MORNING CALL
19/10/2023

"The sudden drop in stock prices occurs"

- ❑ World stocks: Global stocks fell simultaneously
- ❑ Vietnam stocks: The sudden drop in stock prices occur
- ❑ Business news #FTS, #L14, #DP3, #LAS, #HBC, #HAG
- ❑ Technical perspective and updated recommendations #SZC, #PTB
- ❑ Event calendar
- ❑ Q&A

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Catching the latest report



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

Major stocks market

- In regular trading on Wednesday, the Dow fell 0.98%, the S&P 500 tumbled 1.34% and the Nasdaq Composite plunged 1.62%. Those losses came as Treasury yields surged to multi-year highs and as an escalating turmoil in the Middle East dampened risk sentiment. investors look ahead to Federal Reserve Chair Jerome Powell's speech later in the global day to guide the outlook on interest rates.
- European shares closed sharply lower on Wednesday with both the Dax 40 and the STOXX 600 losing 1%, as lower risk appetite from escalating tension in the Middle East coincided with concerns of hawkish policy for key central banks. Fresh data showed that inflation in the UK failed to slow down in September, while housing construction results in the US were better than expected.
- The Nikkei 225 Index plunged 1.4% to around 31,600 while the broader Topix Index tumbled 0.8% to 2,275 on Thursday, hitting their lowest levels in over a week and tracking a sharp selloff on Wall Street overnight as Treasury yields surged to multi-year highs and as an escalating turmoil in the Middle East dampened risk sentiment. The Shanghai Composite fell 0.8% to close at 3,059 while the Shenzhen Component dropped 1.24% to 9,817 on Wednesday, reversing gains from the previous session.
- WTI crude futures rose more than 1.5% to above $88 per barrel on Wednesday, the highest in two weeks following Iran's call for a Muslim countries' embargo against Israel.

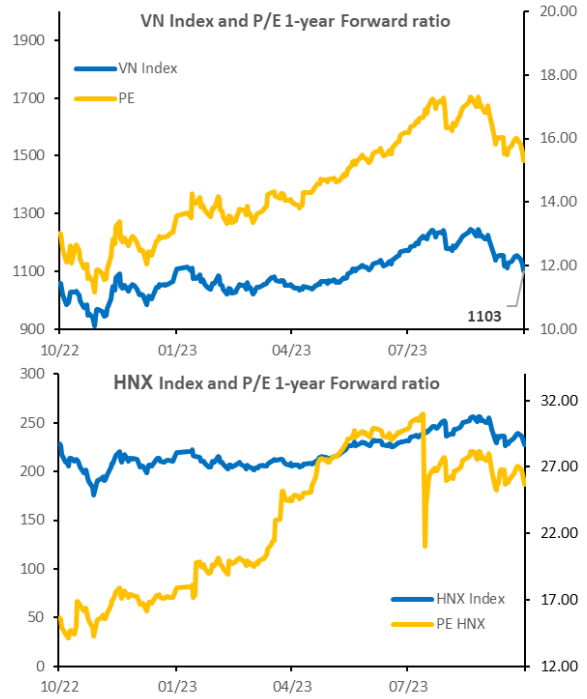
Market

	Close	%1D	%1M	%1Y
VN-Index	1,103	-1.63%	-8.92%	4.09%
S&P 500 Index	4,315	-1.34%	-2.91%	16.76%
Dow Jones Index	33,665	-0.98%	-2.47%	10.65%
GP 100	7,588	-1.14%	-0.94%	9.57%
Nikkei 225	31,596	-1.39%	-4.95%	15.92%
SHCOMP Index	3,059	-0.80%	-2.12%	0.47%
STOXX 600	445	-1.05%	-2.52%	11.89%
KOSPI Index	2,427	-1.46%	-5.18%	8.46%
Hang Seng	17,733	-0.23%	-1.47%	7.40%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.54	-0.03%	1.33%	-5.71%
USD/VND	24,496.00	0.15%	-0.63%	-0.17%
EUR/USD	1.05	0.04%	-1.30%	7.85%
USD/CNY	7.32	-0.01%	-0.35%	-1.56%
Brent	90.86	-0.70%	-3.69%	-1.68%
WTI	87.92	-0.45%	-3.60%	2.77%
Natural gas	3.07	0.52%	7.87%	-43.76%
Coal	140.00	-1.58%	-12.91%	-63.90%
Gold	1,950.10	0.13%	0.97%	19.68%

