MORNING CALL
05/10/2023

“Recovering after a sharp decline”

- ❑ World stock: Consensus recovery
- ❑ Vietnam stocks: Recovering after a sharp decline
- ❑ Business news: #BSR, #FRT, #VGC, #POW, #NLG, #NVL
- ❑ Technical perspective and updated recommendations #VHC, #PVS
- ❑ Event calendar
- ❑ Q&A

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Catching the latest report



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Global Market Review 02/10 - 06/10/2023

Major stocks market

- In regular trading on Wednesday, the Dow rose 0.39%, the S&P 500 jumped 0.81% and the Nasdaq Composite rallied 1.35% Those gains came as Treasury yields retreated from recent highs after ADP data showed that private job growth totaled 89,000 in September, well below the 153,000 expected by analysts. Investors now look ahead to weekly jobless claims data on Thursday and September's nonfarm payrolls report on Friday
- European markets finished mixed as of the most recent closing prices. The DAX gained 0.10%, while London's FTSE 100 was off 0.77%. Shares in France were unchanged with the CAC 40 at 6,996.73.
- The Nikkei 225 Index rose 0.7% to above 30,700 while the broader Topix Index gained 0.5% to 2,230 on Thursday, snapping a five-day decline and taking cues from a positive lead on Wall Street as softer-than-expected US jobs data drove bond yields lower, giving equities a much needed reprieve. The benchmark 10-year US yield fell below 4.8%, retreating from its highest levels since 2007
- WTI crude futures extended losses, falling below $85 per barrel on Wednesday, touching the lowest level since September 1st after the EIA latest report indicated weakening demand for gasoline and following the news that Russia may lift its diesel ban in coming days

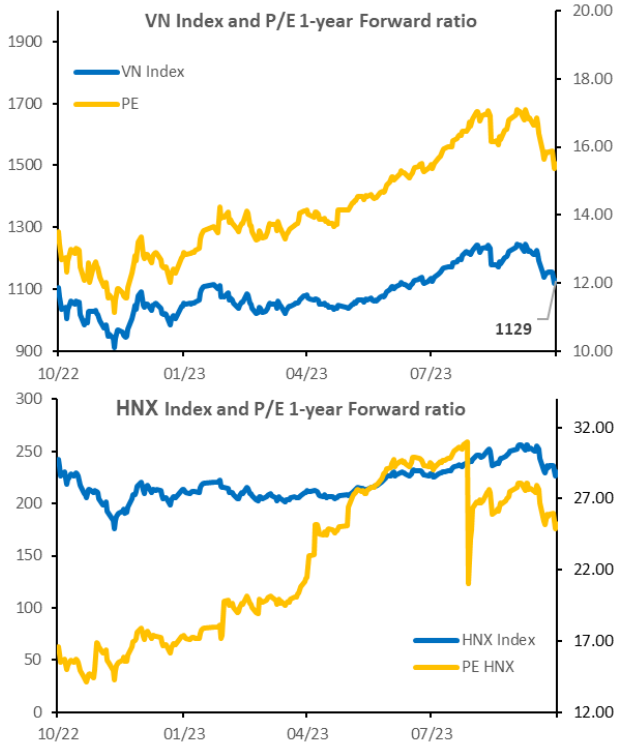
Market

	Close	%1D	%1M	%1Y
VN-Index	1,129	0.95%	-8.61%	2.21%
S&P 500 Index	4,264	0.81%	-5.18%	12.70%
Dow Jones Index	33,130	0.39%	-4.37%	9.43%
GP 100	7,412	-0.77%	-0.34%	5.10%
Nikkei 225	30,719	0.63%	-7.02%	13.27%
SHCOMP Index	3,110	0.10%	-0.81%	2.28%
STOXX 600	440	-0.14%	-3.68%	10.32%
KOSPI Index	2,414	0.34%	-6.52%	8.96%
Hang Seng	17,196	-0.78%	-6.83%	-4.93%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.62	-0.17%	1.73%	-4.13%
USD/VND	24,395.00	0.05%	-1.32%	-2.14%
EUR/USD	1.05	0.18%	-1.86%	6.47%
USD/CNY	7.30	0.19%	-0.12%	-1.34%
Brent	86.08	0.31%	-4.40%	-7.81%
WTI	84.45	0.27%	-2.58%	-3.77%
Natural gas	2.99	0.81%	15.65%	-56.91%
Coal	144.65	-3.34%	-7.60%	-64.20%
Gold	1,826.42	0.28%	-5.18%	6.42%

