MORNING CALL
14/09/2023

Shinhan Securities

“Negative reaction to U.S. inflation news”

- ❑ World stocks: Negative reaction to U.S. inflation news.
- ❑ Vietnam stocks: Struggle at the resistance zone.
- ❑ Business news: #HPX, #MWG, #PLX, #NVL, #BSR, #NAB
- ❑ Technical perspective and updated recommendations
- ❑ 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

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Catching the latest report



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

Major stocks market

- In regular trading on Wednesday, the Dow fell 0.2%, while the S&P 500 and Nasdaq Composite rose 0.12% and 0.29%, respectively. Those moves came as investors assessed the August consumer price index report that came in hotter-than-expected, but had no significant impact on the outlook for Federal Reserve monetary policy. Traders now see a 97% chance that the Fed would hold rates steady at next week's meeting, while bets for a rate hike in November have eased. The annual inflation rate in the US accelerated for a second straight month to 3.7% in August from 3.2% in July, above market forecasts of 3.6%
- European equity markets fell on Wednesday, with the German DAX down 0.3% and the benchmark Stoxx 600 down 0.2% dragged by retail stocks. Investors reacted to the latest US inflation print, which showed a larger-than-expected increase in the monthly core inflation rate. Also, investors await the ECB's upcoming policy meeting, with mounting worries that the central bank may announce its tenth consecutive interest rate hike, driven by concerns of persistent inflation above 3% in the Eurozone next year
- The Nikkei 225 Index fell 0.21% to close at 32,706 while the broader Topix Index lost 0.05% to 2,379 on Wednesday, paring gains from the previous session and taking cues from a negative lead on Wall Street as investors braced for a key US inflation reading that could influence the trajectory of Federal Reserve monetary policy.
- WTI crude futures dipped below $89 per barrel on Wednesday, after touching a 10-month high earlier in the day, as a surprise build in U.S. crude inventories offset expectations of tight crude supply for the rest of the year.

