MORNING CALL
21/08/2023

Shinhan Securities

“Highest historical liquidity”

- ❑ World market: Global Stock Markets Experience Decline
- ❑ Vietnam market: Highest historical liquidity
- ❑ Business News #TCB, #REE, #DHA, #FPT, #LDG, #DXS
- ❑ Technical perspective and recommendation update
- ❑ Event calendar
- ❑ Q&A

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Catching the latest report



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Global Market Review – Week 21 – 25/08/2023

Major stocks market

- Last week, the Dow fell 2.21%, the S&P 500 dropped 2.11% and the Nasdaq Composite tumbled 2.59%, with the last two benchmarks posting their third consecutive losing week. Minutes of the Fed's July meeting released last week showed that policymakers remained concerned about upside risks to inflation, leaving the door open for further policy tightening. Investors now look ahead to Fed Chair Jerome Powell's remarks at the central bank's annual symposium in Jackson Hole, Wyoming on FridayEuropean 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%.
- European markets finished lower on Friday with shares in Germany leading the region. The DAX is down 0.65% while London's FTSE 100 is off 0.65% and France's CAC 40 is lower by 0.38% as markets continued to fret about the economy's health amid the tightening momentum from the BoE and the Fed, while deepening credit risks in China pressured companies with exposure traded in London. Retail sales in the UK sank by 1.2% in July, sharply above expectations of a 0.5% decrease to suggest British consumers' resilience to higher borrowing costs is waning.
- The Nikkei 225 Index jumped 0.8% to above 31,600 while the broader Topix Index gained 0.3% to 2,244 on Monday. On Friday, data showed that Japan's headline inflation rate came in above forecasts in July, while the core inflation print slowed as expected, but remained above the Bank of Japan's target.
- 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.

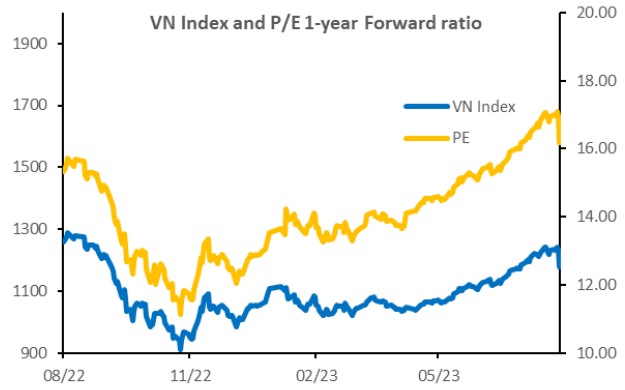
Market

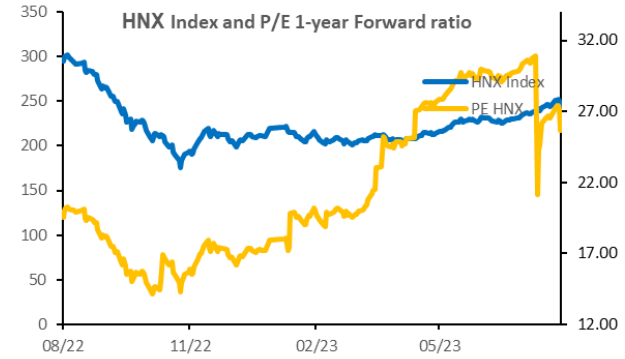
	Close	%1D	%1M	%1Y
VN-Index	1,178	-4.50%	-0.67%	-7.18%
S&P 500 Index	4,370	-0.01%	-3.67%	3.34%
Dow Jones Index	34,501	0.07%	-2.06%	2.36%
GP 100	7,262	-0.65%	-5.24%	-3.81%
Nikkei 225	31,689	0.76%	-1.90%	9.54%
SHCOMP Index	3,132	-1.00%	-1.13%	-3.87%
STOXX 600	448	-0.61%	-3.64%	2.53%
KOSPI Index	2,523	0.74%	-3.33%	1.21%
Hang Seng	17,951	-2.05%	-5.89%	-9.22%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.34	-0.03%	2.25%	-4.46%
USD/VND	23,820.00	0.18%	-0.74%	-1.74%
EUR/USD	1.09	0.06%	-2.19%	9.42%
USD/CNY	7.28	0.03%	-1.35%	-6.84%
Brent	84.67	-0.15%	4.44%	-12.46%
WTI	81.23	-0.02%	5.40%	-10.51%
Natural gas	2.60	1.84%	-4.24%	-72.17%
Coal	149.50	1.70%	11.28%	-63.88%
Gold	1,890.04	0.04%	-3.66%	8.85%

