MORNING CALL
13/10/2023

"The upward momentum stalled at the resistance zone"

- World stocks: US CPI is higher than expected
- Vietnam stocks: The upward momentum stalled at the resistance zone
- Business news #DGW, #STB, #BAB, #DHT, #PNJ, #LCS
- Technical perspective and updated recommendations
- Event calendar
- Q&A

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Global Market Review 09/10 – 13/10/2023

Major stocks market

- In regular trading on Thursday, the Dow fell 0.51%, the S&P 500 lost 0.62% and the Nasdaq Composite dropped 0.63%European markets finished mixed as of the most recent closing prices. The DAX gained 0.24%, while the CAC 40 led the FTSE 100 lower. They fell 0.44% and 0.11% respectively. Those moves came as hotter-than-expected US consumer inflation data drove Treasury yields higher, pressuring equities. The CPI went up by 0.4% last month, easing from a 0.6% increase seen in August, but more than market consensus of 0.3%. Meanwhile, the 10-year Treasury yields moved nearly 10 basis points higher to 4.695%.
- European markets finished mixed as of the most recent closing prices. The FTSE 100 gained 0.32%, while the CAC 40 led the DAX lower. They fell 0.37% and 0.23% respectively. The UK GDP expanded by 0.2% from the earlier month in August, in line with investors' expectations, and pointing to a modest recovery from the 0.6% drop in the previous month as a stronger services sector offset weakness in manufacturing and construction
- The Nikkei 225 Index fell 0.4% to below 32,400 while the broader Topix INdex dropped 0.9% to 2,321 on Friday, snapping a winning streak and tracking losses on Wall Street overnight as hotter-than-expected US consumer inflation data reinforced the view that interest rates will remain elevated for an extended period
- WTI crude futures steadied around $83 per barrel on Thursday, following an over 2% decrease in the previous session, after the latest EIA report showed that US crude inventories rose by 10.176 million barrels last week, much more than market forecasts of 492 thousand increase and in line with industry data reported Wednesday.

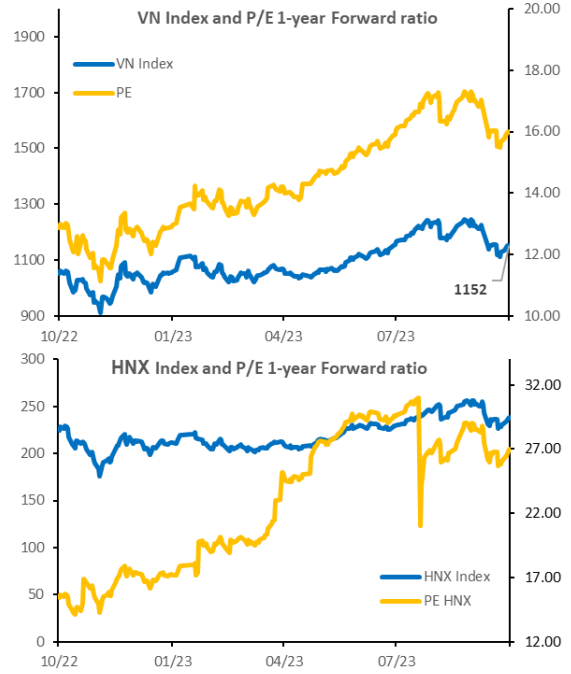
Market

	Close	%1D	%1M	%1Y
VN-Index	1,152	0.07%	-7.01%	9.57%
S&P 500 Index	4,350	-0.62%	-2.64%	18.52%
Dow Jones Index	33,631	-0.51%	-2.73%	11.96%
GP 100	7,645	0.32%	1.58%	11.60%
Nikkei 225	32,388	-0.33%	-0.97%	23.44%
SHCOMP Index	3,108	0.94%	-0.49%	3.03%
STOXX 600	454	0.10%	-0.07%	16.57%
KOSPI Index	2,461	-0.77%	-2.92%	13.77%
Hang Seng	18,238	1.93%	1.27%	11.28%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.51	-0.08%	1.67%	-5.21%
USD/VND	24,450.00	-0.12%	-1.37%	-2.07%
EUR/USD	1.05	0.10%	-1.79%	7.79%
USD/CNY	7.31	-0.07%	-0.19%	-1.80%
Brent	86.34	0.40%	-6.03%	-8.70%
WTI	83.41	0.60%	-5.77%	-6.40%
Natural gas	3.34	-0.15%	24.59%	-50.47%
Coal	142.65	1.53%	-10.28%	-64.60%
Gold	1,872.54	0.19%	-1.86%	12.37%

