MORNING CALL
10/08/2023

Shinhan Securities

“Turn the pillar without success”

- ❑ World market: Agreement on Adjustment
- ❑ Vietnam market: Turn the pillar without success
- ❑ Business News #KDC, #VIC, #VSF, #IBC, #HPG, #DDG
- ❑ Technical perspective and recommendation update
- ❑ Event calendar
- ❑ Q&A

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Following SSV's Zalo,
Catching the latest report



Please click or scan

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

Major stocks market

- The Dow fell 0.54%, the S&P 500 dropped 0.7% and the Nasdaq Composite plunged 1.17%. Investors now look ahead for the US consumer price index reports later on Thursday and the producer price index report on Friday for more insight on how the Fed's tightening campaign has impacted prices.
- European markets finished higher today with shares in London leading the region. The FTSE 100 is up 0.80% while France's CAC 40 is up 0.72% and Germany's DAX is up 0.49%. The two-year fixed rate in the UK, the benchmark rate for new mortgages, rose to the highest since 2008 at 6.86% in July amid expectations of further rate hikes from the Bank of England as it combats persistent inflation
- The Nikkei 225 Index fell 0.53% to close at 32,204 while the broader Topix Index lost 0.4% to 2,283 on Wednesday, giving back gains from the previous session and taking cues from a negative lead on Wall Street overnight, as a credit rating downgrade on several US banks dampened investor sentiment. The Shanghai Composite fell 0.49% to close at 3,244 while the Shenzhen Component dropped 0.53% to 11,039 on Wednesday, sliding for the third straight session as data showed that China's consumer inflation declined for the first time in more than two years, fanning deflation fears. The country's consumer price index fell 0.3% year-on-year in July, marking the first decline since February 2021 but coming in slightly above forecasts of 0.4%. China producer inflation also fell 4.4% last month, remaining in negative territory for the tenth straight month.
- WTI crude oil futures advanced to over $84 per barrel on Wednesday, the highest since November 2022, amid growing concerns of low supply.

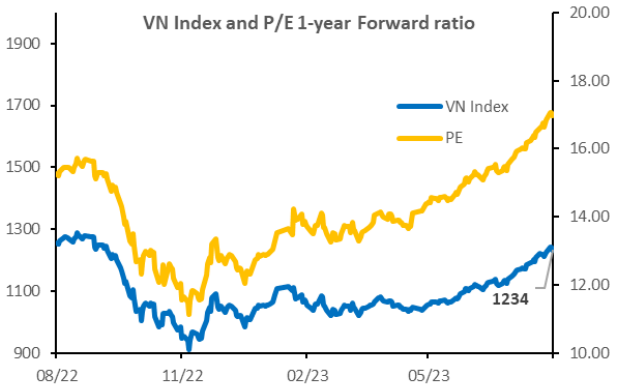
Market

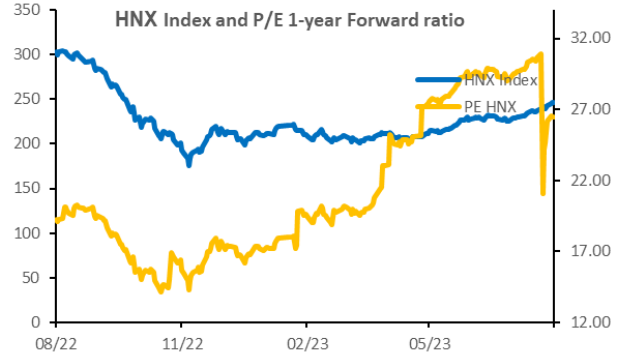
	Close	%1D	%1M	%1Y
VN-Index	1,234	-0.66%	7.39%	-1.79%
S&P 500 Index	4,468	-0.70%	1.32%	6.12%
Dow Jones Index	35,123	-0.54%	3.47%	5.45%
GP 100	7,587	0.80%	4.31%	1.07%
Nikkei 225	32,201	-0.01%	0.03%	15.75%
SHCOMP Index	3,244	-0.49%	1.27%	0.45%
STOXX 600	461	0.43%	2.70%	4.71%
KOSPI Index	2,592	-0.51%	2.83%	4.48%
Hang Seng	19,246	0.32%	4.15%	-1.86%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.53	0.04%	0.55%	-2.53%
USD/VND	23,740.00	-0.04%	-0.39%	-1.47%
EUR/USD	1.10	-0.04%	-0.28%	6.52%
USD/CNY	7.21	0.11%	0.21%	-6.35%
Brent	87.46	-0.10%	12.58%	-10.21%
WTI	84.30	-0.12%	15.50%	-8.30%
Natural gas	2.96	0.00%	10.87%	-63.92%
Coal	142.50	0.00%	3.26%	-62.94%
Gold	1,916.04	0.08%	-0.48%	6.90%