Vietnam Market Snapshot 18/08/2023





Money flow and sector rotation (VND bn)

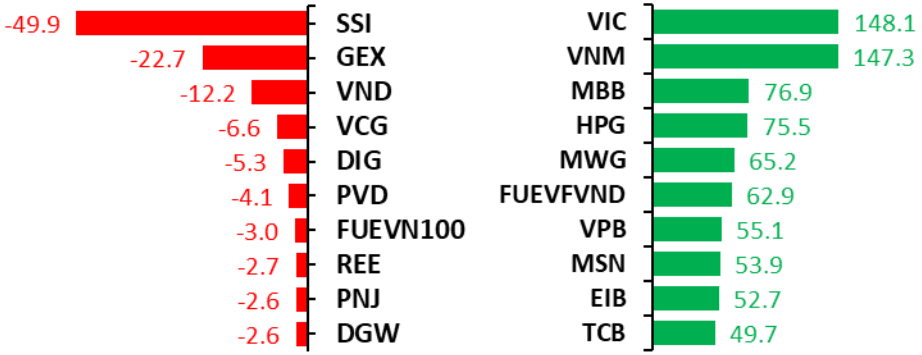
Sector	%1D	8/18/2023	8/17/2023	20-session Average
Insurance	125.82	115	51	64
Chemicals	121.81	1,605	724	889
Banks	113.36	6,320	2,962	3,689
Food and Beverage	76.80	2,299	1,300	1,487
Automobiles & Parts	68.19	407	242	280
Utilities	65.12	512	310	330
Construction & Materials	61.94	2,922	1,804	1,706
Retail	60.37	1,188	741	732
Oil & Gas	53.31	285	186	209
Real Estate	51.58	9,358	6,174	5,763
Media	49.31	3	2	3
Travel & Leisure	45.75	212	145	154
Personal & Household Goods	21.53	262	215	221
Technology	15.40	418	362	164
Basic Resources	14.32	2,497	2,184	1,538
Health Care	8.89	60	55	42
Financial Services	3.22	4,745	4,597	2,669
Industrial Goods & Services	-4.0	1,444	1,504	1,063

Source: Bloomberg, Shinhan Securities Vietnam

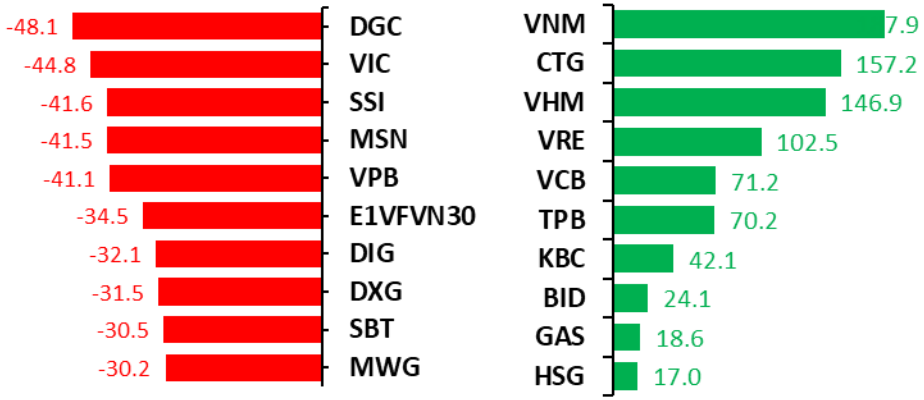
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,177.99	16.18	-55.49	-4.50	1,578	34,664
HNX INDEX	235.96	25.63	-14.01	-5.60	238	4,170

