MORNING CALL
28/08/2023

Shinhan Securities

"The domestic market fell, fluctuating around the MA50"

- World stocks: Rise after the Fed meeting
- Vietnam stock market: The domestic market fell, fluctuating around the MA50
- Business news: #HPG, #CII, #NVL, #HT1, #DXG, #SAB
- 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 28 – 31/08/2023

Major stocks market

- Major US indexes closed higher on Friday, as traders weighed the remarks from Fed Chair Powell at the Jackson Hole Summit. The Dow Jones rose 247 points, while the S&P 500 and the Nasdaq added 0.7% and 0.9%, respectively. Powell addressed the string of more resilient-than-expected economic data all summer long while stating that the Federal Reserve is prepared to raise rates further to bring inflation back to its 2% target. At the same time, Powell suggested that in September, interest rates would remain unchanged to evaluate incoming data, as well as the evolving outlook and potential risks.
- European equity markets are set to close Friday's session with slight losses. ECB President Christine Lagarde's upcoming remarks, set to occur after the close of the European market, are anticipated to offer insights into the future trajectory of ECB interest rates. Shifting the focus to economic data, it was confirmed that the German economy stagnated in the second quarter, following a winter recession. Both Frankfurt's DAX 40 and the pan-European STOXX 600 inched 0.1% lower on Friday.
- The Nikkei 225 Index dropped 2.05% to close at 31,624 while the broader Topix Index lost 0.88% to 2,266 on Friday. Investors digested data showing the core inflation rate in Japan's capital city of Tokyo slowed to 2.8% in August from 3% in July, but remained above the Bank of Japan's 2% target for the 15th consecutive month.
- The Shanghai Composite fell 0.59% to close at 3,064 while the Shenzhen Component dropped 1.23% to 10,130 on Friday,
- WTI crude futures rose to trade at USD 80 per barrel on Friday, as US diesel prices soared after the number of oil rigs dropped and a fire broke out at a refinery in Louisiana.

