# MORNING CALL
# 17/08/2023

## “Banking Sector Riding High”

- ❑ World market: Market Dips After FOMC Meeting
- ❑ Vietnam market: Banking Sector Riding High
- ❑ Business News #HHV, #DBC, #VIC, #VPG, #PVD, #NVL
- ❑ Technical perspective and recommendation update
- ❑ Event calendar
- ❑ Q&A


[Analysts]

Tien Le ☎ (84-28) 037 639 1443
✉ tien.ld@shinhan.com

Nam Hoang ☎ (84-28) 6299 8004
✉ nam.h@shinhan.com


Following SSV's Zalo,
Catching the latest report




Please click or scan

# Global Market Review – Week 14 – 18/08/2023

## Major stocks market

- In regular trading on Wednesday, the Dow fell 0.52%, the S&P 500 dropped 0.76% and the Nasdaq Composite tumbled 1.15%. Policymakers continued to stress that there are upside risks to inflation that could warrant a prolonged period of restrictive monetary policy or even another rate hike, keeping the pressure on US equities. Investors now look ahead to more earnings reports and the latest weekly jobless claims report on Thursday.
- European markets finished mixed as of the most recent closing prices. The DAX gained 0.14%, while the FTSE 100 led the CAC 40 lower. They fell 0.44% and 0.10% respectively. UK's inflation report solidified concerns that the Bank of England may be forced to hold interest rates higher for a longer period. Consumer prices in the United Kingdom rose by 6.8% in July, slowing sharply from the 7.9% increase in the previous period as base effects drove fuel prices to drop on an annual basis.
- The Nikkei 225 Index fell 0.9% to below 31,500 while the broader Topix Index lost 0.8% to 2,242 on Thursday, with the former sliding to over two-month lows, as Japanese shares tracked losses on Wall Street overnight after the latest Federal Reserve minutes stressed that upside risks to inflation remain and that further interest rate hikes are still on the table
- WTI crude futures fell 2% to $79 per barrel on Wednesday, continuing its downward trend as ongoing concerns about the health of China's economy weighed while the minutes of the Fed's July meeting showed that the U.S. policymakers were divided over further rate hikes and might keep interest rates higher for longer term.

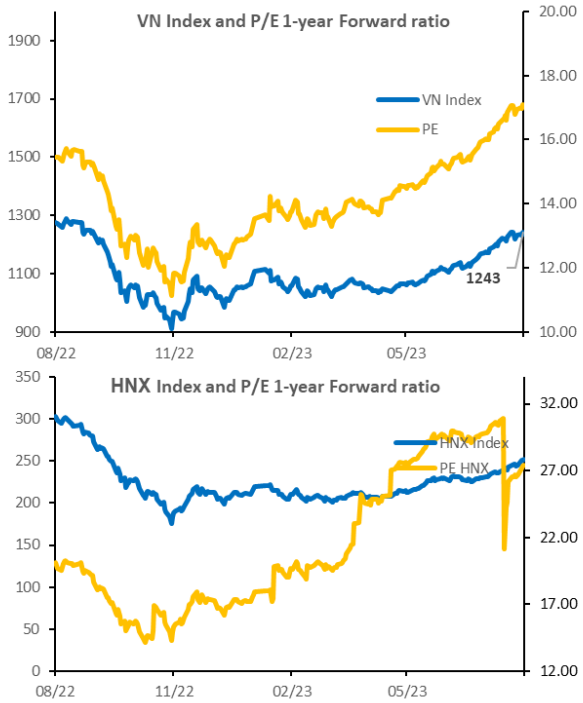
## Market

| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| VN-Index | 1,243 | 0.75% | 5.98% | -2.51% |
| S&P 500 Index | 4,404 | -0.76% | -2.62% | 3.05% |
| Dow Jones Index | 34,766 | -0.52% | 0.52% | 2.31% |
| GP 100 | 7,357 | -0.44% | -0.67% | -2.11% |
| Nikkei 225 | 31,380 | -1.22% | -3.12% | 7.38% |
| SHCOMP Index | 3,150 | -0.82% | -1.85% | -4.32% |
| STOXX 600 | 455 | -0.06% | -0.57% | 3.70% |
| KOSPI Index | 2,493 | -1.27% | -4.79% | -0.91% |
| Hang Seng | 18,023 | -1.67% | -7.16% | -9.53% |

