MORNING CALL
20/10/2023

“Demand has vanished, market are in free fall”

- ❑ World stocks: Negative sentiment cast a shadow on global stocks
- ❑ Vietnam stocks: Demand has vanished, market are in free fall
- ❑ Business news #HHV, #NDN, #PPC, #HAG, #ELC, #PNJ
- ❑ Key highlights: Visiting raw material area and meeting BOD of SBT
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

[Analysts]

Tien Le ☎ (84-28) 037 639 1443
✉ tien.ld@shinhan.com

Nam Hoang ☎ (84-28) 6299 8004
✉ nam.h@shinhan.com

Following SSV's Zalo,
Catching the latest report



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

Major stocks market

- In regular trading on Thursday, the Dow fell 0.75%, the S&P 500 dropped 0.85% and the Nasdaq Composite tumbled 0.96%. Federal Reserve Chair Jerome Powell said on Thursday that inflation remains too high and lower economic growth will likely be needed to bring it down. Markets are still expecting the Fed to hold rates steady in November, but are anticipated to remain elevated for an extended period.
- European markets finished broadly lower today with shares in London leading the region. The FTSE 100 is down 1.17% while France's CAC 40 is off 0.64% and Germany's DAX is lower by 0.33%.
- The Nikkei 225 Index fell 0.6% to below 31,300 while the broader Topix Index lost 0.7% to 2,248 on Friday, hitting their lowest levels in two weeks and tracking losses on Wall Street overnight, as US Federal Reserve Chair Jerome Powell said that inflation remains too high and monetary policy was not yet too tight. The annual inflation rate in Japan fell to 3.0% in September 2023 from 3.2% in the prior month, pointing to the lowest reading since September 2022.
- WTI crude oil erased early losses and rose to the $90 per barrel mark on Thursday, extending the gains from the prior session as markets continued to assess volatile supply expectations amid heightened geopolitical turmoil in the Middle East.

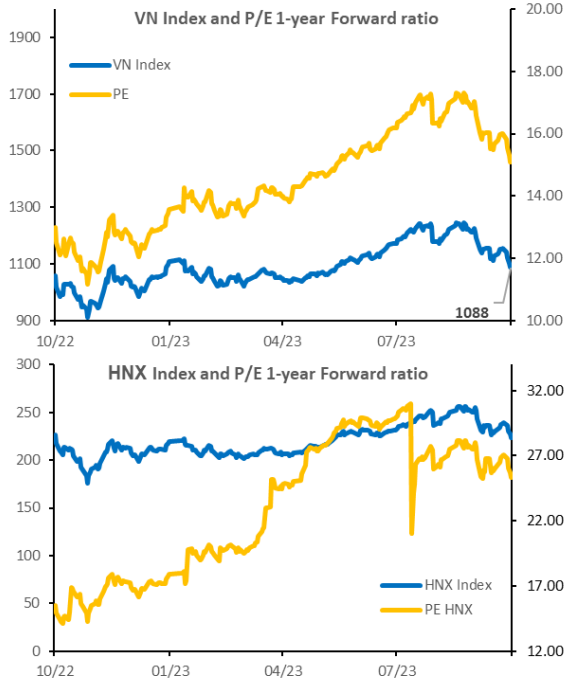
Market

	Close	%1D	%1M	%1Y
VN-Index	1,088	-1.41%	-11.28%	2.78%
S&P 500 Index	4,278	-0.85%	-2.82%	16.70%
Dow Jones Index	33,414	-0.75%	-2.98%	10.16%
GP 100	7,500	-1.17%	-3.00%	8.00%
Nikkei 225	31,140	-0.92%	-5.70%	15.30%
SHCOMP Index	3,005	-1.74%	-3.32%	-0.98%
STOXX 600	440	-1.19%	-4.54%	10.27%
KOSPI Index	2,366	-2.05%	-7.55%	6.69%
Hang Seng	17,296	-2.46%	-3.30%	6.24%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.31	0.06%	0.94%	-5.82%
USD/VND	24,565.00	0.00%	-1.12%	-0.08%
EUR/USD	1.06	-0.10%	-0.84%	8.02%
USD/CNY	7.31	0.08%	-0.18%	-1.12%
Brent	93.17	0.86%	-0.38%	0.86%
WTI	90.33	1.07%	0.06%	5.06%
Natural gas	2.95	-0.30%	7.87%	-44.98%
Coal	136.50	-2.50%	-15.09%	-65.09%
Gold	1,974.46	0.00%	2.29%	21.28%

