MORNING CALL
07/09/2023

Shinhan Securities

"Taking profits after a hot streak of gains"

- ❑ World stocks: Simultaneous adjustments
- ❑ Vietnam stocks: Taking profits after a hot streak of gains
- ❑ Business news: #NT2, #TDA, #POM, #PSH, #VGC, #HAG
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

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

Major stocks market

- In regular trading on Thursday, the Dow rose 0.17%, while the S&P 500 and Nasdaq Composite fell 0.32% and 0.89%, respectively. Those moves came as data showed that initial jobless claims in the US came in at 216,000 last week, lower than the 230,000 expected by analysts. Markets still expect the Fed to hold rates steady this month, while bets for a rate increase in November edged higher.
- European markets finished mixed as of the most recent closing prices. The FTSE 100 gained 0.21% and the CAC 40 rose 0.03%. The DAX lost 0.14% as investors digested weak economic data for China and Europe, while weighing the monetary policy outlook by the Fed after unemployment claims report indicated tightness in the US labour market.
- The Nikkei 225 Index fell 0.75% to close at 32,991 while the broader Topix Index lost 0.38% to 2,383 on Thursday. The Japanese economy grew by 4.8% on an annualized basis during the second quarter of 2023, compared with preliminary data of a 6.0% expansion and a downwardly revised 3.2% increase in the prior period. This was the third consecutive quarter of yearly advance and the steepest pace since Q2 of 2022, mainly supported by a strong contribution from net trade as exports rose the most in two years while imports fell for the third consecutive quarter
- WTI crude futures paused a nine-day surge to stabilise around $87 per barrel on Thursday, holding at high levels not seen since November. That was the longest winning streak since January 2019, after Saudi Arabia and Russia announced an extension in oil supply cuts until the end of the year.

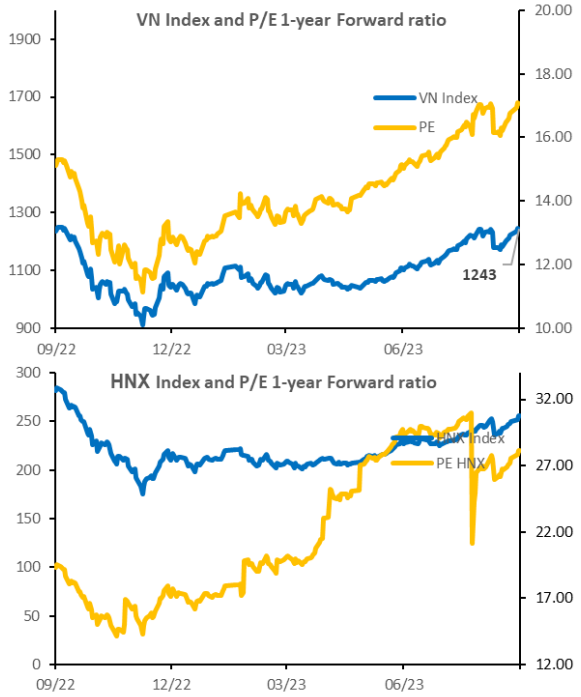
Market

	Close	%1D	%1M	%1Y
VN-Index	1,243	-0.19%	0.07%	0.69%
S&P 500 Index	4,451	-0.32%	-1.07%	11.11%
Dow Jones Index	34,501	0.17%	-2.30%	8.58%
GP 100	7,442	0.21%	-1.14%	2.47%
Nikkei 225	32,702	-0.87%	1.00%	16.52%
SHCOMP Index	3,122	-1.13%	-4.24%	-3.50%
STOXX 600	454	-0.14%	-1.08%	9.56%
KOSPI Index	2,540	-0.34%	-1.33%	6.52%
Hang Seng	18,202	-1.34%	-5.12%	-3.46%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.98	-0.08%	2.39%	-4.31%
USD/VND	24,063.00	0.02%	-1.38%	-2.15%
EUR/USD	1.07	0.12%	-2.25%	7.12%
USD/CNY	7.33	-0.15%	-1.86%	-4.96%
Brent	89.60	-0.36%	3.98%	0.50%
WTI	86.55	-0.37%	4.38%	3.60%
Natural gas	2.58	0.08%	-7.06%	-67.39%
Coal	157.65	-1.47%	11.73%	-64.09%
Gold	1,924.61	0.26%	-0.03%	12.65%