Vietnam Market Snapshot 18/08/2023

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	225	173	(312)	140
Basic Resources	117	(7)	(188)	195
Media	-	0	(0)	-
Industrial Goods & Services	(25)	(2)	43	(42)
Health care	2	6	3	(9)
Chemicals	45	(32)	(46)	78
Financial Services	28	(150)	174	(24)
Travel & Leisure	19	6	(38)	31
Banks	431	303	(775)	473
Construction & Materials	(8)	9	293	(302)
Food and Beverage	207	109	(293)	184
Retail	67	(40)	(29)	69
Utilities	10	24	(17)	(8)
Personal & Household Goods	(3)	(2)	(14)	16
Technology	7	(1)	16	(16)
Automobiles & Parts	2	19	(20)	1
Insurance	16	11	(26)	15
Oil & Gas	5	0	(14)	13

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Estimates suggest that Vietnamese tourists will spend 11,000 billion VND traveling to Thailand in 2023. The Thailand Convention and Exhibition Bureau (TCEB) recently organized a business forum in Vietnam to introduce and attract Vietnamese businesses to participate in exhibitions held in Thailand. According to TCEB's data, from the beginning of 2023 to now, the organization has hosted over 45 international exhibitions to promote technology, innovation, and collaboration in various industries. As of July 2023, 289,880 Thai tourists have visited Vietnam, while by May 2023, about 400,000 Vietnamese tourists have traveled to Thailand. This number is now expected to reach 600-700,000 tourists.
- Monitoring of major national projects experiencing slow progress. During the meeting, Le Quang Manh, the Chairman of the Finance and Budget Committee, and Deputy Head of the National Assembly's Monitoring Delegation, presented the draft plan for monitoring and the outline of the report by the National Assembly's Monitoring Delegation regarding some major national projects until the end of 2023. These projects include the Long Thanh Airport project, the East-West Highway project in phases 2017-2020 and 2021-2025, the Ring Road 4 project in the Hanoi Capital Area, the Ring Road 3 project in Ho Chi Minh City, the Khanh Hoa - Buon Ma Thuot phase 1 highway project, the Bien Hoa - Vung Tau phase 1 highway project, and the Chau Doc - Can Tho - Soc Trang phase 1 highway project.
- Numerous signs of recovery prompt the Ministry of Finance to continue seeking ways to revive the bond market. According to the draft report, from the beginning of the year to July 28th, 36 companies conducted private bond issuances with a total volume of 62.3 trillion VND, a decrease of 77.8% compared to the same period in 2022. The Minister of Finance stated that efforts will be made to address obstacles in the corporate bond market. Additionally, there will be enhanced regular monitoring and control, strict handling of violations, and urging of companies to repay bonds upon maturity.

Business news

TCB: Techcombank's online guarantee issuance in just 2 hours enhances its corporate position. Offering cost and capital optimization for businesses, as well as improving credibility during contract negotiations, Techcombank's online guarantee solution is currently the top choice for efficient business management. With issuance time as short as 2 hours, it comes with numerous privileges and exclusive support.

REE: REE temporarily gains nearly 300 billion VND through its investment in VIB shares, divesting its entire holding in QTP, and purchasing over 200 billion VND worth of bonds in the second quarter of 2023. According to the reviewed financial statements of Refrigeration Electrical Engineering Corporation (stock code: REE), as of June 30, the company recorded a business securities value with an original price of 933 billion VND, a growth of 18% compared to the beginning of the year and 26% compared to the end of the first quarter of 2023. The reasonable value of these investments amounts to nearly 1,230 billion VND. Thus, in the second quarter of 2023, REE is temporarily profiting 297 billion VND from these investment activities.

