MORNING CALL
07/08/2023

Shinhan Securities

"Trading Volume Surges"

- ❑ World stocks: Global Markets Experience Mixed Trends
- ❑ Vietnam stocks: Trading Volume Surges
- ❑ Business News #HBS, #VPB, #VCG, #TNG, #FMC, #DGW
- ❑ Technical perspective and recommendation update #BSI, #VRE
- ❑ Key highlights: CPI's basket of goods and services
- ❑ Event calendar
- ❑ Q&A

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Global Market Review – Week 07 – 11/08/2023

Major stocks market

- The Dow Jones index lost its previous momentum and ended lower by 148 points, while the S&P 500 and Nasdaq 100 declined by 0.5% and 0.3% respectively. The US economy added 187,000 jobs in June, which was slightly below market expectations of a 200,000 job increase. However, the unemployment rate unexpectedly decreased to 3.5%, and hourly earnings exceeded estimates with a yearly growth rate of 4.4%.
- In Europe, the stock markets closed higher on Friday, with French stocks leading the region. The CAC 40 rose by 0.75%, while London's FTSE 100 and Germany's DAX increased by 0.47% and 0.37% respectively. Positive earnings reports and encouraging US employment data balanced concerns about slow growth in Europe.
- The Nikkei 225 index in Japan rose by 0.1%, closing at 32,193, while the Topix index expanded by 0.28% to 2,275 on Friday. However, the weekly closing index was lower due to widespread market risk aversion during the time when the US credit rating was downgraded and US treasury bond yields surged. In China, the Shanghai Composite increased by 0.23%, closing at 3,288, while the Shenzhen Component rose by 0.67% to 11,238 on Friday. The weekly closing index was higher, fueled by increasing optimism that the Chinese government would implement more policy measures to support economic growth.
- WTI crude oil futures rose to $82 per barrel on Friday, marking the sixth consecutive week of gains, the longest winning streak this year. This was reinforced by announcements from Saudi Arabia and Russia that they would extend their voluntary production cuts until the next month.

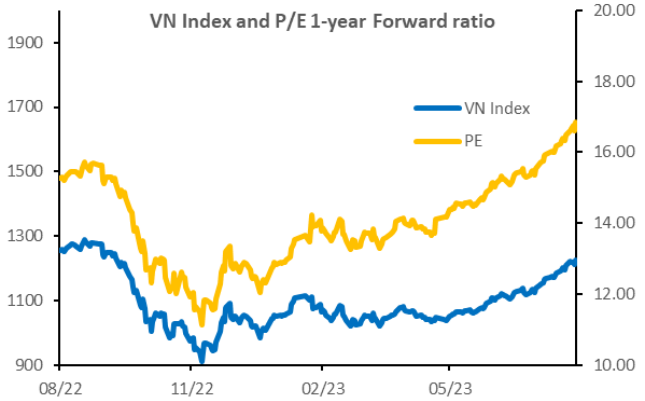
Market

	Close	%1D	%1M	%1Y
VN-Index	1,226	1.24%	7.72%	-2.14%
S&P 500 Index	4,478	-0.53%	1.80%	8.03%
Dow Jones Index	35,066	-0.43%	3.94%	6.90%
GP 100	7,564	0.47%	4.24%	1.68%
Nikkei 225	31,939	-0.79%	-1.39%	13.35%
SHCOMP Index	3,288	0.23%	2.86%	1.89%
STOXX 600	459	0.29%	2.60%	5.41%
KOSPI Index	2,599	-0.16%	2.85%	4.33%
Hang Seng	19,539	0.61%	6.39%	-3.28%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.99	-0.02%	-0.27%	-4.34%
USD/VND	23,726.00	0.11%	-0.07%	-1.42%
EUR/USD	1.10	0.05%	0.41%	7.99%
USD/CNY	7.17	-0.04%	0.60%	-5.91%
Brent	86.50	0.30%	10.23%	-8.87%
WTI	83.06	0.29%	12.46%	-6.68%
Natural gas	2.60	0.70%	0.50%	-67.82%
Coal	137.00	0.11%	-4.30%	-64.42%
Gold	1,944.44	0.08%	1.01%	8.69%