Vietnam Market Snapshot 12/10/2023



Money flow and sector rotation (VND bn)

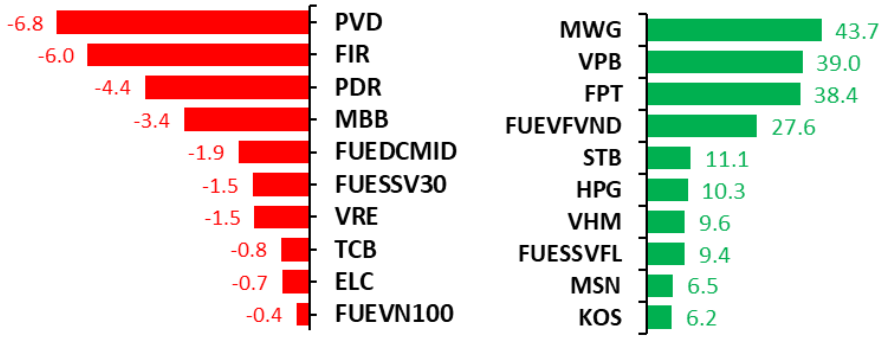
Sector	%1D	10/12/2023	10/11/2023	20-session Average
Retail	180.03	957	342	656
Health Care	60.92	32	20	20
Real Estate	54.60	2,811	1,818	3,315
Chemicals	50.31	1,000	665	908
Food and Beverage	46.32	901	616	1,005
Basic Resources	35.41	984	727	1,257
Banks	17.64	1,573	1,337	2,544
Automobiles & Parts	17.29	120	102	199
Construction & Materials	7.53	1,129	1,050	1,283
Travel & Leisure	5.57	94	89	127
Industrial Goods & Services	4.24	945	906	1,112
Utilities	3.40	155	149	197
Insurance	1.90	17	16	31
Financial Services	-0.9	2,369	2,390	3,198
Technology	-19.2	208	257	259
Personal & Household Goods	-21.7	112	144	139
Media	-26.4	8	10	3
Oil & Gas	-33.6	312	471	176

Source: Bloomberg, Shinhan Securities Vietnam

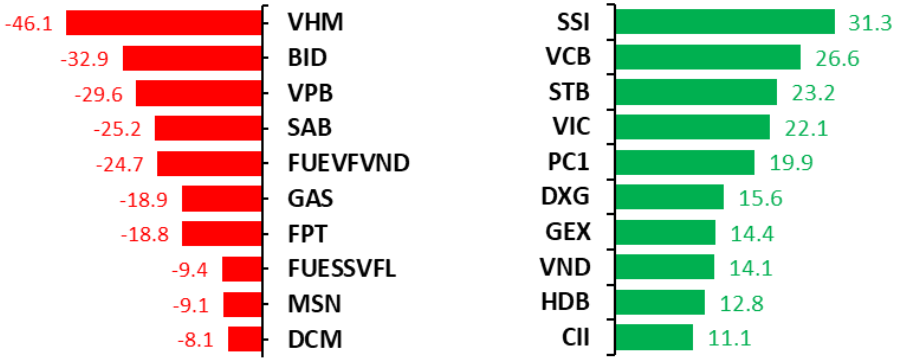
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,151.61	15.99	0.80	0.07	566	13,681
HNX INDEX	238.44	26.99	1.44	0.61	100	2,039