## Currency & Commodity

| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| Dollar Index | 103.59 | 0.15% | 3.75% | -2.80% |
| USD/VND | 23,965.00 | -0.07% | -1.35% | -2.39% |
| EUR/USD | 1.09 | -0.12% | -3.29% | 6.74% |
| USD/CNY | 7.31 | -0.12% | -1.84% | -7.20% |
| Brent | 83.17 | -0.34% | 5.95% | -11.19% |
| WTI | 79.06 | -0.40% | 6.62% | -10.27% |
| Natural gas | 2.59 | 0.08% | 3.26% | -71.94% |
| Coal | 147.50 | 0.24% | 12.04% | -63.58% |
| Gold | 1,892.13 | 0.02% | -3.22% | 7.40% |

# Vietnam Market Snapshot 16/08/2023




## Money flow and sector rotation (VND bn)

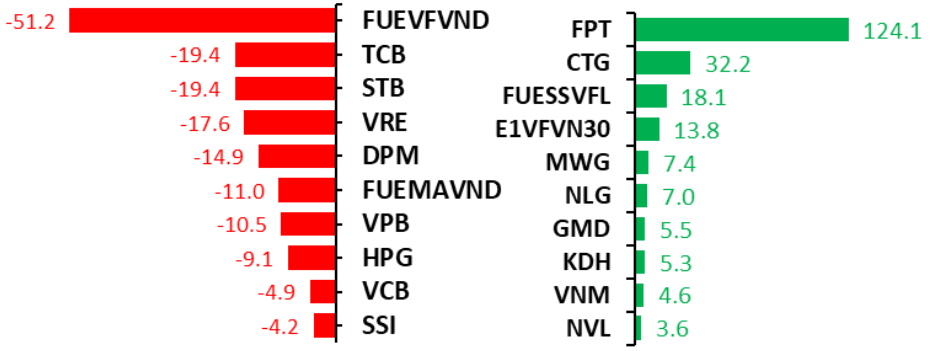
| Sector | %1D | 8/16/2023 | 8/15/2023 | 20-session Average |
|---|---|---|---|---|
| Banks | 81.06 | 4,572 | 2,525 | 3,564 |
| Oil & Gas | 58.86 | 204 | 128 | 201 |
| Technology | 50.18 | 241 | 161 | 142 |
| Financial Services | 14.43 | 2,342 | 2,047 | 2,440 |
| Real Estate | 4.76 | 5,941 | 5,671 | 5,352 |
| Media | 3.03 | 1 | 1 | 3 |
| Insurance | 0.48 | 42 | 42 | 62 |
| Personal & Household Goods | -5.1 | 160 | 169 | 215 |
| Travel & Leisure | -8.2 | 119 | 130 | 156 |
| Food and Beverage | -10.3 | 972 | 1,084 | 1,426 |
| Construction & Materials | -12.0 | 1,130 | 1,285 | 1,589 |
| Industrial Goods & Services | -22.0 | 575 | 737 | 998 |
| Automobiles & Parts | -22.7 | 272 | 352 | 256 |
| Basic Resources | -22.9 | 896 | 1,163 | 1,438 |
| Utilities | -25.7 | 209 | 282 | 319 |
| Retail | -28.8 | 515 | 723 | 727 |
| Chemicals | -35.1 | 634 | 977 | 845 |
| Health Care | -35.5 | 23 | 36 | 42 |

Source: Bloomberg, Shinhan Securities Vietnam

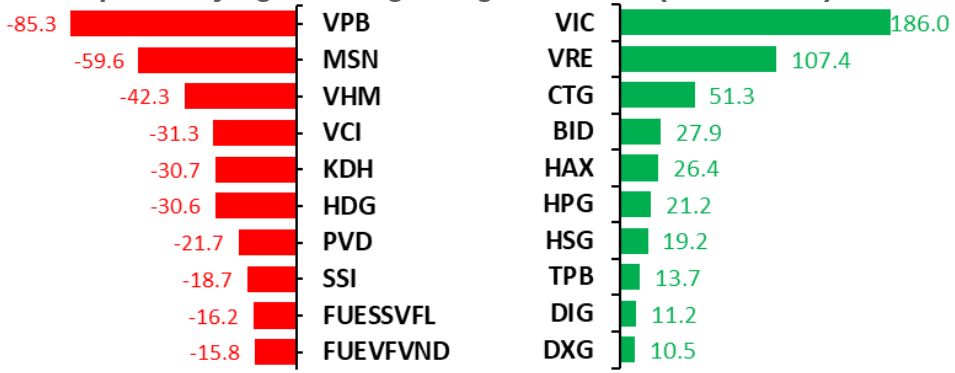
| | Close | PE | Change | %1D | Trading volume (mn stocks) | Trading value (VND bn) |
|---|---|---|---|---|---|---|
| VNI NDEX | 1,243.26 | 17.09 | 9.21 | 0.75 | 813 | 18,856 |
| HNX INDEX | 252.56 | 27.44 | 1.11 | 0.44 | 109 | 2,000 |