Vietnam Market Snapshot 04/10/2023



Money flow and sector rotation (VND bn)

Sector	%1D	10/4/2023	10/3/2023	20-session Average
Chemicals	36.22	1,380	1,013	974
Oil & Gas	-5.6	119	126	166
Technology	-15.9	167	198	290
Financial Services	-18.4	3,298	4,043	3,617
Travel & Leisure	-19.0	106	130	143
Utilities	-25.0	165	220	227
Personal & Household Goods	-26.6	99	135	164
Real Estate	-29.4	2,706	3,833	4,658
Industrial Goods & Services	-33.0	933	1,393	1,307
Construction & Materials	-35.1	926	1,428	1,556
Food and Beverage	-37.5	706	1,129	1,190
Automobiles & Parts	-38.1	129	208	242
Banks	-40.8	1,805	3,047	3,187
Retail	-41.7	503	862	748
Basic Resources	-42.5	1,031	1,793	1,607
Media	-46.1	2	4	1
Insurance	-47.2	20	37	40
Health Care	-53.8	12	26	22

Source: Bloomberg, Shinhan Securities Vietnam

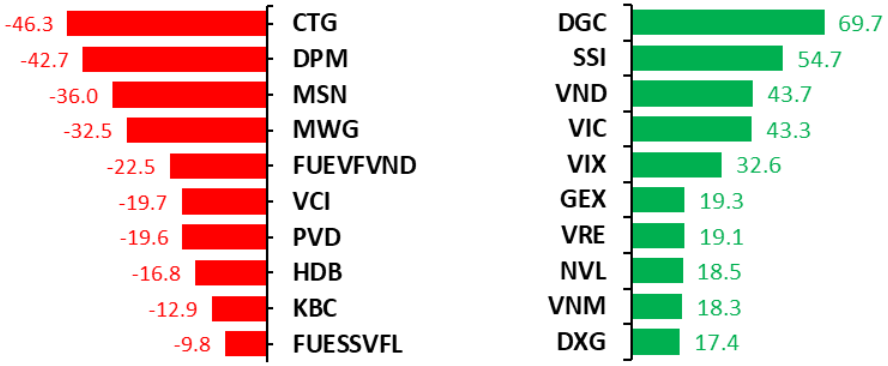
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,128.67	15.36	10.57	0.95	606	13,902
HNX INDEX	230.20	25.26	3.52	1.55	92	1,737

