MORNING CALL
18/08/2023

Shinhan Securities

"Absence of Guidance from Large-Cap"

- ❑ World market: Global Stock Markets Experience Decline
- ❑ Vietnam market: Absence of Guidance from Large-Cap
- ❑ Business News #VHC, #VNM, #ACG, #HAH, #MWG, #BAF
- ❑ Technical perspective and recommendation update
- ❑ Event calendar
- ❑ Q&A

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

Major stocks market

- In regular trading on Thursday, the Dow fell 0.84%, the S&P 500 lost 0.77% and the Nasdaq Composite tumbled 1.17%. US stocks remained under pressure from rising Treasury yields as minutes of the Federal Reserve's July meeting suggested further interest rate hikes could be ahead as policymakers remain concerned about inflation.
- European markets finished lower today with shares in France leading the region. The CAC 40 is down 0.94% while Germany's DAX is off 0.71% and London's FTSE 100 is lower by 0.63%.
- The Nikkei 225 Index Index fell 0.44% to close at 31,626 while the broader Topix Index lost 0.34% to 2,253 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. The Shanghai Composite rose 0.43% to close at 3,164 while the Shenzhen Component gained 0.61% to 10,645 on Thursday, reversing losses from earlier in the session as investors remained hopeful that Beijing would offer more forceful stimulus measures to promote growth
- WTI crude futures held below $80 per barrel on Thursday after losing more than 4% over the past three sessions, as economic concerns in China and the possibility of further interest rate hikes in the US weighed on the demand outlook in the world's two biggest oil consumers.

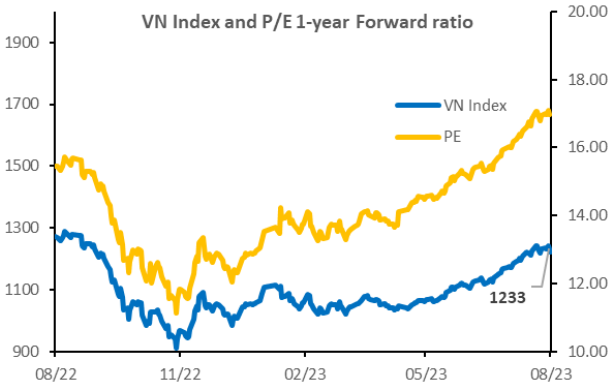
Market

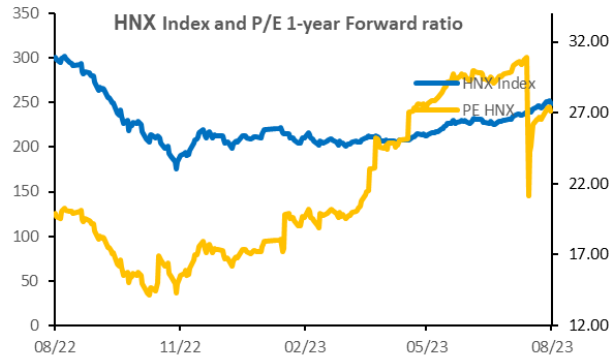
	Close	%1D	%1M	%1Y
VN-Index	1,233	-0.79%	5.06%	-3.15%
S&P 500 Index	4,370	-0.77%	-4.05%	2.02%
Dow Jones Index	34,475	-0.84%	-1.37%	1.40%
GP 100	7,310	-0.63%	-1.92%	-3.07%
Nikkei 225	31,434	-0.61%	-3.26%	8.61%
SHCOMP Index	3,164	0.43%	-1.07%	-3.47%
STOXX 600	451	-0.90%	-2.08%	2.37%
KOSPI Index	2,508	-0.48%	-3.83%	-0.01%
Hang Seng	18,327	-0.01%	-3.62%	-7.27%

