MORNING CALL
18/10/2023

"The market suddenly reversed, the support level was challenged"

- ❑ World stocks: Moving sideways after US retail sales data was released
- ❑ Vietnam stocks: The market suddenly reversed, the support level was challenged
- ❑ Business news #VHM, #TCM, #FPT, #MSN, #DHT, #NTC
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

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Global Market Review 16/10 – 20/10/2023

Major stocks market

- In regular trading on Tuesday, the Dow inched up 0.04%, helped by index heavyweights such as Chevron (1.3%), Coca-Cola Co (1.2%), American Express (1.1%), Nike (1%) and IBM (0.8%). Meanwhile, the S&P 500 and Nasdaq Composite shed 0.01% and 0.25%, respectively, weighed down by surging Treasury yields as stronger-than-expected US retail sales data bolstered the higher-for-longer view on interest rates.
- European stocks mostly fell on Tuesday afternoon, with the German DAX and the benchmark Stoxx 600 down more than 0.5% as concerns about high interest rates resurfaced following the release of stronger-than-expected retail sales data out of the US.
- The Nikkei 225 Index fell 0.4% to below 32,000 while the broader Topix Index rose 0.1% to 2,294 in mixed trade on Wednesday. The Shanghai Composite rose 0.32% to close at 3,083 while the Shenzhen Component edged up 0.15% to 9,940 on Tuesday, snapping a two-day decline and tracking gains in global markets.
- WTI crude futures held above $86 per barrel on Tuesday, underpinned by ongoing supply risks as the Israel-Hamas conflict continued to threaten political stability in the Middle East. Israeli Prime Minister Benjamin Netanyahu vowed on Sunday to “demolish Hamas” as his troops prepared for a ground invasion of the Gaza Strip. On the other hand, Iranian President Ebrahim Raisi warned over the weekend that the war could expand if Israel's siege of Gaza does not stop.

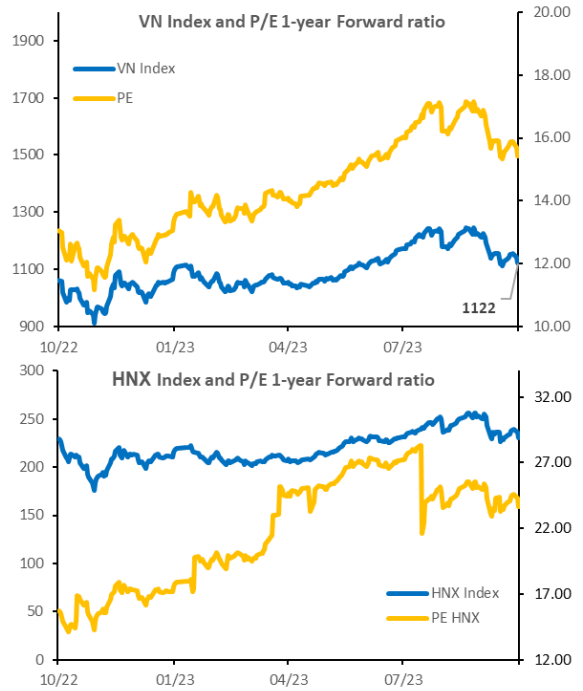
Market

	Close	%1D	%1M	%1Y
VN-Index	1,122	-1.73%	-7.44%	5.45%
S&P 500 Index	4,373	-0.01%	-1.80%	17.56%
Dow Jones Index	33,998	0.04%	-1.81%	11.38%
GP 100	7,675	0.58%	0.29%	10.65%
Nikkei 225	31,941	-0.31%	-4.75%	17.62%
SHCOMP Index	3,083	0.32%	-1.36%	0.08%
STOXX 600	450	-0.10%	-1.52%	12.49%
KOSPI Index	2,455	-0.21%	-4.65%	9.12%
Hang Seng	17,773	0.75%	-0.88%	5.08%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.30	0.05%	1.04%	-5.20%
USD/VND	24,494.00	0.02%	-0.48%	-0.26%
EUR/USD	1.06	-0.11%	-1.19%	7.17%
USD/CNY	7.32	-0.06%	-0.33%	-1.63%
Brent	91.43	1.70%	-3.18%	1.56%
WTI	88.37	1.97%	-3.40%	6.70%
Natural gas	3.08	0.06%	12.94%	-46.37%
Coal	142.25	-1.04%	-11.37%	-63.73%
Gold	1,927.05	0.20%	-0.35%	16.63%

