MORNING CALL
23/10/2023

"The downward momentum temporarily stopped"

- ❑ World stocks: Global stocks agreed to decline
- ❑ Vietnam stocks: Temporarily decreasing momentum
- ❑ Business news: #HT1, #DHA, #TPB, #ORS, #NVB, #VND
- ❑ Highlights: Geopolitical risks from the Israel-Hamas war
- ❑ Technical perspective and updated recommendations: #NKG
- ❑ Event calendar
- ❑ Q&A

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Global Market Review 23/10 - 27/10/2023

Major stocks market

- Last week, the Dow Jones index fell 1.61%, the S&P 500 fell 2.39% and the Nasdaq Composite fell 3.16%. The decline came from concerns about higher interest rates, with the US 10-year bond yield hitting 5% for the first time since 2007. Federal Reserve Chairman Jerome Powell suggested last week that the The central bank will keep interest rates steady at its next meeting but also hinted that a stronger economy could lead to higher interest rates for longer.
- European stock markets closed sharply lower on Friday, with Frankfurt's Dax falling 1.6% to its lowest since May and the pan-European Stoxx 600 sliding 1.2% to its lowest year-to-date, as rising bond yields and geopolitical instability in the Middle East continue to pressure stocks in Europe.
- The Nikkei 225 index fell 0.5% to around 31,100 while the Topix Index fell 0.3% to 2,250 on Monday, hitting its lowest level in more than two weeks as concerns about higher interest rates and escalating conflict in the Middle East created causing fear in markets globally.
- The Shanghai Composite fell 0.74% to close at 2,983 while the Shanghai Component fell 0.88% to 9,570 on Friday, hitting its lowest in at least a year and taking cues from negative leads on Wall Street.
- WTI crude oil futures steadied above $88 a barrel on Friday and notched a second straight weekly gain, as global oil markets faced supply concerns and fears that conflict Israel-Hamas conflict could spread in the Middle East.

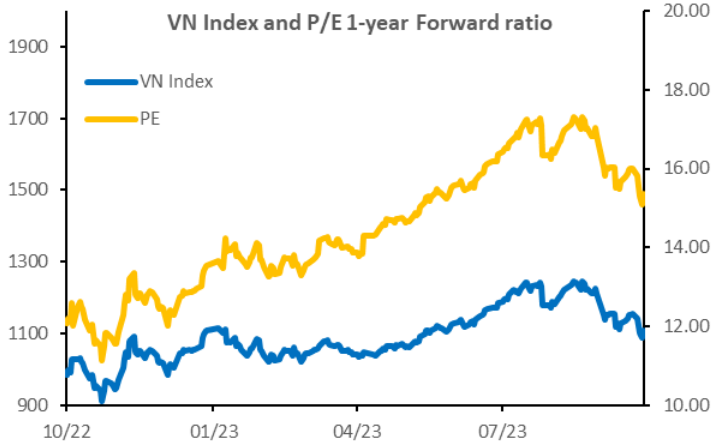
Market

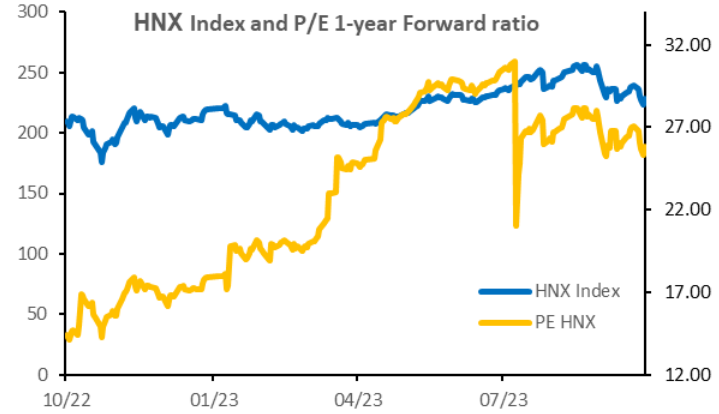
	Close	%1D	%1M	%1Y
VN-Index	1,108	1.86%	-7.13%	8.65%
S&P 500 Index	4,224	-1.26%	-2.22%	12.56%
Dow Jones Index	33,127	-0.86%	-2.46%	6.58%
GP 100	7,402	-1.30%	-3.67%	6.20%
Nikkei 225	31,138	-0.39%	-3.90%	15.79%
SHCOMP Index	2,983	-0.74%	-4.77%	-1.84%
STOXX 600	434	-1.36%	-4.31%	9.45%
KOSPI Index	2,372	-0.13%	-5.43%	7.18%
Hang Seng	17,172	-0.72%	-4.90%	5.93%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.20	0.04%	0.59%	-5.19%
USD/VND	24,526.00	0.07%	-0.57%	1.30%
EUR/USD	1.06	-0.09%	-0.08%	7.20%
USD/CNY	7.32	-0.06%	-0.39%	-1.38%
Brent	91.58	-0.63%	-1.81%	-2.05%
WTI	87.46	-0.70%	-2.85%	2.83%
Natural gas	2.89	-0.48%	9.40%	-41.82%
Coal	138.00	1.10%	-14.15%	-64.79%
Gold	1,965.63	-0.80%	2.59%	19.15%