Vietnam Market Snapshot 19/10/2023



Money flow and sector rotation (VND bn)

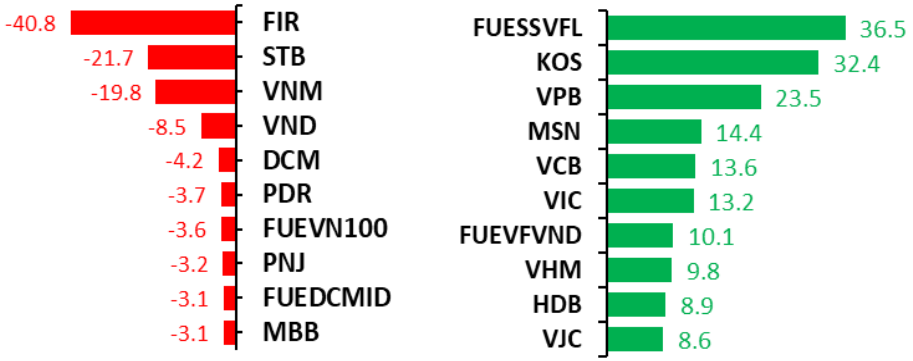
Sector	%1D	10/19/2023	10/18/2023	20-session Average
Health Care	25.38	29	23	22
Media	4.32	4	3	4
Insurance	-14.8	23	27	26
Food and Beverage	-19.7	904	1,126	943
Travel & Leisure	-22.8	121	157	128
Real Estate	-26.5	2,465	3,353	2,901
Financial Services	-28.9	2,433	3,422	3,008
Banks	-32.4	1,999	2,955	2,211
Retail	-37.4	562	898	644
Utilities	-38.7	143	233	185
Personal & Household Goods	-41.0	106	180	137
Industrial Goods & Services	-43.4	796	1,406	1,061
Basic Resources	-44.6	843	1,522	1,116
Construction & Materials	-44.8	872	1,578	1,172
Automobiles & Parts	-46.0	101	187	169
Oil & Gas	-47.0	222	419	214
Technology	-47.2	317	601	284
Chemicals	-54.8	667	1,475	940

Source: Bloomberg, Shinhan Securities Vietnam

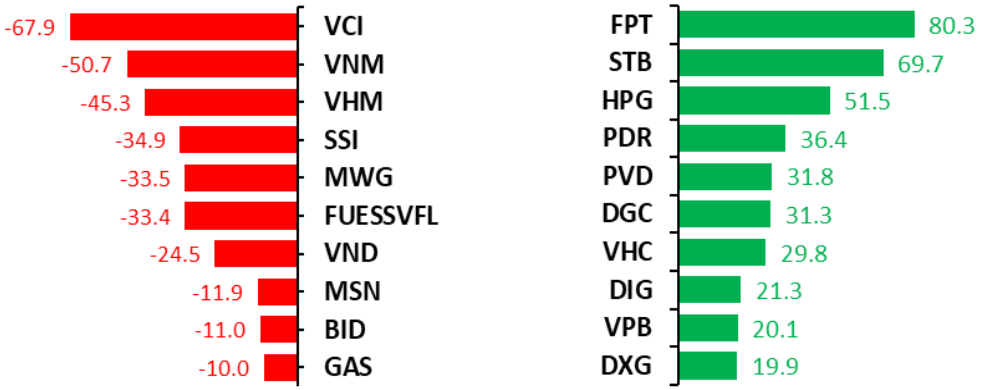
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,087.85	15.08	-15.55	-1.41	563	12,615
HNX INDEX	223.45	25.29	-3.67	-1.62	83	1,562