Vietnam Market Snapshot 12/10/2023

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	15	(10)	56	(46)
Basic Resources	11	18	25	(43)
Media	-	(0)	(0)	0
Industrial Goods & Services	4	34	(5)	(29)
Health care	0	0	(1)	0
Chemicals	2	12	14	(26)
Financial Services	45	29	(70)	40
Travel & Leisure	3	3	(7)	4
Banks	69	(10)	(219)	229
Construction & Materials	10	49	(63)	14
Food and Beverage	14	(49)	77	(28)
Retail	44	(4)	(22)	26
Utilities	2	(26)	(14)	40
Personal & Household Goods	1	(0)	(2)	2
Technology	38	(19)	(16)	35
Automobiles & Parts	3	(0)	2	(2)
Insurance	0	(2)	2	0
Oil & Gas	(7)	(3)	22	(19)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- International mechanical and manufacturing enterprises "target" the Vietnamese market. Data from the General Statistics Office shows that in the first quarter of 2023, the import-export turnover of the machinery, equipment, tools and other spare parts industry group reached 19 billion USD. In 2022, with a growth rate of 18%, the mold and precision mechanical industry is attracting the attention of many domestic and foreign businesses. Notably, Vietnamese enterprises only make 8.5% of injection molds, the rest are stamping molds. Therefore, the need for molds for plastic production, mechanical engineering, machine parts, components... to improve product quality is huge.
- Many forecast CPI in 2023 to be below 4%, wary of increasing prices of two essential goods. From now until the end of the year, Deputy Prime Minister Le Minh Khai, Head of the Price Steering Committee, will pay special attention to managing gasoline and food prices. For goods managed by the State, it is necessary to consider the appropriate time and level of adjustment... According to the Deputy Prime Minister, there are currently a number of factors such as Russia and Saudi Arabia cutting supplies and gasoline reserves. The decline in oil from some major countries could cause world petroleum prices to reverse and increase in the last months of the year. Besides, there is the issue of price fluctuations of food products, rice, to both export and ensure food security. More than 3,900 billion VND invested in two sections of Ho Chi Minh route. The Ho Chi Minh Road project, section Rach Soi - Ben Nhat, Go Quao - Vinh Thuan with an investment capital of more than 3,900 billion VND, will gradually complete the planning for developing the transportation network through the two provinces of Kien Giang and Bac Lieu... The Ministry of Transport has just issued a decision approving the Ho Chi Minh Road construction investment project, Rach Soi - Ben Nhat, Go Quao - Vinh Thuan sections. Accordingly, the project has a total length of nearly 52km, of which the section through Kien Giang province is more than 45km long, the section through Bac Lieu province is about 6.6km long. Specifically, the Rach Soi - Ben Nhat section has a length of more than 11km, the starting point is in Chau Thanh district, Kien Giang province, the ending point is in Giong Rieng district, Kien Giang province. The Go Quao - Vinh Thuan section has a length of nearly 41km, the starting point is in Go Quao district, Kien Giang province, the ending point is in Vinh Phong commune, Vinh Thuan district, Kien Giang province.

Business news

- DGW: The ICT retail industry is gradually becoming saturated, how does Digiworld (DGW) solve the growth problem? In addition to completing the distribution value chain with Market Expansion Services - MES, Digiworld also proactively expands into new product lines. The potential is quite clear but the effectiveness still needs time to be proven. After a period of explosive growth, the technology equipment (ICT) market is showing signs of saturation. Income is affected by the global recession, causing consumer demand to tighten, especially for non-essential goods. Competition is increasingly fierce, forcing ICT equipment distributors to look for new motivation to solve the growth problem
- STB: SACOMBANK'S TOP GOAL IS SUCCESSFUL RESTRUCTURING. By the end of September 2023, Sacombank's total consolidated assets reached more than 651 trillion VND, an increase of 10% compared to the beginning of the year. Sacombank's pre-tax profit reached 6,840 billion VND, 54% more than the same period last year. The collection and handling of bad debts has been promoted with revenues reaching more than 2,900 billion VND, bringing the total accumulated recovery and handling since implementing the Project to 90,800 billion VND. The Bank has also made full risk provisions in accordance with regulations for all bad debts and outstanding assets including VAMC bonds. With continuous growth and development prospects, Sacombank has received positive reviews from domestic and foreign organizations, many predict that the Bank will complete its restructuring ahead of schedule.
- BAB: Profit in the third quarter of 2023 at Bac A Bank plummeted after 8 years. In the third quarter 2023 financial report of Bac A Commercial Joint Stock Bank (Bac A Bank, code: BAB), net interest income - the main source of revenue at the bank - only reached 426 billion VND, down 33% compared to with the same period last year.

