MORNING CALL
11/08/2023

Shinhan Securities

"Reasonable correction"

- ❑ World market: Recovery prior to the US inflation information
- ❑ Vietnam market: Reasonable correction
- ❑ Business News #ACB, #VJC, #VNZ, #DPM, #FRT, #HAG #VIC
- ❑ Technical perspective and recommendation update
- ❑ Event calendar
- ❑ Q&A

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

Major stocks market

- The Dow added 52 points, while the S&P 500 was muted and the Nasdaq gained 0.1%. The Consumer Price Index in the United States increased by 3.2 percent year-on-year to 305.691 points in July 2023, which was an acceleration from the 3.0 percent growth recorded in the previous month. Market expectations had predicted a larger 3.3 percent increase in the CPI to reach 305.84 points. Investors continue to assess the Fed's monetary policy outlook following new evidence of disinflation in the US economy.
- European markets finished broadly higher today with shares in France leading the region. The CAC 40 is up 1.52% while Germany's DAX is up 0.91% and London's FTSE 100 is up 0.41%., extending gains from the prior session as further evidence of disinflation in the US economy raised hopes that the Fed could refrain from hiking rates further, supporting equities worldwide.
- The Nikkei 225 Index rose 0.84% to close at 32,474 while the broader Topix Index gained 0.92% to 2,304 on Thursday, reversing losses from earlier in the session. Producer prices in Japan rose by 3.6% year-on-year in July 2023, the least since March 2021, after an upwardly revised 4.3% rise in June and compared with market expectations of 3.5%. The latest result also marked the 7th straight month of a slowdown in producer inflation, amid easing global cost pressures.
- WTI crude oil futures eased toward the $83.5 per barrel mark on Thursday after reaching a nine-month high of $84.4 in the previous session, as markets assessed the outlook of muted demand against evidence of tight supply

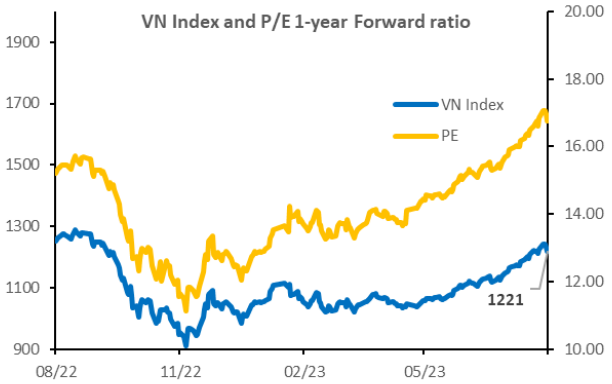
Market

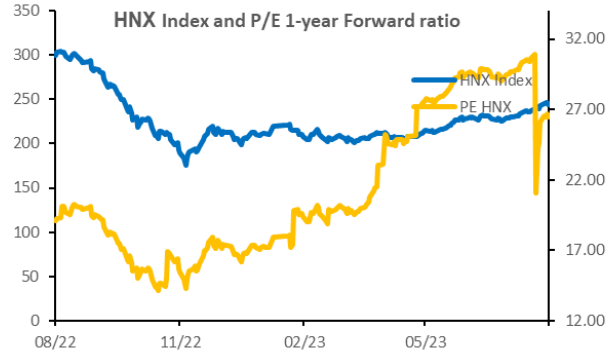
	Close	%1D	%1M	%1Y
VN-Index	1,221	-1.08%	5.98%	-2.51%
S&P 500 Index	4,469	0.03%	0.67%	6.22%
Dow Jones Index	35,176	0.15%	2.67%	5.52%
GP 100	7,619	0.41%	4.61%	2.05%
Nikkei 225	32,474	0.84%	0.84%	16.73%
SHCOMP Index	3,255	0.31%	1.03%	-0.83%
STOXX 600	464	0.79%	2.77%	5.47%
KOSPI Index	2,606	0.15%	1.68%	3.24%
Hang Seng	19,248	0.01%	3.15%	-4.15%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.57	0.04%	0.82%	-2.40%
USD/VND	23,744.00	-0.02%	-0.41%	-1.52%
EUR/USD	1.10	0.08%	-0.17%	6.49%
USD/CNY	7.22	-0.11%	0.10%	-6.86%
Brent	86.59	0.22%	9.06%	-13.06%
WTI	83.04	0.27%	10.97%	-11.98%
Natural gas	2.78	0.76%	1.94%	-68.63%
Coal	143.00	0.35%	6.96%	-64.13%
Gold	1,915.15	0.14%	-0.88%	7.01%