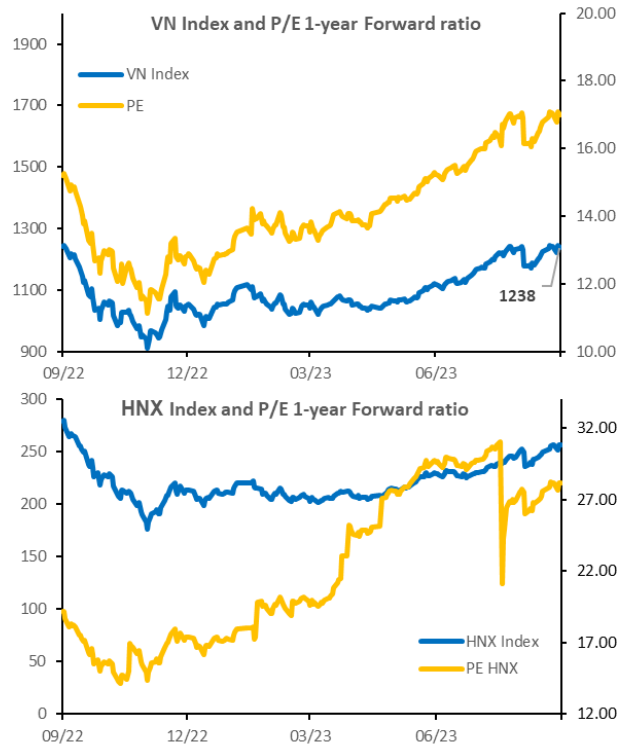
Market

	Close	%1D	%1M	%1Y
VN-Index	1,238	-0.57%	0.13%	-0.19%
S&P 500 Index	4,467	0.12%	-0.50%	13.21%
Dow Jones Index	34,576	-0.20%	-2.07%	11.05%
GP 100	7,526	-0.02%	0.25%	3.42%
Nikkei 225	32,947	0.74%	2.77%	18.43%
SHCOMP Index	3,123	-0.45%	-1.74%	-3.54%
STOXX 600	454	-0.32%	-1.29%	8.73%
KOSPI Index	2,552	0.68%	-0.74%	5.82%
Hang Seng	18,009	-0.09%	-4.07%	-4.45%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.64	-0.12%	1.41%	-4.57%
USD/VND	24,165.00	-0.07%	-1.41%	-2.38%
EUR/USD	1.07	0.09%	-1.52%	7.60%
USD/CNY	7.27	0.28%	-0.20%	-4.69%
Brent	92.24	0.39%	6.99%	-1.98%
WTI	88.86	0.38%	7.70%	0.43%
Natural gas	2.73	1.79%	-2.40%	-70.07%
Coal	162.25	2.04%	12.67%	-63.07%
Gold	1,912.59	0.23%	0.29%	12.68%

Vietnam Market Snapshot 13/09/2023



Money flow and sector rotation (VND bn)

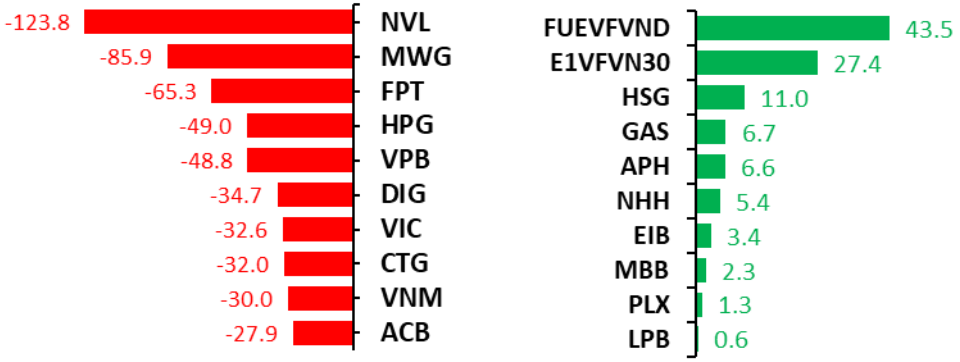
Sector	%1D	9/13/2023	9/12/2023	20-session Average
Retail	154.28	1,382	543	758
Oil & Gas	124.61	274	122	160
Utilities	122.91	398	178	257
Automobiles & Parts	95.60	392	200	280
Media	94.72	2	1	1
Construction & Materials	81.62	2,814	1,549	1,634
Basic Resources	72.16	2,506	1,456	1,540
Industrial Goods & Services	68.49	1,822	1,081	1,081
Chemicals	42.07	1,189	837	953
Insurance	39.32	53	38	50
Personal & Household Goods	29.82	187	144	172
Banks	26.30	3,563	2,821	3,378
Real Estate	23.17	6,769	5,495	5,940
Food and Beverage	19.43	1,283	1,074	1,315
Health Care	12.55	29	26	28
Technology	5.45	318	302	281
Financial Services	2.07	4,353	4,265	3,487
Travel & Leisure	-5.8	138	147	136

Source: Bloomberg, Shinhan Securities Vietnam

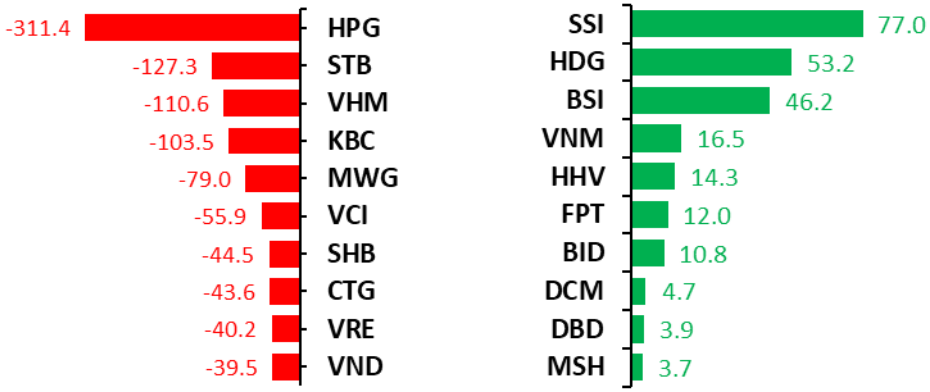
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,238.39	17.00	-7.05	-0.57	1,125	27,484
HNX INDEX	256.11	28.15	-0.22	-0.08	127	2,506