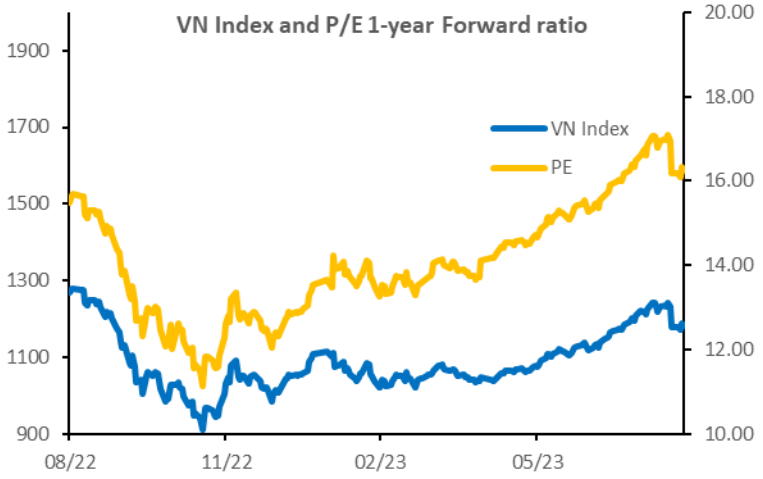
Market

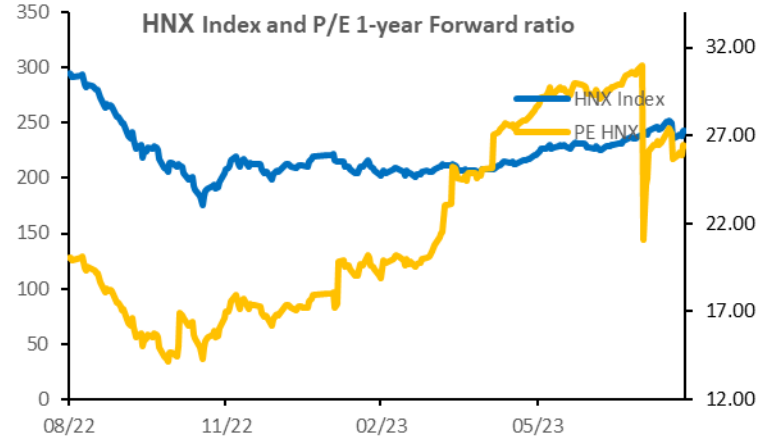
	Close	%1D	%1M	%1Y
VN-Index	1,183	-0.51%	-2.01%	-7.73%
S&P 500 Index	4,406	0.67%	-3.85%	8.58%
Dow Jones Index	34,347	0.73%	-3.14%	6.39%
GP 100	7,339	0.07%	-4.62%	-1.19%
Nikkei 225	31,992	1.16%	-2.34%	11.70%
SHCOMP Index	3,064	-0.59%	-6.47%	-5.32%
STOXX 600	451	-0.04%	-4.12%	5.94%
KOSPI Index	2,537	0.73%	-2.72%	2.28%
Hang Seng	17,956	-1.40%	-9.84%	-10.97%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.13	0.05%	2.46%	-4.30%
USD/VND	24,010.00	-0.01%	-1.44%	-2.42%
EUR/USD	1.08	0.09%	-1.91%	8.09%
USD/CNY	7.29	-0.10%	-2.07%	-6.01%
Brent	84.65	0.20%	-0.40%	-16.18%
WTI	80.05	0.28%	-0.66%	-13.98%
Natural gas	2.63	3.66%	-0.19%	-71.68%
Coal	159.50	2.24%	19.03%	-61.80%
Gold	1,916.43	0.08%	-2.20%	10.32%

Vietnam Market Snapshot 25/08/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,183.37	16.24	-6.02	-0.51	773	18,423
HNX INDEX	242.90	26.40	-0.32	-0.13	98	1,770

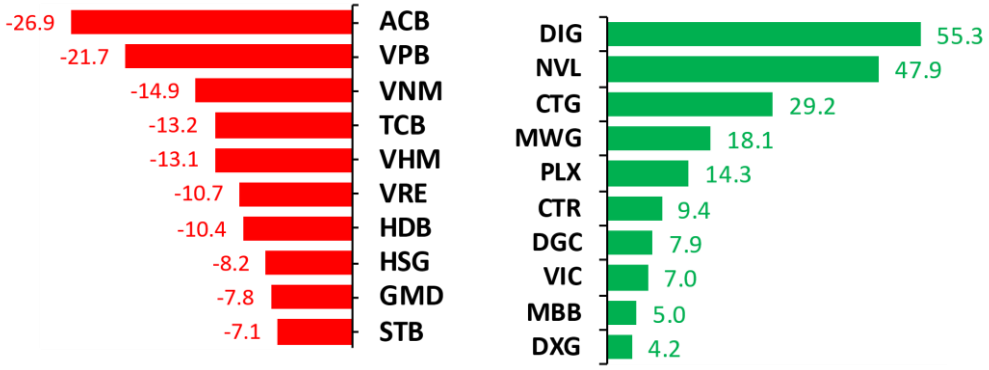
Money flow and sector rotation (VND bn)

Sector	%1D	8/25/2023	8/24/2023	20-session Average
Construction & Materials	66.84	1,742	1,044	1,581
Personal & Household Goods	49.90	128	85	188
Chemicals	42.39	1,076	756	871
Oil & Gas	27.38	100	79	181
Health Care	19.24	19	16	34
Automobiles & Parts	16.25	253	217	298
Financial Services	14.87	3,713	3,233	2,929
Media	13.36	1	1	2
Basic Resources	11.75	998	893	1,497
Banks	9.71	2,290	2,087	3,637
Insurance	7.72	32	30	60
Real Estate	-1.1	5,124	5,182	5,717
Food and Beverage	-2.0	1,206	1,230	1,417
Travel & Leisure	-2.9	110	113	145
Retail	-5.9	638	678	739
Utilities	-11.4	177	199	302
Industrial Goods & Services	-13.5	542	626	951
Technology	-46.5	269	503	201

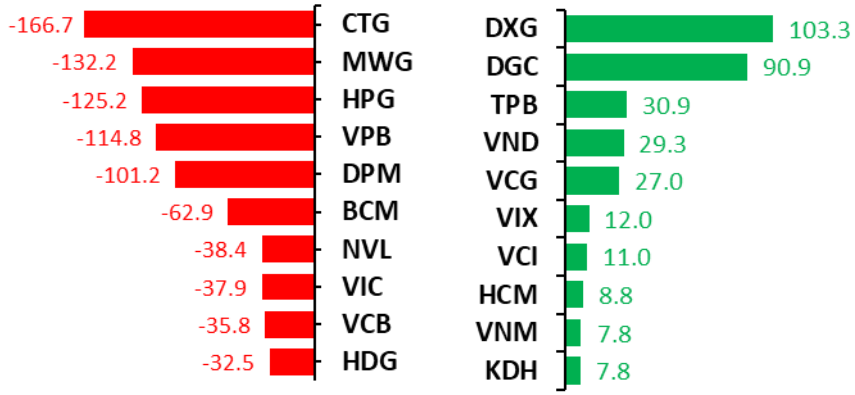
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 25/08/2023