Vietnam Market Snapshot 07/09/2023



Money flow and sector rotation (VND bn)

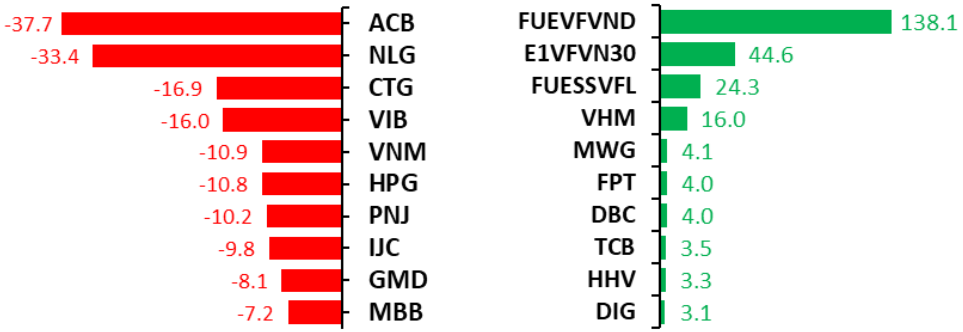
Sector	%1D	9/7/2023	9/6/2023	20-session Average
Media	137.06	2	1	1
Oil & Gas	80.37	253	140	150
Insurance	67.27	62	37	50
Personal & Household Goods	64.00	294	179	178
Technology	29.59	354	273	238
Construction & Materials	24.70	2,095	1,680	1,529
Banks	23.70	4,216	3,408	3,335
Utilities	21.31	279	230	259
Food and Beverage	14.45	1,525	1,333	1,319
Travel & Leisure	4.17	144	139	135
Retail	3.09	665	645	725
Automobiles & Parts	0.40	264	263	286
Chemicals	0.13	1,015	1,014	880
Industrial Goods & Services	-0.7	1,160	1,168	948
Financial Services	-5.1	3,244	3,418	3,258
Health Care	-6.4	37	40	30
Real Estate	-8.2	6,235	6,791	5,748
Basic Resources	-33.8	1,810	2,732	1,460

Source: Bloomberg, Shinhan Securities Vietnam

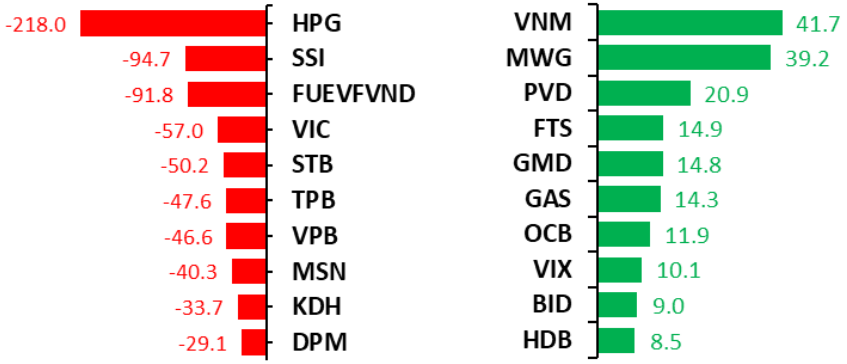
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,243.14	17.06	-2.36	-0.19	1,028	23,660
HNX INDEX	256.14	28.16	0.78	0.30	120	2,290