Vietnam Market Snapshot 17/10/2023



Money flow and sector rotation (VND bn)

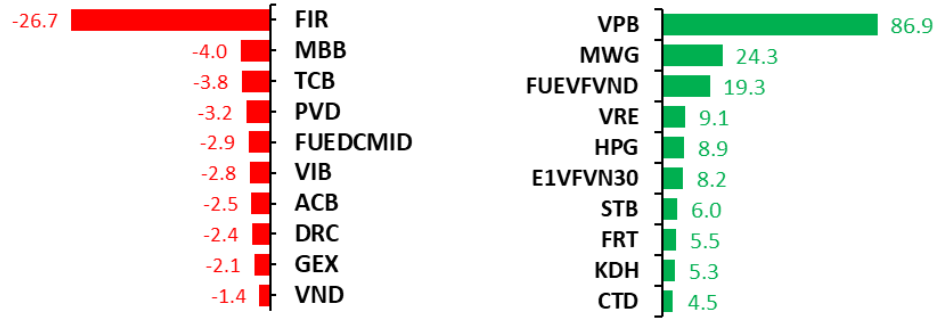
Sector	%1D	10/17/2023	10/16/2023	20-session Average
Food and Beverage	28.91	864	670	974
Construction & Materials	23.95	1,210	976	1,191
Travel & Leisure	7.76	107	99	127
Personal & Household Goods	7.72	138	128	140
Media	5.03	5	5	4
Retail	0.28	647	645	649
Real Estate	-3.0	2,297	2,368	3,010
Industrial Goods & Services	-5.5	1,008	1,066	1,081
Basic Resources	-12.3	742	846	1,178
Chemicals	-20.3	855	1,073	925
Banks	-20.7	1,854	2,338	2,261
Financial Services	-22.0	1,975	2,531	3,107
Health Care	-23.7	23	30	21
Utilities	-25.5	132	178	185
Insurance	-25.9	16	21	25
Oil & Gas	-34.3	252	383	195
Technology	-50.4	253	509	268
Automobiles & Parts	-50.6	92	187	187

Source: Bloomberg, Shinhan Securities Vietnam

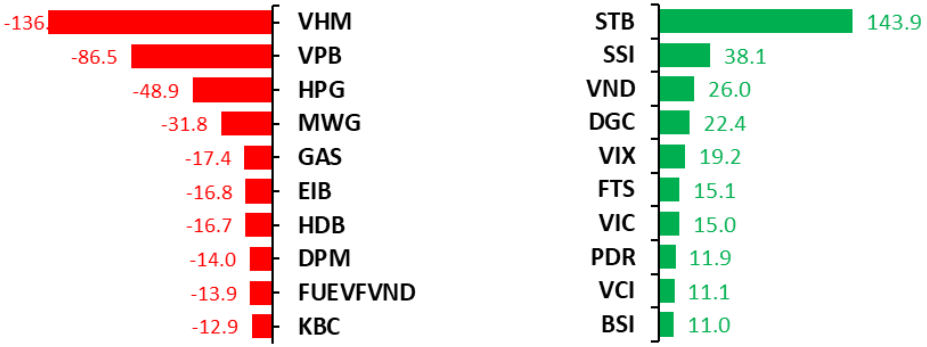
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,121.65	15.42	-19.77	-1.73	525	12,483
HNX INDEX	230.03	23.67	-6.43	-2.72	95	1,942

