MORNING CALL
19/09/2023

Shinhan Securities

“Validate the critical support zone”

- ❑ World stocks: Mixed performance
- ❑ Vietnamese stocks: Validate the critical support zone
- ❑ Business news: #QNS, #TCB, #VHM, #FPT, #PSL, #MWG
- ❑ 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 18 – 22/09/2023

Major stocks market

- In regular trading on Monday, the Dow rose 0.02%, the S&P 500 gained 0.07% and the Nasdaq Composite inched up 0.01%, with traders getting chopped around amid a central bank-heavy week. The NAHB/Wells Fargo Housing Market Index in the United States declined for a second month to 45 in September 2023, the lowest in five months, from 50 in August and below forecasts of 50. The gauge for current single-family home sales went down to 51 from 57 and the gauge for prospective buyers dropped 5 points to 30.
- European markets finished mixed as of the most recent closing prices. The FTSE 100 gained 0.50%, while the CAC 40 led the DAX lower. They fell 1.39% and 1.05% respectively. Traders maintained a cautious stance in anticipation of an action-packed week, which includes global central bank meetings and rate decisions from major economies. Meanwhile, hawkish comments by ECB officials hinted that the end of the ECB's policy tightening might take longer than initially anticipated.
- The Nikkei 225 Index fell 0.7% to below 33,300 in post-holiday trade on Tuesday, retreating from 11-week highs as investors turned cautious ahead of key central bank events this week. The Bank of Japan will announce its monetary policy decision on Friday.
- WTI crude futures rose above $91 per barrel on Monday, hovering at the highest levels in over ten months amid expectations of a widening market deficit in the fourth quarter due to extended supply cuts by Saudi Arabia and Russia, as well as hopes of a demand recovery in China

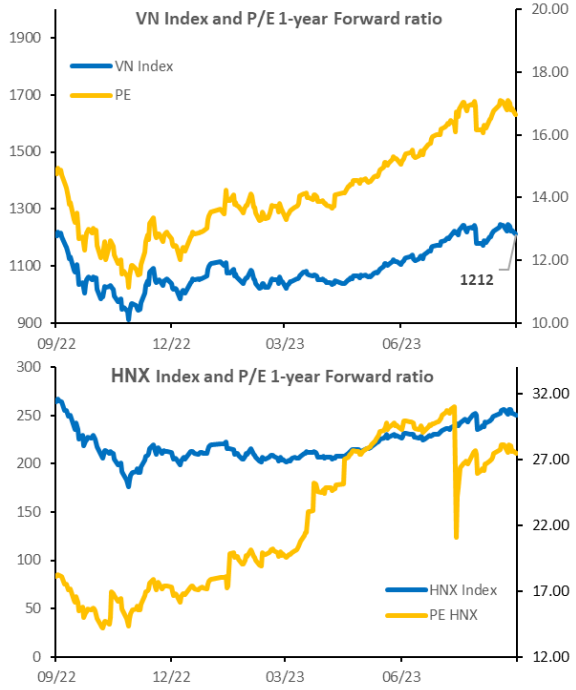
Market

	Close	%1D	%1M	%1Y
VN-Index	1,212	-1.27%	2.87%	0.53%
S&P 500 Index	4,454	0.07%	1.92%	14.20%
Dow Jones Index	34,624	0.02%	0.36%	11.62%
GP 100	7,653	-0.76%	5.38%	5.75%
Nikkei 225	33,286	-0.74%	5.83%	20.74%
SHCOMP Index	3,126	0.26%	-0.19%	0.33%
STOXX 600	457	-1.13%	1.85%	11.98%
KOSPI Index	2,569	-0.21%	2.59%	9.07%
Hang Seng	17,931	-1.39%	-0.11%	-3.42%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	105.10	-0.10%	1.67%	-4.23%
USD/VND	24,376.00	-0.53%	-2.28%	-2.91%
EUR/USD	1.07	-0.05%	-1.92%	6.61%
USD/CNY	7.29	-0.21%	-0.09%	-3.93%
Brent	94.72	0.31%	11.70%	2.96%
WTI	92.37	0.97%	13.69%	7.75%
Natural gas	2.73	0.18%	7.13%	-64.74%
Coal	160.75	0.16%	7.53%	-63.38%
Gold	1,932.41	-0.07%	1.98%	15.31%

Vietnam Market Snapshot 18/09/2023



Money flow and sector rotation (VND bn)

Sector	%1D	9/18/2023	9/15/2023	20-session Average
Media	58.33	0	0	1
Chemicals	22.35	798	652	953
Industrial Goods & Services	19.20	1,202	1,009	1,122
Automobiles & Parts	18.51	232	196	271
Financial Services	2.63	3,014	2,937	3,543
Basic Resources	-2.5	1,263	1,295	1,545
Health Care	-5.1	23	24	26
Technology	-6.4	218	233	280
Travel & Leisure	-10.7	105	118	134
Construction & Materials	-10.7	1,410	1,580	1,667
Personal & Household Goods	-12.4	121	138	166
Retail	-13.1	628	723	770
Insurance	-14.8	37	43	49
Banks	-19.5	3,405	4,230	3,459
Utilities	-20.0	214	268	252
Real Estate	-28.9	3,708	5,216	5,869
Food and Beverage	-33.0	814	1,215	1,311
Oil & Gas	-35.2	161	249	166

