380.000	13,80%	\$121.632	\$ 114.574	124%	-	-	\$ 20.459	18%	111%	5,9x	-	1,9x
Banco Macro	BMA	\$170,00	Bancos	-1,1%	+2,4%	+8,6%	+14,2%	\$25.860.000	10,63%	\$113.843	\$ 85.170	141%	-	-	\$ 19.511	23%	76%	5,8x	-	1,8x
Banco Francés	BBAR	\$97,50	Bancos	+2,0%	+4,7%	-28,6%	-27,9%	\$ 7.090.000	3,83%	\$59.734	\$ 34.545	41%	-	-	\$ 9.706	28%	232%	6,2x	-	1,3x
Grupo Supervielle	SUPV	\$40,95	Bancos	-1,2%	+1,0%	-34,4%	-25,0%	\$25.250.000	1,99%	\$18.703	\$ 19.373	27%	-	-	\$ 3.706	19%	33%	5,0x	-	1,1x
GF Valores	VALO	\$6,63	Bancos	+1,7%	+3,9%	+39,2%	+33,4%	\$ 7.510.000	1,38%	\$5.692	-	-	-	-	-	-	-	-	-	2,7x
Soc. Com. del Plata	COME	\$1,56	Conglom.	-1,9%	-3,1%	-17,3%	-28,8%	\$6.800.000	0,06%	\$4.005	\$ 1.669	-26%	-\$ 433	-26%	\$ 482	29%	3650%	6,4x	-	0,4x
Mirgor	MIRG	\$308,00	Consumo	+12,8%	+13,0%	-13,1%	-6,9%	\$5.320.000	3,35%	\$5.544	\$ 32.522	58%	\$ 3.254	10%	-\$ 23	0%	-103%	-	1,6x	1,3x
Pampa Energía	PAMP	\$45,50	Electricidad	-1,4%	+3,3%	-2,7%	-1,2%	\$26.530.000	13,64%	\$85.287	\$ 120.587	71%	\$ 30.926	26%	\$ 16.910	14%	381%	5,2x	4,6x	1,3x
Central Puerto	CEPU	\$20,00	Electricidad	+4,2%	+5,8%	-39,9%	-41,2%	\$9.800.000	7,20%	\$30.280	\$ 18.697	124%	\$ 30.151	161%	\$ 10.984	59%	116%	2,7x	1,2x	0,8x
Edenor	EDN	\$22,80	Electricidad	+0,4%	+0,9%	-55,3%	-45,1%	\$7.530.000	0,45%	\$19.952	\$ 55.954	130%	\$ 6.518	12%	\$ 5.225	9%	964%	3,9x	3,6x	0,7x
Transener	TRAN	\$21,25	Electricidad	-1,6%	+1,4%	-43,9%	-37,2%	\$8.010.000	0,15%	\$9.449	\$ 10.668	60%	\$ 6.079	57%	\$ 3.028	28%	31%	3,1x	1,4x	0,7x
YPF	YPFD	\$615,00	O&G	-0,9%	+3,8%	+23,4%	+9,4%	\$80.290.000	20,04%	\$241.887	\$ 490.904	81%	\$ 138.400	28%	\$ 20.518	4%	42%	11,8x	3,8x	0,6x
TGS	TGSU2	\$111,20	O&G	-0,2%	+3,8%	+11,3%	+12,9%	\$13.430.000	2,72%	\$88.348	\$ 38.295	162%	\$ 11.511	30%	\$ 11.915	31%	337%	7,4x	8,0x	2,4x
TGN	TGNO4	\$50,00	O&G	+1,9%	+10,3%	-2,2%	-1,1%	\$9.740.000	0,46%	\$21.969	\$ 13.337	170%	\$ 7.686	58%	\$ 4.123	31%	457%	5,3x	3,3x	0,8x
Bolsas y Mercados	BYMA	\$220,00	Financiera	-1,8%	-1,3%	-40,9%	-37,0%	\$16.500.000	2,84%	\$16.775	-	-	-	-	-	-	-	-	-	1,6x
Cresud	CRES	\$37,10	Inmobiliaria	-2,4%	-0,0%	-17,4%	-19,9%	\$4.100.000	2,78%	\$18.611	\$ 61.109	-23%	\$ 36.051	59%	-\$ 10.226	-17%	-450%	-	4,8x	0,7x
Aluar	ALUA	\$22,70	Materiales	+2,0%	+6,1%	+36,5%	+19,2%	\$9.890.000	2,99%	\$63.560	\$ 34.292	92%	\$ 11.218	33%	\$ 5.261	15%	55%	12,1x	6,1x	2,8x
Siderar	TXAR	\$16,80	Materiales	+5,7%	+7,0%	+33,3%	+18,1%	\$17.000.000	2,39%	\$75.887	\$ 78.980	19%	\$ 12.614	16%	\$ 11.816	15%	25%	6,4x	6,6x	0,7x
Telecom	TECO2	\$136,80	Comun.	+4,0%	+7,7%	+20,8%	+3,0%	\$4.020.000	6,09%	\$294.625	\$ 181.676	124%	\$ 57.087	31%	\$ 4.302	2%	-52%	68,5x	6,4x	1,2x
Cablevisión Hold.	CVH	\$176,00	Comun.	-2,1%	+1,1%	-26,2%	-38,5%	\$1.160.000	3,22%	\$31.793	\$ 181.676	-	\$ 41.190	23%	-\$ 14.129	-8%	-	-	2,6x	0,9x

Otras empresas / Other Companies

Tenaris	TS	\$658,10	O&G	-4,3%	-1,4%	+63,5%	+6,1%	\$129.700.000		\$776.911	\$ 253.943	138%	\$ 37.315	15%	\$ 12.327	5%	16%	63,0x	20,8x	64,7x
San Miguel	SAMI	\$78,50	Agro	+1,3%	+0,6%	-17,4%	-31,6%	\$790.000		\$5.585	\$ 10.454	162%	\$ 2.272	22%	-\$ 1.186	-11%	-323%	-	5,0x	0,5x
Banco Hipotecario	BHIP	\$9,85	Bancos	-1,5%	+1,5%	-15,0%	-17,8%	\$310.000		\$14.775	\$ 16.140	64%	\$ 0	0%	\$ 1.515	9%	-19%	9,8x	-	1,4x
Central Costanera	CECO2	\$8,90	Electricidad	+8,5%	+9,2%	+44,9%	+33,4%	\$970.000		\$6.248	\$ 8.791	109%	\$ 2.013	23%	\$ 629	7%	586%	9,9x	3,0x	6,2x

*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 8, 2019

Capital
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