MORNING CALL
06/09/2023

Shinhan Securities

"The index continued to maintain its upward momentum, approaching the old resistance"

- World stocks: World stocks fell ahead of EU PMI data
- Vietnam stocks: The index continues to maintain its upward momentum, approaching the old peak
- Business news: #PVT, #DBC, #HBC, #VNM, #KDH, #NVL
- Technical perspective and updated recommendations
- Event calendar
- Q&A

[Analysts]

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Catching the latest report



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Global Market Review – Week 05 – 08/09/2023

Major stocks market

- In regular trading on Tuesday, the Dow fell 0.56%, the S&P 500 lost 0.42% and the Nasdaq Composite shed 0.08%, with 8 out of the 11 S&P sectors ending lower led to the downside by materials, industrials and utilities.
- European stocks fell on Tuesday, led by a 1.3% decline in construction stocks amid growing pessimism regarding the global economy's health. Updated PMI figures for both Spain and Italy pointed to an unexpected contraction in services activity last month while private sector activity in the Euro Area, Germany and France declined more than initially anticipated.
- The Nikkei 225 Index rose 0.3% to close at 33,037 while the broader Topix Index gained 0.17% to 2,378 on Tuesday, reversing losses from earlier in the session and ending higher for the seventh straight day, helped by a weak yen that boosted the profit outlook for export-heavy Japanese companies. The Shanghai Composite fell 0.71% to close at 3,154 while the Shenzhen Component lost 0.67% to 10,541 on Tuesday, with both benchmarks retreating from one-week highs as investors reacted to a private survey showing China's services sector growth slowed to an eight-month low in August. Still, investors remain hopeful that Beijing would roll out more policy measures to support the economy, keeping equities from sliding further.
- WTI crude futures surged more than 1.5% to above $87 a barrel on Tuesday, a fresh high since November 2022, after Saudi Arabia announced it will extend the voluntary cut of one million barrels of oil per day for another three months until the end of December, to support stability and balance of oil markets.

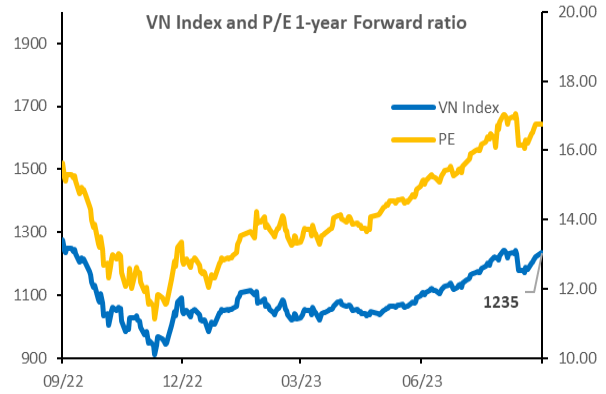
Market

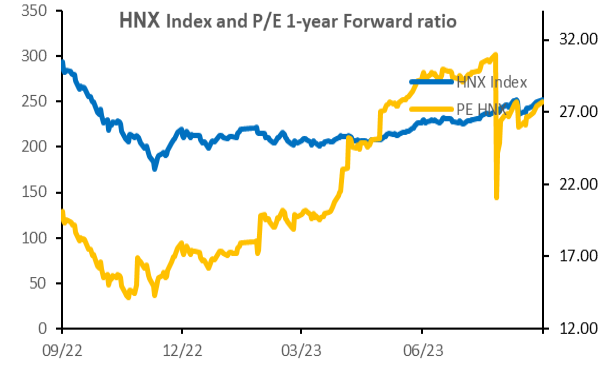
	Close	%1D	%1M	%1Y
VN-Index	1,233	0.89%	0.73%	-3.32%
S&P 500 Index	4,497	-0.42%	0.42%	15.06%
Dow Jones Index	34,642	-0.56%	-1.21%	11.23%
GP 100	7,438	-0.20%	-1.67%	1.88%
Nikkei 225	33,231	0.59%	3.23%	20.29%
SHCOMP Index	3,154	-0.71%	-4.07%	-2.75%
STOXX 600	457	-0.23%	-0.52%	10.26%
KOSPI Index	2,575	-0.29%	-1.08%	6.84%
Hang Seng	18,457	-2.06%	-5.54%	-3.88%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.83	0.02%	2.75%	-4.89%
USD/VND	24,063.00	0.04%	-1.40%	-2.23%
EUR/USD	1.07	-0.02%	-2.56%	8.24%
USD/CNY	7.30	-0.39%	-1.51%	-5.06%
Brent	90.32	0.31%	4.73%	-2.70%
WTI	86.98	0.33%	5.02%	0.12%
Natural gas	2.58	-0.19%	0.00%	-68.36%
Coal	156.55	2.52%	17.15%	-64.94%
Gold	1,925.38	-0.04%	-0.58%	13.12%