# Vietnam Market Snapshot 16/08/2023

## 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 | 1 | 193 | (167) | (26) |
| Basic Resources | (8) | 44 | (44) | 0 |
| Media | - | (0) | 0 | - |
| Industrial Goods & Services | 4 | 5 | 12 | (18) |
| Health care | (0) | 0 | 1 | (2) |
| Chemicals | (14) | 3 | 17 | (19) |
| Financial Services | (20) | (100) | 82 | 18 |
| Travel & Leisure | (3) | (0) | 0 | 0 |
| Banks | (35) | (26) | 106 | (79) |
| Construction & Materials | 1 | (0) | 3 | (3) |
| Food and Beverage | 9 | (115) | 89 | 25 |
| Retail | 8 | (25) | 14 | 11 |
| Utilities | (1) | 3 | 68 | (71) |
| Personal & Household Goods | 1 | 1 | (4) | 3 |
| Technology | 124 | 2 | (134) | 132 |
| Automobiles & Parts | 0 | 28 | (30) | 2 |
| Insurance | 6 | (8) | 2 | 6 |
| Oil & Gas | (0) | (28) | 29 | (2) |

Source: Fiinpro, Shinhan Securities Vietnam

# Breaking News

## Macro

- "USD Bank Rate Continues to Rise, Reaches 24,200 VND/USD, Surpassing Black Market Rate. The central exchange rate announced by the State Bank of Vietnam (SBV) yesterday (August 16) was set at 23,918 VND/USD, marking an increase of 38 dong compared to the previous rate. This marks the third consecutive strong increase in the central exchange rate since the beginning of the week, with a total increase of 81 dong. With a 5% band, commercial banks are allowed to trade USD at rates ranging from 22,722 to 25,114 VND/USD. Along with the sharp increase in the central exchange rate, the SBV also raised its selling price of USD at the trading center by 38 dong, reaching 25,063 dong/USD, while keeping the buying price at 23,400 dong/USD. As a result, the SBV's intervention selling price of USD remains 51 dong lower than the upper trading limit set for commercial banks.
- Real Estate Tax Law Project: Second-home Taxation, Unused Land and Property Taxation Considered. The Ministry of Finance is studying the development of a Real Estate Tax Law project, which includes research on taxation for second homes and taxation for vacant land and property. The aim is to ensure compatibility with Vietnam's economic and social conditions and international practices.
- Deepening Differences between the US and China Erode Trade Relationship. The growing divide between the US and China is undermining the relationship between the world's two largest economies, causing Chinese goods to represent the smallest share of US imports in the past 20 years. In the first half of this year, China accounted for 13.3% of US imports, down from the peak of 21.6% set in 2017. The current proportion is the lowest since the 12.1% recorded in 2003 – two years after China joined the World Trade Organization (WTO)."

## Business news

**HHV:** The Board of Directors of Deo Ca Investment Infrastructure Corporation (HHV) has announced a resolution to approve a stock issuance plan for existing shareholders. Accordingly, the company plans to issue a maximum of 82.3 million shares to existing shareholders through the exercise of pre-emptive rights, with an expected issuance ratio of 25% (shareholders owning 100 shares can purchase an additional 25 new shares). The offering price is set at 10,000 VND per share. Upon completion of the offering, HHV's charter capital will increase by over 823 billion VND to approximately 4,117 billion VND.

**DBC:** Dabaco Group Vietnam has signed a collaboration agreement with Guangdong Winsun Bio Pharmaceutical to research and produce animal vaccines. This partnership will significantly contribute to enhancing Vietnam's competitive capacity in animal husbandry with other countries worldwide, and at the same time, it will open up access to potential markets for Dabaco, as well as for the agricultural sector of Vietnam as a whole.

**VIC:** Shares of Vingroup (VIC) soared to the trading limit following the explosive debut of VinFast on Nasdaq. The market capitalization of Vingroup has now reached around 288.33 trillion VND (~ 12 billion USD), which is only approximately one-third of the contributed capital value in VinFast and one-seventh of the market capitalization of the electric car company.

# Breaking News



## Business news

**VPG**: Viet Phat Import Export Trading Investment Corporation (stock code: VPG) has recently approved the signing of a thermal coal purchase and sale contract among a consortium including Viet Phat, Pt Sumber Global Energy Tbk, Pt Bintang Mitra Semestaraya Tbk, and the project management board of Song Hau 1 thermal power plant. The estimated contract value is 6,023.7 billion VND, with a timeline of 365 days from the effective date of the contract.

