MORNING CALL
24/08/2023

“Trading volume decreases”

- ❑ World market: Recovery
- ❑ Vietnam market: Trading volume decreases
- ❑ Business News #NCT, #VPB, #DGW, #SZL, #HBC, #HVN
- ❑ Technical perspective and recommendation update #TCB #SZC
- ❑ 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

- In regular trading on Wednesday, the Dow rose 0.54%, the S&P 500 gained 1.1% and the Nasdaq Composite advanced 1.59%. Those moves came as weak PMI data in the US and Europe bolstered bets that major central banks would halt their interest rate hikes to avert a recession. Investors now look ahead to the Jackson Hole meet for further rates guidance.
- European markets finished higher today with shares in London leading the region. The FTSE 100 is up 0.68% while Germany's DAX is up 0.15% and France's CAC 40 is up 0.08%. government bond yields across the region fell after weak PMI data spurred bets that the ECB will not raise rates again in September. The latest PMI survey showed that the Eurozone business activity downturn had deepened more than expected this month, reaching the steepest pace in nearly 3 years, particularly in Germany.
- The Nikkei 225 Index rose 0.48% to close at 32,010 while the broader Topix Index gained 0.5% to 2,277 on Wednesday, with both benchmarks rising for the third straight session, as investors cheered upbeat Japanese private business activity figures. Data showed that the country's manufacturing activity improved in August, while services activity expanded at the fastest pace in three months
- Oil prices continued their decline for the third consecutive session, with WTI crude futures down to below $79 per barrel, the lowest in four weeks due to concerns that a restrictive monetary policy in the US and an economic slowdown in China could hurt energy demand

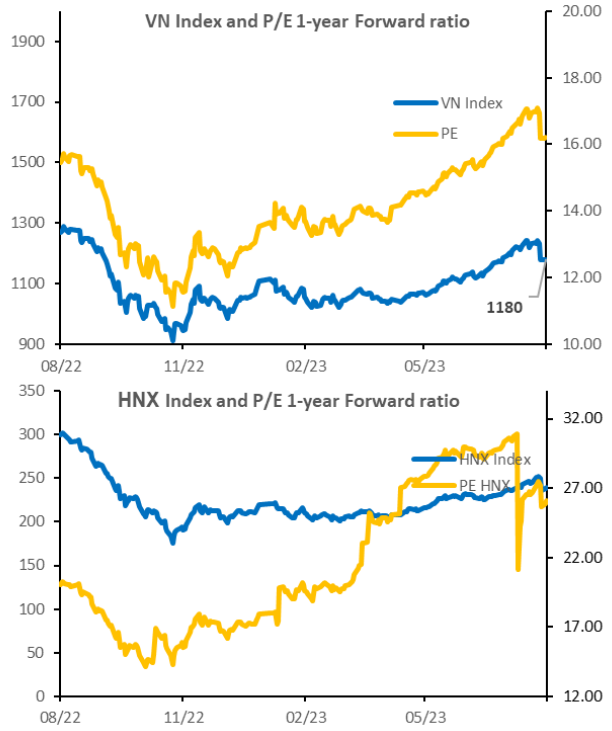
Market

	Close	%1D	%1M	%1Y
VN-Index	1,180	0.06%	-0.46%	-7.11%
S&P 500 Index	4,388	-0.28%	-3.28%	6.27%
Dow Jones Index	34,289	-0.51%	-2.67%	4.19%
GP 100	7,271	0.18%	-5.13%	-2.90%
Nikkei 225	31,858	0.00%	-1.38%	11.97%
SHCOMP Index	3,120	0.88%	-1.50%	-4.76%
STOXX 600	452	0.68%	-2.94%	4.72%
KOSPI Index	2,510	-0.24%	-3.83%	3.05%
Hang Seng	17,791	0.95%	-6.73%	-8.78%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.54	-0.03%	2.44%	-4.68%
USD/VND	23,940.00	0.00%	-1.09%	-2.14%
EUR/USD	1.08	0.02%	-1.95%	8.81%
USD/CNY	7.29	-0.15%	-1.46%	-6.11%
Brent	83.87	-0.19%	3.45%	-16.31%
WTI	79.57	-0.09%	3.24%	-15.12%
Natural gas	2.56	-0.08%	-5.71%	-72.17%
Coal	150.00	0.50%	12.78%	-64.14%
Gold	1,899.36	0.10%	-2.83%	8.65%