Vietnam Market Snapshot 04/08/2023



Money flow and sector rotation (VND bn)

Sector	%1D	8/4/2023	8/3/2023	20-session Average
Real Estate	66.07	7,480	4,504	4,441
Technology	61.98	172	106	135
Automobiles & Parts	34.57	405	301	182
Banks	31.11	4,242	3,235	3,421
Industrial Goods & Services	26.09	1,309	1,038	1,006
Insurance	21.54	64	53	72
Utilities	19.63	280	234	297
Personal & Household Goods	15.12	190	165	242
Travel & Leisure	1.82	162	159	162
Chemicals	-7.9	744	808	851
Oil & Gas	-9.4	196	216	203
Food and Beverage	-12.4	1,260	1,438	1,387
Construction & Materials	-17.0	1,491	1,795	1,514
Health Care	-18.3	27	33	43
Financial Services	-23.5	2,188	2,862	2,238
Retail	-39.2	655	1,077	679
Basic Resources	-51.8	1,114	2,313	1,335
Media	-70.1	1	2	3

Source: Bloomberg, Shinhan Securities Vietnam

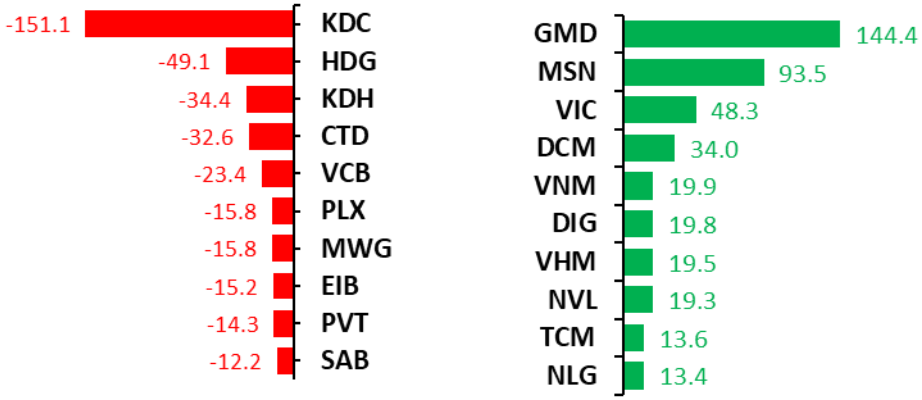
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,225.98	16.84	15.03	1.24	1,049	21,984
HNX INDEX	242.41	26.02	2.64	1.10	108	1,809

Vietnam Market Snapshot 04/08/2023

Top net buying & selling of proprietary trading (VND billion)



Top net buying & selling foreign investors (VND billion)



The net trading value of proprietary trading and investors by sector (VND billion)

Sub-sector	Proprietary trading (VND bn)	Foreign (VND bn)	Local Individual (VND bn)	Local Institutions (VND bn)
Real Estate	117	69	(2)	(67)
Basic Resources	20	8	10	(18)
Media	-	-	-	-
Industrial Goods & Services	218	128	(9)	(119)
Health care	(0)	0	(1)	1
Chemicals	21	25	(36)	11
Financial Services	48	24	(22)	(2)
Travel & Leisure	3	6	(3)	(3)
Banks	370	(3)	(375)	378
Construction & Materials	1	(48)	26	22
Food and Beverage	30	(49)	35	14
Retail	24	(14)	179	(165)
Utilities	7	12	(16)	4
Personal & Household Goods	10	17	24	(41)
Technology	36	2	30	(32)
Automobiles & Parts	3	12	(18)	6
Insurance	1	1	12	(13)
Oil & Gas	10	(12)	(1)	13

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- "**Boosting Rice Exports while Addressing Market Challenges**: Vietnam's rice export markets in the first 7 months of 2023 have seen significant growth compared to the same period last year. However, there are still limitations and issues that need to be carefully considered and resolved, particularly the dependence on a few traditional key markets such as the Philippines, China, and Indonesia.

