MORNING CALL
27/09/2023

"The trend of reduction continues, making the market attractive for long-term"

- World stocks: The market dropped simultaneously
- Vietnamese stocks: The trend of reduction continues, making the market attractive for long-term
- Business news #DHC, #PDR, #HPG, #HTN, #NVL, #VHC
- Technical perspective and updated recommendations
- Event calendar
- Q&A

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Global Market Review – Week 25 – 29/09/2023

Major stocks market

- In regular trading on Tuesday, the Dow fell 1.14%, the S&P 500 dropped 1.47% and the Nasdaq Composite tumbled 1.57%, with all 11 S&P sectors finishing lower led to the downside by utilities, consumer discretionary and real estate. Those losses came after latest data on consumer confidence and new home sales showed the US economy may be finally coming under stress. Investors also fretted about the prospect that interest rates will remain elevated for an extended period.
- European stock indexes extended their losses on Tuesday, with Frankfurt's DAX 40 dropping by 0.9% to reach a new six-month low of 15,270 points and the pan-European STOXX 600 falling to an over 11-week low of 448 points.
- The Nikkei 225 Index dropped 1.1% to below 32,000 while the broader Topix Index tumbled 0.9% to 2,350 on Wednesday, hitting their lowest levels in a month. The Shanghai Composite fell 0.43% to close at 3,102 while the Shenzhen Component dropped 0.6% to 10,060 on Tuesday, extending losses from the previous session as investors cautiously awaited Chinese manufacturing figures this week to gauge the health of the world's second-largest economy.
- WTI crude futures rebounded to $90.7 per barrel, hovering at their highest level since November as the anticipation of larger market deficits in the fourth quarter, outweighed concerns about the possibility of an economic recession.

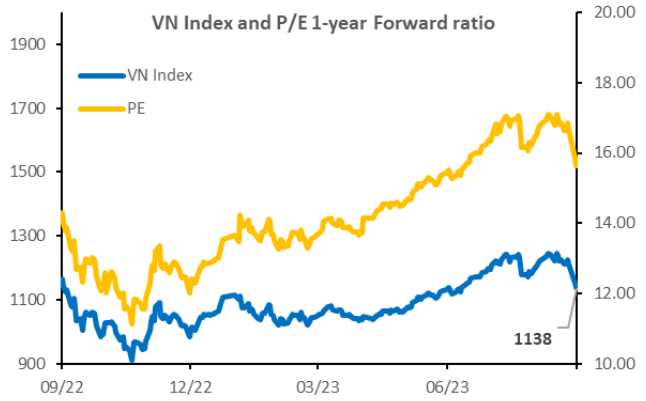
Market

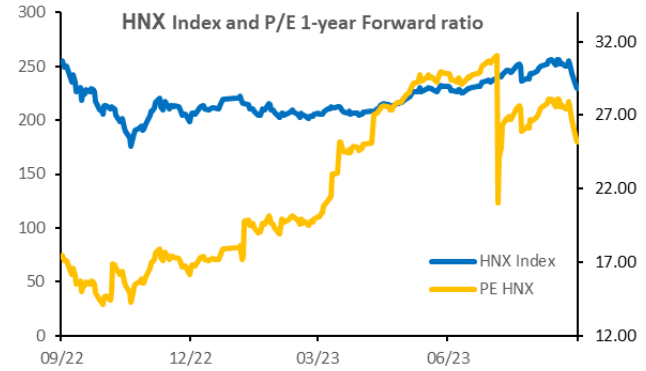
	Close	%1D	%1M	%1Y
VN-Index	1,138	-1.32%	-3.84%	-2.45%
S&P 500 Index	4,274	-1.47%	-3.00%	17.17%
Dow Jones Index	33,619	-1.14%	-2.12%	15.39%
GP 100	7,626	0.02%	3.91%	9.18%
Nikkei 225	31,990	-1.01%	1.16%	20.39%
SHCOMP Index	3,102	-0.43%	1.25%	0.27%
STOXX 600	448	-0.61%	-0.82%	15.32%
KOSPI Index	2,453	-0.42%	-2.64%	10.28%
Hang Seng	17,467	-1.48%	-2.73%	-2.20%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.27	0.03%	2.10%	-6.87%
USD/VND	24,390.00	-0.02%	-1.59%	-2.68%
EUR/USD	1.06	-0.12%	-2.40%	10.06%
USD/CNY	7.31	0.01%	-0.31%	-2.38%
Brent	94.27	0.33%	11.59%	9.27%
WTI	90.68	0.32%	13.59%	15.52%
Natural gas	2.64	-0.45%	4.09%	-60.25%
Coal	160.35	0.22%	7.33%	-63.39%
Gold	1,900.26	-0.02%	-1.04%	16.66%