Vietnam Market Snapshot 04/10/2023

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	63	108	(152)	44
Basic Resources	(21)	17	28	(45)
Media	-	0	(0)	0
Industrial Goods & Services	(36)	37	(13)	(25)
Health care	-	(0)	(0)	1
Chemicals	(12)	44	52	(96)
Financial Services	51	114	(151)	37
Travel & Leisure	(5)	1	6	(7)
Banks	(27)	(72)	146	(74)
Construction & Materials	5	11	(13)	3
Food and Beverage	(17)	(20)	45	(25)
Retail	(8)	(33)	31	2
Utilities	(12)	(24)	58	(34)
Personal & Household Goods	(4)	(1)	9	(8)
Technology	8	13	20	(33)
Automobiles & Parts	3	6	(9)	3
Insurance	2	6	(5)	(1)
Oil & Gas	(5)	(15)	22	(7)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- At the end of 9 months, the country exported 6.6 million tons of rice, reaching a turnover of nearly 3.7 billion USD, the highest figure ever. It is expected that in 2023, exports will set a record of over 8 million tons, with a turnover of about 4.5 billion USD. In August 2023, rice exports reached 950,000 tons with a value of 553 million USD. In September, Vietnam continued to export more than 800,000 tons of rice with a value of about 490,000 USD. Vietnam has become the world's largest rice supplier in the past 2 months. Thus, in just the past 2 months, Vietnam has provided the world market with nearly 1.8 million tons of rice; It not only contributes to ensuring supply for the world but also brings economic benefits to rice growers.
- Foreign debt of businesses is "bulging". By the end of 2022, Vietnam's public debt balance will reach about 3.6 million billion VND, foreign debts are gradually decreasing, while domestic loans play a leading role and tend to gradually increase throughout the period 2018 - 2022. Meanwhile, foreign debt of enterprises in the form of self-borrowing and self-payment increased by 66%. By the end of 2022, outstanding foreign debt of businesses will reach 2.455 million billion VND, equivalent to an increase of 167 trillion VND compared to mid-2022 and up to 975 trillion VND compared to the "bottom" in 2018 of only 1.48 million billion VND. VND, equivalent to an increase of 66%..
- Information from the Ministry of Finance shows that the disbursement speed in 9 months far exceeded the same period, up to 110,000 billion VND. However, there are currently 109 projects in 41 localities that have not yet been disbursed, mainly due to the implementation stage, especially difficulties due to site clearance. In addition, three ministries and central agencies have not yet disbursed any capital. The Ministry of Finance's report on the payment status of investment capital from the state budget accumulated in 8 months, estimated to implement 9 months of the 2023 plan shows that the estimated payment by the end of September 2023 is 363,310.6 billion VND, reaching 47.75% of the plan, reaching 51.38% of the plan assigned by the Prime Minister (excluding extended and increased local allocations). Of which, the disbursed socio-economic recovery and development program reached 49,740,216 billion VND, reaching 38.4% of the plan assigned by the Prime Minister

Business news

- **BSR:** In early September 2023, Fitch Ratings completed and announced the results of the assessment and first-time credit rating of BSR at "BB" with "Positive outlook". This is a ranking result equivalent to the parent company - Vietnam Oil and Gas Group (Petrovietnam, BB/Positive). This milestone will attract the attention of potential investors. At the same time, achieving an international credit rating will help BSR expand its sources of funding and investment for future development.

- **FRT:** On October 3, 2023, FPT Long Chau officially announced the project "Improving Vietnamese stature" and the cooperation program with Merck Healthcare Vietnam Co., Ltd. (Merck Healthcare Vietnam) "Free injection equipment Growth hormone for stunted children" contributes to realizing the aspiration of helping future generations grow tall, healthy, and confident with outstanding height.

- **VGC:** Recently, Viglacera Corporation (stock code: VGC) has just announced its estimated business results for the third quarter of 2023 with pre-tax profit of VND 565 billion, exceeding the quarterly plan by 24% and increasing by 83%. compared to the same period last year. Accumulated in the first 9 months of the year, Viglacera's consolidated profit reached 1,590 billion VND, down 22.4% over the same period last year and 31% higher than the yearly plan. Of which, the parent company's profit reached 1,694 billion VND, exceeding the plan by 29%. The industrial park real estate sector is still the key business segment contributing to Viglacera's business results in the third quarter and the first 9 months of 2023. Specifically, the pre-tax profit of this segment in the 9 months of 2023 is 1,800 billion VND - completed. 133% of the year's plan, an increase of 389 billion VND compared to the same period in 2022.