- **VAT Refunds for Businesses Exceed 70 Trillion VND**: During the first 7 months of 2023, tax authorities across the country have refunded 70,356 billion VND in value-added tax to businesses. Of this, 80% of the refunds were for pre-audit cases. The Deputy Minister of Finance mentioned that in 2022, tax authorities refunded over 150,000 billion VND with 20,774 tax refund decisions. In the first 7 months of 2023, tax authorities refunded 70,356 billion VND with 9,800 tax refund decisions. Among the mentioned tax refunds, nearly 80% belong to Group 1, which is pre-audit refunds, and the remaining over 20% belong to Group 2, which is post-audit refunds.

- **Ministry of Industry and Trade Proposes Shortening Electricity Price Adjustment Cycle**: The Ministry of Industry and Trade has studied and proposed a draft regulation to shorten the electricity price adjustment cycle to 3 months per review, which aligns with the Decision No. 24/2017/QD-TTg of the Prime Minister. EVN (Electricity of Vietnam) has suggested adjusting electricity prices in 2022 and 2023 to ensure a cash flow for purchasing electricity from power plants and improve its financial situation. Due to fluctuations in input parameters, mainly fuel prices, the calculation results show that electricity prices need to be adjusted upwards to maintain financial balance and cash flow for EVN."

Business news

- **HBS**: In the latest update, Hoa Binh Securities Joint Stock Company (code: HBS) has announced the decision of its Board of Directors to appoint Mr. Le Dinh Duong (born in 2003) as the new Chairman of the Board of Directors, replacing Mr. Trinh Thanh Giang, effective from August 3, 2023. As of the end of 2022, Mr. Duong holds over 5 million HBS shares, equivalent to 15.15% of the company's charter capital.

- **VPB**: On August 3, 2023, a strategic cooperation event between Vietnam Prosperity Joint Stock Commercial Bank (VPBank), Vietnam House Group Corporation (Vietnam House), and Nhaphonet Corporation (Nhaphonet.vn) took place in Hanoi. This marks an important milestone and opens the door for sustainable, long-term cooperation between VPBank, Vietnam House, and Nhaphonet.vn, aiming to deliver quality products and services to customers.

- **VCG**: On August 3, 2023, Vietnam Airport Corporation Joint Stock Company (ACV) announced that a contractor has met the technical requirements for package 4.6 "Construction, installation of equipment, and preparation of construction drawings for runways, taxiways, aprons, and other facilities" of Component 3 Project. Package 4.6 has a total investment of over 8,100 billion VND, making it the second-largest package in Component 3 of the Long Thanh Airport project, following package 5.10 worth 35,000 billion VND. The only contractor meeting the technical requirements is a consortium of Airport Construction Corporation (ACC), Truong Son Construction Corporation, Vietnam Export Import and Construction Corporation (Vinaconex), Civil Engineering Construction Corporation No.4 (Cienco4), and Six Four Seven Airports Construction Corporation.

Breaking News



Business news

- **TNG:** TNG Investment and Trading Joint Stock Company (TNG) has recently announced its business performance for July, with a revenue of 782 billion VND, a 11.5% increase compared to June and a 2% increase compared to the same period last year. This indicates that TNG has regained its revenue growth momentum despite the challenging market conditions. In the first 7 months, the company achieved a total revenue of 4,116 billion VND, an increase of 109 billion VND, equivalent to a 3% growth compared to the same period last year. TNG's revenue structure consists of 98% from exports and 2% from domestic consumption. Among the markets, the top 3 largest customers include the United States accounting for 47% of the revenue share, followed by France with 15% and Canada with 8%. Currently, TNG operates 15 garment factories and 2 support factories, employing 18,000 workers in Thai Nguyen.