Market

	Close	%1D	%1M	%1Y
USD/JPY	146	0.21%	-4.61%	-6.63%
USD/CNY	7	0.16%	-1.55%	-6.94%
Brent	84	-0.10%	5.54%	-12.99%
WTI	80	0.00%	6.13%	-11.17%
Gasoline	281	-0.54%	4.16%	-7.25%
Natural gas	3	0.11%	-0.19%	-71.44%
Coal	147	-0.34%	12.13%	-64.48%
Gold	1,894	0.22%	-4.30%	7.68%
China HRC	3,928	-0.51%	1.60%	-2.80%

Vietnam Market Snapshot 17/08/2023





Money flow and sector rotation (VND bn)

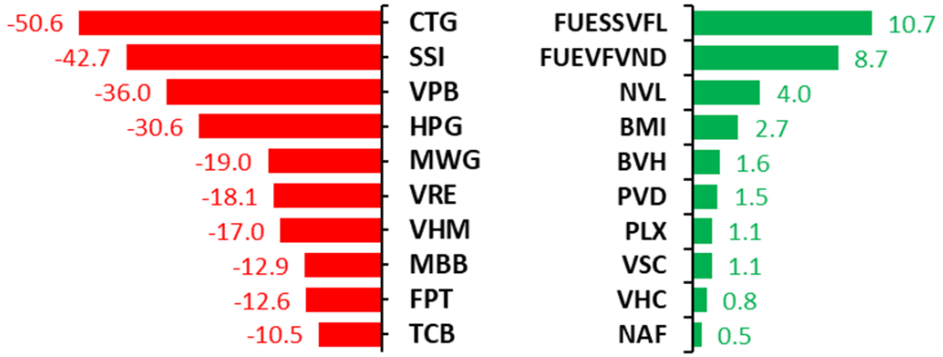
Sector	%1D	8/17/2023	8/16/2023	20-session Average
Industrial Goods & Services	161.29	1,504	575	1,036
Basic Resources	143.71	2,184	896	1,474
Health Care	137.57	55	23	42
Financial Services	96.29	4,597	2,342	2,562
Media	61.80	2	1	3
Construction & Materials	59.60	1,804	1,130	1,628
Technology	49.98	362	241	150
Utilities	48.06	310	209	320
Retail	43.98	741	515	728
Personal & Household Goods	34.73	215	160	217
Food and Beverage	33.73	1,300	972	1,436
Insurance	22.32	51	42	62
Travel & Leisure	21.91	145	119	153
Chemicals	14.12	724	634	841
Real Estate	3.91	6,174	5,941	5,517
Oil & Gas	-9.0	186	204	202
Automobiles & Parts	-10.9	242	272	264
Banks	-35.2	2,962	4,572	3,550

Source: Bloomberg, Shinhan Securities Vietnam

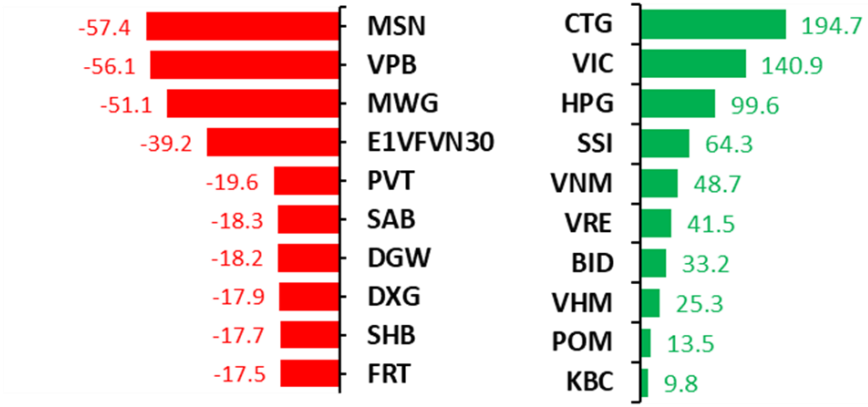
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,223.60	16.96	-9.67	-0.78	1,007	23,565
HNX INDEX	248.65	27.13	-1.32	-0.53	140	2,441

