MORNING CALL
08/08/2023

Shinhan Securities

“Banks leading the upward trend“

- ❑ World stocks: Global Markets Experience Mixed Trends
- ❑ Vietnam stocks: Banks leading the upward trend.
- ❑ Business News #GEX, #NVL, #SGP, #ACB, #TCB, #MSB, #HDC
- ❑ Technical perspective and recommendation update
- ❑ Event calendar
- ❑ Q&A

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

Major stocks market

- In regular trading on Monday, the Dow climbed 1.16%, the S&P 500 gained 0.9% and the Nasdaq Composite edged up 0.61%. Those gains came on a better-than-expected corporate earnings season, with about 80% of S&P 500 companies that have reported earnings posting positive surprises.
- European markets finished mixed as of the most recent closing prices. The CAC 40 gained 0.06%, while London's FTSE 100 was off 0.13%. Shares in Germany were unchanged with the DAX at 15,950.76. European markets held mostly steady on Monday as investors awaited critical global inflation data this week to assess potential interest rate shifts.
- The Nikkei 225 Index rose 0.19% to close at 32,254 while the broader Topix Index gained 0.41% to 2,284 on Monday, reversing losses from earlier in the session as risk sentiment improved, while investors cheered mostly upbeat domestic corporate earnings reports. Still, traders remained cautious while continuing to assess the impact of the Bank of Japan's surprise yield curve control policy adjustment in late July.
- WTI crude futures fell to $82 per barrel on Monday, hovering close to their four-month high following six weeks of consecutive gains, with investors cashing in some profits while evaluating the balance between supply and demand. Last week, Saudi Arabia announced a further one-month extension of its 1 million barrels per day production cut. Additionally, Russia revealed plans to trim oil exports by 300,000 bpd in September

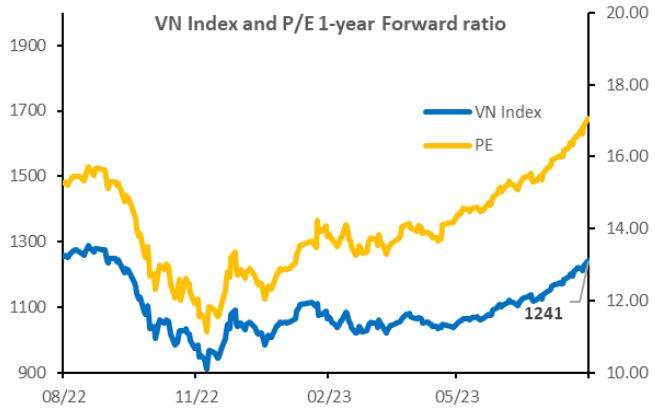
Market

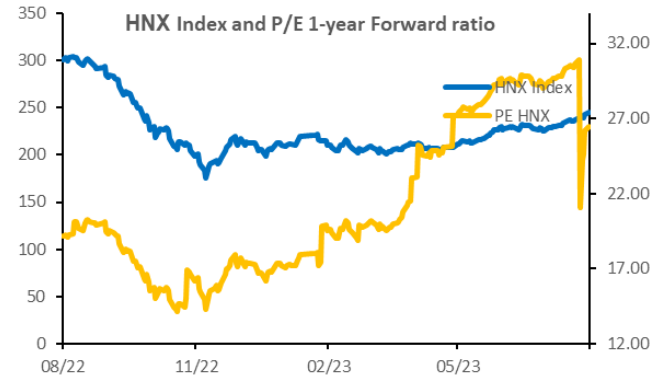
	Close	%1D	%1M	%1Y
VN-Index	1,241	1.26%	9.08%	-0.90%
S&P 500 Index	4,518	0.90%	2.72%	9.14%
Dow Jones Index	35,473	1.16%	5.15%	8.04%
GP 100	7,554	-0.13%	4.10%	0.96%
Nikkei 225	32,396	0.44%	0.02%	14.68%
SHCOMP Index	3,269	-0.59%	2.26%	0.99%
STOXX 600	460	0.09%	2.69%	4.73%
KOSPI Index	2,600	0.74%	2.89%	4.27%
Hang Seng	19,538	-0.01%	6.38%	-2.53%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.19	0.14%	-0.08%	-3.99%
USD/VND	23,725.00	0.00%	-0.30%	-1.41%
EUR/USD	1.10	-0.08%	-0.07%	7.81%
USD/CNY	7.19	-0.28%	0.45%	-6.14%
Brent	85.72	0.45%	9.24%	-11.31%
WTI	82.34	0.49%	11.48%	-9.28%
Natural gas	2.72	-0.07%	5.46%	-64.12%
Coal	141.10	2.99%	2.25%	-60.91%
Gold	1,935.67	-0.05%	0.54%	8.20%

Vietnam Market Snapshot 07/08/2023





Money flow and sector rotation (VND bn)