Breaking News



Business news

- POW: PV Power estimates a loss of more than 47 billion VND in the third quarter of 2023. Vietnam Petroleum Power Corporation (PV Power, stock code: POW) has just announced its estimated 9-month business results with total electricity output estimated at 11,195 million kWh, exceeding 1% of the yearly plan. Regarding financial indicators, in the past 9 months, the company's revenue was estimated at 22,213 billion VND, an increase of 8% over the same period last year. Profit before tax was 882 billion VND, down 48%, paying 609 billion VND to the State budget.
- NLG: Nam Long (NLG) successfully offered 500 billion VND in bonds, the collateral being a 49ha land plot. Nam Long Investment Joint Stock Company (code NLG) has just announced the results of its private bond offering. Specifically, the company issued 5,000 individual bonds with par value of 100 million VND/bond, with a maximum total par value of 500 billion VND. Orient Commercial Joint Stock Bank is the only organization participating in buying bonds. Interest rate is 9.6%/year for the first 6 months from the issuance date, after that, the interest rate will be calculated by the 12-month savings deposit interest rate of Orient Commercial Joint Stock Bank (OCB) plus a margin of 2.5%.The issuing organization has the right to redeem all or part of the outstanding bonds before maturity.
- NVL: No Va Real Estate Investment Group Joint Stock Company (Novaland, stock code: NVL) announced unusual information about the delay in payment of bond principal and interest with bond lot NVLH2223008. According to the schedule, on September 30, the company had to pay more than 7.7 billion VND in interest for this batch of bonds and 157.3 billion VND in principal. However, at maturity, Novaland has not yet paid any principal and interest on this batch of bonds. This real estate business said the reason was because the company had not arranged enough payment sources.

Technical view



Trend: Short term decrease

- VNINDEX closed 1,128 (+10.5 points, +0.95%) with liquidity still at a low level. The market recovered slightly with the largest contribution coming from the VIC BID HPG group, whereas SSB CTG contributed the most to the decline. Self-trading and foreign countries returned to slight net buying.
- Technical: VNINDEX opened the morning session right at MA 200 and increased again most of the time afterward. With the sharp decline from the peak of 1,250, increasing sessions need to be more careful because the market has not accumulated enough to be able to increase immediately again. The STOCH RSI indicator is still quite weak, the previous support area of 1150 corresponding to Fibo 0.5-0.618 was breached previously, showing that the main trend of the market is still down. Current reference support and resistance are 1,100 and 1,150-1,160.
- Strategy: This is a suitable period for long-term investors to accumulate cheap stocks. Short-term trading strategies will require more time as the market needs to accumulate more.

Scenario:

- Positive (60%): The market will accumulate in the 1100 - 1120 area and then move to the 1200 area
- Negative (40%): The market will correct to the 1,100 area

Recommended stocks

5/10/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VHC	Buy	79.3	87	76.7	10%	-3%	80.5	Rebound
PVS	Buy	36.4	40	35.4	10%	-3%	37.2	Rebound

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
PTB	Hold	56.5	61.9	55.7	10%	-1%	59.3	16	4.96%	13/09/2023	

Economic calendar

October 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4	5	6	7
8	9 ISM Manufacturing PMI (US)	10 JOLTS Job Openings (US)	11 OPEC Meetings ADP Non-Farm Employment Change. ISM Services PMI (US)	12 BOJ Gov Kuroda Speaks	13 Unemployment Rate (US)	14
15	16 CPI, PPI (China)	17 GDP (UK) PPI (US)	18	19 FOMC Meeting CPI, core CPI (US)	20 Retail Sales (US), Prelim UoM Consumer Sentiment	21 Treasury Currency Report (US)
22 IMF Meetings	23 ETF VFM VN30, SSIAM VNFin Lead ETF & VFMVN Diamond ETF Review	24	25 CPI, core CPI (UK)	26 Deadline for submission of 3rd quarter financial statements Maturity of Derivatives Contracts Flash PMI (German, French, UK)	27 FDI announcement	28
29	30	31	1 BOC Press Conference, Monetary Policy Report and Rate Statement	2 ECB Press Conference, Monetary Policy Statement	3	4
5 ETF VNM VN30 changes the proportion of the portfolio	6					

NOTES: IEA hop thường niên

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