Vietnam Market Snapshot 07/09/2023

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	(24)	(200)	311	(111)
Basic Resources	(11)	(247)	272	(24)
Media	-	(1)	1	-
Industrial Goods & Services	(12)	6	8	(15)
Health care	(0)	5	(5)	(0)
Chemicals	2	(51)	11	40
Financial Services	198	(220)	158	61
Travel & Leisure	0	(3)	3	1
Banks	(100)	(147)	258	(111)
Construction & Materials	(4)	(26)	(14)	40
Food and Beverage	(7)	(45)	22	23
Retail	4	40	(27)	(12)
Utilities	1	(6)	(7)	13
Personal & Household Goods	(10)	7	(0)	(7)
Technology	6	(4)	(18)	22
Automobiles & Parts	(0)	(3)	0	3
Insurance	(0)	(9)	10	(0)
Oil & Gas	2	17	(15)	(2)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- The VND has depreciated by 2.2% against the USD in the first eight months of the year. According to BVSC's update, from the beginning of the year until August 31, the VND has decreased by 2.2% against the USD. This is a relatively low depreciation considering that the State Bank of Vietnam is going against the global trend by loosening monetary policies to boost the economy after the pandemic and external shocks. Compared to October 2022, the pressure on the exchange rate has significantly eased, leading analysts to believe that the exchange rate in the remaining four months of the year will stabilize. Furthermore, the depreciation of the VND could support exports in the remaining months of the year, increasing the foreign currency supply in the market.
- Regarding Vars' lessons from the Chinese real estate market, the first lesson is about rescuing "stuck" real estate. Specifically, in 2020, China introduced the "Three Red Lines" policy to reduce risks in the credit system by limiting the ability of real estate companies to take on new debt. However, when this policy was implemented, many companies began to face liquidity problems and defaulted on loans. Hundreds of real estate projects came to a halt indefinitely, and a wave of homebuyers refused to repay bank loans in more than 100 Chinese cities. By December 2022, China had to introduce a new policy, implicitly signaling that the "Three Red Lines" were no longer in effect. The Chinese government then implemented a series of policy mechanisms to resolve issues and stimulate the real estate market.
- In the context of tourism in Vietnam, particularly in Ho Chi Minh City, there are positive signs of recovery. Continuous promotional and trade promotion activities have taken place, and in the first 8 months of 2023, the total revenue of the tourism industry reached nearly 500 trillion VND. Statistics show that Vietnam has welcomed over 87 million visitors in the first 8 months of 2023, reaching 70% of the 2019 figure, with international visitors accounting for 7.8 million, which is 5.4 times higher than the same period in 2022. The total revenue from tourism exceeded 482 trillion VND.

Business news

NT2: Nhơn Trạch 2 (NT2) is preparing to pay out over 430 billion VND in dividends, while PV Power is set to pocket nearly 260 billion VND. On September 15th, PetroVietnam Power Corporation – Nhơn Trạch 2 Power Company (stock code: NT2) will finalize the list of shareholders to carry out a cash dividend payment for the remaining 2022 fiscal year. The dividend payout ratio is 15%, meaning that shareholders owning each share will receive 1,500 VND. The expected payment date is September 29th. With nearly 288 million shares in circulation, NT2 is estimated to spend approximately 432 billion VND to distribute dividends to shareholders. Prior to this, in March 2023, NT2 had paid a cash dividend of 10% for the 2022 fiscal year. Once completed, NT2 will record a cash dividend of 25% for 2022, equivalent to around 719 billion VND.

TDA: The shares of Tôn Đông Á (GDA) increased by 15% in the first trading session, as the three largest steel companies have all listed on the stock exchange. Regarding this, GDA stated, "Setting the listing price at 30,000 VND per share actually demonstrates the caution of the leadership and creates room for the stock to grow after listing." This morning, on September 7, 2023, nearly 115 million shares of Tôn Đông Á Corporation (GDA) officially traded on the UPCoM exchange at an initial price of 30,000 VND per share. At the close of the first trading session, GDA rose by 15% to 34,600 VND, with a market capitalization of approximately 4,000 billion VND, making it one of the top 5 steel companies listed with a large market capitalization.