Vietnam Market Snapshot 05/09/2023





Money flow and sector rotation (VND bn)

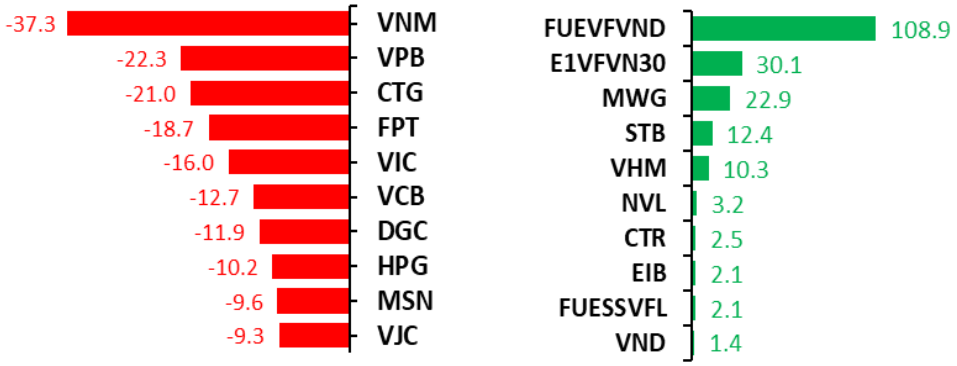
Sector	%1D	9/5/2023	8/31/2023	20-session Average
Media	193.81	1	0	1
Travel & Leisure	81.84	185	102	126
Banks	47.91	4,018	2,716	3,090
Automobiles & Parts	40.07	343	245	272
Oil & Gas	38.64	189	136	137
Retail	28.81	777	603	690
Financial Services	27.72	3,601	2,819	3,066
Utilities	15.90	254	219	245
Real Estate	7.22	5,366	5,005	5,347
Technology	0.80	164	163	215
Food and Beverage	-0.7	1,491	1,502	1,252
Basic Resources	-1.3	1,325	1,343	1,300
Health Care	-7.2	18	19	27
Chemicals	-15.4	819	968	827
Construction & Materials	-16.3	1,596	1,906	1,436
Insurance	-17.6	58	70	48
Industrial Goods & Services	-28.0	1,222	1,699	916
Personal & Household Goods	-40.3	154	258	167

Source: Bloomberg, Shinhan Securities Vietnam

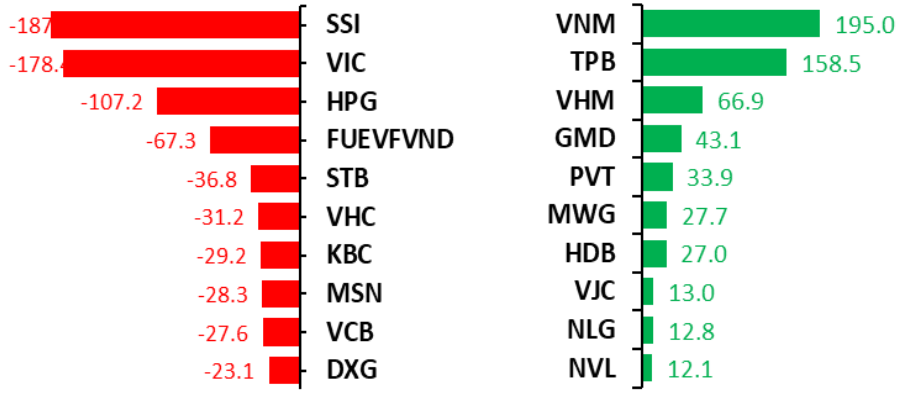
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,224.05	16.77	10.89	0.90	849	19,779
HNX INDEX	249.75	27.39	1.79	0.72	103	2,127