Vietnam Market Snapshot 18/10/2023



Money flow and sector rotation (VND bn)

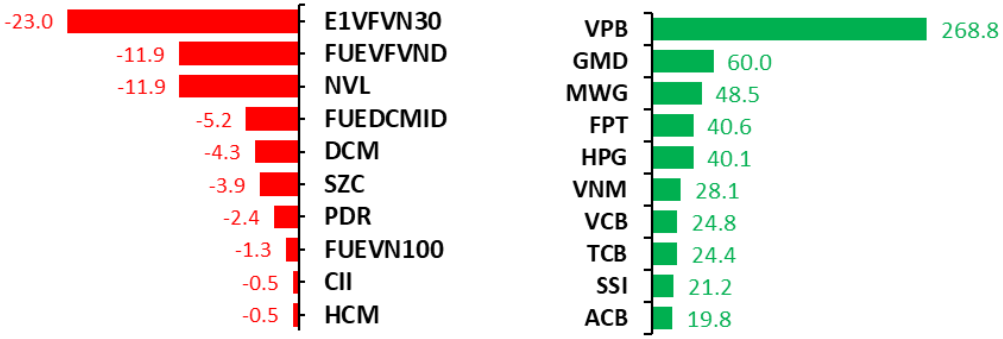
Sector	%1D	10/18/2023	10/17/2023	20-session Average
Technology	137.95	601	253	285
Basic Resources	105.11	1,522	742	1,190
Automobiles & Parts	102.36	187	92	185
Utilities	76.17	233	132	189
Financial Services	73.32	3,422	1,975	3,121
Chemicals	72.47	1,475	855	952
Insurance	68.21	27	16	26
Oil & Gas	66.64	419	252	209
Banks	59.41	2,955	1,854	2,274
Travel & Leisure	46.28	157	107	129
Real Estate	45.96	3,353	2,297	2,966
Industrial Goods & Services	39.49	1,406	1,008	1,090
Retail	38.78	898	647	658
Construction & Materials	30.46	1,578	1,210	1,210
Personal & Household Goods	30.44	180	138	140
Food and Beverage	30.25	1,126	864	960
Health Care	1.10	23	23	22
Media	-31.5	3	5	4

Source: Bloomberg, Shinhan Securities Vietnam

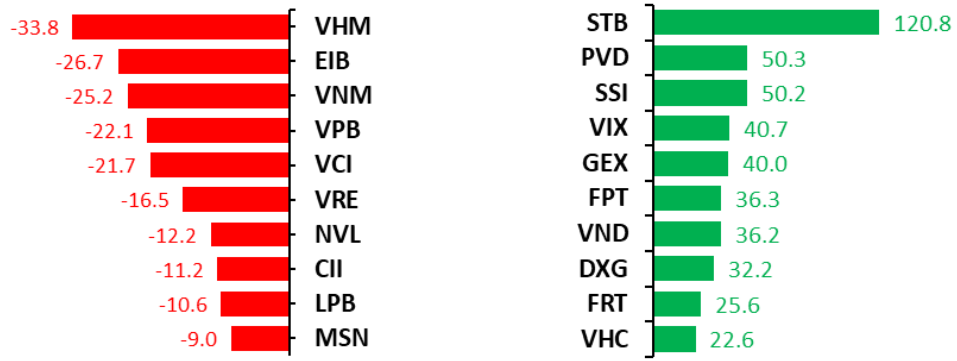
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,103.40	15.29	-18.25	-1.63	868	19,583
HNX INDEX	227.11	25.71	-2.92	-1.27	130	2,567