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	82	(123)	(103)	226
Basic Resources	(8)	(134)	101	34
Media	-	0	(0)	-
Industrial Goods & Services	(10)	(32)	43	(11)
Health care	0	(2)	1	0
Chemicals	10	(26)	30	(4)
Financial Services	(1)	9	(75)	66
Travel & Leisure	(2)	2	(1)	(1)
Banks	(59)	(331)	354	(23)
Construction & Materials	8	(2)	186	(184)
Food and Beverage	(23)	(36)	41	(5)
Retail	22	(123)	93	30
Utilities	(1)	(21)	30	(8)
Personal & Household Goods	(2)	(3)	6	(3)
Technology	(2)	(2)	31	(29)
Automobiles & Parts	1	1	(6)	5
Insurance	1	(8)	6	2
Oil & Gas	15	(13)	(21)	34

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- In the report on production situation in July, the Vietnam Sugar Association (VSSA) forecast that Vietnam's sugar consumption demand in 2023 is expected to be about 2.3 million tons, equivalent to the same period last year. supply is expected to be more than 2.7 million tons. Based on VSSA's supply and demand forecast, Vietnam's sugar industry may have an oversupply of 417,321 tons of sugar for 2023 at the forecast time of July 31. VSSA explained that the supply of sugar is abundant, including sugar imported directly from official sources and smuggled through the Southwest border while the demand for sugar has not shown any signs of increasing, so the market continues to be in oversupply. "Domestic sugar prices will be stable and will still be at a lower level than the sugar prices of sugarcane-growing countries in the region (Indonesia, the Philippines and China)," the Vietnam Sugar Association said.
- Raw shrimp prices gradually increased again. According to many experts, it is likely that from now until the end of the year, raw shrimp will be difficult to reduce deeply. However, the price of raw shrimp increased while the people had very few shrimp left. Caused by the period when shrimp prices fell, the Department of Agriculture and Rural Development of Bac Lieu province advised people to slow down stocking. Currently, shrimp prices increase, new farmers dare to stock again.
- Prime Minister Pham Minh Chinh has just signed and promulgated Official Dispatch No. 769/CD- on reviewing the connection with expressways in order to promote investment efficiency and promote socio-economic development in regions and localities. direction. In recent years, the expressway network across the country has been focused on effectively allocating all resources, both central and local, for construction investment, the official said. Up to now, the country has 1,729 km of expressways and is continuing to actively implement the construction of projects, striving to have 3,000 km of expressways by the end of 2025.

Business news

- HPG: On the morning of August 27, the media representative of Hoa Phat Group confirmed that it had imported directly from the US to develop the Hy-Line Sonia pink egg-laying chicken breed. According to the information provided, the Hy-line Sonia chicken breed has an outstanding laying rate, good survival ability, low feed cost, and high selling weight at the end of the exploitation period.
- CII: CII plans to carry out research on 6 BOT projects with a total scale of nearly VND 75,000 billion, including the HCM City - Trung Luong - My Thuan Expressway phase 2, the project to improve traffic capacity in the area. In the Northwest region of HCM City, the project of upgrading and expanding National Highway 1A from the Tan Kien intersection to the Long An boundary, the project of improving traffic capacity along the route Pham Van Dong - Nguyen Xi - Ung Van Khiem - Nguyen Huu Landscape, the project of upgrading and expanding the North-South axis (Nguyen Huu Tho street) from Nguyen Van Linh to Ben Luc Long Thanh expressway, the project of upgrading and expanding the route connecting the HCM City - Trung Luong expressway. The projects CII is studying are concentrated in the northern and southwestern gateway areas of HCM City. CII is also expected to expand into the healthcare infrastructure sector. The company said it is studying cooperation with famous hospitals in HCM City.
- NVL: A subsidiary of Novaland suffered a loss of nearly 90 billion dong in the first half of 2023, liabilities of more than VND 7,700 billion. Gia Duc Real Estate Company Limited (NVL owns 99.99%) has just announced some semi-annual financial targets for 2023 with a loss after tax of VND 89.5 billion. In the same period last year, this company also lost VND 61.2 billion. As of June 30, Gia Duc's equity reached VND 3,344 billion. The debt/equity ratio is 2.32 times, equivalent to VND 7,758 billion of liabilities. In which, outstanding bond debt is more than VND 1,300 billion. Thus, the total assets of this enterprise reached VND 11,100 billion. On June 30, the company announced to delay in the interest payment date for the above bond lot by one month with an amount of VND 36 billion. Gia Duc Real Estate said the reason was due to the lack of timely arrangement of payment sources.