Vietnam Market Snapshot 17/10/2023

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	(7)	(117)	111	6
Basic Resources	9	(42)	25	18
Media	-	(0)	(0)	0
Industrial Goods & Services	(4)	19	29	(48)
Health care	-	(0)	0	(0)
Chemicals	4	18	(67)	49
Financial Services	25	105	(116)	12
Travel & Leisure	2	8	(10)	3
Banks	87	25	(86)	62
Construction & Materials	5	26	(5)	(21)
Food and Beverage	6	12	(15)	3
Retail	30	(15)	(8)	23
Utilities	2	(27)	23	4
Personal & Household Goods	(0)	(0)	3	(3)
Technology	1	2	7	(9)
Automobiles & Parts	(2)	0	(0)	0
Insurance	0	(2)	1	1
Oil & Gas	(3)	8	(21)	13

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- The Government Office has just sent an official response to the Ministry of Finance on the proposal to reduce VAT in the first 6 months of 2024. Accordingly, Deputy Prime Minister Le Minh Khai agreed with the Ministry of Finance's proposal to reduce VAT by 2% in the first 6 months of 2024. the first month of 2024. The Deputy Prime Minister assigned the Ministry of Finance to urgently synthesize the proposal to submit to the National Assembly to continue reducing VAT by 2% in the first 6 months of 2024 and assigned the National Assembly Standing Committee to consider and decide within the period. between two sessions of the National Assembly if the economic and business situation is still difficult.

- Of which, the export value of wood products reached 760 million USD, down 9.5% compared to August 2023, but up 1.7% compared to September 2022. Overall, in the first 9 months of 2023, the export value of wood and wood products reached 9.6 billion USD, down 21.8% compared to the same period in 2022. Of which, the export value of wood products reached 6.5 billion USD, down 24.5% compared to the same period in 2022. Notably, exports of wood and wood products to the US market in September 2023 have gradually recovered, reaching 616.9 million USD, an increase of 7.5% compared to September 2022.

- According to data from Vietnam Customs, in the first 9 months of the year, pangasius (tra fish) exports reached nearly 1.4 billion USD, a decrease of 31% compared to the same period last year. However, if we consider only September 2023, exports of this commodity have grown again with an export turnover recorded at 167 million USD, an increase of 1% compared to the same period last year. With this turnover, for the first time, pangasius exports recorded positive growth for the first time since the beginning of this year. Regarding consumption markets, in September 2023, Vietnam's pangasius exports to some major markets recorded double-digit growth such as China, Hong Kong, EU, Brazil, Mexico,…

Business news

- **VHM**: On October 16, the Board of Directors of Vinhomes Joint Stock Company (stock code: VHM) issued 3 resolutions on the issuance of private corporate bonds with a maximum face value of 5,000 billion VND. According to Vinhomes, these bond lots are non-convertible corporate bonds, without warrants and are secured by assets. The face value of each bond is expected to be 100 million VND. The bond term is a maximum of 24 months from the date of issuance. The money raised from the bond issuance is expected to be used to restructure the company's debt.

- **TCM:** Thanh Cong Textile - Investment - Trading Joint Stock Company (Code: TCM) announced estimated business results for September 2023 with revenue of 13.65 million USD (329 billion VND), down 10% compared to the same period. After-tax profit decreased by 24% to 724,000 USD (17 billion VND). In total for Q3, Thanh Cong Textile's revenue is estimated to reach 936 billion VND, down 24% compared to the same period. After-tax profit is about 105 billion VND, up 14% compared to Q3/2022. Accumulated in the first 9 months of this year, the company's revenue reached 104.88 million USD (2,527 billion VND) and after-tax profit was 6.73 million USD (162 billion VND), decreasing by 27%, and 26% respectively compared to the same period

- **FPT:** FPT Group Joint Stock Company (stock code FPT) announced business results for the first 9 months of 2023. Accordingly, FPT recorded revenue of 37,927 billion VND, an increase of 22.4% and pre-tax profit of 6,768 billion VND, an increase of 19.5% over the same period last year. Profit after tax for shareholders of the parent company reached VND 4,742 billion, an increase of 20.3%. The Technology Sector (including Domestic IT Services and Foreign IT Services) continues to play a key role, contributing 59% of revenue and 46% of pre-tax profit of the entire Group.