Vietnam Market Snapshot 25/09/2023





Money flow and sector rotation (VND bn)

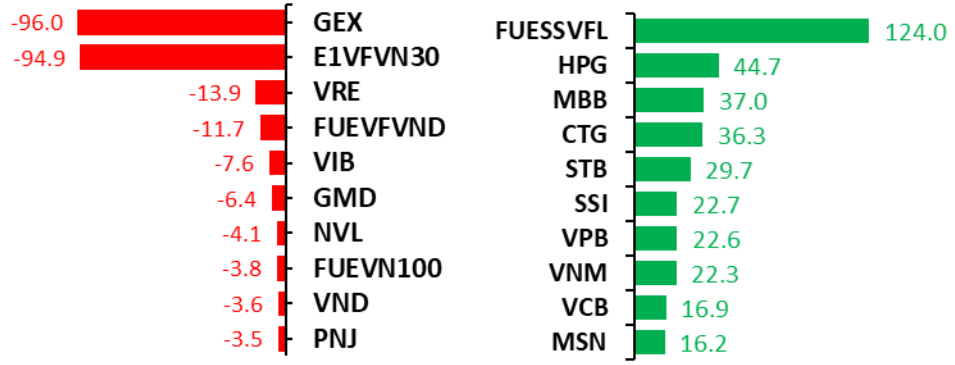
Sector	%1D	9/26/2023	9/25/2023	20-session Average
Health Care	58.99	26	17	24
Insurance	29.34	57	44	47
Personal & Household Goods	17.20	204	174	181
Travel & Leisure	13.29	166	147	133
Financial Services	2.85	4,278	4,159	3,751
Technology	-2.8	215	222	294
Chemicals	-3.5	1,056	1,095	992
Retail	-4.1	727	758	794
Utilities	-5.8	208	221	234
Food and Beverage	-6.0	1,303	1,385	1,321
Oil & Gas	-7.6	125	135	169
Real Estate	-10.8	4,098	4,597	5,497
Media	-12.1	1	1	1
Basic Resources	-12.4	1,615	1,843	1,722
Banks	-14.7	2,856	3,348	3,434
Construction & Materials	-14.9	1,342	1,578	1,722
Automobiles & Parts	-16.6	289	347	280
Industrial Goods & Services	-16.7	1,191	1,429	1,307

