MORNING CALL
12/09/2023

Shinhan Securities

"The market reversed at the old peak area"

- World stocks: Slightly increased, waiting for US inflation data to be announced.
- Vietnam stocks: The market reversed at the old peak area.
- Business news: #HSG, #HPG, #DGW, #FRT, #HAG, #NVL
- Technical perspective and updated recommendations
- Event calendar
- Q&A

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Catching the latest report





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Global Market Review – Week 11 – 15/09/2023

Major stocks market

- On Monday, the Dow rose 0.25% for its third positive session, while the S&P 500 and Nasdaq Composite jumped 0.67% and 1.14%, respectively, for their second winning day. Nine out of the 11 S&P sectors finished higher, led to the upside by consumer discretionary, communication services and consumer staples.
- European equity markets closed in the green on Monday, with Frankfurt's DAX 40 rising by 0.4% and the pan-European STOXX 600 gaining approximately 0.4%, as investors were eagerly awaiting the European Central Bank's policy meeting later in the week and the release of US inflation figures for August.
- The Nikkei 225 Index rose 0.5% to above 32,600 while the broader Topix Index gained 0.4% to 2,370 on Tuesday, recouping losses from the previous session and tracking gains on Wall Street overnight as positive corporate updates lifted shares of key technology names in the US.
- The Shanghai Composite rose 0.84% to close at 3,143 while the Shenzhen Component gained 0.98% to 10,382 on Monday, recouping most of the losses from last week as investors cheered the latest government measures to boost capital markets.
- WTI crude futures held near $87.5 per barrel on Monday, remaining near their highest levels since November last year as tightening global oil supplies helped offset concerns about demand. Last week, Saudi Arabia and Russia jointly announced their decision to extend voluntary supply cuts totaling 1.3 million barrels per day until the end of the year. However, concerns regarding sluggish economic growth in China continued to grip commodity markets, as the world's largest crude importer has yet to convince markets of an economic turnaround.

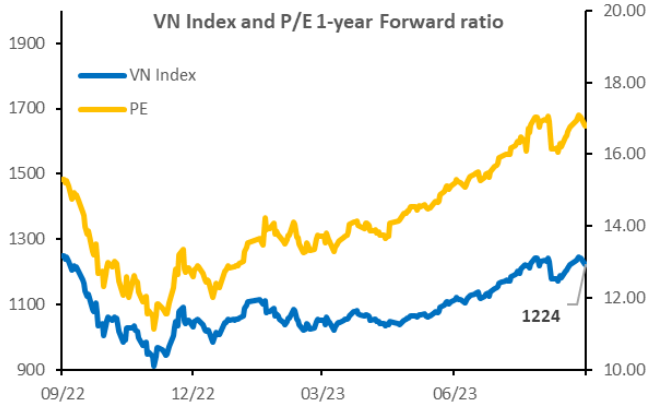
Market

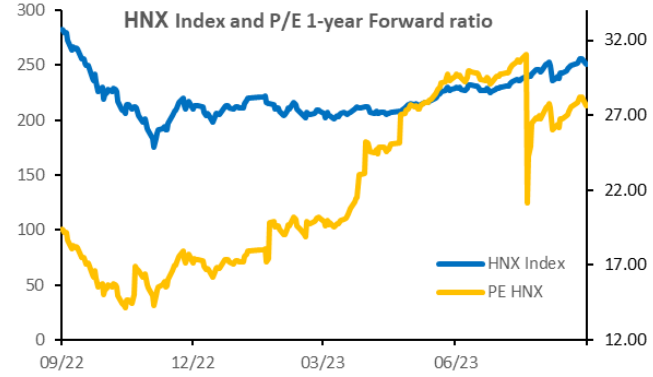
	Close	%1D	%1M	%1Y
VN-Index	1,224	-1.44%	-0.70%	-2.08%
S&P 500 Index	4,487	0.67%	0.52%	9.17%
Dow Jones Index	34,664	0.25%	-1.75%	7.05%
GP 100	7,497	0.25%	-0.36%	0.32%
Nikkei 225	32,575	0.33%	0.31%	14.13%
SHCOMP Index	3,143	0.84%	-1.46%	-3.66%
STOXX 600	456	0.34%	-0.64%	6.65%
KOSPI Index	2,545	-0.46%	-1.79%	6.74%
Hang Seng	18,096	-0.58%	-5.13%	-6.54%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.51	-0.05%	1.63%	-3.52%
USD/VND	24,074.00	-0.05%	-1.33%	-2.33%
EUR/USD	1.07	-0.06%	-1.49%	6.15%
USD/CNY	7.29	0.75%	-0.68%	-4.97%
Brent	90.68	0.04%	4.46%	-3.53%
WTI	87.36	0.08%	5.01%	-0.48%
Natural gas	2.61	0.19%	-5.67%	-68.32%
Coal	158.00	1.12%	9.72%	-63.70%
Gold	1,921.51	-0.04%	0.76%	11.42%