Vietnam Market Snapshot 10/08/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,220.61	16.77	-13.38	-1.08	924	19,300
HNX INDEX	243.91	26.49	-1.97	-0.80	150	2,050

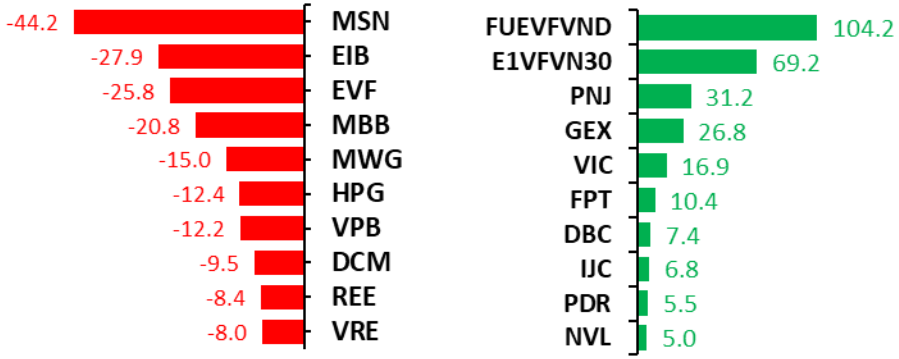
Money flow and sector rotation (VND bn)

Sector	%1D	8/10/2023	8/9/2023	20-session Average
Media	63.35	3	2	3
Personal & Household Goods	48.67	315	212	232
Utilities	42.65	412	289	321
Oil & Gas	41.93	202	143	207
Chemicals	36.54	914	669	831
Technology	34.40	153	114	136
Industrial Goods & Services	28.19	1,271	992	1,031
Food and Beverage	15.45	1,768	1,531	1,444
Financial Services	4.50	2,289	2,190	2,269
Real Estate	1.48	5,157	5,082	4,928
Construction & Materials	0.94	1,509	1,494	1,591
Automobiles & Parts	-4.3	262	274	217
Travel & Leisure	-6.3	142	152	164
Insurance	-11.0	37	42	66
Banks	-16.7	3,152	3,782	3,618
Retail	-18.4	625	766	685
Health Care	-33.6	37	56	47
Basic Resources	-48.6	1,041	2,024	1,367

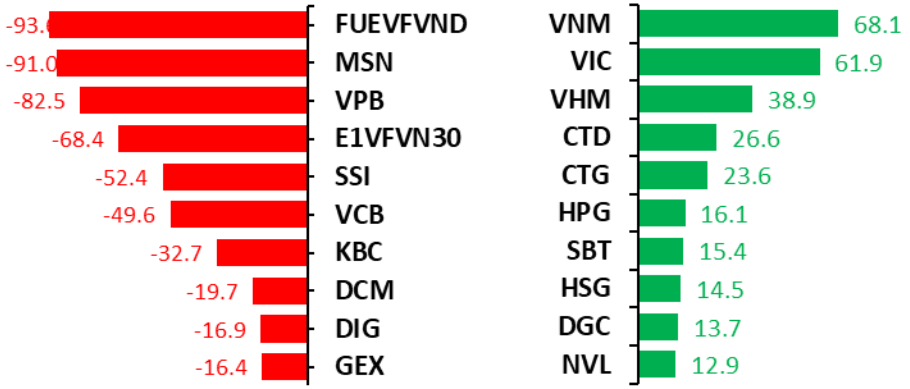
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 10/08/2023

