MORNING CALL
18/09/2023

Shinhan Securities

“Accumulation is necessary”

- ❑ World stocks: Mixed performance
- ❑ Vietnamese stocks: Accumulation is necessary
- ❑ Business news: #FPT, #PNJ, #PVS, #DRC, #PET
- ❑ Technical perspective and updated recommendations
- ❑ Highlights: The US and Vietnam become comprehensive strategic partners
- ❑ 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 18 – 22/09/2023

Major stocks market

- Last week, the Dow inched up 0.12%, while the S&P 500 and Nasdaq Composite lost 0.16% and 0.39%, respectively. Last week, University of Michigan consumer confidence data for the United States fell to 67.7 in September 2023 from 69.5 the previous month, a steeper decline from a nearly two-year high of 71.6 in September 7 and lower than market expectations of 69.1. The figure is in line with waning optimism, amid an aggressive tightening campaign by the Federal Reserve and also weak labor market data from early in the third quarter.
- European markets ended higher on Friday with shares in France leading the region. The CAC 40 rose 0.96% while Germany's DAX rose 0.56% and London's FTSE 100 rose 0.50%. When it is expected that the European Central Bank is about to end its monetary tightening cycle. On Thursday, the central bank made its 10th consecutive interest rate hike, a 25 basis point increase, but also conveyed its intention to potentially hold off on further policy tightening as inflation begins to show signs. reduced effect.
- The Nikkei 225 index rose 1.1% to close at 33,533 while the Topix Index rose 0.95% to 2,428 on Friday, extending gains from the previous session and taking cues from a strong lead on Wall Street. Investors ignored the report that US manufacturer inflation (PPI) was hotter than expected.
- WTI crude oil futures rose above $90 a barrel on Friday, setting a new 10-month high amid an improving global demand outlook and tight supply. Benchmark US oil prices also increased nearly 4% this week and are on track to increase for the third consecutive week.

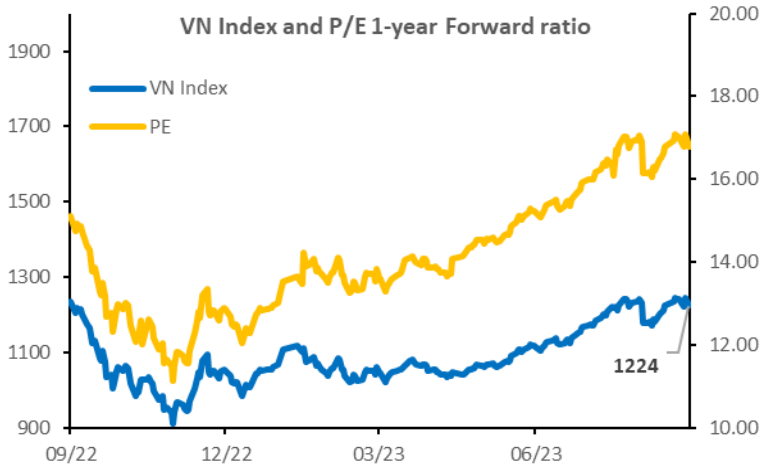
Market

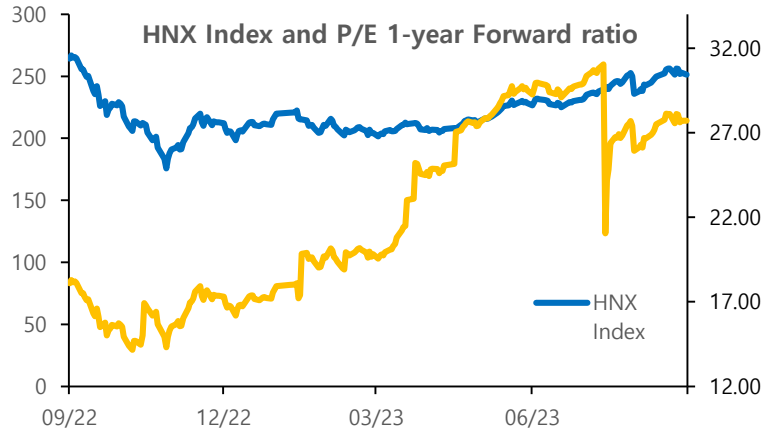
	Close	%1D	%1M	%1Y
VN-Index	1,227	0.29%	-0.54%	-0.54%
S&P 500 Index	4,450	-1.22%	1.52%	14.90%
Dow Jones Index	34,618	-0.83%	0.34%	12.32%
GP 100	7,711	0.50%	6.18%	6.56%
Nikkei 225	33,533	1.10%	4.01%	21.64%
SHCOMP Index	3,118	-0.28%	-1.84%	-0.28%
STOXX 600	462	0.23%	1.99%	13.15%
KOSPI Index	2,588	-0.51%	1.18%	8.62%
Hang Seng	18,183	0.75%	-2.14%	-3.09%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	105.20	-0.09%	1.79%	-4.13%
USD/VND	24,265.00	-0.07%	-1.83%	-2.46%
EUR/USD	1.07	0.14%	-1.85%	6.46%
USD/CNY	7.28	0.04%	0.17%	-3.86%
Brent	94.08	0.16%	10.94%	2.99%
WTI	90.48	0.28%	12.02%	6.94%
Natural gas	2.73	-0.30%	3.33%	-66.05%
Coal	160.15	0.22%	9.07%	-63.97%
Gold	1,918.11	0.10%	1.93%	14.92%