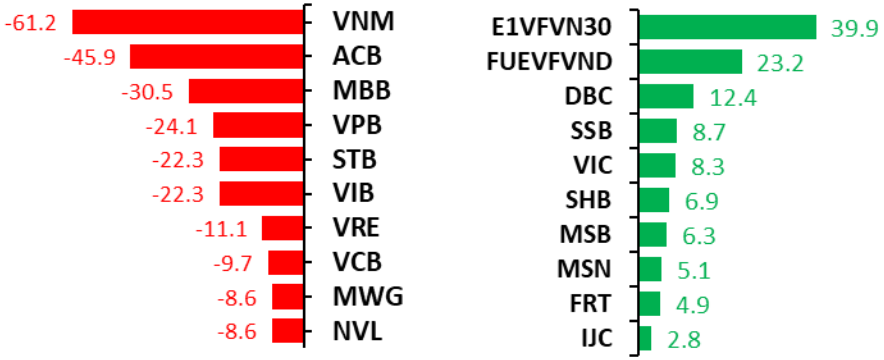
Sector	%1D	8/7/2023	8/4/2023	20-session Average
Media	331.40	3	1	3
Banks	30.50	5,536	4,242	3,545
Food and Beverage	24.90	1,573	1,260	1,395
Construction & Materials	24.23	1,852	1,491	1,546
Chemicals	18.51	882	744	850
Insurance	18.45	76	64	73
Basic Resources	16.03	1,293	1,114	1,321
Retail	14.63	750	655	675
Health Care	11.72	30	27	43
Financial Services	9.71	2,401	2,188	2,232
Personal & Household Goods	-3.6	184	190	240
Automobiles & Parts	-7.1	376	405	193
Utilities	-7.2	260	280	296
Travel & Leisure	-14.2	139	162	163
Oil & Gas	-22.1	153	196	198
Real Estate	-28.6	5,340	7,480	4,560
Industrial Goods & Services	-30.3	912	1,309	1,003
Technology	-34.2	113	172	135

Source: Bloomberg, Shinhan Securities Vietnam

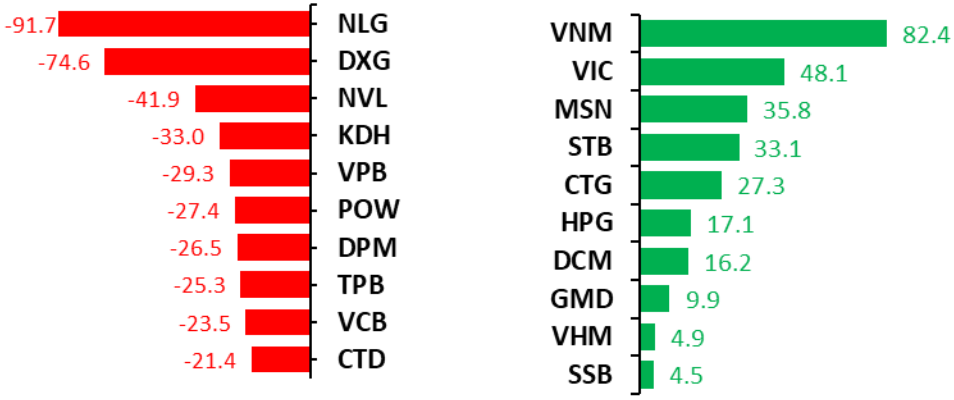
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,241.42	17.06	15.44	1.26	1,068	21,877
HNX INDEX	245.68	26.49	3.27	1.35	125	1,952

Vietnam Market Snapshot 07/08/2023

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	(18)	(260)	195	65
Basic Resources	(4)	3	(29)	26
Media	-	-	(0)	0
Industrial Goods & Services	(6)	14	(9)	(5)
Health care	-	3	(2)	(1)
Chemicals	(6)	(14)	(16)	30
Financial Services	56	(57)	22	35
Travel & Leisure	(5)	3	2	(5)
Banks	(146)	(59)	256	(198)
Construction & Materials	(4)	(43)	28	16
Food and Beverage	(45)	98	(106)	7
Retail	(4)	(26)	48	(22)
Utilities	(1)	(38)	39	(1)
Personal & Household Goods	(3)	(7)	9	(2)
Technology	0	0	(2)	2
Automobiles & Parts	(1)	(6)	3	2
Insurance	2	(2)	(4)	7
Oil & Gas	(1)	(3)	8	(5)