Vietnam Market Snapshot 23/08/2023



Money flow and sector rotation (VND bn)

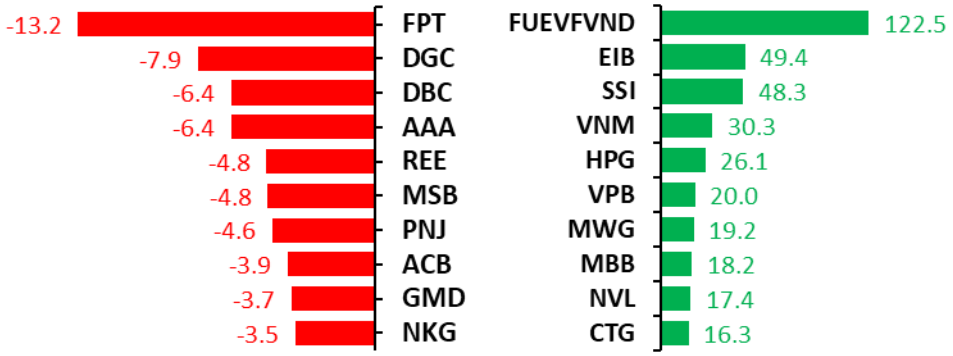
Sector	%1D	8/22/2023	8/21/2023	20-session Average
Automobiles & Parts	42.83	374	262	297
Retail	39.72	878	628	743
Utilities	35.53	290	214	330
Construction & Materials	22.46	1,321	1,079	1,647
Financial Services	19.70	4,101	3,426	2,842
Health Care	10.46	23	21	38
Food and Beverage	1.37	1,152	1,136	1,462
Basic Resources	-0.9	1,400	1,412	1,563
Personal & Household Goods	-3.5	137	141	208
Technology	-3.9	228	237	175
Insurance	-5.9	64	68	64
Oil & Gas	-9.1	123	135	201
Travel & Leisure	-9.1	133	146	150
Industrial Goods & Services	-11.2	690	777	1,034
Banks	-14.8	3,322	3,898	3,696
Real Estate	-15.1	4,684	5,519	5,799
Chemicals	-21.5	720	917	878
Media	-45.6	1	1	3

Source: Bloomberg, Shinhan Securities Vietnam

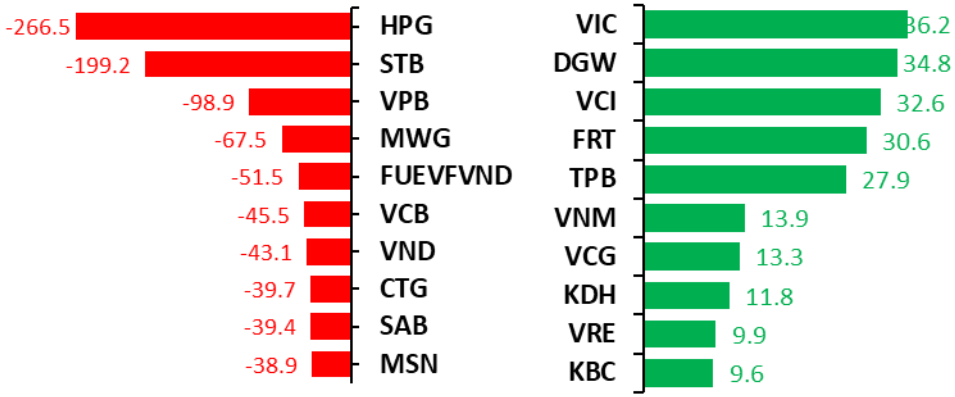
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,172.56	16.09	-7.93	-0.67	618	14,752
HNX INDEX	238.07	25.91	-1.58	-0.66	72	1,230

