MORNING CALL
21/09/2023

Shinhan Securities

"Recovery"

- ❑ World stocks: The Fed pauses interest rate hikes
- ❑ Vietnamese stocks: Recovery
- ❑ Business news: #QNS, #NVL, #DAG, #VBB, #HHV, #MWG
- ❑ Technical perspective and updated recommendations #BFC, #ACB
- ❑ 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

Shinhan Securities

Major stocks market

- In regular trading on Wednesday, the Dow lost 0.22%, the S&P 500 fell 0.94% and the Nasdaq Composite tumbled 1.53% after the Federal Reserve kept interest rates unchanged as largely expected, but signaled another rate increase before the end of the year. Accordingly, FOMC members expect the US GDP to grow by 2.1% this year and 1.5% next year, compared to June's respective 1% and 1.1%, while the unemployment rate for 2024 was revised lower to 4.1% in 2024 and 2025.
- European markets finished higher today with shares in London leading the region. The FTSE 100 is up 0.93% while Germany's DAX is up 0.75% and France's CAC 40 is up 0.67%.
- The Nikkei 225 Index fell 0.66% to close at 33,024 while the broader Topix Index dropped 1% to 2,406 on Wednesday, extending losses from the previous session and tracking Wall Street lower as investors geared up for the US Federal Reserve's interest rate decision. The Bank of Japan will also announce its monetary policy decision on Friday, where investors will focus on clues about a possible end to ultra-loose monetary settings.
- WTI crude futures reversed losses to trade above $90.5 per barrel on Wednesday, hovering close to over ten-month highs after the EIA report showed that US crude inventories fell by 2.135 million barrels last week, broadly in line with market expectations of a 2.2 million draw.