Vietnam Market Snapshot 09/08/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,233.99	16.96	-8.24	-0.66	962	19,822
HNX INDEX	245.88	26.45	-0.19	-0.08	128	1,813

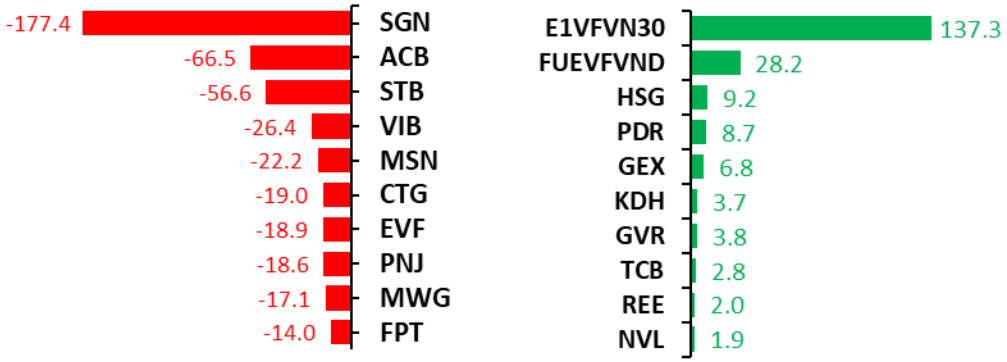
Money flow and sector rotation (VND bn)

Sector	%1D	8/9/2023	8/8/2023	20-session Average
Basic Resources	45.76	2,024	1,389	1,358
Personal & Household Goods	33.41	212	159	238
Health Care	31.71	56	43	46
Technology	27.70	114	89	135
Retail	25.31	766	612	681
Banks	12.49	3,782	3,362	3,581
Construction & Materials	-3.0	1,494	1,541	1,582
Financial Services	-5.2	2,190	2,310	2,233
Industrial Goods & Services	-13.8	992	1,150	1,027
Real Estate	-15.0	5,082	5,977	4,858
Chemicals	-18.3	669	819	838
Travel & Leisure	-21.9	152	194	166
Food and Beverage	-25.3	1,531	2,050	1,420
Insurance	-34.4	42	64	68
Automobiles & Parts	-37.9	274	441	210
Media	-40.7	2	3	3
Utilities	-50.5	289	584	317
Oil & Gas	-55.2	143	318	204

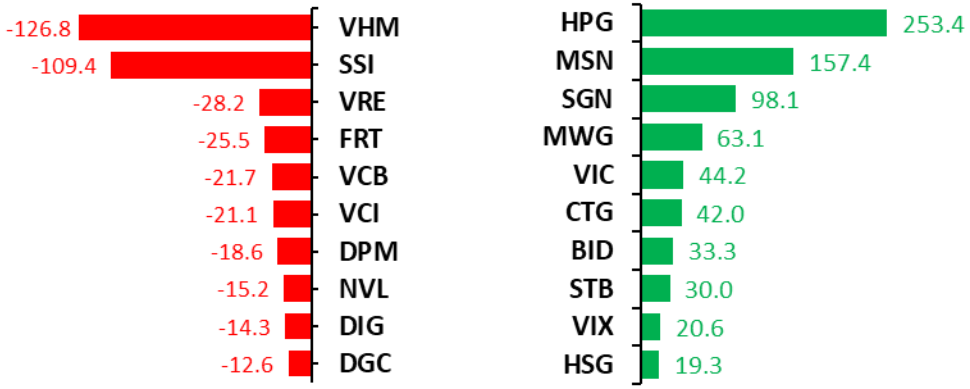
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 09/08/2023