**PVD**: The global oil and gas drilling market is becoming a "hot" topic as demand continues to rise while the supply of drilling rigs tightens. As a result, companies providing upstream services like PetroVietnam Drilling and Well Services Corporation (PV Drilling - stock code: PVD) have more opportunities to secure contracts and improve rental rates in the near future. Notably, PV Drilling's business results in the second quarter have shown signs of improvement. In Q2, PVD reported a net profit of 155 billion VND, which is more favorable compared to the loss of 74 billion VND in the same period last year. This is also the highest profit in 18 quarters for the company since the beginning of 2019.

**NVL**: Novagroup Corporation has registered to trade shares of No Va Land Group Corporation (Novaland). Specifically, from August 18th to September 15th, Novagroup has registered to sell 43 million NVL shares through negotiated transactions to balance its investment portfolio and support the restructuring of debts and other obligations. If this transaction is completed, Novagroup's ownership in Novaland will be reduced to 408.6 million shares, equivalent to 20.95% of the company's charter capital.

# Technical view




## Trend: Upward

- The VNINDEX increased by 9 points to close at 1,243 (+0.75%), led by the banking sector and VIN Group stocks. The market showed signs of mixed trading with 217 stocks gaining while 243 stocks declining. Although there was a slight improvement in liquidity, it remains low compared to the 20-session average. Domestic individual investors and foreign investors remained net sellers in today's session.
- Technical analysis: The VNINDEX formed a bullish candlestick pattern, approaching the previous peak, but with relatively low trading volume. The Stoch RSI indicator crossing above its signal line indicates a clearer sign of the return of upward momentum. Meanwhile, the VN30 index surpassed its previous peak from a week ago as funds flowed into large-cap stocks.
- Strategy: It is advisable to prioritize investment in stocks with strong financial health and prices that show signs of recovery upon touching the MA10 and MA20 levels. However, investors should exercise caution and avoid chasing stocks, considering that valuations are no longer cheap and macroeconomic information is hard to predict.

## Scenario:

- Positive (50%): The market is likely to increase to the 1,260 level following a positive reaction in the MA 10-20 range of the VNINDEX.
- Negative (50%): The market is expected to trade sideways in the range of 1,200 - 1,220 for a few sessions to accumulate further.

# Recommended stocks

**17/8/2023**

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% | 19.2 | 19 | 2.67% | 21/07/2023 | |
| GEG | Hold | 15.5 | 17 | 15.2 | 10% | -2% | 15.3 | 10 | -1.29% | 03/08/2023 | |
| VCS | Hold | 63.5 | 72 | 61.8 | 13% | -3% | 63.1 | 13 | -0.63% | 31/07/2023 | |
| PTB | Hold | 52.6 | 59.9 | 51.9 | 14% | -1% | 54.3 | 10 | 3.23% | 03/08/2023 | |
| NKG | Hold | 19.5 | 22.7 | 18.8 | 16% | -4% | 20.4 | 3 | 4.62% | 14/08/2023 | |
| KBC | Hold | 32.3 | 37.5 | 31.3 | 0.161 | -3% | 32.6 | 2 | 0.93% | 15/08/2023 | |

# Economic calendar

## August 2023

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

Shinhan Securities

# Q&A

# Shinhan Investment Network

## SEOUL

Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

## NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

## HONG KONG

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

## INDONESIA

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

## SHANGHAI

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

## HO CHI MINH

Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

## HA NOI

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000



Shinhan Securities



## Compliance Notice

- Analyst Certification: We/I hereby certify the information and material presented in this report are accurate expressions of their views, and that we/I have not received internally or externally wrongful pressure to express such views.
- All opinions and estimates regarding the company and its securities are accurate representations of the covering analyst's judgments as of this date and may differ from actual results.
- This report is intended to provide information to assist investment decisions only and should not be used or considered an offer or the solicitation of an offer to sell or to buy any securities. Stock selection and final investment decisions should be made at the client's own discretion.
- This report is distributed to our clients only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.

## Disclaimers

- This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of Shinhan Securities Vietnam Ltd.., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of Shinhan Securities Vietnam Ltd.
- This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. Shinhan Securities Vietnam Ltd. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Shinhan Securities Vietnam Ltd.., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or Shinhan Securities Vietnam Ltd. The final investment decision is based on the client’s judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.
- Copyright ⓒ 2020 Shinhan Securities Vietnam Ltd. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of Shinhan Securities Vietnam Ltd.