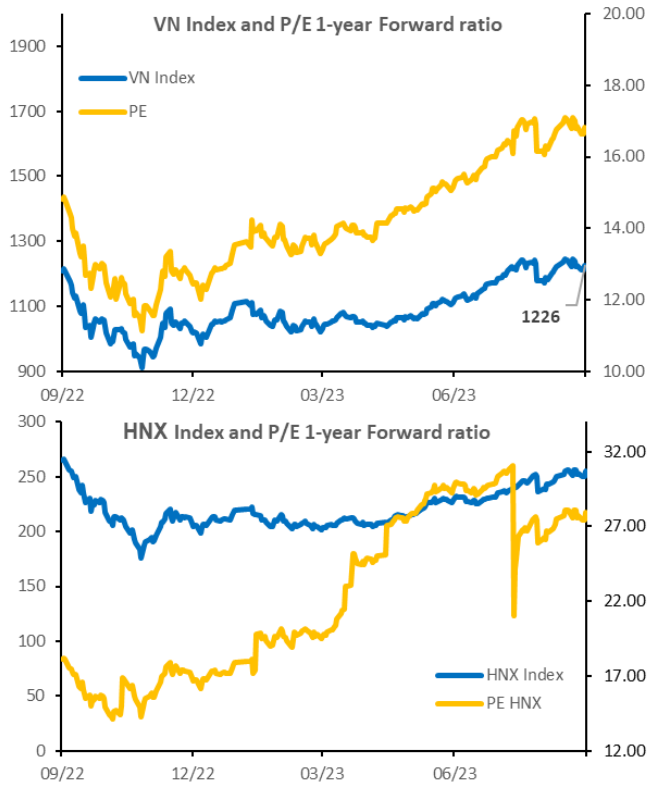
Market

	Close	%1D	%1M	%1Y
VN-Index	1,226	1.21%	3.93%	1.29%
S&P 500 Index	4,402	-0.94%	0.06%	16.16%
Dow Jones Index	34,441	-0.22%	-0.07%	14.10%
GP 100	7,732	0.93%	6.53%	6.83%
Nikkei 225	32,912	-0.34%	4.26%	20.50%
SHCOMP Index	3,109	-0.52%	0.50%	-0.28%
STOXX 600	461	0.91%	2.67%	13.17%
KOSPI Index	2,532	-1.06%	0.94%	7.89%
Hang Seng	17,886	-0.62%	1.49%	-3.03%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	105.53	0.19%	2.16%	-4.62%
USD/VND	24,290.00	0.21%	-1.95%	-2.56%
EUR/USD	1.06	-0.25%	-2.40%	8.10%
USD/CNY	7.29	0.15%	-0.04%	-3.68%
Brent	93.12	-0.44%	10.25%	3.66%
WTI	89.20	-0.51%	10.51%	7.55%
Natural gas	2.74	0.26%	4.10%	-64.78%
Coal	160.75	0.00%	7.53%	-63.57%
Gold	1,925.28	-0.26%	1.60%	15.02%

Vietnam Market Snapshot 20/09/2023



Money flow and sector rotation (VND bn)

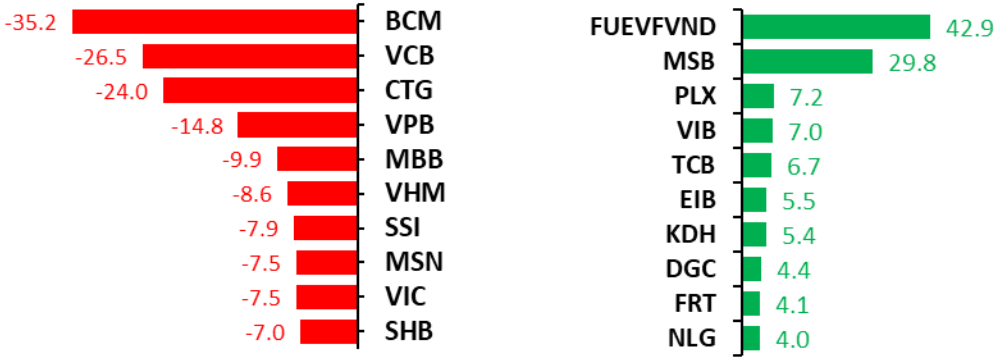
Sector	%1D	9/20/2023	9/19/2023	20-session Average
Media	72.22	1	0	1
Personal & Household Goods	63.02	194	119	161
Food and Beverage	55.91	1,399	897	1,254
Automobiles & Parts	18.09	229	194	259
Financial Services	10.92	3,143	2,833	3,434
Health Care	3.17	15	14	23
Travel & Leisure	0.66	113	113	127
Oil & Gas	-2.8	126	130	157
Industrial Goods & Services	-5.8	1,216	1,291	1,137
Real Estate	-7.5	4,235	4,578	5,566
Retail	-7.6	721	780	754
Chemicals	-7.8	920	998	922
Basic Resources	-13.3	1,281	1,478	1,488
Utilities	-23.2	155	202	234
Technology	-28.5	259	362	278
Banks	-30.3	2,695	3,866	3,276
Construction & Materials	-41.4	1,209	2,064	1,630
Insurance	-73.9	23	88	46

Source: Bloomberg, Shinhan Securities Vietnam

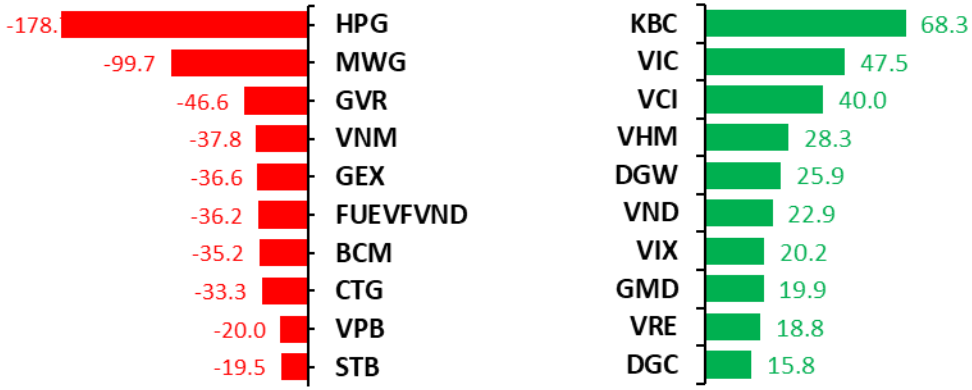
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,226.11	16.83	14.61	1.21	721	17,944
HNX INDEX	254.82	27.93	4.60	1.84	92	1,692