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	9	(125)	94	30
Basic Resources	1	276	(219)	(56)
Media	-	(0)	(0)	0
Industrial Goods & Services	(168)	81	(8)	(73)
Health care	0	1	(2)	0
Chemicals	5	(37)	9	29
Financial Services	141	(127)	168	(41)
Travel & Leisure	(3)	(2)	4	(1)
Banks	(201)	82	276	(359)
Construction & Materials	1	1	11	(12)
Food and Beverage	(38)	155	(133)	(22)
Retail	(17)	33	(1)	(32)
Utilities	(0)	(0)	(5)	5
Personal & Household Goods	(19)	(5)	2	2
Technology	(14)	1	9	(10)
Automobiles & Parts	(2)	3	4	(7)
Insurance	(1)	1	2	(3)
Oil & Gas	(2)	2	(9)	8

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- **The Prime Minister has requested the on-schedule implementation of Project Gas Block B**. Gas Block B Project is part of a large-scale gas-electricity project in Vietnam, with an expected gas production output of about 5.06 billion cubic meters per year. The project will play a strategic role in providing vital energy sources for the socio-economic development of the southwestern region. On August 7th, the Government Office issued a directive from Prime Minister Pham Minh Chinh regarding the progress of the Gas Block B Project. In this directive, the Prime Minister instructed Deputy Prime Minister Tran Hong Ha to direct the Ministry of Industry and Trade, the Vietnam Oil and Gas Group (Petrovietnam), and relevant agencies to resolve all issues to reach a final investment decision (FID) and implement the Gas Block B Project according to the plan and schedule, ensuring the balanced interests of all parties.

- **China's consumer price index (CPI) and producer price index (PPI) for July both decreased compared to the same period last year, due to persistently weak demand**. China's National Bureau of Statistics (NBS) recently announced that the CPI for July decreased by 0.3% compared to last year. This is the first time China's CPI has gone down since February 2021, and it has been nearing deflation territory for several months. The PPI also declined for the 10th consecutive month, contracting by 4.4% in July compared to last year. This marks the first time since November 2020 that both CPI and PPI have decreased simultaneously.

- **The Ministry of Planning and Investment has stated that both the economy and businesses are currently navigating challenging waters**. According to calculations by the Ministry of Planning and Investment, even if this year's growth target of 6.5% is achieved, the average GDP growth for the two years 2024-2025 would need to be 7.76% per year to achieve the 5-year average growth rate of 6.5%, slightly below the 5-year target of 6.5-7% set by the 13th Party Congress. If the growth in 2023 is only 6%, then the average growth rate for the two years 2024-2025 would need to be 8% per year.

Business news

- **KDC**: The fund group managed by VinaCapital recently announced that they continued to sell over 2.36 million shares of KDC from KIDO Group Corporation on August 4th. Among these, Alright Assets Limited sold 233,487 shares, and Liva Holdings Limited sold over 2,129,769 shares. In the recent period, the VinaCapital group has consistently shown the action of selling a large amount of KDC shares. In the past month, the member funds have collectively sold nearly 9.6 million units. Liva Holdings Limited is the fund with the highest net sales at 8.6 million units, while the rest is due to Alright Assets Limited.

- **VIC**: Just a few days ago, Vingroup Corporation announced that they would publicly offer 5 tranches of bonds with a total value of 10,000 billion VND. The selling price is 100,000 VND/bond. The total amount raised will be used by Vingroup for VinFast's investment in the automobile production project in Cat Hai, Hai Phong. Among them, 3 tranches of bonds have a term of 36 months, with interest payments every 6 months. The interest rate for the first two interest periods is fixed at 15% per year. From the third period onwards, the interest rate will be the sum of 4.5% and the reference interest rate. The remaining 2 tranches of bonds have a shorter term of 24 months. The interest rate for the first two interest periods will be fixed at 14.5% per year. From the third period onwards, the interest rate will be the sum of 4% and the reference interest rate.