Vietnam Market Snapshot 15/09/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,227.36	16.84	3.55	0.29	820	20,136
HNX INDEX	252.76	27.71	0.90	0.36	89	1,808

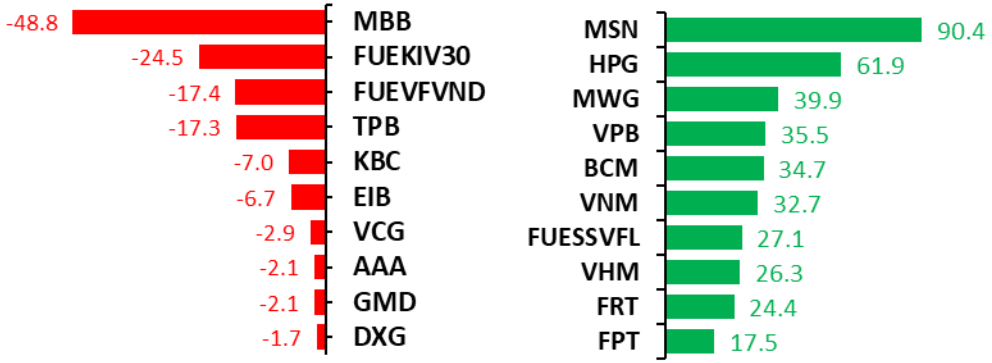
Money flow and sector rotation (VND bn)

Sector	%1D	9/15/2023	9/14/2023	20-session Average
Health Care	25.47	24	19	28
Utilities	16.61	268	230	257
Oil & Gas	13.78	249	219	167
Banks	4.71	4,230	4,040	3,437
Food and Beverage	-3.3	1,215	1,257	1,335
Insurance	-7.8	43	47	50
Personal & Household Goods	-12.4	138	157	171
Travel & Leisure	-14.5	118	138	136
Retail	-15.7	723	858	776
Construction & Materials	-15.8	1,580	1,877	1,686
Technology	-17.4	233	282	287
Automobiles & Parts	-23.6	196	257	271
Chemicals	-26.3	652	885	949
Basic Resources	-28.0	1,295	1,797	1,591
Financial Services	-29.6	2,937	4,169	3,623
Industrial Goods & Services	-29.9	1,009	1,438	1,137
Real Estate	-29.9	5,216	7,441	5,992
Media	-63.6	0	1	1

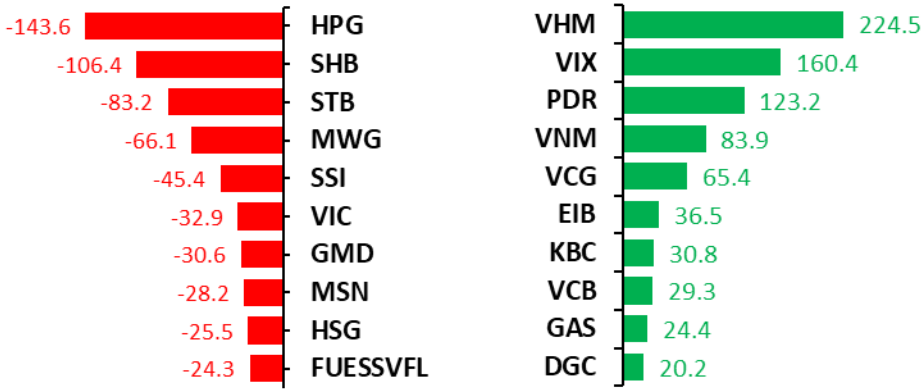
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 15/09/2023