Vietnam Market Snapshot 19/10/2023

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	18	108	(139)	31
Basic Resources	11	62	(88)	26
Media	-	-	0	(0)
Industrial Goods & Services	7	26	(57)	31
Health care	0	0	(5)	5
Chemicals	(6)	51	(56)	5
Financial Services	38	(160)	122	38
Travel & Leisure	9	11	(16)	5
Banks	58	65	(55)	(10)
Construction & Materials	4	27	(36)	9
Food and Beverage	(0)	(22)	25	(3)
Retail	8	1	(32)	31
Utilities	5	(17)	5	12
Personal & Household Goods	(3)	2	6	(8)
Technology	5	82	(74)	(8)
Automobiles & Parts	2	(0)	(2)	2
Insurance	1	3	2	(5)
Oil & Gas	3	33	(20)	(14)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- President: Vietnam – Laos relationship is an invaluable asset. President Vo Van Thuong affirmed: "Vietnam always values its relationship with Laos, considers Laos a top priority in its foreign policy, and the Vietnam-Laos relationship is an invaluable asset and a model relationship." Honesty, fidelity, and clarity are rare in international relations." On the occasion of attending the 3rd Belt and Road International Cooperation Summit, on the morning of October 19, in Beijing, China, President Vo Van Thuong had a meeting with the General Secretary and President of the State. Laos Thongloun Sisoulith.
- Prime Minister: The relationship between Vietnam and Saudi Arabia is a solid foundation for businesses of the two countries to expand cooperation. At the meetings, Prime Minister Pham Minh Chinh said that the relationship between Vietnam and Saudi Arabia is developing well, with mutual trust, rapid economic cooperation and great potential, which is a solid foundation for business. The two countries' industries expanded cooperation. Further strengthening effective economic cooperation for mutual benefit is one of the top priorities during this visit of the Vietnamese delegation to Saudi Arabia.
- Nearly 222,000 flights in 9 months, which airlines are less likely to be late? Accumulated in 9 months, Vietnamese airlines operated nearly 222,000 flights, with an industry-wide average delay rate of 15%. Bamboo Airways continues to lead the way in flying on time, with few delays, followed by VASCO, Vietravel, and Vietnam Airlines with a higher than average on-time take-off rate. Specifically, VietJet Air leads in delayed flights with 16,520 flights, accounting for nearly 20% of the total number of flights the airline operates, meaning 1 out of every 5 flights is delayed. The airline with the second highest rate of delayed flights is Pacific Airlines with 2,559 flights, a rate of 15.8%. Vietravel Airlines had 10,671 delayed flights, accounting for 13.5% of the airline's total flights.

Business news

- HHV: Deo Ca Transport Infrastructure Investment Joint Stock Company (Stock code: HHV) will use nearly 332 billion VND earned from issuing shares to purchase machinery, equipment, and means of transport to serve production activities. export business regularly. From the beginning of 2023 until now, HHV and its contractor partnerships have continuously won construction and installation contracts with great value, such as the Quang Ngai – Hoai Nhon Expressway Project with a total contract value of more than 14,500 billion VND. , Prenn Pass expansion project (Lam Dong) with a total contract value of 550 billion VND, and most recently the coastal road project connecting Lien Chieu port – Da Nang with a value of 950 billion VND.
- NDN: Invested 1/3 of assets to buy shares of STB, HPG, DGC, MWG,... a real estate business with big profits, exceeding plan after 9 months. Da Nang Housing Joint Stock Company (code NDN) has just announced its financial report for the third quarter of 2023 with net revenue reaching 56.18 billion VND, 50 times higher than the same period last year. Gross profit reached 30.1 billion VND, nearly 37 times higher than the third quarter of 2022. In the third quarter, financial revenue doubled to 27.3 billion VND while financial costs were reduced by 50% to 20.8 billion VND. After deducting expenses, Da Nang House net profit was 27.6 billion VND while the same period loss was 28.8 billion VND.
- PPC: Pha Lai Thermal Power Joint Stock Company (stock code: PPC) has just announced its financial statements for the third quarter of 2023 with recording revenue of 1,336 billion VND, an increase of 14% over the same period last year. Trading below cost cost caused this enterprise to have a gross loss of 84 billion VND. However, the company still reported profit after tax of 84 billion VND, down nearly 46% over the same period last year. The main reason is because during the period, Pha Lai Thermal Power recorded a financial revenue of 184 billion VND from receiving dividends and shared profits.