Breaking News



Business news

- MSN: Hanoi Stock Exchange (HOSE) has just sent a notice (HOSE: MSN) about the possibility of delisting a bond batch worth 500 billion VND. Hanoi Stock Exchange said that it has just sent a notice to Masan Group Joint Stock Company that the Company's bond code MSN120009 is likely to be delisted due to maturity.

- DHT: Consolidated profit after tax in the third quarter of 2023 is 23.3 billion VND, down 19.5%. In particular, one of the main reasons why profits decreased in the third quarter of 2023 is due to a sharp increase in interest costs of 81.2%. Accumulated in the first 9 months of 2023, Ha Tay Pharmaceutical achieved consolidated net revenue of 1,525 billion VND, an increase of 17%. Profit after corporate income tax reached more than 72 billion VND, an increase of 14.8%.

- NTC: Accumulated for 9 months, parent company NTC achieved 172.5 billion VND in revenue - down 14 billion over the same period; however, thanks to financial revenue increasing by 28% to 175 billion, the company finally reported a profit after tax of 232 billion - an increase of 10% YoY. Undistributed after-tax profit at the end of the third quarter increased to 420 billion VND; The company also has savings of more than 3,000 billion in unrealized revenue and 1,210 billion in short-term deposits.

Technical view



Trend: Correction

- VNINDEX closed at 1,121.65 (-19.77 points, -1.73%) with liquidity at the same level as the previous session. The market suddenly reversed at the end of the session with 378 tickers drop. On the contrary, foreign investors suddenly switched to net buying in the ATC session from a net selling of VND 176 billion to a net buying of VND 21 billion.
- Technical: The market's sudden reversal at the end of the session shows that sellers are willing to participate in the market as uncertainties about the world economic and political situation are present. In today's session, the market fell to the support zone of 1,110 - 1,120. This support zone will play an important role in the upcoming sessions, thereby confirming the future downtrend or uptrend.
- Strategy: Maintain holding status, limit new purchases when the market is in an unclear trend state. Investors can take advantage of rising sessions to lower the margin and bring their account to a safe level.

Scenario:

- Positive (60%): The market will rebound after touching the support zone 1,110 – 1,120 and continue the uptrend
- Less positive (40%): The market will break the support zone of 1,110 - 1,120 and head towards the lower zone of 1,080 - 1,100.

Recommended stocks

18/10/2023

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	Sell	36.4	40	35.4	10%	-3%	39.9	9	9.62%	05/10/2023	Take profit
VHC	Sell	79.3	87	76.7	10%	-3%	76	8	-4.16%	06/10/2023	Cutloss
STB	Hold	31.15	33.7	29.8	8%	-4%	30	5	-3.69%	11/10/2023	
SSI	Sell	32.55	36.7	31.5	13%	-3%	31.45	5	-3.38%	11/10/2023	Cutloss
VCS	Hold	62.7	68.5	61.3	9%	-2%	61.3	5	-2.23%	11/10/2023	
NKG	Sell	19.6	23	18.6	17%	-5%	18.6	5	-5.10%	11/10/2023	Cutloss

Economic calendar

October 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2 ISM Manufacturing PMI SEP	3 JOLTs Job Openings AUG	4 ISM Services PMI SEP	5	6 Non Farm Payrolls SEP Unemployment Rate SEP	7
8	9	10	11 PPI MoM	12 Inflation Rate MoM SEP FOMC Minutes	13 Unemployment Rate (US)	14
15	16 Ho Chi Minh City Stock Exchange (HoSE) announce the results of the review of the VNDiamond index	17 US Retail Sales	18 China Industrial Production YoY SEP China Retail Sales YoY SEP	19 Fed Chair Powell Speech Expiration of futures contract VN30F1M	20 Japan inflation rate YoY	21
22	23	24	25 New home sales	26 US GDP Growth Rate QoQ	27 Core PCE Price Index Sep MoM Personal Income MoM SE	28
29	30	31	1	2	3	4

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Q&A

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