Source: Bloomberg, Shinhan Securities Vietnam

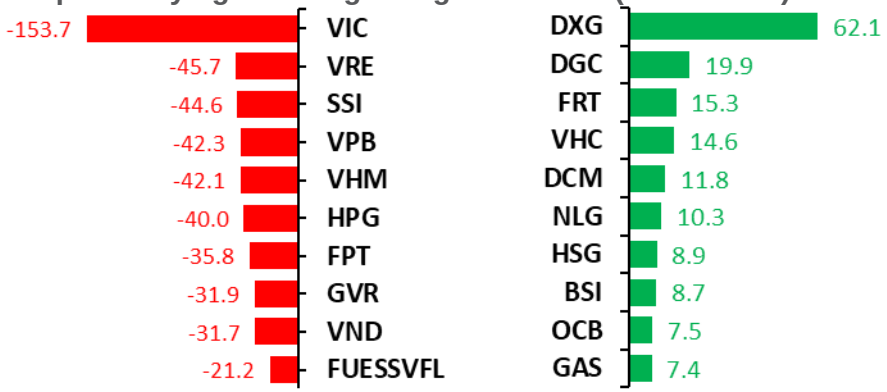
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,211.81	16.63	-15.55	-1.27	714	17,369
HNX INDEX	250.48	27.46	-2.28	-0.90	78	1,617

Vietnam Market Snapshot 18/09/2023

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	(46)	(182)	227	(45)
Basic Resources	16	(24)	6	18
Media	-	0	(0)	-
Industrial Goods & Services	(8)	3	2	(5)
Health care	-	3	(2)	(1)
Chemicals	(1)	(1)	(6)	7
Financial Services	11	(117)	82	35
Travel & Leisure	(3)	(5)	8	(4)
Banks	(104)	(96)	179	(83)
Construction & Materials	6	(11)	19	(9)
Food and Beverage	(13)	(8)	40	(32)
Retail	(18)	(2)	18	(16)
Utilities	(10)	(13)	23	(10)
Personal & Household Goods	(2)	2	(3)	1
Technology	(15)	(37)	55	(18)
Automobiles & Parts	-	2	(4)	2
Insurance	(1)	(4)	2	1
Oil & Gas	(8)	(4)	12	(8)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- "Vietnam will have more opportunities to attract FDI (Foreign Direct Investment) into the semiconductor industry." This assertion was made by Mr. Kim Huat Ooi, the CEO of Intel Products Vietnam, when sharing his thoughts with Nhadautu.vn. According to him, Vietnam, especially Ho Chi Minh City (HCMC), will have additional opportunities to attract FDI into the semiconductor investment sector after the Vietnam-US relationship has been elevated to a comprehensive strategic partnership. Intel Products Vietnam's factory in the high-tech zone in District 9, HCMC, started its operations in July 2010 and has produced more than 3.5 billion units of products to date. Mr. Kim Huat Ooi, the CEO of Intel Products Vietnam, recently had a conversation with Nhadautu.vn about chip manufacturing, investment environment, and the impact of President Joe Biden's visit on FDI inflow.
- "How will Gemadept, Viconship, and other seaport companies benefit from a 10% increase in container handling fees? Most businesses and investors in the industry are keenly interested in raising the floor price for container handling fees, which typically account for 60-70% of seaport revenue. Specifically, for most ports, the container handling floor price has been adjusted to increase by 10% compared to the old rates (in effect since 2019). However, for some major deep-water ports (capable of accommodating vessels with over 160,000 DWT), the floor price has been adjusted to increase by an additional 10% (resulting in a potential actual increase of 20% in floor prices).
- According to data from the General Department of Customs, in the first 7 months of 2023, the export value of wood and wood products reached 7.19 billion USD, a sharp decrease of 26.4% (equivalent to a reduction of 2.57 billion USD) compared to the same period last year, ranking as the 7th largest export item for Vietnam. In the past 7 months, the United States has been the largest market for Vietnamese wood and wood product exports, with 3.88 billion USD, a significant decrease of 30%, accounting for 54% of the total export value of this group of commodities for the entire country."