- **FMC:** Sao Ta Food Joint Stock Company (FMC) recorded a total sales of 21.3 million USD in July 2023. This figure decreased significantly compared to the same period last year but increased by 18% compared to June 2023. In detail, the production of finished shrimp reached 2,338 tons, an increase of 33% compared to the same period last year; the production of processed agricultural products reached 66 tons, a decrease of 46% compared to the same period last year; the consumption of finished shrimp reached 2,531 tons, a decrease of 5% compared to the same period last year; and the consumption of processed agricultural products reached 187 tons, a decrease of 38% compared to the same period last year.

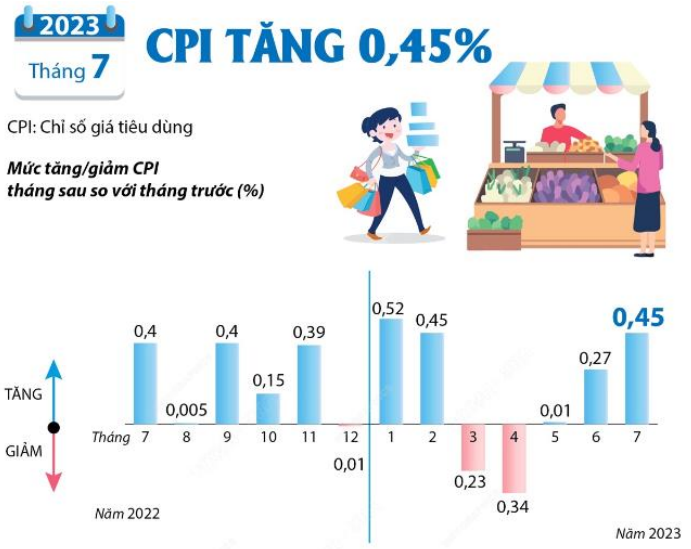
- **DGW:** In the wholesale business segment (where profit margins are often lower than retail), Digiworld Corporation (DGW) is gradually recovering, although it still faces a significant decline compared to the same period last year. In Q2 2023, DGW recorded a net profit of 83 billion VND, a 39% decrease compared to Q2 2022 (which was a peak period due to increased consumer buying after Covid-19). However, compared to the first quarter of the year, DGW's profit during this period increased by 5%.

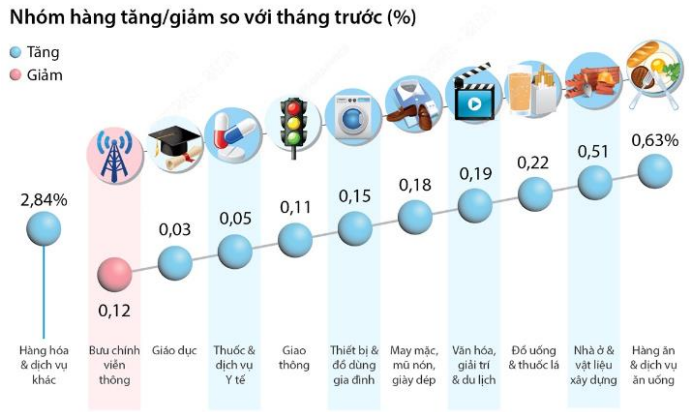
Key highlights: CPI's basket of goods and services