Vietnam Market Snapshot 05/09/2023

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	(12)	(224)	308	(84)
Basic Resources	(10)	(112)	53	58
Media	-	(0)	0	-
Industrial Goods & Services	(8)	78	(43)	(35)
Health care	(0)	1	(0)	(0)
Chemicals	(13)	(4)	(4)	8
Financial Services	134	(302)	141	161
Travel & Leisure	(9)	12	(0)	(12)
Banks	(95)	63	101	(164)
Construction & Materials	1	(15)	16	(1)
Food and Beverage	(49)	109	(91)	(18)
Retail	23	18	(9)	(9)
Utilities	(4)	1	2	(4)
Personal & Household Goods	(6)	0	7	(7)
Technology	(19)	0	15	(15)
Automobiles & Parts	(0)	(12)	17	(5)
Insurance	(1)	(9)	10	(1)
Oil & Gas	(6)	8	5	(13)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- The Purchasing Managers' Index (PMI) of Vietnam's manufacturing industry in August 2023 increased again to above the threshold of 50 points, showing that business conditions in the manufacturing industry have improved. A report by S&P Global showed that Vietnam's manufacturing industry grew again in August as some signs of recovery in demand helped both new orders and output rebound. Companies have increased purchasing activity accordingly, but employment continues to decline slightly as companies have hesitated to hire more staff amid weak demand. A rebound in prices was also recorded in the middle of the third quarter. Input costs increased for the first time in four months, while selling prices showed signs of increasing for the first time since March.
- Cash flow into real estate is still a struggle. The survey results of the Vietnam Association of Realtors (VARS) with more than 500 real estate investment and service businesses show that capital is still a difficulty clinging to many businesses. Currently, the loan system of real estate investment and development enterprises depends mainly on 3 main sources: advances from customers, issuance of real estate bonds, and bank credit. However, the cash flow from these channels is "troubled".
- According to a report from the Ministry of Finance, the estimated payment from the beginning of the year to August 31, 2023, is VND 299,447 billion, reaching 39.6% of the plan and 42.3% of the plan assigned by the Prime Minister. The estimated disbursement rate in the 8 months of the 2023 plan for the whole country increased significantly compared to the same period in 2022 (the same period in 2022 reached 39.15%). Which, domestic capital reached over 43% (the same period in 2022 reached 40.87%), and foreign capital reached 25.95% (the same period in 2022 reached over 14%).

Business news

PVT: According to the financial report for the first 6 months of 2023 just announced by PVT, in the second quarter of 2023 alone, although PVT's revenue reached 2,097 billion VND, down 7% YoY, its profit after tax reached 297 billion VND, increase 42.6% YoY. Profit margin increased sharply from 19.5% to 22.8% mainly thanks to contributions from the "crude oil and LPG" transportation segment. In addition, profit after tax in the second quarter increased sharply thanks to the contribution from the liquidation of Apollo Pacific and PVT Dragon. In the first 6 months of 2023, revenue reached 4,135 billion VND, down 3.3% YoY, and profit after tax reached 612 billion VND, up 35.4% YoY.

DBC: Dabaco's African swine fever vaccine has been tested and meets standards. Test results show that the vaccine meets standards of sterility, safety, and protection effectiveness of 80 - 100% in experimental pigs. Currently, the DACOVAC-ASF2 vaccine is being tested for registration for circulation according to regulations. Dabaco is promoting a vaccine for African swine fever, a 100-year-old disease in pigs. Once Dabaco's vaccine is allowed for commercial sale, the cooperation with WINSUN is expected to help Dabaco move quickly in distributing vaccines to the Chinese market, which has the largest pig herd in the world.