Breaking News



Business news

- HT1: Vicem Ha Tien exported the first batch of cement to the US market. According to Vicem Ha Tien, this shipment belongs to the type of cement ASTM C150 Type I 40 kg bag manufactured according to American standards ASTM C-150 (standard goods are imported in the US market). Vicem Ha Tien's successful export of cement shipments to fastidious markets like the US is highly appreciated. ASTM C150 Type I cement is one of 13 cement products of Vicem Ha Tien awarded the "Green Label" certificate from the Singapore Green Building Council (SGBC). This is a testament to Vicem Ha Tien's always upholding the responsibility to protect the environment and save natural resources in production.
- DXG: Hoi An Invest JSC (a subsidiary of DXG, DXG owns 99.99%) has just announced the basic financial indicators of the business in the first 6 months of the year, thereby achieving a profit after tax of nearly VND 234 billion. , a sharp increase compared to the figure of VND 3.4 billion in the same period last year. Profit after tax/equity (ROE) also increased from 0.14% in the same period to 8.54%. This profit figure is equivalent to 9.5 times higher than the profit for the whole year of 2021 before the business reported a loss in 2022.
- SAB: Sabeco has just completed the first phase of the Warehousing - Dispatching Project, one of four major projects within the framework of Sabeco Supply Chain 4.0 strategy in the 2021-2024 period, in order to improve the competitiveness of the supply chain. response. Sabeco has just completed the first phase of the Warehousing - Dispatch Project, one of four major projects within the framework of Sabeco Supply Chain 4.0 strategy for the period 2021-2024, in order to improve the competitiveness of the supply chain. This is a new step of the Sabeco Supply Chain 4.0 project in the Supply Chain field, which has been deployed by Sabeco since 2020 in order to automate the process of transportation management, order processing, etc., thereby better-controlling goods, reducing and minimizing delivery time while optimizing costs and improving operational efficiency.

Technical view



Trend: Trading around MA50

- The market closed lower at 1,183 (-0.51%) with divergence among sectors. Thereby, the sectors that recovered well in the second quarter saw growth on Friday, while the weak sectors showed a decline. Market liquidity increased slightly compared to the previous session and was lower than the 20-day average. Foreign investors continued to be net sellers with a value of more than 844 billion dong, mainly focusing on CTG and MWG shares.
- Technical: The market has bounced back when it hit the MA50 and is trading around the line. This indicates a short-term halt to the decline. The indicators are still giving negative signals as the MACD continues to move towards the 0 point and is further away from the signal line, showing that the downtrend has not ended. At the same time, the RSI continues to move down to trade below the 50-point area.
- Strategy: Take advantage of gaining sessions to reduce margin to ensure safety. Stocks should only be bought when there is a signal of a short-term downtrend reversal.

Scenario:

- Positive Scenario (50%): The market will rise to the 1,200 zone following the technical retracement.
- Negative Scenario (50%): The market will move sideways from 1,160 – 1,190 to accumulate more after a strong drop.

Recommended stocks

28/8/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VHC	Buy	71.5	78.9	69.5	10%	-3%	72.5	

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
VRE	Hold	28.9	31.5	28	9%	-3%	28.7	3	-0.69%	8/23/2023	
SZC	Hold	34.4	38.8	32.7	13%	-5%	35.3	2	2.62%	8/24/2023	
VPG	Hold	20.2	22.5	19.4	11%	-4%	20	1	-0.99%	8/25/2023	
MBB	Hold	18.2	19.4	17.9	7%	-2%	18.1	1	-0.55%		

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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