# MORNING CALL
# 29/08/2023

Shinhan Securities

## “The strong upward momentum is spreading widely.”

- ❑ World market: Optimistic ahead of information from China.
- ❑ Vietnam market: The strong upward momentum is spreading widely
- ❑ Business News #LDG, #GDA, #POM, #CII, #VGR, #CTD
- ❑ 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 28 – 31/08/2023

## Major stocks market

- In regular trading on Monday, the Dow rose 0.62%, the S&P 500 gained 0.63% and the Nasdaq Composite jumped 0.84%, with all three benchmarks climbing for the second straight session. Investors now look ahead to the monthly jobs report later this week, as well as the PCE price index and ISM Manufacturing PMI.
- European markets finished broadly higher today with shares in France leading the region. The CAC 40 is up 1.32% while Germany's DAX is up 1.03% and London's FTSE 100 is up 0.07%. China-linked sectors such as automakers and industrials added 0.9% and 1.3%, respectively after China announced it was reducing the 0.1% duty on stock trades. China-exposed luxury heavyweights LVMH, Kering and Hermes also rose. Banks gained more than 1%.
- The Nikkei 225 Index rose 0.5% to above 32,300 while the broader Topix Index gained 0.5% to 2,311 on Tuesday, hitting their highest levels in two weeks and taking cues from a positive lead on Wall Street as investors look ahead to a slew of US economic data later this week that could guide the interest rate outlook. Investors also digested data showing Japan's unemployment rate surprisingly increased to 2.7% in July from 2.5% in June, defying expectations for no change, while the jobs-to-applications ratio fell to a 13-month low of 1.29. The Shanghai Composite cut some gains to close 1.13% higher at 3,099 on Monday after rising as much as 5% earlier in the session, as investors were assessing China's new measures to enhance its capital markets while considering persistent economic concerns and worries about potential interest rate hikes by the US Fed.
- WTI crude futures rose above $80 per barrel on Monday, extending gains for the third session as risk sentiment improved, though investors remain cautious about the prospect of higher global oil supply and weaker demand

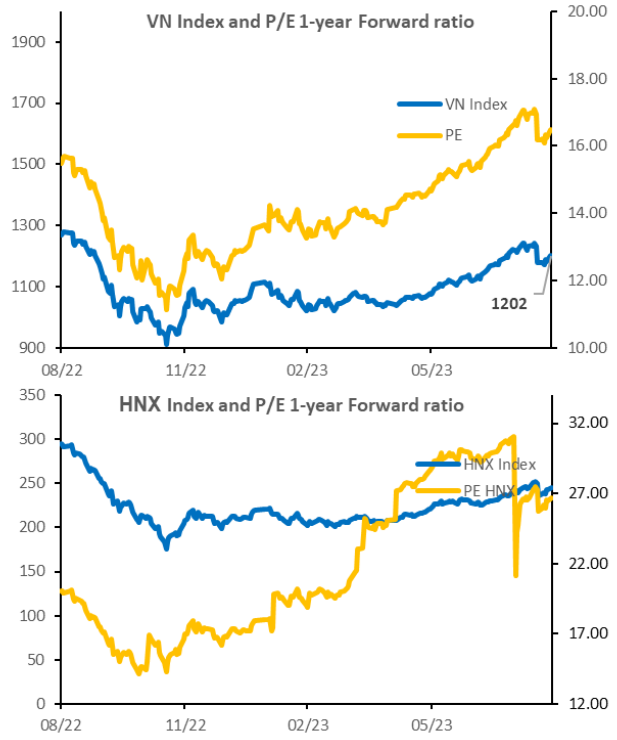
## Market

| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| VN-Index | 1,202 | 1.55% | -0.49% | -5.44% |
| S&P 500 Index | 4,433 | 0.63% | -3.25% | 9.99% |
| Dow Jones Index | 34,560 | 0.62% | -2.54% | 7.67% |
| GP 100 | 7,339 | 0.07% | -4.62% | -1.19% |
| Nikkei 225 | 32,373 | 0.63% | -1.18% | 16.12% |
| SHCOMP Index | 3,099 | 1.13% | -5.41% | -4.38% |
| STOXX 600 | 455 | 0.89% | -3.26% | 7.75% |
| KOSPI Index | 2,551 | 0.29% | -2.20% | 5.11% |
| Hang Seng | 18,131 | 0.97% | -8.97% | -9.45% |