Vietnam Market Snapshot 13/09/2023

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	(225)	(335)	786	(451)
Basic Resources	(38)	(329)	300	29
Media	-	(0)	0	(0)
Industrial Goods & Services	(4)	(31)	50	(19)
Health care	0	4	(4)	0
Chemicals	0	(23)	18	5
Financial Services	21	(28)	137	(109)
Travel & Leisure	(14)	(21)	36	(15)
Banks	(213)	(242)	517	(275)
Construction & Materials	(0)	(26)	43	(17)
Food and Beverage	(64)	(46)	141	(95)
Retail	(90)	(102)	185	(82)
Utilities	3	(29)	11	18
Personal & Household Goods	(3)	5	(18)	13
Technology	(65)	12	84	(96)
Automobiles & Parts	(0)	(1)	(7)	8
Insurance	(2)	(7)	9	(3)
Oil & Gas	(1)	(2)	(4)	6

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Gold Falls Ahead of US Inflation Report. Gold prices have dropped to their lowest level in over two weeks as investors await the US inflation report for August, scheduled to be released on Wednesday. Domestic gold prices in Vietnam fell by 100,000 VND per tael this morning (September 13), widening the gap with international gold prices to nearly 13 million VND per tael.

- HCMC and Hanoi Housing Prices Much Higher Than Residents' Incomes. Housing prices in Ho Chi Minh City (HCMC) and Hanoi are 32 and 18 times higher than the average income of residents, respectively, making them much more unaffordable than in other regional cities like Seoul, Tokyo, Hong Kong, and Shanghai. While HCMC's average housing price stands at $296,000 (over 7 billion VND), the average annual income of a household in HCMC is about $9,120 (around 220 million VND). This large gap between housing prices and income in HCMC is the second highest in the region, following only Shenzhen (35 times).

- Government Urges Review of Real Estate Risk Ratios. The government has urged an urgent review and appropriate adjustment of risk ratios for different real estate segments, as well as a comprehensive review of regulations related to lending and investment in corporate bonds, to align them with the development policies of the corporate bond market. Additionally, the State Bank of Vietnam (NHNN) is focused on addressing weak commercial banks, reporting to relevant authorities in September 2023, with a sense of urgency on the plan to handle Saigon Commercial Bank. The central bank will also closely monitor the bad debt situation to ensure the safety of the credit system.

Business news

- MWG: According to the report, by the end of July 2023, Mobile World Group (MWG) recorded a net revenue of 66.49 trillion VND, which is a 19% decrease compared to the same period last year. The competitive pricing strategy helped achieve a net revenue of around 48.3 trillion VND for the two phone and electronics store chains, with phones and laptops showing a 20-30% increase and electronics experiencing a 25-35% growth compared to March 2023. Additionally, the net revenue for Bach Hoa Xanh increased, reaching 2.8 trillion VND in July (a 20% increase compared to the same period last year) and a cumulative 7-month revenue of 16.5 trillion VND (a 9% increase compared to the same period last year). The average revenue per store was 1.6 billion VND per month, showing a 13% increase from the previous month and a 26% increase from the previous year. According to Mobile World Group's leadership, the ICT market's purchasing power is expected to remain similar to the first two quarters of the year, so the company's main strategy continues to focus on providing outstanding services at reasonable prices.