Breaking News



Business news

- HAG: Revealing the buyer of Hoang Anh Gia Lai Hotel: 1 new cattle farming enterprise established 4 months ago. Hoang Anh Gia Lai Joint Stock Company (HAGL, HAG) has just announced the sale of Hoang Anh Gia Lai hotel to partners, and recorded a liquidation profit of 180 billion VND in September 2023. This is one of HAGL's remaining valuable real estate properties. The Company decided to sell it to have money to repay bonds at BIDV bank. The buyer is known to be a newly established company, whose full name is Hoan Sinh Gia Lai Investment Company Limited. Among them, Hoan Sinh Gia Lai was just established on June 20, 2023, with a charter capital of 200 billion VND.

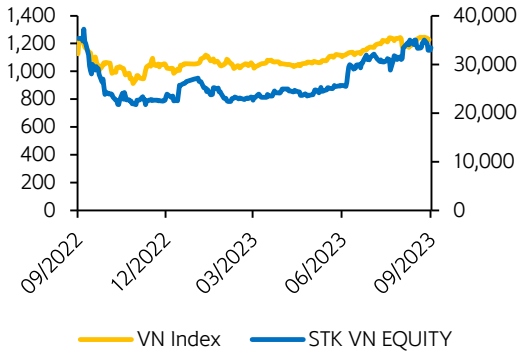
- ELC: At the end of the first 9 months of 2023, ELCOM (Stock code: ELC) completed 65% of the revenue plan and 78% of the profit after tax plan. Specifically, in the third quarter of 2023, ELCOM estimates consolidated revenue to reach 336 billion VND and consolidated pre-tax profit to reach more than 40 billion VND, growing 35% and 166% respectively compared to consolidated revenue and pre-tax profit. the same period in 2022. In 2023, ELCOM sets a consolidated revenue plan of 700 billion VND, consolidated profit after tax of 56 billion VND. Thus, by the end of the first 9 months of 2023, the Company has completed 65% of revenue and 78% of profit after tax.

- PNJ: Jewelry brand ranks first in the top 25 personal consumer brands. Within the framework of the 2023 Brand Conference, Forbes Vietnam honored the Top 25 company brands in the field of personal and industrial consumer goods. Among them, PNJ is the only jewelry brand appearing in the rankings.

Thanh Thanh Cong – Bien Hoa (HOSE: SBT)

TARGET PRICE (12M)	**N/A**
CURRENT PRICE (18/10/2023)	VN13,500
Return (%)	N/A
VNINDEX	1,184
Market P/E (x)	11.5
Market Cap. (bn VND)	9,997
Outstanding Shares (mn)	741
Free Floating Shares (mn)	126
52-Wk High/Low (VND)	17,750/5,419
3M Avg. Trading Vol. (mn)	3.08
3M Avg. T/O (bn VND)	5
Foreigner ownership	
Shareholders (%) TTCI	26
Shareholders (%) BOD and related	26

	3M	6M	12M
Absolute(%)	-18.9	-6.3	11.1
Rel. to VNINDEX(%)	-12.9	-10.9	7.4



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Visiting raw material area and plant

Thanh Thanh Cong – Bien Hoa JSC (HOSE: SBT) is the largest producer of cane sugar in Vietnam with 46% market share. Sugar is key prod uct, accounting for more than 90% of revenue and gross profit. Domestic sugar production only meets 30% domestic demand. As the lea ding sugar producer in Vietnam, SBT benefit from this deficit thanks to its diverse products and extensive distribution system. SBT strength en its leading position in the industry since (1) the largest raw material area in Vietnam (68 thousand hectares); and (2) the highest number of sugar factories (10 factories)..