Source: Bloomberg, Shinhan Securities Vietnam

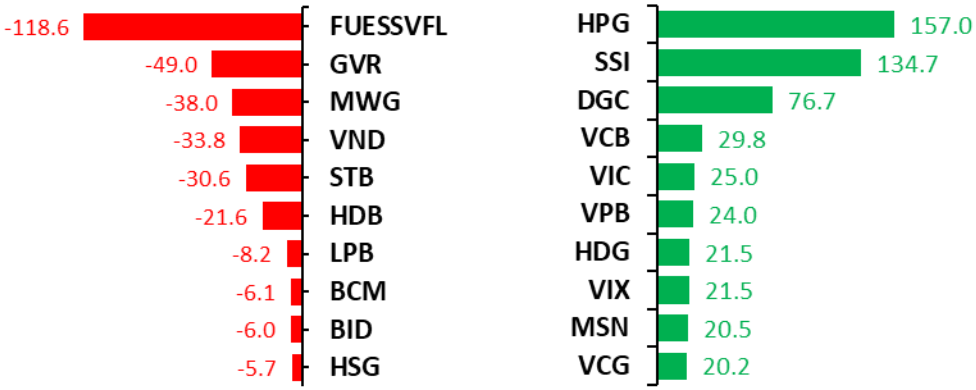
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,137.96	15.63	-15.24	-1.32	752	16,835
HNX INDEX	229.75	25.18	-1.75	-0.76	80	1,450

Vietnam Market Snapshot 25/09/2023

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	5	128	(203)	75
Basic Resources	45	165	(171)	5
Media	-	(0)	0	-
Industrial Goods & Services	(101)	47	111	(158)
Health care	(0)	2	10	(12)
Chemicals	11	51	7	(58)
Financial Services	32	86	(196)	110
Travel & Leisure	11	1	44	(45)
Banks	191	31	(198)	167
Construction & Materials	(2)	111	(129)	18
Food and Beverage	45	37	(78)	41
Retail	18	(23)	(73)	95
Utilities	7	1	(16)	15
Personal & Household Goods	(3)	(4)	(12)	16
Technology	8	1	(33)	33
Automobiles & Parts	(1)	5	(5)	0
Insurance	(2)	10	(7)	(3)
Oil & Gas	7	1	(14)	12

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- The State Bank of Vietnam (SBV) has recently announced the results of an open market auction held on September 26th. Out of the 11 participating members, 9 were successful bidders, with a total volume of 20,000 billion VND and an interest rate of 0.58%. In the past four trading sessions, the SBV has withdrawn nearly 50,000 billion VND from the banking system through the issuance of treasury bills. However, it's essential to note that the issuance of short-term bills is a liquidity-absorbing operation at the current time and will be injected back into the system upon maturity. With a 28-day maturity, the funds withdrawn by the SBV are expected to be reintroduced into the market in mid-October. According to analysts, the SBV's treasury bill issuance can be seen as a means to adjust short-term liquidity conditions in the system and is a common practice by central banks, which does not necessarily signify a significant change in monetary policy. Experts believe that the SBV's goal is to reduce short-term exchange rate speculation pressure by absorbing liquidity.

- The Vietnam Stock Exchange (VNX) has been officially admitted as a full member of the World Federation of Exchanges (WFE). This is a significant step in VNX's integration process, and subsidiary exchanges like HOSE and HNX are expected to receive similar benefits as full members.

- According to information from the Civil Aviation Authority of Vietnam, in the first nine months of 2023, airports across the country welcomed 89 million passengers, representing a 20% increase compared to the same period last year. Among these figures, international passenger traffic surged by 266.8%, reaching 23.7 million passengers, while domestic passengers decreased by 3.6% to 65.2 million passengers.

Business news

- DHC: According to data from the Vietnam Pulp and Paper Association (VPPA), the consumption of paper packaging in Vietnam in the first 6 months of 2023 reached 2.89 million tons, a 14.8% increase compared to the same period in 2022. This indicates that the demand for paper packaging in Vietnam is recovering positively after a prolonged period of weakness under the impact of the COVID-19 pandemic. The third quarter profit of Dong Hai Ben Tre in 2023 is expected to significantly improve compared to the first half of the year, as the company has stockpiled recycled paper raw materials for 2 to 3 months at low prices. Meanwhile, the selling prices of output products are expected to increase due to the recovering demand.