DHA: A significant second-quarter profit due to HPG, a stone industry enterprise ready to advance a cash dividend payment of 30%, and anticipated benefits from the Long Thanh Airport, whose Q2 financial results are expected to be favorable. With over 14.7 million outstanding shares, the company will require around 44 billion VND for this dividend payment. The implementation is projected to take place in the third quarter of 2023. According to the shareholder structure, FICO Corporation (Stock Code: FIC), the leading Construction Material Corporation No. 1 - Joint Stock Company, is the largest shareholder in DHA, holding nearly 4 million shares, equivalent to 24.86% of the capital. Therefore, FIC is about to receive over 11 billion VND in dividends in the near future.

Breaking News



Business news

FPT: Astonishing Steady Growth, FPT's continuous record-breaking profits drive the stock beyond its peak, with an approximate market capitalization of 5 billion USD. FPT is among the stocks with sustainable growth over the years, with a very consistent dividend policy. In recent years, the quarterly growth rates of revenue and profit of FPT compared to the same period of the previous year have both reached double digits, usually hovering around the 20% mark.

LDG: Countless Reasons When Executives and Relatives Buy/Sell Stocks "Unofficially": From typographical errors, to secretaries, mistaken orders, to admitting not fully understanding regulations. The most recent case is that of Mr. Nguyen Khanh Hung – Chairman of the Board of Directors of LDG Investment Joint Stock Company (LDG) – when he sold 2.6 million LDG shares in the session on August 15th without prior trading registration. The reason given by the Chairman of LDG is due to a business trip during the period from August 8th to 15th, making it impossible to directly announce the information and entrusting the secretary to do so. However, the new personnel were not familiar with the regulations, leading to mistakes and delaying the information disclosure process.

DXS: Dat Xanh will receive a transfer of 27.5 million Dat Xanh Services (DXS) shares from the Dragon Capital and VinaCapital groups. According to the minutes of the extraordinary general meeting held on August 17th, Dat Xanh Real Estate Services Joint Stock Company (Dat Xanh Services – DXS code) unanimously agreed to increase the ownership ratio of Dat Xanh Group Joint Stock Company (DXG code) without conducting a public tender offer.

Technical view



Trend: Confirming Correction

VNINDEX started the Friday morning session with downward pressure from VIC shares, followed by a cascading decline across various stock groups. By the end of the session, the market closed at 1,177.99 (-55.49 points, -4.5%) with a historical record-breaking trading volume of over 35 trillion. Proprietary trading achieved a record net buying of over 1,200 trillion, and surprisingly, foreign investors also turned to net buying.

Technical Analysis: The market witnessed a distribution session on the fifth day, which also marked the most significant correction in terms of both amplitude and trading volume. VNIndex lost the psychological support level around 1,200 mark and important MA 20 and MA 50 lines, indicating that the index has officially entered a short-term correction phase.

Strategy: The priority is to observe the market's reaction from the support zone of 1,130 – 1,160, corresponding to the Fibonacci levels 0.5 – 61.8 (also the previous year's initial phase's old peak zone). Based on historical observation, after every sharp decline session, the market usually needs at least about two weeks to consolidate and resume an upward trend. Therefore, investors are advised not to catch the bottom, and to adhere to the discipline of selling stocks that have violated the predetermined support levels.

Scenario:

- Positive Scenario (40%): The market is expected to rise to the 1,200 level in a technical rebound.
- Negative Scenario (60%): The market is projected to move sideways in the 1,130 – 1,170 range to accumulate further after a significant decline..

Recommended stocks

21/8/2023

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	Sell	18.7	21	18.37	12%	-2%	17.9	21	-4.28%	21/07/2023	Cutloss
GEG	Sell	15.5	17	15.2	10%	-2%	14.15	10	-8.71%	03/08/2023	Cutloss
VCS	Sell	63.5	72	61.8	13%	-3%	59	15	-7.09%	31/07/2023	Cutloss
PTB	Sell	52.6	59.9	51.9	14%	-1%	54	12	2.66%	03/08/2023	Cutloss
NKG	Sell	19.5	22.7	18.8	16%	-4%	18.6	5	-4.62%	14/08/2023	Cutloss
KBC	Sell	32.3	37.5	31.3	0.161	-3%	30	4	-7.12%	15/08/2023	Cutloss

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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