Vietnam Market Snapshot 17/08/2023

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	(51)	165	31	(196)
Basic Resources	(33)	115	(99)	(16)
Media	-	(0)	0	-
Industrial Goods & Services	(4)	(45)	307	(262)
Health care	0	4	(5)	1
Chemicals	(3)	(10)	0	10
Financial Services	(29)	(20)	94	(74)
Travel & Leisure	(5)	(3)	2	1
Banks	(164)	146	(220)	74
Construction & Materials	(2)	(51)	134	(83)
Food and Beverage	(15)	(57)	71	(14)
Retail	(19)	(87)	111	(24)
Utilities	(4)	1	3	(4)
Personal & Household Goods	(9)	(10)	11	(1)
Technology	(13)	(1)	32	(31)
Automobiles & Parts	-	(5)	10	(5)
Insurance	4	(8)	6	2
Oil & Gas	3	(11)	4	8

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Completion of Groundwork for Long Thanh Airport. The Long Thanh Airport Project Management Board has announced that the phase 1 ground preparation package for Long Thanh Airport has been essentially completed. The consortium of contractors has excavated approximately 105 million cubic meters of soil (over 91% of the excavation volume) for the project. According to the initial plan, the package was scheduled to be completed in 38 months. Subsequently, the relevant units focused on mobilizing resources and shortening the timeline. Particularly, during the dry months of 2022-2023, the consortium mobilized over 1,800 machinery and equipment to the construction site, working around the clock. As a result, the progress of the package has been accelerated, with hundreds of thousands of cubic meters of soil excavated daily.
- Three Growth Scenarios for the Southeast Region in the 2021-2030 Period. In Scenario 1 (low scenario), the forecasted GRDP growth rate is expected to average 4.92% per year during the 2021-2025 period and average 7.18% per year during the 2026-2030 period. In Scenario 2 (medium scenario), the forecasted GRDP growth rate is expected to average 5.48% per year during the 2021-2025 period and average 8.66% per year during the 2026-2030 period. Finally, in Scenario 3 (striving scenario), the forecasted GRDP growth rate is expected to average 5.97% per year during the 2021-2025 period (with three years from 2021-2023 at 3.88% per year and two years from 2024-2025 at 9.18% per year); and average 10.2% per year during the 2026-2030 period.
- Reiteration of Public Investment Capital Repayment. The Ministry of Planning and Investment (MPI) has revealed that by July 31st, various ministries, sectors, and localities proposed reducing over 7.112 trillion VND (more than 5.582 trillion VND domestic capital, and 1.529 trillion VND foreign capital) from the budget, despite the Prime Minister's earlier directive to promote and allocate public investment disbursement. The directive aimed for over 95% implementation of investment plans without capital return.

Business news

VHC: Vinh Hoan Corporation (stock code: VHC) has recently passed a resolution by the Board of Directors regarding the issuance of over 3.6 million shares, equivalent to 2% of the outstanding shares, under the Employee Stock Ownership Plan (ESOP). The issuance price is 10,000 VND/share, which is 86% lower than the closing price of VHC shares on August 17th (73,000 VND/share). Therefore, Vinh Hoan employees will only need to spend 36 billion VND to purchase the batch of shares with a market value of over 260 billion VND.

VNM: The brand value of Vinamilk has reached 3 billion USD, further affirming its leading position in the food industry. With a value of up to 3 billion USD, Vinamilk continues to solidify its position as the highest-valued food brand in Vietnam. It ranks as the 6th largest dairy brand globally and leads the Top 10 brands with high sustainability.