Vietnam Market Snapshot 23/08/2023

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	38	55	(117)	62
Basic Resources	23	(267)	216	51
Media	-	0	(0)	-
Industrial Goods & Services	(9)	13	(7)	(5)
Health care	2	(0)	(5)	5
Chemicals	(13)	14	9	(23)
Financial Services	176	(94)	(11)	105
Travel & Leisure	0	10	(15)	5
Banks	133	(369)	109	260
Construction & Materials	0	14	(13)	(1)
Food and Beverage	28	(87)	40	46
Retail	22	(2)	(41)	44
Utilities	(1)	(19)	26	(7)
Personal & Household Goods	(5)	2	(1)	(1)
Technology	(13)	(2)	(1)	3
Automobiles & Parts	2	6	(6)	1
Insurance	0	7	(5)	(2)
Oil & Gas	7	(4)	(7)	11

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Mr. Dao Minh Tu, Deputy Governor of the State Bank of Vietnam, stated that in addition to credit, the two top priorities for the banking sector in the coming months are effectively controlling inflation and maintaining exchange rate stability. Accordingly, from now until the end of the year, the State Bank of Vietnam will consider the issue of reducing the policy interest rate. This is because in reality, the policy interest rate no longer has a significant impact on the market, especially for commercial banks. Current commercial banks have excess liquidity and are not borrowing from the State Bank of Vietnam.
- In the first half of 2023, the outstanding balance of real estate business loans exceeded 7% compared to the whole year of 2022. In the first half of 2023, real estate credit increased by 17.41%, surpassing 7% compared to 2022. It's worth noting that consumer real estate credit decreased by 1.12%... According to Ms. Ha Thu Giang, Head of the Credit Departments of Economic Sectors (State Bank of Vietnam), real estate credit accounts for about 20% of the total credit in the economy. The outstanding balance of real estate business loans in the first 6 months of 2023 grew by 17.41%, exceeding the growth rate of the whole year of 2022 (10.73%). However, consumer and self-use real estate loans, which make up 65% of real estate credit, decreased by 1.12%. This is the first year to see a downward trend in consumer real estate credit in the past 3 years.
- Amendment of Circular 06 for balanced benefits and shared risks. Circular No. 06/2023/TT-NHNN amends and supplements certain provisions of Circular No. 39/2016/TT-NHNN of the State Bank of Vietnam on lending activities of credit institutions and branches of foreign banks to customers (Circular 06) with "4 not allowed" causing debate: credit institutions are not allowed to lend for depositing money; not allowed to lend for share payment; not allowed to lend under ineligible contracts; not allowed to lend for financial compensation.
- The Indian government plans to issue an order prohibiting sugar mills from exporting sugar in the upcoming season starting from October. This marks the first time in 7 years that India has temporarily suspended sugar exports. The reason is due to inadequate rainfall leading to reduced sugarcane yield.

Business news

NCT: Despite consistently offering dividends in cash exceeding 75% annually, the shares of CTCP Dịch vụ Hàng hóa Nội bài (NCT) put up for auction remained "unsold". In the latest announcement, the Hanoi Stock Exchange (HNX) stated that the registration and deposit deadline was 15:30 on August 18th, but no investors registered to participate in purchasing shares of the company, which is owned by CTCP Dịch vụ Hàng không Sân bay Nội bài (Nasco, code: NAS).

VPB: Wareham Group Limited, a fund member of Dragon Capital, recently announced the sale of 1.5 million shares of VPBank (VPB) on August 17th. Based on the closing price of VPB on the trading day (22,150 VND/share), this foreign fund is estimated to have earned over 33 billion VND. After the transaction, the Dragon Capital group reduced its ownership ratio to 4.9925% and is no longer a major shareholder of VPBank. Among the fund's members, Vietnam Enterprise Investment Limited (VEIL) currently holds the most VPB shares with 122.8 million units (1.8293% ownership ratio). VPB shares are also the largest investment in this USD fund's portfolio, accounting for 11.54% (as of August 10th).