Vietnam Market Snapshot 11/09/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,223.63	16.79	-17.85	-1.44	1,237	29,631
HNX INDEX	251.33	27.62	-4.87	-1.90	134	2,600

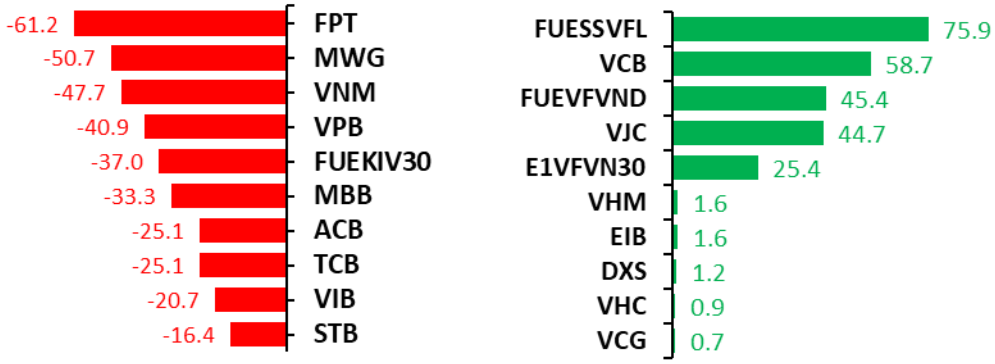
Money flow and sector rotation (VND bn)

Sector	%1D	9/11/2023	9/8/2023	20-session Average
Technology	118.01	521	239	263
Oil & Gas	111.08	308	146	156
Insurance	86.12	59	32	50
Financial Services	79.13	4,512	2,519	3,386
Banks	72.89	4,950	2,863	3,379
Media	72.70	2	1	1
Travel & Leisure	46.12	182	125	136
Automobiles & Parts	44.50	311	215	286
Basic Resources	29.21	2,431	1,881	1,522
Construction & Materials	27.69	2,086	1,634	1,565
Food and Beverage	22.92	1,934	1,574	1,330
Chemicals	22.47	1,455	1,188	933
Retail	21.97	924	757	740
Personal & Household Goods	19.16	239	200	173
Real Estate	13.87	7,653	6,721	5,955
Industrial Goods & Services	-6.3	1,754	1,872	1,016
Utilities	-13.9	269	312	253
Health Care	-27.7	28	39	29

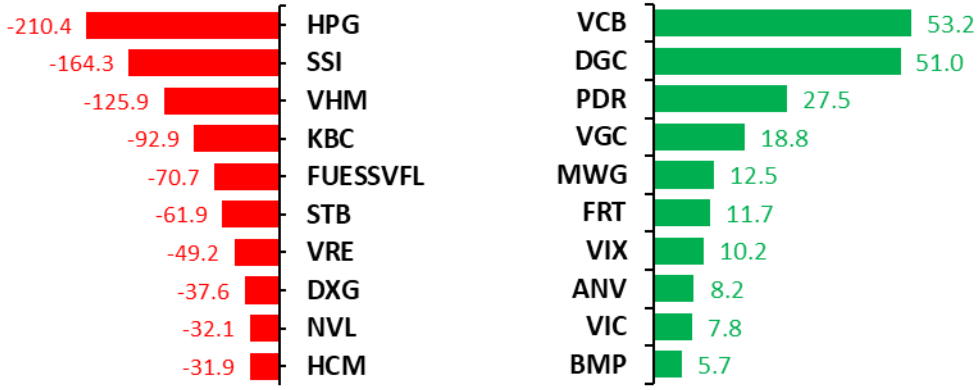
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 11/09/2023