Visiting raw material area and plant We visited the Hung Le coconut raw material area and Phong Nam coconut factory in Ben Tre, as we ll as met with the SBT board of directors on October 19, 2023.

Hung Le raw material area. Hung Le organic coconut area belongs to Betrimex, a strategic partner company of SBT. Currently, this raw coconut area is 8,000 ha wide and increase to 10,000 ha by the end of 2023. There are 1,000 households participates in farming, a sharp i ncrease from 25 households in 2015. Coconut area cultivates from 15 years old to 40 years old.

Phong Nam plant. It belongs to Betrimex company with an area of 7.6 hectares. The factory has a capacity of 120 million liters of cocon ut water, 13 million liters of coconut milk and 2 million liters of coconut oil annually. This is the first factory to apply advanced European U HT technology in the production line, providing products for domestic distribution and export to 67 countries around the world (branded CoCoXim).

Meeting the SBT management: New business model strategy. Per management, SBT offers a strategy for a new business model, from a company focusing on sugar production to a business with "solution-sustainable-smart" for the agricultural products. Thereby, in the 202 3/2024 (crop year) onwards, SBT will (1) research and exploit the Vietnamese beverage market, (2) deploy domestic distribution channels and export partners' coconut products of Betrimex, (3) exploits the added value chain of available products. Regarding the sugar segment , SBT's management estimates that production output of 2023/2024 will decrease due to unfavorable weather, however the lower domes tic output, lower sugar production and export activities of large suppliers including Thailand and India will keep sugar prices in 2023/2024 .

	2022	2023F	2024	2025F	2026F
Revenue (VNDbn)	18,319	24,828	24,326	26,257	28,202
OP (VNDbn)	1,007	735	1,820	1,828	2,092
NPAT (VNDbn)	874	537	1,390	1,543	1,702
EPS (VND)	1,167	715	1,931	2,158	2,394
BPS (VND)	13,553	15,290	16,550	18,506	20,678
OPM (%)	5.5	2.9	7.5	7.0	7.4
NPM (%)	4.8	2.1	5.7	5.9	6.0
ROE (%)	9.0	5.4	12.0	12.0	11.9
PER (x)	8.5	18.9	9.4	8.4	7.6
PBR (x)	1.4	0.9	1.1	1	0.9
EV/EBITDA (x)	3.5	9.1	2.4	2.2	2.1

Source: Bloomberg, SSV

Technical view



Trend: Downtrend

- VNINDEX closed at 1,087.8 (-15.5 points, -1.41%) with relatively low liquidity. The market dropped sharply with 364 red stocks and 141 green stocks. In the opposite direction, foreign investors and proprietary trading continued to net buy, in which proprietary trading suddenly net bought with a total value of more than 800 billion VND. The group of rising stocks leading the market is CTG BID, on the opposite side are VPB and VCB. Most industry groups declined sharply, except for the media group, which increased slightly.
- Technical view: After breaking MA 200 in the previous session, the market continued to decline from the opening and closed at the session's lowest. With this downward momentum, the market is highly likely to return to the 1050 area (support area accumulated during the first 5 months of 2023). After that, VNINDEX will need more time to accumulate. 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 area.
- Less positive (50%): The market will head towards the lower zone of 1,050.

Recommended stocks

20/10/2023

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
PTB	Hold	57.7	62.8	56.8	9%	-2%	57.3	1	-0.69%	19/10/2023	
SZC	Hold	37.1	40.9	36	10%	-3%	36.6	1	-1.35%	19/10/2023	

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

Shinhan Securities

Q&A

Shinhan Investment Network

SEOUL

Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH

Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000

Shinhan Securities



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