Vietnam Market Snapshot 18/10/2023

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	21	30	(60)	30
Basic Resources	48	30	(117)	86
Media	-	0	0	(0)
Industrial Goods & Services	77	67	(177)	110
Health care	-	(0)	(3)	3
Chemicals	4	37	(62)	25
Financial Services	(1)	138	(251)	113
Travel & Leisure	15	9	(29)	20
Banks	423	83	(615)	532
Construction & Materials	8	18	(7)	(11)
Food and Beverage	50	7	(26)	19
Retail	60	42	(138)	96
Utilities	9	4	(10)	6
Personal & Household Goods	0	2	(3)	1
Technology	42	37	(119)	83
Automobiles & Parts	1	4	(3)	(1)
Insurance	1	1	1	(1)
Oil & Gas	5	51	(42)	(8)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Government Inspector discovered economic violations of over 198 trillion VND in 9 months. Inspectors discovered economic violations of 198.665 billion VND, 495 hectares of land. Of which, it is proposed to recover 155,548 billion VND and 56 hectares of land; Export settlement, remove from settlement value due to not following regulations and request competent authorities to consider and handle 43,117 billion VND, 439 hectares of land. 94,717 decisions have been issued to sanction administrative violations of organizations and individuals with an amount of 4,460 billion VND; Proposed review and administrative handling of 1,293 collectives and 4,732 individuals; transferred to the investigation agency to continue reviewing and handling 279 cases and 363 subjects.
- The Deputy Prime Minister requested to remove Vietnam from the "grey list" of anti-money laundering in 2 years. Deputy Prime Minister Le Minh Khai said that the Vietnamese Government has committed to sending the FATF President to implement the action plan recommended by FATF to get out of the "grey list" with an implementation period of 2 years. Therefore, the Government requires ministries/sectors to take drastic action. At the conference, Deputy Governor of the State Bank, Mr. Pham Tien Dung pointed out the negative impacts when Vietnam was put on the gray list by FATA. "Yesterday, a state-owned commercial bank reported that some policies and relationships of this bank with foreign countries were tightened," Mr. Dung informed.
- Profits of FDI enterprises decreased, nearly 54% of enterprises reported losses. Statistics from the Ministry of Finance show that the profit after tax of FDI enterprises in 2022 will reach 386,673 billion VND, down 2.1% compared to 2021. Along with that, up to 53.83% of FDI enterprises reported losses, higher than the average rate. general army.

Business news

- **FTS:** FPT Securities Joint Stock Company (FPTS, code: FTS) has announced its financial statements for the third quarter of 2023, recording operating revenue of 325 billion VND, 6 times higher than the same period last year. In particular, profits from financial assets recorded through profit and loss (FVTPL) recorded a profit of 101 billion VND, a sharp improvement compared to a loss of 154 billion VND in the same period in 2022. In addition, securities brokerage revenue growth of 30% to more than 99 billion VND.
- **L14:** L14 continues to "pump" more money into stock investment, profit in the third quarter is mainly from stock trading. Licogi 14 Joint Stock Company (code L14) has just announced the parent company's financial report for the third quarter of 2023 with net revenue reaching 23 billion VND, a decrease of 35% compared to the same period last year. The sharp increase in cost of capital caused gross profit to be eroded to only 5 billion, corresponding to a profit margin of 21%, a sharp contraction compared to 63% for the same period in 2022.
- **DP3:** Oriental medicine business selling kidney-boosting velvet ginseng and Sao Vang extract earned 10 VND with a profit of more than 7 VND in the third quarter, exceeding the yearly profit plan after 9 months. DP3's gross profit margin is among the best in the traditional medicine industry because DP3 has a high proportion of self-produced revenue. Central Pharmaceutical Joint Stock Company 3 (stock code DP3) has just announced its financial report for the third quarter of 2023. In the third quarter, DP3 achieved net revenue of 91 billion VND, down 16% over the same period last year. Cost of goods sold fell more sharply and accounted for a low proportion, helping the company make a gross profit of 65 billion VND, down 14%, corresponding to a very high profit margin in the third quarter, reaching 71%. This means the company collects 10 VND, the gross profit is more than 7 VND. DP3's gross profit margin is among the best in the traditional medicine industry because DP3 has a high proportion of self-produced revenue.