- **VSF**: After a series of days of prosperity, VSF shares of Southern Food Corporation - JSC (Vinafood 2) suddenly experienced a sharp decline in a trading session. The stock opened enthusiastically at the ceiling price and maintained a very strong upward momentum until the beginning of the afternoon session. Sudden selling pressure caused VSF to reverse course and plummet straight to the floor price, eventually closing the session in a "buyer white" condition.

Breaking News



Business news

- IBC: In the latest announcement, Egroup Education Group Joint Stock Company, led by Mr. Nguyen Ngoc Thuy (Shark Thuy), has reported a transaction involving the sale of more than 739 thousand shares of Apax Holdings (ticker: IBC) under a collateral arrangement. The transaction was carried out by Bao Viet Securities on August 4th. After the transaction, Egroup still holds over 13.9 million IBC shares, equivalent to 16.77% of the capital. Notably, right after this organization's collateralized shares were sold, the IBC stock price surged and hit the trading ceiling for two consecutive sessions, reaching 2,390 VND per share.

- HPG: Could Hoa Phat close a blast furnace from September onwards? Furnace closure is a maintenance activity in the plan, so production output might increase in Q3 2023 to accumulate finished products for the rest of the year. This furnace shutdown is part of a regular maintenance practice, different from previous furnace shutdowns. In November 2022, the leading steel company halted operations in 4 blast furnaces, including 2 in Dung Quat and 2 in Hai Duong. The reason for these shutdowns was to ensure the company's production and business activities. Despite the challenging market, inventory levels remained relatively high. By the end of Q2 2022, the company's inventory had surged to 57.6 trillion VND. In Q3 2022, Hoa Phat reported a loss of 1.8 trillion VND, the largest loss in the entire steel industry.

- DDG: Shares of Dong Duong Industrial Import-Export Investment Joint Stock Company (DDG) hit the trading ceiling following news of leadership's stock purchase registration. DDG recently announced that two company leaders plan to purchase a total of 1.8 million shares for personal financial investment through negotiated agreements or matched orders.

Technical view



Trend: The uptrend shows signs of slowing down

- The VNINDEX closed at 1,233 (-0.66%), partially erasing the gains from the beginning of the week due to the absence of support from the VHM and VIC stocks. In fact, VIC and VHM were the two stocks that caused the market to decrease the most significantly. While HPG and STB unexpectedly led the market in terms of gains, they couldn't manage to lift the overall market. Foreign investors were net buyers in the past two sessions, while proprietary traders were net sellers.
- Technical analysis: The market trend is still bullish as the 1,200-1,210 range, which also corresponds to the 20-day Moving Average (MA), has not been breached. However, the market could potentially retrace to this area for further consolidation, given the recent overbought conditions (RSI indicator has been in the overbought zone since July).
- Strategy: It's advisable to prioritize waiting for the market to adjust to lower levels before considering new buying opportunities. Investors may consider taking profits on half of their portfolio to preserve gains. The remaining half should be held, waiting to see if any stocks breach the pre-defined cut-loss thresholds.

Scenario:

- Positive (50%): The market will rise to the 1,260 range with continued increasing liquidity.
- Negative (50%): The market will adjust to the 1,200 range for further consolidation, aiming to reach 1,300 by the end of the year.

Recommended stocks

10/8/2023

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	Sell	31.9	34.75	31.1	9%	-3%	34	18	6.58%	17/07/2023	Take Profit
MIG	Hold	18.7	21	18.37	12%	-2%	19.9	14	6.42%	21/07/2023	
GEG	Hold	15.5	17	15.2	10%	-2%	15.85	10	2.26%	03/08/2023	
VCS	Hold	63.5	72	61.8	13%	-3%	65.2	8	2.68%	31/07/2023	
PTB	Hold	52.6	59.9	51.9	14%	-1%	54.5	5	3.61%	03/08/2023	
BSI	Hold	33.1	36	32.2	9%	-3%	32.8	3	-0.91%	07/08/2023	
VRE	Sell	28.7	31.2	28.2	9%	-2%	30.9	3	7.67%	07/08/2023	Take Profit

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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