Vietnam Market Snapshot 20/09/2023

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	(45)	155	(196)	41
Basic Resources	(6)	(192)	163	28
Media	-	0	(0)	0
Industrial Goods & Services	(5)	(17)	8	10
Health care	-	1	(2)	1
Chemicals	3	(44)	60	(16)
Financial Services	30	76	(255)	179
Travel & Leisure	(5)	(1)	(72)	74
Banks	(62)	(77)	502	(425)
Construction & Materials	5	11	(46)	35
Food and Beverage	(8)	(57)	103	(47)
Retail	(1)	(73)	85	(11)
Utilities	(3)	(4)	(5)	9
Personal & Household Goods	(3)	(3)	6	(3)
Technology	(6)	(7)	20	(13)
Automobiles & Parts	(0)	4	(26)	22
Insurance	(0)	3	(2)	(0)
Oil & Gas	7	2	1	(3)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- The world is facing an unprecedented level of debt. Global debt, including government debt, corporate debt, and household debt, has increased by an additional 10 trillion USD in the first six months of the year, reaching a total of 307 trillion USD, according to the global debt monitor report published by IIF on September 19th. The previous peak of global debt was set at the beginning of 2022, before central banks aggressively raised interest rates to combat inflation.

- The tax sector is intensifying audits and inspections in high-risk areas towards the end of the year. The Tax Department reports that as of August 30, 2023, the entire sector has conducted 38,866 inspections and audits at businesses, examining 393,280 tax declaration files at tax offices. The total recommended amount for handling through audits and inspections is 39.748 trillion VND, which is 102.89% of the same period in 2022. This includes an increase in taxes collected through audits and inspections amounting to 10.348 trillion VND, a reduction in deductions of 1.194 trillion VND, and a reduction in losses of 28.205 trillion VND. The total amount of taxes paid into the budget is 7.189 trillion VND, equivalent to 69.47% of the increase through audits and inspections.

- For the first time in history, the US public debt has exceeded 33 trillion USD, and the US government faces the risk of another shutdown. The national debt of the United States crossed the 33 trillion USD mark for the first time on September 18th. Once again, this highlights the turbulent path of the country's finances, precisely at a time when Washington is confronted with the possibility of a government shutdown in September due to another budget battle between the Democratic and Republican parties.

Business news

- QNS: QNS reported a 74% increase in profit over the first 8 months, nearly matching the entire previous year, with its stock price rising 45% since the beginning of the year. However, the pre-tax profit for July and August was 30% lower compared to the monthly results in the second quarter of 2023. According to a recent report by SSI Research, Quang Ngai Sugar Joint Stock Company (stock code: QNS) disclosed that in the cumulative 8 months of the year, its net revenue reached 7.2 trillion VND, and pre-tax profit reached 1.5 trillion VND, marking a 26% and 74% increase, respectively, compared to the same period last year. With these results, the company has achieved 87% of its revenue target and exceeded the profit plan for the entire year by 25%. The profit for the first 8 months of this company is also nearly equal to the entire year of 2022.

- NVL: two overdue bonds worth 2 trillion VND from Novaland were accepted as partial payment in the form of real estate. Facing a shortage of cash and sluggish real estate transactions, NVL continuously had to use assets from its projects to pay bond interest. Nova Corporation (Novaland, NVL) has just announced the payment of two bond tranches worth 25.4 billion VND in the form of real estate. Specific information about the real estate was not disclosed by NVL.