Business news

- QNS: Sugar prices continue to break records, and the owner of the largest sugarcane plantation in the country, known as the "soybean milk king," is expected to benefit, with their stock prices increasing by 60% over the past 10 months. Along with the overall trend of rising commodity prices, sugar prices have seen a significant surge in recent months. Currently, global sugar prices are at their highest point in 11 years, primarily due to a reduction in sugar production by major sugar-producing and exporting nations such as India, Thailand, and Pakistan, influenced by adverse weather conditions. This has raised concerns about a scarce supply source and put additional pressure on global food security.
- TCB: Decoding the "invaluable asset" that builds the Techcombank brand. What motivates tens of thousands of Techcombank employees to eagerly go to work every day? Perhaps it's the opportunity for continuous learning, the drive to constantly improve and overcome personal barriers to achieve their goals. Importantly, they always feel like they belong to a community with a professional, cohesive, and successful cultural foundation. What Techcombank has accumulated during its 30-year development journey, as it aims for a superior future, is the result of building a culture of professionalism and effectiveness within the organization, making strong investments in the journey of digital transformation and continuous data focus, along with a strong emphasis on exceptional human talent and personnel.
- VHM: Recently, Vietnam Investment Group Corporation has registered to purchase over 16 million VHM shares of Vinhomes (stock code: VHM). Currently, the company does not own any VHM shares. The transaction is expected to take place from September 21st to October 20th through either matching orders or agreements. The number of shares that this company has registered to purchase is equivalent to 0.37% of Vinhomes' capital.

Breaking News



Business news

- FPT: FPT has just announced a stock transaction by its Board Member, Mr. Do Cao Bao. According to the announcement, Mr. Bao has registered to sell 2.25 million FPT shares for personal reasons. The transaction period is expected to run from September 21st to October 20th, 2023, through negotiated agreements and matched orders. If the transaction is successful, Mr. Bao will reduce his ownership stake in FPT from 1.13% to 0.95%, which is equivalent to more than 12.05 million shares. It is estimated that Mr. Bao will earn 22.5 billion VND from this sale.

- PSL: In the first nine months of 2023, PSL estimates its total revenue to be 102 billion VND, with pre-tax and after-tax profits of 3.8 billion VND and 3.05 billion VND, respectively. The estimated consumption of breeding pigs is 114 tons, while the consumption of pork is recorded at 1,597 tons. The company expects to contribute around 1.2 billion VND to the state budget. For the whole year of 2023, the company anticipates a consumption of 130 tons of breeding pigs and 2,085 tons of pork, with estimated total revenue of 137 billion VND, pre-tax and after-tax profits of 9.8 billion VND and 8.1 billion VND, respectively. The projected contribution to the state budget is expected to be over 2.5 billion VND. In the fourth quarter of 2023, PSL will continue its livestock operations and ensure livestock safety at the Xuân Bắc, Trị An, and Xuân Thành pig farms.

- MWG: After more than 8 months since the opening of 5 Erablue electronics stores – a joint venture between Thế Giới Di Động and Erafone, a subsidiary of Erajaya Group, each store in this chain has nearly doubled its revenue growth from 3.5 billion VND to 6 billion VND per month. The revenue generated by each Erablue store, with an area ranging from 250 to 400 square meters, is now equivalent to the revenue of a well-established Điện Máy Xanh electronics supermarket in Vietnam.

Technical view



Trend: Short term correction

The VNINDEX closed at 1,211.8, down 1.27%, with continued decreasing trading volume. The most significant contributors to today's sharp decline were VHM, VCB, and BID. On the flip side, VHC and VND made slight contributions to the increase. Proprietary trading returned with strong net buying after two consecutive net selling sessions, while foreign investors continued to be net sellers. Most industry sectors experienced significant declines, particularly in the banking and petroleum sectors.

Technical view: The market dropped more than 15 points, touching the MA 50 support level at 1,205 before closing at 1,211. This MA 50 zone also corresponds to the relatively strong Fibo levels of 0.5 to 0.618. It's likely that the market will continue to test this MA 50 zone multiple times. If the MA 50 is broken, the market may head down to the previous support level at 1,180. The STOCH RSI indicator continues to move lower but hasn't reached a historical low, indicating that there is still room for adjustment in the market. If positive sentiment returns, the market may consolidate around this 1,211 level this week and potentially resume its upward trend next week.

Strategy: Maintain an observation strategy as the market has not shown a clear upward direction from its current base.

Scenario:

- Positive (50%): The market is expected to consolidate around the 1,200 level before resuming its upward trend and aiming for the 1,300 zone.
- Less positive (50%): The market may retreat to the 1,180 level..

Recommended stocks

19/9/2023

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
MBB	Hold	18.2	20.1	17.9	10%	-2%	19.15	17	5.22%	25/08/2023	
MSB	Hold	14.4	16.2	14	13%	-3%	14.5	4	0.69%	13/09/2023	
HPG	Hold	28.3	32.9	27.4	16%	-3%	27.6	4	-2.47%	13/09/2023	
NLG	Hold	38.1	43.8	36.7	15%	-4%	36.95	4	-3.02%	13/09/2023	
PTB	Hold	56.5	61.9	55.7	10%	-1%	56.9	4	0.71%	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

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Q&A

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