POM: The younger sister of Pomina Steel's Chairman continues to register to sell all the shares she holds, expecting to receive tens of billions of VND. This marks the third time in just over two months that this individual has registered to sell her shares.

Breaking News



Business news

PSH: Nam Song Hau Petroleum Investment and Trading Joint Stock Company (stock code: PSH) has announced unusual information regarding the extension of interest payment for bond PSHH2224003. Specifically, bond lot PSHH2224003, with a value of 400 billion VND and a term of 2 years, was originally due on June 7, 2024, with a first-year interest rate of 10% and a second-year interest rate of 10.2%, with interest payments every 3 months. However, due to incomplete payment arrangements, Nam Song Hau Petroleum has extended the interest payment deadline for the bond from September 7, 2023, to September 16, 2023, with a total interest amount of nearly 9.8 billion VND.

VGC: Viglacera Corporation (stock code: VGC) recently held a meeting to evaluate the results of its production and business activities for the first 8 months of the year and to outline plans for the remaining months of 2023. The company's leadership reported a profit of nearly 151 billion VND in August. Accumulated for the first 8 months of the year, Viglacera recorded 1,463 billion VND in pre-tax profits, exceeding the annual plan by 21% but down 26.5% compared to the same period last year. The parent company is estimated to achieve 1,536 billion VND in pre-tax profits, surpassing the annual target by 17%.

HAG: A subsidiary of Hoang Anh Gia Lai Group (stock code: HAG) achieved a remarkable profit of 540 billion VND in the first half of 2023 after years of consecutive losses. Hung Thang Loi Gia Lai Co., Ltd., a subsidiary of Hoang Anh Gia Lai Group, has just announced its business results for the first half of 2023, with an after-tax profit of 540 billion VND. In contrast, the company reported losses for four consecutive years. The return on equity is 0.59 times.

Technical view



Trend: Upward

The market closed at 1,243 (-2.36 points, -0.19%) after a recent hot streak of 6 sessions of gains. VNINDEX had 223 stocks in the green and 268 in the red. Leading groups included GAS, TCB, and GVR, while VIC, VHM, and VCB pulled the market down. Foreign investors sold heavily in today's session. Market liquidity continued to rise, reaching nearly 25 trillion VND.

Overall, the main trend of the market is still upward. Approaching the resistance zone at 1,250 – the old peak in mid-August, the market experienced fluctuations and a dip in points, which is normal as short-term traders begin to take profits. This is an area that needs further observation, as the market needs to consolidate for a few more sessions before it has enough strength to break through the 1,250 zone in the base-case scenario. Currently, the resistance zone remains at 1,250.

Strategy: Maintain observation and limit new purchases because the index could potentially reverse and drop further back to the 1,210 zone, which is the 20-day moving average (MA 20). Investors may consider taking profit when their stocks reach the current resistance zone.

Scenario:

- Positive (50%): The market will break out of the 1,240 – 1,250 range and move towards 1,300.
- Negative (50%): The market will return to the 1,210 range, and if signs of a reversal appear, buying opportunities may be considered.

Recommended stocks

8/9/2023

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%	30.3	12	4.84%	8/23/2023	
SZC	Sell	34.4	38.8	32.7	13%	-5%	38.5	11	11.92%	8/24/2023	Take Profit
VPG	Sell	20.2	22.9	19.4	13%	-4%	22.65	10	12.13%	8/25/2023	Take Profit
MBB	Hold	18.2	20.1	17.9	10%	-2%	19.3	10	6.04%	8/25/2023	
VHM	Hold	55.9	66	53.9	18%	-4%	55.9	1	0.00%	07/09/2023	

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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