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	68	265	(207)	(57)
Basic Resources	62	(161)	148	12
Media	-	-	-	-
Industrial Goods & Services	3	(58)	71	(13)
Health care	-	6	(6)	0
Chemicals	4	27	(60)	34
Financial Services	16	131	(118)	(13)
Travel & Leisure	9	(9)	(2)	11
Banks	61	(116)	90	26
Construction & Materials	6	66	(60)	(6)
Food and Beverage	126	33	(126)	93
Retail	64	(47)	(27)	74
Utilities	8	(3)	(17)	20
Personal & Household Goods	1	5	(11)	6
Technology	17	0	(16)	16
Automobiles & Parts	-	(9)	11	(2)
Insurance	0	1	(3)	2
Oil & Gas	0	(4)	0	4

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- On the morning of September 17, after attending and speaking at the Opening Ceremony of the China-ASEAN Expo (CAEXPO) and the 20th China-ASEAN Trade and Investment Summit (CABIS) in Nanning city, Guangxi province, China, Prime Minister Pham Minh Chinh attended the opening of Vietnam's trade pavilion at the Fair. The Prime Minister said that relations with China are developing very well; is an important foundation for cooperation and trade exchange. However, trade and investment relations between Vietnam and China still have a lot of room.
- On the afternoon of September 15, 2023, the State Bank will coordinate with localities in the Mekong Delta to organize a conference to find solutions to increase access to credit for the fisheries and rice sectors. According to data from the General Department of Customs, in the first 8 months of 2023, seafood export turnover reached USD 5.8 billion, down 24% compared to the same period in 2022. Although it is on the decline, this decrease is lower. compared to the first months of the year. It is forecasted that the market will tend to be more positive in the last months of this year because the demand for imported seafood products of some countries (China, Japan...) will increase in the near future.
- There is 1 month left to finally bring the bonds to the exchange, the market hopes to soon escape the "afternoon market" situation. The number of corporate bonds issued privately with very large values will "land" on the HNX in 1 month. Then, the bond exchange will no longer fall into the "afternoon market" situation. Along with solutions to open up the market in particular and revive the economy in general, the corporate bond market is expected to be more exciting.

Business news

- FPT: The Japanese market accelerated, FPT reported 8-month pre-tax profit of nearly VND 6,000 billion. FPT's PAT reached VND 4,994 billion, of which profit after tax for parent company shareholders recorded VND 4,086 billion, an increase of 20%. EPS increased more than 19% to VND 3,227. FPT Corporation has just announced its business performance report for the first 8 months of 2023. Specifically, revenue and pre-tax profit in 8 months reached VND 32,827 billion and VND 5,902 billion, respectively, an increase of 21% and 19% YoY. Firstly, the Technology sector recorded VND 19,442 billion in revenue and VND 2,740 billion in pre-tax profit, both growing about 24% YoY. Profits from the Technology segment account for about 46% of the group's pre-tax profit structure. Second, Telecommunications Services revenue grew by more than 8%, reaching VND 10,337 billion. Profit before tax increased by more than 6% to VND 2,050 billion. Third, the Education, investment and other segment continued to grow in revenue exceeding 63%, reaching VND 3,047 billion in the first 8 months of 2023, with EBT recorded at VND 1,113 billion.
- PNJ: Recently, Phu Nhuan Jewelry Joint Stock Company announced that it had received a decision from the General Department of Taxation on handling tax administrative violations with a total amount of nearly VND 13 billion. Tax inspection results showed that PNJ was fined for false declaration, leading to a lack of tax payment of nearly VND 2.1 billion (VND 442 million in 2021, fine of more than VND 1.6 billion in 2022). In addition, the amount of corporate income tax arrears payable is VND 10.1 billion (more than VND 2.1 billion in 2021, nearly VND 8 billion in 2022).
- PVS: PVS stock reached a historic peak. With prosperous business results, PVS shares continuously increased in price and reached the highest level since listing. PSI Securities believes that the Block B O Mon project will be the growth driver of PVS. The project is expected to have a final investment decision in 2023 thanks to the Prime Minister's decision to transfer the investor of the O Mon 3 and 4 Power Plant project from EVN to PVN. Accordingly, the work for PVS is worth USD 1 billion, ensuring long-term growth for the business.