Breaking News



Business news

- **DHT:** In the latest announcement, the Board of Directors of Ha Tay Pharmaceutical Joint Stock Company (code DHT) has approved the Resolution on implementing the plan to offer private shares to strategic shareholders. The company plans to issue an additional 8.4 million individual shares, equivalent to 11.36% of the total outstanding shares. The offering price is 21,500 VND/share, equivalent to a proceeds of about 181 billion VND. The person registering to buy all new shares is ASKA Pharmaceutical Co., Ltd (Japan). If completed, ASKA will hold 26.8 million DHT shares, equivalent to nearly 33% of capital. The amount of newly issued shares will be restricted from transfer within 3 years.
- **PNJ**: PNJ shareholders are about to receive more than 260 billion VND in dividends in October. On October 23, Phu Nhuan Jewelry Joint Stock Company (code PNJ) will finalize the list of shareholders to pay the next round of dividends. March 2022 in cash. The payout rate is 8%, corresponding to shareholders owning 1 share will receive 800 VND. The ex-dividend date is October 20. PNJ is expected to pay dividends to shareholders only 4 days after closing the list, on October 27. Thus, with more than 328 million shares listed and circulating, PNJ will spend about 262 billion VND to pay dividends to existing shareholders..
- **LCS:** A construction company had its debt confiscated by BIDV and stopped operating because all the workers quit, and the stock was 1,100 VND. Joint Stock Commercial Bank for Investment and Development (BIDV) Hanoi branch has just announced the results of selecting the asset auction organization of Licogi 166 Joint Stock Company (LCS). Assets of Licogi 166 Joint Stock Company put up for auction include 3 construction machinery and equipment at No. 68, village 9 Huong Linh, Hong Ky commune, Soc Son district, Hanoi city and 18 assets including construction machinery and equipment. Works and means of transport at Khai Quang Industrial Park, Vinh Yen city, Vinh Phuc province

Technical view



Trend: Recovery

- VNINDEX closed 1,151.6 (+0.8 points, +0.07%) with liquidity at the same level as the previous session. The market recorded an increase with 242 green codes and 226 red codes. Foreign countries were strong net sellers while proprietary traders were net buyers. The increase was led by VIC, VNM and TPB, on the other hand, VCB HPG dropped sharply. Industry groups with strong increases include telecommunications and real estate.
- Technical: The market's upward momentum stalled at the resistance area of 1,160, causing the market to move sideways with a narrow range. This is the profit-taking area for the group of bottom-fishing investors in the 5/10 period and the group of investors has been pinned down before. The STOCH RSI indicator has expanded and entered the overbought area, showing that the market's uptrend in the near future will slow down. We are inclined to the scenario where the market will retest the 1,140 area, completely surpass 1,160 and move towards 1,200. Reference support and resistance: 1,110 and 1,160.
- Strategy: Maintain holding status, limit new purchases when the market is at the short-term resistance area of 1,160.

Scenario:

- Positive (60%): The market will accumulate in the 1,140 – 1,150 area and then move to the 1,200 area
- Negative (40%): The market will correct to the 1,100 area

Recommended stocks

13/10/2023

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
PVS	Hold	36.4	40	35.4	10%	-3%	39	6	7.14%	05/10/2023	Reach target
VHC	Hold	79.3	87	76.7	10%	-3%	81.6	5	2.90%	06/10/2023	
STB	Hold	31.15	33.7	29.8	8%	-4%	31.6	2	1.44%	11/10/2023	
SSI	Hold	32.55	36.7	31.5	13%	-3%	33.6	2	3.23%	11/10/2023	
VCS	Hold	62.7	68.5	61.3	9%	-2%	63.2	2	0.80%	11/10/2023	
NKG	Hold	19.6	23	18.6	17%	-5%	20.3	2	3.57%	11/10/2023	

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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Q&A

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