ACG: In the latest announcement, An Cuong Woodworking Joint Stock Company (stock code: ACG) has disclosed receiving an administrative penalty decision related to tax violations. The company's inaccurate declarations resulted in a shortfall in tax payments, leading to a penalty of nearly 326 million VND. Additionally, An Cuong Woodworking needs to reimburse the missing tax amount to the State budget, totaling over 1.6 billion VND. This includes Value Added Tax (VAT) of nearly 413 million VND and Corporate Income Tax of over 1.2 billion VND. Moreover, An Cuong is required to pay additional late tax payment fees, amounting to a minimum of 81 million VND. These late payment fees are calculated until August 3rd. The company is responsible for self-calculating and paying the late payment amount from August 3rd onwards until the actual payment date.

Breaking News



Business news

HAH: Maritime transport companies make bold moves to purchase new vessels, expecting a brighter future after Q2/2023 reported a profit decline of 60%-90%. The main reason for the continued profit decline in Q2/2023 for maritime transport enterprises is the reduction in shipping fees. After the boom in 2021-2022, maritime transport companies have faced numerous challenges in the first half of 2023 as shipping fees have continuously plummeted since September of the previous year. According to data from Drewry, the World Container Index (WCI) has currently decreased by as much as 77.5% compared to the same period in 2022.

MWG: The challenges faced by Mobile World (MWG) in its ambition to build a retail empire: Many business sectors are still in progress, and foreign investors are not as enthusiastic. Capturing trends cannot be denied as MWG's greatest success. However, after the success of the two chains Mobile World and Dien May Xanh (Green Electronics), the new directions of MWG have not yet yielded results.

BAF: What do pig farming companies HAGL, BAF... say about the Ho Chi Minh City Pork Trading Floor project? The Ho Chi Minh City Pork Trading Floor is established and developed based on the infrastructure of the Vietnam Commodity Exchange (MXV), including trading systems, payment systems, clearing and settlement centers, commodity delivery centers, market information provision, and trading of various contracts based on international standards. Mr. Tran Van Dai, a member of the Board of Directors and also responsible for the "Pig Eating Banana" brand at Hoang Anh Gia Lai Joint Stock Company (HAGL, HAG), stated, "This pork trading floor project, if implemented, will be very beneficial for the market, and HAGL will participate in trading branded pork."

Technical view



Trend: Sideway

- VNINDEX closed at 1,233 (-9.78 points, -0.79%) with a significant increase in liquidity during the derivative expiration session. There were 320 declining stocks compared to only 150 gaining ones. VIC, VHM, and banking stocks experienced substantial decreases, leading the market down. This contrasted with the previous session, where these groups led the overall market's upward trend.
- Technical Analysis: The market is currently moving sideways around the MA 10 level for over a week. The likelihood of the market correcting to the MA 20 level around 1,220 for a back test is relatively high. In general, the market is still maintaining its medium-term upward trend, though the recent momentum has mainly come from large-cap stocks. The lack of leading momentum from VIC and large-cap groups like banks yesterday indicates potential downside risk for the market.
- Strategy: Prioritize investment in stocks with strong financial health and potential for price recovery when they touch the MA10 and MA20 levels. However, investors should remain cautious, avoiding chasing stocks given the context of no longer inexpensive valuations and unpredictable macroeconomic information.

Scenario:

- Positive (40%): The market will rise to the 1,260 range after a positive reaction in the MA 10-20 zone of the VNINDEX.
- Negative (60%): The market will move sideways in the 1,200 - 1,220 range to accumulate for a few sessions.

Recommended stocks

18/8/2023

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%	19.15	20	2.41%	21/07/2023	
GEG	Hold	15.5	17	15.2	10%	-2%	15.2	10	-1.94%	03/08/2023	
VCS	Hold	63.5	72	61.8	13%	-3%	62.7	14	-1.26%	31/07/2023	
PTB	Hold	52.6	59.9	51.9	14%	-1%	54	11	2.66%	03/08/2023	
NKG	Hold	19.5	22.7	18.8	16%	-4%	20.4	4	4.62%	14/08/2023	
KBC	Hold	32.3	37.5	31.3	0.161	-3%	32.6	3	0.93%	15/08/2023	

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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