- HPX: Securities companies have been actively selling the collateralized HPX shares owned by Mr. Đỗ Quý Hải, Chairman of Hải Phát Invest, before trading was suspended. In a recent announcement, Techcombank Securities (TCBS) stated that they would sell nearly 2.7 million shares of Hải Phát Invest Joint Stock Company (HPX) belonging to Mr. Đỗ Quý Hải, Chairman of the HPX Board of Directors.

- PLX: Petrolimex (PLX) is set to pay nearly one trillion VND in dividends to its shareholders in October. On September 22nd, Vietnam National Petroleum Group (Petrolimex, stock code PLX) will finalize the list of shareholders eligible to receive a 7% cash dividend for the year 2022, equivalent to 700 VND per share. With over 1.3 billion shares in circulation, Petrolimex is expected to spend approximately 942 billion VND to pay dividends to shareholders. The payment date is scheduled for October 10, 2023.

Breaking News



Business news

- BSR: As oil prices continue to rise, BSR's stock has surged to a one-year high, with Bình Sơn Refining and Petrochemical Company's market capitalization increasing by 32 trillion VND over the past 10 months. The petroleum industry as a whole is highly speculative and sensitive to oil price fluctuations, and Bình Sơn Refining and Petrochemical Joint Stock Company (stock code: BSR) is no exception. BSR's stock price has maintained a steady recovery trend since hitting a short-term low in mid-November 2022 and has experienced significant growth in the past two weeks. Overall, over the course of about 10 months, the stock price has increased by 93% to reach 21,400 VND per share - the highest price level in a year, and the corresponding market capitalization has increased by approximately 32 trillion VND, currently standing at 66,040 trillion VND (~2.8 billion USD).

- NAB: In preparation for its planned transfer to the HOSE exchange in early Q4 of this year, Nam A Bank (stock code on Upcom: NAB) has implemented several key strategies. The primary focus includes steps to increase its registered capital, improve asset quality, expand its network, and accelerate digitalization.

- NVL: Recently, No Va Real Estate Investment Corporation (Novaland, stock code: NVL) released unusual information regarding the payment of principal and interest on the NVLH2123011 bond series. Specifically, on September 1st, the company had to repay 1.008 trillion VND in outstanding debt for this bond series, which included 50.7 billion VND in interest and 957.8 billion VND in principal.

Technical view



Trend: Moving sideways at the resistance zone

- VNINDEX closed at 1,238 points, down 7 points or 0.57%, with a trading value exceeding 26 trillion VND, higher than the 20-day average. The stocks in the VIN group (VIC, VHM, VRE) were the major contributors to the market's decline, while GAS and MWG acted as market supports. Foreign investors sold off over 1 trillion VND in net positions, while proprietary traders made slight net purchases.
- Technical Analysis: VNINDEX still hasn't been able to completely surpass the 1,250-point level, as it has encountered multiple fluctuations around this resistance zone. However, the market's overall trend remains resilient, with key support levels still intact. Looking at the STOCH RSI indicator, the likelihood of an immediate market increase appears low as the indicator has crossed below the signal line. The expectation is that the market will trade sideways, as supply and demand are currently in a relatively balanced state.
- Strategy: We are maintaining a holding strategy as the market is trading near its previous peak. Sessions with significant point drops provide opportunities to increase current positions, especially when there are signs of a rebound from the support level.

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

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%	29	16	0.35%	8/23/2023	
MBB	Hold	18.2	20.1	17.9	10%	-2%	19.05	14	4.67%	25/08/2023	
MSB	Hold	14.4	16.2	14	13%	-3%	14.6	1	1.39%	13/09/2023	
HPG	Hold	28.3	32.9	27.4	16%	-3%	28.4	1	0.35%	13/09/2023	
NLG	Hold	38.1	43.8	36.7	15%	-4%	37.9	1	-0.52%	13/09/2023	
PTB	Hold	56.5	61.9	55.7	10%	-1%	56.5	1	0.00%	13/09/2023	

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

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



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