Bảng 1: Quyền số tính chỉ số giá tiêu dùng qua các thời kỳ

Mã	Các nhóm hàng và dịch vụ	Giai đoạn 2006-2010	Giai đoạn 2010-2015	Giai đoạn 2015-2020	Giai đoạn 2020-2025	+/- so với giai đoạn 2015-2020 (điểm %)
	Tổng chi cho tiêu dùng cuối cùng	100		100	100	
01	I- Hàng ăn và dịch vụ ăn uống	42,85	39,93	36,12	33,56	-2,56
011	1. Lương thực			4,46	3,67	-0,79
012	2. Thực phẩm			22,60	21,28	-1,32
013	3. Ăn uống ngoài gia đình			9,06	8,61	-0,45
02	II. Đồ uống và thuốc lá	4,56	4,03	3,59	2,73	-0,86
03	III- May mặc, mũ nón, giầy dép	7,21	7,28	6,37	5,7	-0,67
04	IV- Nhà ở, điện, nước, chất đốt và VLXD	9,99	10,01	15,73	18,82	+3,09
05	V- Thiết bị và đồ dùng gia đình	8,62	8,65	7,31	6,74	-0,57
06	VI- Thuốc và dịch vụ y tế	5,42	5,61	5,04	5,39	+0,35
063	Dịch vụ y tế			3,87	4,11	+0,24
07	VII- Giao thông	9,04	8,87	9,37	9,67	+0,3
08	VIII- Bưu chính viễn thông		2,73	2,89	3,14	+0,25
09	IX- Giáo dục	5,41	5,72	5,99	6,17	+0,18
092	Dịch vụ giáo dục			5,16	5,45	+0,29
10	X- Văn hoá, giải trí và du lịch	3,59	3,83	4,29	4,55	+0,26
11	XI- Hàng hoá và dịch vụ khác	3,31	3,34	3,30	3,53	+0,23

Nguồn: Tổng cục thống kê, tác giả tổng hợp





Technical view



Trend: Sideway in shorterm

- Last week, VNINDEX continued its fifth consecutive week of gains, closing at 1,225.98 with increasing trading volume. During the week, there were two sessions where the market declined by about 10 points, but the following sessions quickly regained momentum. The upward trend is still intact as the 10-day moving average (MA 10) has not been violated in the past month. The contributing stocks to the market's gains were in the VIC, VHM, and VPB groups, while SSB and VCB performed in the opposite direction.
- Technical analysis: The market dispelled concerns about a correction when it had a positive session on Friday, showing that the MA 10 support is still holding. The RSI and STOCH RSI indicators have eased off, but they are still in the overbought zone. The reference support and resistance levels are at 1,200 and 1,270, respectively.
- Strategy: Priority should be given to holding existing stocks to let profits run, and new buying opportunities should only be considered for stocks that have not experienced excessive gains and are close to support levels with enough accumulation periods.

Scenario:

- Positive (60%): The market will rise to the 1,260 level with increasing trading volume.
- Negative (40%): The market will adjust to the 1,200 level for further consolidation before aiming for 1,300 by the end of the year.

Recommended stocks

7/8/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
BSI	Buy	33.1	36	32.2	9%	-3%	33.25	Rebounds from a base and goes up.
VRE	Buy	28.7	31.2	28.2	9%	-2%	28.7	The upward trend follows the MA 20

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
TCB	Hold	31.9	34.75	31.1	9%	-3%	33.6	15	5.33%	17/07/2023	
MIG	Hold	18.7	21	18.37	12%	-2%	19.5	11	4.28%	21/07/2023	
ACB	Sell	21.95	24.3	21.5	11%	-2%	24.4	11	11.16%	21/07/2023	Take Profit
GEG	Hold	15.5	17	15.2	10%	-2%	15.35	10	-0.97%	03/08/2023	
VCS	Hold	63.5	72	61.8	13%	-3%	63.5	5	0.00%	31/07/2023	
PTB	Hold	52.6	59.9	51.9	14%	-1%	53.3	2	1.33%	03/08/2023	

Economic calendar

August 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
30	31 PMI data (US and Vietnam)	1	2	3	4 Unemployment rate (US)	5
6	7	8	9 CPI data (US)	10 MSCI quarterly review PPI Data (US)	11	12
13	14 Deadline for submission of semi-annual financial statements	15	16	17 Expiration date of future contract FOMC meeting	18	19
20	21	22 Ishare MSCI review	23	24 US GDP Q3	25 FDI Data (Vietnam)	26
27	28 Vietnam macroecnomic data	29	30	31	1	2

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Q&A

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