Breaking News



Business news

- LAS: LAS reported profit for the third quarter of 2023 3 times higher than the same period, nearly reaching the profit target for next year in 9 months. Lam Thao Superphosphate and Chemical Joint Stock Company (stock code: LAS) has announced its financial report for the third quarter of 2023 with high revenue and profit growth over the same period. Specifically, in the third quarter alone, net revenue reached nearly 811 billion VND, an increase of 35% over the same period. The increase in cost of goods sold was less than the increase in revenue, leading to LAS's gross profit from sales and service provision reaching 112 billion VND, up to 68% growth over the same period last year.
- HBC: Hoa Binh Chairman Le Viet Hai made calculations, proving that the real value of HBC must be up to 21,500 VND/share even though the market price is only 8,000 VND. The extraordinary congress of Hoa Binh Construction (HBC) has agreed on a plan to issue debt swap shares with suppliers and subcontractors. This is a "vital" plan to help HBC overcome difficulties in the current context. In particular, HBC's 2023 profit plan said it would be difficult to achieve due to the unsuccessful sale of Matec Company, because the partners could not manage financial resources.
- HAG: 9-month profit reached 710 billion VND, confident that revenue from bananas will increase sharply at the end of the year. HAG's accumulated profit after tax in the first 9 months of 2023 reaches VND 710 billion. Hoang Anh Gia Lai Joint Stock Company (HAGL, HAG) has just announced an update on business operations in September 2023. Specifically, the consumption output of each industry includes: The livestock industry in the month reached 34,911 pigs for meat and the fruit tree industry reached 38,469 tons of bananas. Correspondingly, HAG's net revenue during the period reached 679 billion VND. Of which, the livestock industry reached 196 billion VND; The fruit industry reached 375 billion VND and the supporting industry reached 108 billion VND. In addition, HAG also recorded other revenue from asset liquidation with a value of 180 billion VND.

Technical view



Trend: Correction

- VNINDEX closed at 1,103 (-18.25 points, -1.63%) with liquidity doubling compared to the previous session. The market dropped sharply with 465 red stocks and 53 green stocks. On the other hand, foreign and proprietary investors suddenly turned to net buying relatively strongly. The group of rising stocks leading the market is VJC PVD, on the other side are BID VHM and HPG.
- Technical view: The market officially broke MA 200 despite strong demand at the end of the session. With this downward momentum, the market is highly likely to return to the 1,050 area (support area accumulated during the first 5 months of 2023). The STOCH RSI indicator has cut the signal line quite deeply but has not yet entered the oversold area, showing that the market still has room for further decline. The market's immediate rebound will take quite a while because investors need time to stabilize their psychology.
- 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 (50%): The market is consolidating again in the 1,110 – 1,120 area.
- Less positive (50%): The market will break the support zone of 1,110 – 1,120 and head towards the lower zone of 1,060 – 1,080.

Recommended stocks

19/10/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
PTB	Buy	57.7	62.8	56.8	9%	-2%	57.8	Strong consolidation
SZC	Buy	37.1	40.9	36.1	10%	-3%	37.9	Bounce back from the base

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
STB	Sell	31.15	33.7	29.8	8%	-4%	29.7	6	-4.65%	11/10/2023	
VCS	Sell	62.7	68.5	61.3	9%	-2%	61.3	6	-2.23%	11/10/2023	

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 SEP	28
29	30	31	1	2	3	4

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Q&A

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