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	(39)	(339)	916	(578)
Basic Resources	(17)	(208)	195	13
Media	-	(0)	0	-
Industrial Goods & Services	(18)	(19)	45	(26)
Health care	0	5	(5)	0
Chemicals	(17)	15	(0)	(15)
Financial Services	132	(297)	308	(11)
Travel & Leisure	43	1	(92)	91
Banks	(149)	(71)	377	(305)
Construction & Materials	(2)	4	(22)	19
Food and Beverage	(54)	(46)	66	(20)
Retail	(51)	12	35	(47)
Utilities	(4)	(8)	13	(4)
Personal & Household Goods	(10)	(2)	1	1
Technology	(61)	(28)	88	(60)
Automobiles & Parts	(0)	(7)	10	(3)
Insurance	(1)	(7)	8	(1)
Oil & Gas	(4)	(5)	6	(1)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- What does the State Bank say about exchange rate pressure in the second half of 2023? From mid-June 2023, when the Fed continues to tighten monetary policy and maintain interest rates at a high level while the State Bank's operating interest rate and domestic market interest rates decrease, creating pressure on the exchange rate. The domestic USD/VND price shows signs of increasing again. However, up to now, the balance of foreign currency supply and demand is relatively stable, improved compared to 2022. Firstly, according to the General Statistics Office, in the first 8 months of the year, the trade balance Estimated trade surplus is USD 20.19 billion, a sharp increase over the same period in 2022, but mainly due to a 10% decrease in exports while a sharper decrease in imports of 16.2% over the same period last year. Second, the total registered FDI capital in Vietnam reached USD 18.15 billion, an increase of 8.2% over the same period in 2022. Third, in the first 8 months of 2023, remittances to the country are estimated to reach 10,126 billion USD, an increase 28% over the same period in 2022.
- Reducing interest rates stimulates demand for home loans: According to a report by the State Bank, people's demand for home loans and home repairs decreased in the first half of the year. Meanwhile, in 2022, loans to home buyers will increase by 30%. Data recently released by the State Bank shows that outstanding consumer and self-use real estate debt in the first 6 months of 2023 has decreased by 1.12%, in complete contrast to the increase of 31% for the whole year. 2022. Why is this number important, because the demand for real estate loans accounts for 65% of total real estate loan balance. The remaining capital is for real estate business. The opposite point is that capital for real estate business still increased by over 17%, showing that capital is focusing on the supply side, lacking the demand side.
- Keep gasoline prices unchanged, increase oil prices. On September 11, E5RON92 and RON95-III gasoline prices remained unchanged at 23,471 VND/liter and 24,871 VND/liter compared to September 5. Thus, gasoline prices have ended 6 consecutive rising sessions. Meanwhile, oils continue to increase from 374 VND/liter - 410 VND/liter; Particularly, 180CST 3.5S fuel oil has not increased in price.

Business news

HSG: Hoa Sen Group Chairman's family wants to sell nearly 11 million HSG shares when the market price increases sharply from the bottom. In the latest announcement, Mr. Nguyen Van Chien, brother-in-law of Mr. Le Phuoc Vu, Chairman of Hoa Sen Group Joint Stock Company (HSG) has registered to sell all more than 10.7 million HSG shares, equivalent to 1.74% of capital. The transaction is expected to be carried out from September 14 to October 13, 2023. If completed, Mr. Chien will no longer hold any shares in Hoa Sen. Temporarily calculated based on market price, Mr. Chien could earn about VND 236 billion if the deal is completed.