## Currency & Commodity

| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| Dollar Index | 103.94 | -0.11% | 2.28% | -4.50% |
| USD/VND | 24,001.00 | 0.04% | -1.29% | -2.39% |
| EUR/USD | 1.08 | 0.06% | -1.56% | 8.29% |
| USD/CNY | 7.29 | -0.02% | -1.93% | -5.21% |
| Brent | 84.41 | -0.01% | -0.68% | -19.68% |
| WTI | 80.07 | -0.04% | -0.63% | -17.46% |
| Natural gas | 2.57 | -0.47% | -2.69% | -72.55% |
| Coal | 159.75 | 0.16% | 18.82% | -61.73% |
| Gold | 1,921.80 | 0.08% | -2.20% | 10.63% |

# Vietnam Market Snapshot 28/08/2023




## Money flow and sector rotation (VND bn)

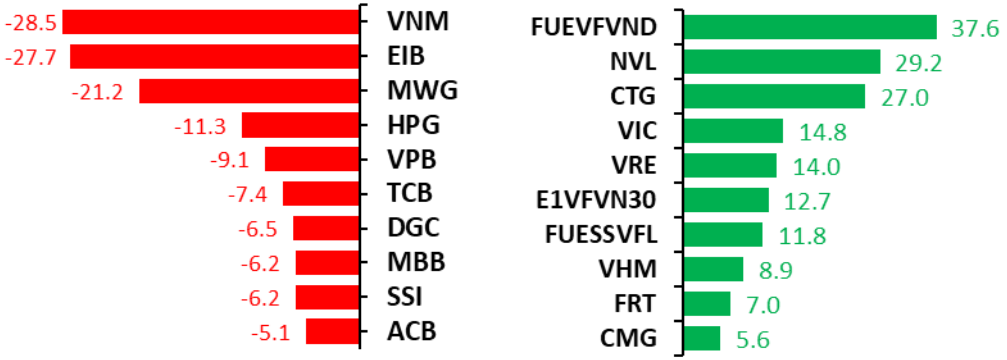
| Sector | %1D | 8/28/2023 | 8/25/2023 | 20-session Average |
|---|---|---|---|---|
| Media | 172.75 | 2 | 1 | 2 |
| Industrial Goods & Services | 53.15 | 829 | 542 | 946 |
| Retail | 32.37 | 845 | 638 | 727 |
| Health Care | 22.38 | 24 | 19 | 34 |
| Travel & Leisure | 17.01 | 129 | 110 | 143 |
| Insurance | 13.40 | 36 | 32 | 56 |
| Basic Resources | 12.62 | 1,124 | 998 | 1,443 |
| Technology | 12.43 | 302 | 269 | 208 |
| Banks | 4.32 | 2,389 | 2,290 | 3,582 |
| Chemicals | -2.3 | 1,051 | 1,076 | 874 |
| Utilities | -2.6 | 172 | 177 | 290 |
| Automobiles & Parts | -4.3 | 242 | 253 | 300 |
| Real Estate | -11.1 | 4,553 | 5,124 | 5,640 |
| Food and Beverage | -12.7 | 1,053 | 1,206 | 1,380 |
| Oil & Gas | -13.8 | 87 | 100 | 173 |
| Personal & Household Goods | -16.0 | 107 | 128 | 179 |
| Financial Services | -21.0 | 2,932 | 3,713 | 2,950 |
| Construction & Materials | -32.5 | 1,177 | 1,742 | 1,562 |

Source: Bloomberg, Shinhan Securities Vietnam

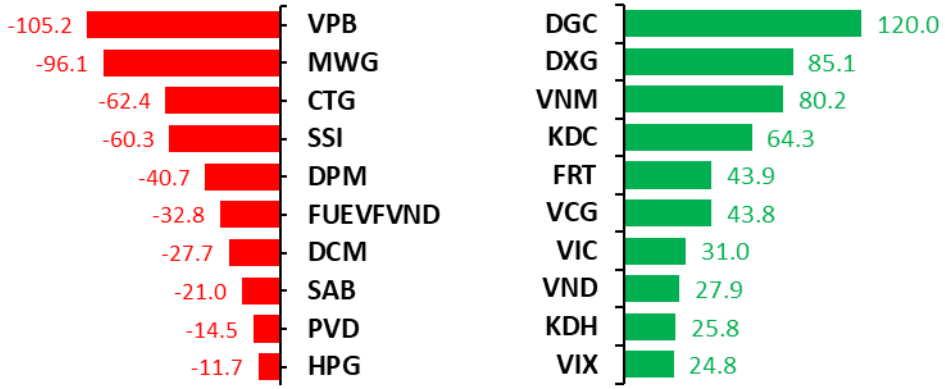
| | Close | PE | Change | %1D | Trading volume (mn stocks) | Trading value (VND bn) |
|---|---|---|---|---|---|---|
| VNI NDEX | 1,201.72 | 16.49 | 18.35 | 1.55 | 710 | 17,055 |
| HNX INDEX | 244.88 | 26.71 | 1.98 | 0.81 | 121 | 1,752 |