- DAG: DAG (Dong A Plastic), the company reported an additional loss of 42 billion VND in the first half of 2023 after a review. The post-tax loss for the first half of 2023 increased to nearly 166 billion VND. Dong A Plastic Group Joint Stock Company (stock code: DAG) has released its consolidated financial report for the mid-year of 2023. Notably, compared to the standalone financial report, Dong A Plastic incurred an additional net loss of nearly 42 billion VND, raising the total loss to approximately 166 billion VND after the review. The main reason for this was a 4% increase in the cost of goods sold to nearly 977 billion VND, causing DAG to shift from a gross profit of 20 billion VND to a gross loss of about 18 billion VND after auditing.

Breaking News



Business news

- VBB: In order to enhance support and meet the additional capital needs of individual customers for various purposes such as daily life and business, Vietbank has recently launched several combo packages of financial products and services with favorable interest rates starting at just 6.3% per year. These combo packages are designed to be diverse and suitable for the specific usage needs of customers. Depending on the amount and loan term of each combo package, customers can enjoy preferential interest rates starting at 6.3% per year, with a fixed period of preferential interest rates of up to 24 months and a maximum loan amount of 100% of the capital utilization plan. The loan application process is flexible, and disbursement is done quickly.

- HHV: The Transport Infrastructure Investment Corporation (Stock code: HHV) plans to use the funds raised from the issuance of 82 million shares for various investment projects, as well as to supplement capital for its production and construction activities. HHV intends to offer these shares at a price of 10,000 VND per share, with a issuance ratio of 25%. The estimated total proceeds from this issuance, which amount to over 820 billion VND, will be used for investment capital and to bolster the company's production and business activities.

- MWG: The longest-lasting "room to buy" situation in many years at Mobile World Group (MWG): Despite having a surplus of millions of shares, foreign investors are no longer competing to buy. In contrast to the situation where they had to buy at a significant premium not long ago, MWG shares are currently experiencing the longest-lasting "room to buy" scenario by foreign investors in many years.

Technical view



Trend: Recovery

The VNINDEX closed at 1,226.1, up by 1.21%, with trading volume still at a low level. The strongest contributors to the day's gains were VIC, VHN, and GVR, while GAS and VNM contributed to the market's decline. Almost all industry sectors saw gains, with the real estate and financial services sectors performing the best. Foreign investors continued to sell off slightly, while domestic investors made mild net purchases.

Technical Analysis: The market saw an upward move as it found support at the 50-day moving average (MA 50) around 1,210 and closed near the 10-day moving average (MA 10). The STOCH RSI indicator shows signs of slowing down the decline, indicating that the upward momentum is returning. The bullish trend will become more positive and clear when this indicator crosses the signal line. The market is expected to trade in a narrower range, with current support at 1,210 and resistance at 1,250. The expectation is that the market will consolidate well enough to break through the 1,250 level and target 1,300.

Strategy: Investors should consider buying when stocks rebound from the support of the MA 10 or MA 50, with strong participation in trading volume.

Scenario:

- Positive (50%): The market is expected to consolidate around the 1,220 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

21/9/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
BFC	Buy	20	22	19.3	10%	-3%	20.2	Increase from the base
ACB	Buy	22.4	24.5	22	9%	-2%	22.45	Increase from the base

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%	19.2	19	5.49%	25/08/2023	
MSB	Hold	14.4	16.2	14	13%	-3%	15.1	6	4.86%	13/09/2023	
HPG	Hold	28.3	32.9	27.4	16%	-3%	28.4	6	0.35%	13/09/2023	
NLG	Hold	38.1	43.8	36.7	15%	-4%	38.35	6	0.66%	13/09/2023	
PTB	Hold	56.5	61.9	55.7	10%	-1%	58.3	6	3.19%	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



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