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	25	32	36	(68)
Basic Resources	(11)	20	18	(38)
Media	-	(0)	0	-
Industrial Goods & Services	13	(36)	56	(21)
Health care	1	1	(2)	1
Chemicals	(9)	(6)	70	(63)
Financial Services	149	(232)	216	16
Travel & Leisure	(1)	(3)	(1)	5
Banks	(99)	(111)	222	(111)
Construction & Materials	1	31	(35)	4
Food and Beverage	(33)	6	37	(42)
Retail	(15)	(9)	17	(7)
Utilities	2	(22)	25	(3)
Personal & Household Goods	31	(8)	(22)	30
Technology	10	(1)	(4)	5
Automobiles & Parts	3	4	2	(7)
Insurance	(0)	(2)	4	(2)
Oil & Gas	(2)	(4)	(26)	29

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- **The World Bank (WB) projects that Vietnam's economy will grow by 4.7% in 2023 and gradually recover to 5.5% in 2024 and 6% in 2025**. Despite a slowdown, domestic demand is expected to remain the main growth driver in 2023. Private consumption is forecasted to remain resilient, with a growth rate of 6% (compared to the same period). Although slightly lower than the pre-pandemic growth of 7% (compared to the same period) in 2019, private consumption will contribute 3.4 percentage points to GDP growth. Overall, investment is anticipated to contribute 1.8 percentage points to GDP growth. Private investment is expected to decrease slightly, with a growth rate of 4.3% (compared to the same period), down from 8.2% (compared to the same period) in 2019, due to external uncertainties, contributing 1.2 percentage points to GDP growth.
- **European Natural Gas Prices Surge 40% in One Session Due to Australian Strikes:** Natural gas prices in Europe surged nearly 40% in Wednesday's trading session as the supply of liquefied natural gas (LNG) from Australia faced potential disruptions due to strikes, causing panic among traders who had bet on deeper gas price declines. The catalyst for this spike was the news that workers at crucial LNG plants in Australia were planning strikes demanding better wages and welfare benefits. The price volatility of natural gas was further intensified as some traders reversed their short positions - bets on gas price decreases - that they had pursued previously.
- **Global gold prices continue to decline significantly due to investors' cautious sentiment ahead of the release of the US inflation report for July**. On August 10, 2023, domestic gold prices experienced a slight decrease, continuing the fluctuating trend around the threshold of 67.3 million VND/tael and being over 12 million VND/tael higher than the global market. In terms of converted global gold prices, the retail SJC gold price is currently over 12.1 million VND/tael higher.

Business news

- ACB: The identity of the "super shark" who sold over 120 million ACB shares in a billion-dollar off-market transaction has been revealed. Dragon Financial Holdings Limited, a foreign fund owned by Vietnam Enterprise Investment Limited (VEIL - managed by Dragon Capital), has announced the sale of 120.98 million shares of Asia Commercial Bank (ACB) on August 7th. After the transaction, the ownership ratio of this foreign fund has decreased from 6.92% to 3.8%, equivalent to the remaining 147.77 million shares held.
- **VJC**: According to information from Hanoi Stock Exchange (HNX), specifically in early August, Vietjet Aviation Joint Stock Company (stock code: VJC) issued two batches of bonds, VJCH2328010 and VJCH2328009. Each bond batch has a value of VND 300 billion, a maturity of 60 months, and will mature in 2028. The stated interest rate is 12% per annum, but a combined interest rate will be applied. The buyers are professional securities investors. From early June until now, Vietjet has issued a total of 10 batches of bonds with codes ranging from VJCH2328001 to VJCH2328010. The total value is VND 2.9 trillion, with a consistent maturity of 60 months and an interest rate of 12% per annum.
- **VNZ:** The stock market witnessed a surprising breakthrough on August 10th as shares of VNG Corporation (VNZ) made a remarkable leap, surpassing XDC to become the most expensive stock on the stock exchange. The market price of VNZ surged with a maximum increase in the morning session (+122,600 VND/+15%), reaching a price of 940,400 VND per share, marking a strong three-session rally.
- **VIC:** VinFast is set to debut on the Nasdaq stock exchange on August 15th following approval of the business merger plan by Black Spade shareholders at the special shareholders' meeting today.