# Vietnam Market Snapshot 28/08/2023

## 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 | 63 | 185 | (291) | 106 |
| Basic Resources | (12) | (11) | (21) | 32 |
| Media | - | - | - | - |
| Industrial Goods & Services | (6) | (10) | 17 | (7) |
| Health care | 0 | 13 | (12) | (1) |
| Chemicals | (8) | 58 | (78) | 20 |
| Financial Services | 51 | (37) | (108) | 145 |
| Travel & Leisure | (4) | 3 | (1) | (3) |
| Banks | (35) | (180) | 135 | 45 |
| Construction & Materials | 0 | 44 | (50) | 6 |
| Food and Beverage | (25) | 137 | (124) | (13) |
| Retail | (14) | (52) | 95 | (43) |
| Utilities | 1 | 3 | (2) | (1) |
| Personal & Household Goods | (4) | 3 | 9 | (12) |
| Technology | 2 | 1 | 31 | (32) |
| Automobiles & Parts | (0) | 1 | (2) | 1 |
| Insurance | 0 | (10) | 7 | 3 |
| Oil & Gas | 6 | (16) | 19 | (3) |

Source: Fiinpro, Shinhan Securities Vietnam

# Breaking News

## Macro

- According to the Ho Chi Minh City Statistics Office, the (CPI) for August 2023 in the city increased by 0.7%. Among the 11 groups of goods and services, 3 of them experienced a decrease: postal and telecommunications services (down 0.4%), culture, entertainment, and tourism (down 0.04%); medicines and healthcare services (down 0.02%). The remaining 8 out of 11 groups saw an increase compared to the previous month, with the highest increase observed in the transportation group (up 4.15%).
- The newly issued decree will create a legal framework and favorable conditions for credit disbursement for preferred banks in the real estate sector, such as TCB, VPBank, SHB, MB, etc. According to Decree 10 issued by SBV, certain provisions of Decree 06 will be suspended. This change allows individuals and businesses to continue to borrow from banks under certain circumstances, instead of being restricted from September 1 as previously planned. Specifically, banks are still allowed to provide loans for capital contribution payments, purchasing, receiving transferred capital contributions of limited liability companies, joint-stock partnerships; contributing capital, purchasing, receiving transferred shares of unlisted joint-stock companies or companies not traded on UPCoM.
- Striving to overcome difficulties, the pangasius export sector will make efforts to achieve over 1.7 billion USD. In the 2H/2023, pangasius exports are expected to recover as the market enters the ordering season for year-end consumption and major holidays. The projected pangasius export value could reach 1.77 billion USD, which is a decrease of over 0.5 billion USD compared to the initial target of 2.3 billion USD set at the beginning of the year. The Vietnam Association of Seafood Exporters and Producers (VASEP) reported that pangasius exports for the first 7M/2023 reached 1 billion USD, a 37% decrease YoY. Among the major markets, China remains the largest market for Vietnamese catfish, accounting for over 30% of the market share, equivalent to 337 million USD, but experiencing a 58% decline compared to the same period in 2022. US is the second-largest market, representing 16% of the total, equivalent to 162 million USD, and experiencing a 20% decrease compared to the same period last year. However, Germany and Singapore are two markets that have shown positive growth in value, with growth rates of 32% and 3% respectively.

## Business news

**LDG**: The Chairman of LDG apologizes to shareholders after the "unofficial" stock sale incident, expressing confidence that the stock price will exceed par value in the next 3-6 months. During the shareholders' meeting, LDG shareholders questioned the Chairman about the "unofficial" stock transaction that caused damage to shareholders. Mr. Nguyen Khanh Hung deeply apologized to the shareholders, asserting that it was his personal and secretary's oversight. The Chairman emphasized that there was no intention or manipulation involved, and he has worked with the State Securities Commission (SSC) and accepted the penalty decision. A notable point is the plan to increase registered capital through Employee Stock Ownership Plan (ESOP) and private placement. Specifically, the company will issue nearly 13 million ESOP shares from undistributed net profit to reward employees. These shares are restricted from transfer for 1 year. Simultaneously, LDG will privately issue 220 million shares at a price not lower than 10,000 VND/share, equivalent to 85.87% ownership. The target buyers are professional securities investors.