- PDR: Phat Dat (PDR) has recently completed the repurchase of the entire 135 billion VND outstanding bonds of the PDRH2123006 bond series (with a total value of 270 billion VND), helping this real estate company significantly reduce its outstanding bond debt. As of the end of September 2023, Phat Dat still has bond debts of over 1,000 billion VND, including nearly 900 billion VND in bonds that will mature in December 2023. The remaining approximately 150 billion VND in bonds of this real estate company will mature at the end of March 2024.

- HPG: The Hoa Phat Dung Quat 2 integrated steel production project with a capacity of 5.6 million tons per year has achieved about 35% progress and is expected to commence production in the first quarter of 2025. Hoa Phat will take approximately 3 years to fully operate the capacity of Dung Quat 2, thereby increasing the crude steel production capacity of this manufacturer to over 14 million tons per year.

Breaking News



Business news

- **HTN:** Hung Thinh Investment Corporation announced on September 26th that it has submitted a registration to sell more than 5.8 million HTN shares of Hung Thinh Incons Corporation for the purpose of restructuring its investment portfolio. The transaction is scheduled to take place from September 29th to October 28th through a negotiated method. Currently, Hung Thinh Investment holds over 18.3 million HTN shares, representing a 20.59% ownership stake. Upon completion of the transaction, this shareholder will reduce its ownership stake in Hung Thinh Incons to 14.03% (12.5 million shares).
- **NVL:** No Va Real Estate Group Corporation has announced the results of its early bond repurchase. Novaland spent 2,252 billion VND to repurchase part of the outstanding bonds from the NVLH2232001 series and 94 billion VND to repurchase part of the NVLH2232002 series. Therefore, after the early repurchase, the outstanding value of the NVLH2232001 bond series decreased to 3,291 billion VND, and the NVLH2232002 series decreased to 137 billion VND.
- **VHC:** Data indicates that the export activity of tra fish to the U.S. market by Vinh Hoan Corporation in the first two months of the third quarter of 2023 has not shown a definite recovery. Vinh Hoan is currently the largest tra fish exporter in Vietnam, dominating the market share in the U.S., Canada, and the U.K. Specifically, the quantity of tra fish exported to the U.S. by Vinh Hoan in July 2023 was 5,750 tons (a decrease of 8.7% compared to June 2023), and in August 2023, it was 6,200 tons (an increase of 8% compared to July 2023). Regarding prices, the export price of tra fish in July 2023 was 3.13 USD/kg (a 10.5% decrease compared to June 2023), and in August 2023, it was 3.1 USD/kg (a 1% decrease compared to July 2023). However, the export activity of tra fish by Vinh Hoan to the U.S. is expected to recover in the fourth quarter of 2023 and extend into 2024 as inventory levels in the U.S. have significantly reduced, and demand is gradually recovering.

Technical view



Trend: Short-term down trend

- VNINDEX closed 1,137 (-1.32%) with liquidity at the 20-session average. The market suddenly reversed and decreased at the end of the session, showing that the short-term downtrend is prevailing. The positive point of the market lies in the fact that foreign investors continued to buy net with VND 651 billion, focusing on HPG, SSI, and DGC.
- **Technical**: The market closed at the lowest level showing that selling pressure is still strong. The MACD indicator continues to move away from the signal line and cuts to the 0 point threshold, showing that the expected downtrend continues to be maintained. However, in the long term, the market is trading at the lower edge of the price channel, showing an attractive buying zone for the long-term trend. The RSI index is also at the oversold level, the lowest level compared to the old bottoms that have formed during the year, showing an attractive price range at the present time.
- **Strategy**: Investors can conduct exploratory disbursement when the market is at a fairly attractive price range. Avoid panicking when the market has strong drops.

Scenario:

- Positive (60%): The market continues to accumulate in the 1,140-1,150 area and creates an upward bottom.
- Negative (40%): The market breached 1,120 and returned to 1,100.

Recommended stocks

27/9/2023

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%	18.25	23	0.27%	25/08/2023	
PTB	Hold	56.5	61.9	55.7	10%	-1%	58.9	10	4.25%	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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