HBC: Hanoi Stock Exchange on September 5 announced the results of buying back premature bonds of Hoa Binh Construction Group Joint Stock Company. Specifically, on August 23, Hoa Binh Corp bought back 5 billion VND out of the 84.6 billion VND bond code HBCH2225002 before maturity. The bond batch has a term of 3 years, issued in October 2022 with a total par value of 94.6 billion VND. This is HBC's third pre-maturity acquisition in 2023. In January 2023, Hoa Binh spent 250 billion VND to buy back code HBCH2225001 before maturity, reducing the number of outstanding bonds to 250 billion VND. On April 28, HBC continued to buy back 10 billion VND of code HBCH2225002 mentioned above.

Breaking News



Business news

VNM: SCIC Investment Company Limited (SIC) - a member of State Capital Investment Corporation (SCIC) has just registered to sell all 965,000 shares of Vietnam Dairy Products Joint Stock Company (code VNM) with the purpose of restructuring the investment portfolio. The transaction is expected to be carried out by order matching and/or agreement method from September 8 to October 7, 2023.

NVL: Recently, Nova Real Estate Group Joint Stock Company has announced resolution 62 of the Board of Directors approving the additional mortgage of collateral for medium and high-quality long-term loans at MBBank with a maximum loan amount of 1,500 billion VND. Accordingly, the guarantor is Novaland's three subsidiaries, including Delta Valley – Binh Thuan Co., Ltd., KM Investment Group Co., Ltd., and Nova Lexington Real Estate JSC. The collateral is the entire capital contribution of KM Investment and Nova Lexington in Delta Valley - Binh Thuan and the entire project and assets of the Ocean Valley Resort Complex (NovaWorld Phan Thiet), owned by Delta Valley - Binh Thuan as the investor, as well as the properties attached to the land being formed, will form in the future of this project.

KDH: Accordingly, during the period from August 2 to August 30, a foreign fund related to VinaCapital, Vietnam Ventures Limited, sold all 6.6 million registered KDH shares by order matching and lowering of ownership. at Khang Dien down to 18.23 million shares, equivalent to 2.54% of this company's charter capital.

Technical view



Trend: Recovery

VNINDEX index closed at 1,234 (+10.93 points, +0.89%) with 366 green tickers and 125 red tickers. In which VCB, VNM, MBB played an important role in supporting the market's score. Foreign investors returned to strong net selling, with relative liquidity, focusing mainly on SSB, BCM, and EIB. Most industry groups had positive growth after the report Vietnam's recovery PMI data.

Technical: The market continues to have positive signals in technical indicators after the RSI index has escaped the downtrend. The MACD line has crossed above the Signal line, signaling a market reversal, confirming the uptrend again. Thereby, the market is gradually returning to the resistance level of 1,250.

Strategy: We still maintain our holding strategy when the market is still showing excitement in the short term. However, investors should limit chasing and be careful when stocks return to the old peak area.

Scenario:

- Positive Scenario (60%): The market is expected to rise to the range of 1,240 - 1,250. This could be a good opportunity to consider selling to lock in some profits. If the market surpasses 1,250, a new bullish trend may emerge.
- Less Positive Scenario (40%): The market could retreat to around 1,200, and if signs of a reversal appear, it might be worth considering buying in.

Recommended stocks

6/9/2023

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%	30.15	10	4.33%	8/23/2023	
SZC	Hold	34.4	38.8	32.7	13%	-5%	37.6	9	9.30%	8/24/2023	
VPG	Hold	20.2	22.5	19.4	11%	-4%	22.3	8	10.40%	8/25/2023	
MBB	Hold	18.2	19.4	17.9	7%	-2%	19.15	8	5.22%	8/25/2023	

Economic calendar

September 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
27	28	29	30	31 MSCI: New reviewed list is effective	1 FTSE Vietnam Swap UCITS ETF review	2
3	4	5 ISM Services PMI ETF FTSE VN announces portfolio	6	7 ECB meeting and announces Monetary policy & interest rates V.N.M ETF review	8	9
10	11	12 ETF VNM, ETF FTSE executes the transaction	13	14 Maturity of Derivatives Contracts	15	16
17	18	19 FTSE Russell releases market full year rating	20 Fed meeting and announces Monetary policy & interest rates	21	22 Announcement of FDI	23
24	25	26	27	28 Vietnam macroecnomic data	29	30

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Q&A

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