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

- **GEX:** The foreign fund group Dragon Capital has sold a net 1 million shares of GEX within a week after accumulating millions of shares during a month. According to the latest announcement, the Dragon Capital fund group has recently sold shares of GEX, a company under GELEX Corporation. Specifically, the Veil Holdings Limited fund sold 500 thousand GEX shares on August 4th. Following this transaction, the Dragon Capital fund group's stake in GELEX has decreased to over 50.8 million units, equivalent to a ownership rate of 5.9712%.
- **NVL:** Along with the market's positive trend, the stock of NVL from Novaland Investment Group (NVL code) has continued its strong rise after officially leaving the VN30 index. After 4 consecutive increasing sessions, NVL has reached a price of 20,200 VND/share, the highest in 8 months. From mid-July until now, this stock has surged over 37% in value, adding more than 10.7 trillion VND to its market capitalization, reaching over 39.3 trillion VND in less than 3 weeks of trading.
- **SGP**: A real estate and entertainment massage company invested over 300 billion VND to become a major shareholder of Saigon Port (SGP). Recently, Toan Thang Trading Service Development Co., Ltd. announced the successful purchase of over 21.2 million shares of SGP from Saigon Port Corporation, equivalent to 9.83% of the capital. The transaction was completed on August 1st, making Toan Thang a major shareholder of Saigon Port.
- **ACB:** By the end of the trading session on August 7th, the green color dominated the Ho Chi Minh City Stock Exchange (HOSE) with 342 gainers, 66 unchanged, while only 129 stocks decreased compared to the reference price. Market liquidity exceeded the billion USD mark, with the trading value on HOSE reaching 26.533 trillion VND. Among these, 122.6 million ACB shares – equivalent to 3.1% of Asia Commercial Bank (ACB)'s capital – were transferred to foreign investors through a negotiated method, with a transaction value of 3.2017 trillion VND.

Breaking News



Business news

- **TCB**: The increase in CASA and the rapid decrease in deposit interest rates have significant implications, enabling Techcombank to leverage one of its greatest advantages, which is its cost of capital in the coming period. During the meeting with analysts and individual investors on April 26-27 to update the business results for the first three months of 2023, many investors questioned Techcombank's leadership about the decrease in the term deposit ratio (CASA) to 32%. At that time, Techcombank's CEO, Jens Lottner, confidently stated that the CASA ratio would soon recover, and the goal of reaching 55% by 2025 remained unchanged.

- **MSB:** With the desire to support individual customers in accessing preferential capital sources to meet their increasing quality of life needs, Maritime Bank (MSB) has announced an additional 2% reduction in mortgage loan interest rates for individual customers. This program is applicable from now until December 31, 2023, for individual customers who need mortgage loans for purposes such as home purchase, construction and renovation, consumer shopping for household equipment, study abroad, tuition payment, etc. With attractive interest rate policies, customers will be able to borrow at a preferential interest rate of only 8.99% per year, with a loan term of up to 35 years and principal deferment for up to 24 months.

- **HDC:** The Board of Directors of Ho Chi Minh City Development Joint Stock Company (Hodeco, stock code: HDC) has approved a resolution on the plan to issue 20 million shares to existing shareholders, with a subscription ratio of 1000:148, meaning that shareholders owning every 1,000 shares will have the right to purchase an additional 148 new shares. The implementation is expected from the fourth quarter of 2023 to the first quarter of 2024, after obtaining the certificate of registration for the additional share issuance from the State Securities Commission.

Technical view



Trend: Upward

- The VNINDEX closed strongly higher at 1,241.4 (+1.26%) with trading volume continuing to increase. The contributing groups to the market's upward momentum included CTG, VIC, VNM, while ACB and BCM moved in the opposite direction. Foreign investors and proprietary traders were net sellers in this session.
- Technical Analysis: The index has moved relatively far from the 10-day Moving Average (MA 10) at around 1214, indicating an optimistic sentiment among investors. The upward trend is still maintained as the MA lines are strongly pointing upwards and are arranged in order. The STOCH RSI indicator is preparing to cross above the signal line after the momentum of price increase has returned. The RSI indicator is still fluctuating in the overbought zone. Support and resistance levels: 1,260/1,200.
- Strategy: It is advisable to prioritize holding stocks for profit accumulation. New buying opportunities only arise for stocks that haven't experienced excessive growth and are situated close to support lines with an adequate number of accumulation days. Caution is needed as investors' greedy sentiment is increasing. A correction towards the 1,200 range could occur at any time.

Scenario:

- Positive Scenario (50%): The market is expected to rise to the 1,260 range with trading volume continuing to increase.
- Negative Scenario (50%): The market is anticipated to undergo a correction towards the 1,200 range for further consolidation, aiming to build momentum to reach 1,300 by the end of the year.

Recommended stocks

8/8/2023

Unit: VND thousand

Today's watchlist

Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals

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%	34.35	16	7.68%	17/07/2023	
MIG	Hold	18.7	21	18.37	12%	-2%	19.55	12	4.55%	21/07/2023	
ACB	Sell	21.95	24.3	21.5	11%	-2%	23.75	12	8.20%	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%	66	6	3.94%	31/07/2023	
PTB	Hold	52.6	59.9	51.9	14%	-1%	54.5	3	3.61%	03/08/2023	
BSI	Buy	33.1	36	32.2	9%	-3%	33.95	1	2.57%	07/08/2023	
VRE	Buy	28.7	31.2	28.2	9%	-2%	29.6	1	3.14%	07/08/2023	

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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