Breaking News



Business news

- **DPM:** After a highly profitable year in 2022, fertilizer companies are facing numerous challenges right from the beginning of 2023. Phu My Urea and Vinachem's DAP have nearly lost all their profits, while Bac Giang Urea is experiencing significant losses. In the past quarter, global urea prices have continuously plummeted, at times dropping below $300 per ton in early June, the lowest level since November 2020. Compared to the peak in mid-April last year, this commodity's price has dropped by up to 70%. By July, urea prices had shown some recovery by surpassing the $400 per ton mark.

- **FRT:** On the morning of August 9th, 2023, FPT Long Chau Pharmacy System and STADA Vietnam Company held a comprehensive cooperation signing ceremony, marking a significant step in enhancing the supply of European GMP-standard products at the most reasonable cost for the Vietnamese people. In this agreement, FPT Long Chau and STADA Vietnam will focus on implementing collaboration to ensure the supply of high-quality products closer to patients, especially meeting the complete needs for non-prescription drugs. Additionally, the two entities will organize training sessions for FPT Long Chau Pharmacists, enhancing knowledge, improving consultation quality, effectiveness, and practical skills for the Pharmacist team to optimize patient treatment.

- **HAG**: HAGL achieved consolidated revenue of 1.45 trillion VND in the second quarter of 2023, an 18% increase compared to the same period in 2022. Within this, revenue from pig farming reached approximately 444 billion VND, a 71% increase from the same period. HAGL has returned to a gross profit in the pig farming sector with 55 billion VND, and the fruit tree segment contributed 135 billion VND. However, HAGL still incurred a net loss of 163 billion VND.

Technical view



Trend: Correction in short term

- VNINDEX closed at 1,220.6 (-13.38 points, -1.08%), marking the sharpest decline since the end of June 2023, with a trading volume maintained around 20 trillion VND. Apart from VIC, GAS made efforts to support the market, while other pillar stocks experienced significant selling pressure, especially in the banking and chemical sectors.
- Technical analysis: The market is undergoing a normal technical correction after a period of overheated growth. VNINDEX saw 118 stocks in green, 371 in red, and only 4 stocks hitting the floor limit. The downward momentum didn't unfold dramatically or unexpectedly, indicating a desire among investors to take profits rather than panic selling. The market has reached the MA 10 level at 1,220. If this level is breached, the market will likely test the MA 20 level at 1,200. With today's decline, the RSI indicators have moved closer to a balanced zone.
- Strategy: Prioritize waiting for the market to adjust and observe its reaction around the MA 10 support level. Once the market's response is clearer, actions can be taken. Investors should adhere to the pre-established discipline to act in a timely manner.

Scenario:

- Positive (40%): The market will rise to the 1,260 range with continued increasing liquidity.
- Negative (60%): The market will adjust to the 1,200-1220 range for further consolidation.

Recommended stocks

11/8/2023

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
MIG	Hold	18.7	21	18.37	12%	-2%	19.4	15	3.74%	21/07/2023	
GEG	Hold	15.5	17	15.2	10%	-2%	15.75	10	1.61%	03/08/2023	
VCS	Hold	63.5	72	61.8	13%	-3%	65.2	9	2.68%	31/07/2023	
PTB	Hold	52.6	59.9	51.9	14%	-1%	53.9	6	2.47%	03/08/2023	
BSI	Hold	33.1	36	32.2	9%	-3%	32.05	4	-3.17%	07/08/2023	Cutloss
VRE	Sell	28.7	31.2	28.2	9%	-2%	30.05	4	4.70%	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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