HPG: After a period of strong net buying at the end of last year, foreign investors have turned to net selling quite strongly from the end of the first quarter of 2023 to the present. From the beginning of August until now, foreign investors have promoted net selling on HoSE with matched net selling value exceeding VND 5,600 billion. Notably, Hoa Phat stock (HPG) is on the list of the most net sold by foreign investors with a value of nearly VND 810 billion in more than a month, of which matched sales were nearly VND 3,400 billion, a high market and bought more than VND 2,500 billion.

DGW: Digiworld: Will distribute ZTE mobile phones and other low-cost brands by the end of the third quarter of 2023. Company leaders also added that Vietnam is gradually shutting off 2G signals in stages until completely cut off at the end of 2024. Consumers will switch from feature phones to low-cost smartphones, thereby promoting sales of ZTE mobile phones and Xiaomi mobile phone models in the low-cost segment. Digiworld also expects the mobile phone, laptop and home appliance segments to recover compared to the previous quarter in the third and fourth quarters of 2023 due to reduced inventory levels of retail businesses.

Breaking News



Business news

FRT: Will open 3,000 more Long Chau stores, ICT segment profit margin will be difficult to return by 2021-2022. According to FPT Retail, Long Chau drug store possesses certain competitive advantages compared to competitors such as a diverse product portfolio, high number of customers coming to the store and more direct supply sources, so it offers lower prices. more competitive than other companies in the same industry. This helps the drug store chain gain market share from traditional drug stores faster than other modern commercial chains (An Khang and Pharmacity). Long Chau can also gain some market share from hospital pharmacies, as the Long Chau drug store chain generates 25-30% of its revenue from prescription drugs.

HAG: Bau Duc: HAGL bananas and durians are still exported normally. HAGL is currently the enterprise with the largest open area in Vietnam with a scale of about 7,000 hectares of bananas and 1,000 hectares of durians. Most of the company's fruits are exported to China from Saigon Port. With the growing area in Laos, HAGL exports according to C/O (certificate of origin) of this country.

NVL: A real estate company belonging to Novaland reported a loss 3 times higher than the same period. According to information from the Hanoi Stock Exchange (HNX), Da Lat Valley Real Estate Company has just announced its business situation for the first 6 months of 2023. Noted, the Company continues to report a loss after tax of more than 76 billion VND, three times higher than the loss of nearly VND 22 billion in the same period last year. This is the third year that Da Lat Valley has continuously suffered losses, according to data published on HNX. Of which, the Company has an after-tax loss of more than 93 billion VND in 2022 and an after-tax loss of more than VND 0.6 billion in 2021. Continuously losing money, the Company's after-tax profit/equity ratio (ROE) is currently negative. 2.96%.

Technical view



Trend: Correction

- The market closed at 1,223.6 (-17.85 points, -1.44%) with a sharp increase in liquidity reaching more than VND 30 trillion, higher than the 20 session average. The leading stocks include SAB and OCB, on the contrary, VHM VCB HPG contributed strongly to the decline. Foreign investors were strong net sellers, while proprietary traders were light net buyers.
- After a continuous increase from the support area of 1,180 to the old peak of 1,250, the market has had a technical correction. With this downward momentum, the market is trading sideways in a range of 1,180 – 1,250. The STOCH RSI indicator cuts below the signal line, showing that the downward momentum may continue in the coming sessions to test the 1,210 area of MA 20. The uptrend will be more clearly confirmed when the market surpasses 1,250.
- Strategy: We still maintain the observation strategy when the market is adjusting. New buying will be better when the market shows signs of rebounding from the base.

Scenario:

- Positive (50%): The market will rise to the 1,300 area. This is also the time when we can sell to take a partial profit.
- Less positive (50%): The market will return to the 1,200 area, and if there is a reversal signal, you can consider buying.

Recommended stocks

12/9/2023

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	29	9%	0%	28.7	14	-0.69%	8/23/2023	
MBB	Hold	18.2	20.1	17.9	10%	-2%	18.75	12	3.02%	8/25/2023	
VHM	Sell	55.9	66	53.9	18%	-4%	55.9	3	-6.08%	07/09/2023	Cut loss

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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