DGW: Diversification of the portfolio beyond ICT offers positive prospects for Digiworld's growth. In the context of core business revenue being impacted by declining purchasing power in the second half of 2022, CTCP Thế Giới Số (Digiworld, code: DGW) has expanded into new business areas outside of ICT, notably household appliances and consumer goods. Specifically, starting from the end of Q3 2022, the company began distributing household products such as refrigerators, washing machines, dryers, and dishwashers under the Whirlpool brand. In December 2022, Digiworld officially became a distributor for AB-InBev in the Vietnamese market. From Q2 2023, Digiworld has added more household products from Westinghouse and some beverage brands from Lotte Chilsung Beverage to its distribution lineup.

Breaking News



Business news

SZL: Update from HoSE reveals that Sonadezi Long Thành Corporation (stock code: SZL) has announced the sale of over 1.8 million treasury shares to enhance the company's working capital. The execution period is expected to take place from August 31st to September 30th. The trading method will involve negotiated deals and matched orders on the HOSE exchange, with the selling price aligned with the market price at the time of the transaction.

HBC: Xây dựng Hòa Bình (HBC) has secured the general contractor role for a project worth over 21,000 billion VND on Vanuatu Island. Specifically, Xây dựng Hòa Bình and PrimeTech Constructions will collaborate on the Matevulu Sands Hotel and Resorts project on Vanuatu Island, funded by Matevulu Sands Limited. This project encompasses a complex with a commercial center, hotel blocks, and resort areas, with a total investment value of 2.7 billion AUD, equivalent to approximately 42,425 billion VND.

HVN: Vietnam Airlines: The latest financial report is expected in September, and the Annual General Meeting of Shareholders will be held in October. Vietnam Airlines is making efforts, in collaboration with independent audit firms, to urgently complete the audited financial report for the year 2022. The company plans to release the audited financial report for 2022 and the semi-annual review report for 2023 by the end of August 2023, with the latest date being in September 2023.

Technical view



Trend: Sideway

The VNINDEX closed at 1172, a decrease of 0.67%, with below-average trading volume over the last 20 sessions. Leading the market were GAS, VIC, and VNM, while VCB and VHM contributed to the market decline. Foreign investors had a slight net selling position, while proprietary trading continued to have a net buying position. The sectors that gained points in today's session were media and insurance, whereas the tourism, banking, and financial services sectors experienced a decrease in points.

Technical View: The market opened with gains but couldn't sustain the positive momentum due to profit-taking pressure from investors who bought at the bottom during the previous session in the afternoon. Currently, the market is reacting around the 50-day moving average at the 1170-point range and is forming a potential new price range. It's likely that trading volume will remain low in the near future as the market is in an observation phase.

Strategy: The market demonstrates strong buying interest in the low range around 1160. However, a strong market rebound is expected to be gradual because after significant downward sessions, the market needs time to consolidate and move sideways. Therefore, investors could consider entering with stocks that react positively around support levels like the 20-day and 50-day moving averages to establish a low position.

Scenario:

- Positive (40%): The market will rise to the 1,200 range following a technical rebound.
- Negative (60%): The market will move sideways in the 1,160 – 1,190 range to consolidate further after a significant decline.

Recommended stocks

24/8/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
TCB	Buy	32.9	35.9	32	9%	-3%	33.1	Bounce up from the support level.
SZC	Buy	34.2	38.8	32.7	13%	-4%	34.8	Bounce up from the support level.

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
VRE	Buy	28.9	31.5	28	9%	-3%	28.75	1	-0.52%	8/23/2023	Bounce up from the support level.

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 Jackson Hole Economic Symposium	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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