Breaking News



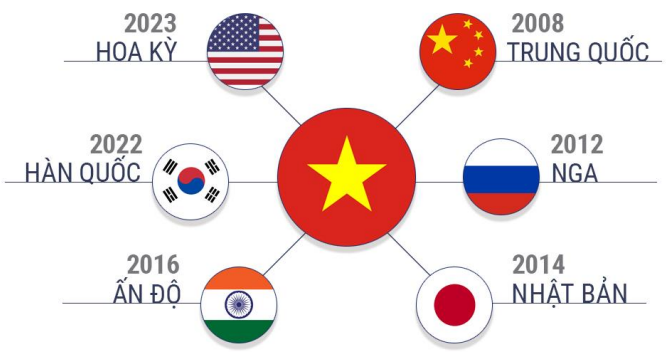
Business news

- VPB: VPBank deploys many preferential loan packages with interest rates from only 5%/year. Vietnam Prosperity Joint Stock Commercial Bank (VPBank) spent VND 13,000 billion to deploy car loan packages, production and business loans, home loans, and consumer loans with attractive interest rates from only 5%/year, Loan up to 85%, maximum loan term up to 35 years. In particular, approval time is super fast, within just 5 minutes through VPBank Race.

- DRC: Da Nang Rubber 'sticks' with three tax and customs penalty decisions. Da Nang Rubber Joint Stock Company was sanctioned three times for administrative violations of taxes and customs with the amount of more than VND 100 million. Da Nang Rubber Joint Stock Company has just sent a document to the State Securities Commission and the City Stock Exchange. Ho Chi Minh City to announce unusual information about tax and customs penalties.

- PET: In the latest announcement, Cao Truong Son personally reported selling 900 thousand PET shares of Petroleum General Services Joint Stock Company (Petrosetco) in the September 11 session. The number of shares Mr. Son holds at Petrosetco decreased from nearly 5.9 million units to nearly 5 million units, equivalent to 4.64%, no longer a major shareholder at PET. The transaction was carried out during the September 11 session. Temporarily calculated at the closing price of 30,550 VND/share, Mr. Son can earn more than VND 27 billion after the above transaction.

Highlights: America and Vietnam become a comprehensive strategic partner.



6 ĐỐI TÁC CHIẾN LƯỢC TOÀN DIỆN CỦA VIỆT NAM

Impact of Vietnam and the US becoming comprehensive strategic partners:

1. Import and export growth
2. Promote cooperation in new fields
3. Opportunities are present in the global value chain
4. Enhance the competitiveness of businesses.



GS. Janet Yellen, Bộ trưởng Tài chính Mỹ tuyên bố về chính sách friendshoring vào cuối năm 2022.

Chúng tôi tin rằng việc từ bỏ phương thức thương mại chỉ chạy theo chuỗi cung ứng rẻ nhất rất quan trọng... Hướng tiếp cận friend-shoring của chính quyền Biden nhằm mục đích kết nối sâu sắc hơn nền kinh tế của Mỹ với nhiều đối tác thương mại đáng tin cậy...[và] xây dựng chuỗi cung ứng đủ chắc chắn để giảm thiểu rủi ro cho nền kinh tế của chúng ta.

Technical view



Trend: Accumulation trend

VNINDEX index closed at 1,227.3 (+0.29%) with low liquidity compared to previous decreasing sessions. The stocks leading the market include: GAS VHM VCB, on the contrary, the decline came from VIC, CTG. Foreign investors are net sellers and self-trading companies are net buyers.

Technical: The market shown signs that the downward momentum is slowing down when a doji candlestick formed, showing that supply and demand were balancing again. This area corresponds to the old support area and MA20. The STOCH RSI indicator is still falling, showing that the upward price momentum is continue to maintain. The market will need to accumulate more. The main trend of the market is still an uptrend in the medium term and a sideways trend in the short term.

Strategy: We still maintain the buying strategy when the market tends to continue the long term trend after successfully testing the 1,220 area. However, we are inclined to the scenario where the market will continue to adjust and accumulate before rising.

Scenario:

- Positive (60%): The market will accumulate in the 1,220 area before rising again and heading to the 1,300 area.
- Less positive (40%): The market will return to the 1,200 area, and retest the MA 50 area.

Recommended stocks

18/9/2023

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	28.5	9%	-1%	28.9	18	0.00%	8/23/2023	
MBB	Hold	18.2	20.1	17.9	10%	-2%	19.15	16	5.22%	25/08/2023	
MSB	Hold	14.4	16.2	14	13%	-3%	14.8	3	2.78%	13/09/2023	
HPG	Hold	28.3	32.9	27.4	16%	-3%	27.8	3	-1.77%	13/09/2023	
NLG	Hold	38.1	43.8	36.7	15%	-4%	36.6	3	-3.94%	13/09/2023	
PTB	Hold	56.5	61.9	55.7	10%	-1%	56.8	3	0.53%	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 US inflaiton rate	14	15	16
17	18	19 FTSE Russell releases market full year rating	20 Fed meeting and announces Monetary policy & interest rates	21 Maturity of Derivatives Contracts	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

Shinhan Securities



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