**GDA:** The Hanoi Stock Exchange has approved the registration of over 114.69 million shares of Tôn Đông Á Corporation on the UpCOM market with the stock code GDA. According to the listing profile, Tôn Đông Á Corporation, previously known as Đông Á Co., Ltd., was established on November 5, 1998, with a charter capital of 120 billion VND. Later, the company changed its name to Tôn Đông Á Corporation in June 2005 and converted to a joint-stock company in 2009. After 13 capital increases, the charter capital of Tôn Đông Á is now nearly 1.147 trillion VND.

**POM:** Pomina Steel (POM) is preparing to restart the largest steel billet plant in the South in October 2023, in response to the year-end surge in public investment demand. Recently, the company finalized the ownership percentage of foreign investors in POM to be below 65%, planning to issue 700 billion shares privately to foreign investors between 2023 and 2024. In addition, Pomina will put its Pomina 3 plant into operation in October this year to meet the increasing demand for public investment in the later months of the year.

# Breaking News



## Business news

**CII:** Ho Chi Minh City Infrastructure Investment Joint Stock Company (stock code: CII) will hold an extraordinary shareholders' meeting on September 19, 2023, in Ho Chi Minh City. A key agenda item for the upcoming meeting is to outline the strategic development direction of CII for the 2024 - 2030 phase. This includes allocating budgets to enhance research for Build-Operate-Transfer (BOT) projects and other transportation infrastructure projects, as well as allocating budgets for research into investments in healthcare infrastructure and intellectual property real estate. CII plans to initiate research on 6 BOT projects with a total scale of nearly 75 trillion VND. The projects under consideration by CII are focused on the Northern and Southwestern gateways of Ho Chi Minh City. Among these, the most significant project that the company aims to implement is the Phase 2 of the Ho Chi Minh City - Trung Luong - My Thuan Expressway with a total investment of 22 trillion VND.

**VGR:** Shortly after listing on the Ho Chi Minh Stock Exchange (HoSE), a real estate industrial park company is set to pay dividends and distribute bonus shares at a combined rate of 100%. Saigon VRG Investment Corporation (SIP) recently announced that the last registration date to finalize the list of shareholders eligible for the 2022 dividend payment in the form of new shares is September 8, 2023. Additionally, the company will distribute bonus shares at a rate of 55%. Thus, each shareholder owning 100 shares will receive 100 new shares. After the issuance, VRG's charter capital will increase from 909 billion VND to 1.819 trillion VND.

**CTD:** On August 25, the Board of Directors of Coteccons Construction Joint Stock Company (stock code: CTD) approved the reassignment of new tasks for senior personnel. Coteccons mentioned that this move aims to adapt to market changes and enhance competitive advantages. With the dismissal of 2 Deputy General Directors, the Coteccons Executive Board now consists of 3 members, including General Director Vo Hoang Lam and 2 Deputy General Directors Pham Quan Luc and Nguyen Ngoc Lan.

# Technical view




## Trend: Recovery

The VNINDEX surged over 18 points to close at 1,201.72 (+1.55%) with strong widespread momentum in most stocks. The index recorded 419 green stocks and only 90 red stocks. Among them, large-cap stocks led the market strongly, such as VNM, HPG, VIC, while no stock significantly caused the market to decrease.

**Technical Analysis:** The market reclaimed the 1,200 level as it formed a green candlestick without wicks, indicating sustained buying throughout the session, despite relatively low trading volume. With this signal, it's clear that the current support level for the market is around 1,180, and the next resistance level will be around 1,220.

**Strategy:** We are still maintaining the strategy of buying when the market tends to dip below 1,200 and shows signs of bouncing back. However, as the market approaches 1,200, the risk/reward ratio becomes less attractive. Therefore, choosing stocks will be more challenging, and one should consider the T+ factor to be able to sell when the market reverses at any time

## Scenario:

- Positive Scenario (60%): The market will rise to the range of 1,250 - 1,300. This is also the time when we can consider selling to lock in profits.
- Less Positive Scenario (40%): The market will return to the 1,180 range, and if there are signs of a reversal and upward momentum, buying could be considered.

# Recommended stocks

**29/8/2023**

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 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| VRE | Hold | 28.9 | 31.5 | 28 | 9% | -3% | 29.75 | 4 | 2.94% | 8/23/2023 | |
| SZC | Hold | 34.4 | 38.8 | 32.7 | 13% | -5% | 35.5 | 3 | 3.20% | 8/24/2023 | |
| VPG | Hold | 20.2 | 22.5 | 19.4 | 11% | -4% | 20.6 | 2 | 1.98% | 8/25/2023 | |
| MBB | Hold | 18.2 | 19.4 | 17.9 | 7% | -2% | 18.2 | 2 | 0.00% | | |

# 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<br>Jackson Hole Economic Symposium | 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



## 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.