Vietnam Market Snapshot 20/10/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,108.03	15.36	20.18	1.86	550	12,341
HNX INDEX	228.45	25.86	5.00	2.24	93	1,772

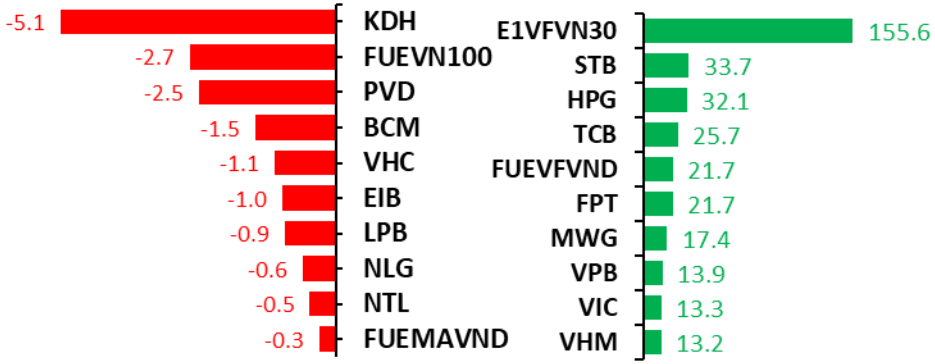
Money flow and sector rotation (VND bn)

Sector	%1D	10/20/2023	10/19/2023	20-session Average
Chemicals	27.31	849	667	912
Oil & Gas	19.12	265	222	215
Financial Services	8.71	2,645	2,433	2,808
Industrial Goods & Services	5.51	840	796	1,014
Retail	4.17	586	562	619
Utilities	0.77	144	143	178
Construction & Materials	-3.5	841	872	1,099
Banks	-4.1	1,916	1,999	2,086
Personal & Household Goods	-7.5	98	106	128
Travel & Leisure	-9.9	109	121	128
Technology	-11.3	281	317	264
Real Estate	-11.6	2,179	2,465	2,735
Automobiles & Parts	-12.6	88	101	152
Basic Resources	-13.7	728	843	1,002
Food and Beverage	-20.1	722	904	888
Insurance	-39.3	14	23	23
Media	-41.3	2	4	4
Health Care	-43.8	16	29	22

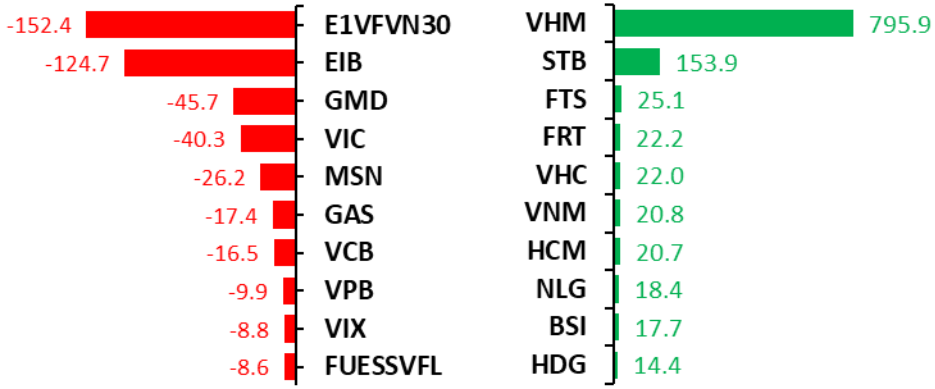
Source: Bloomberg, Shinhan Securities Vietnam

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	33	818	(884)	66
Basic Resources	34	2	(37)	36
Media	-	0	(0)	-
Industrial Goods & Services	10	(43)	(14)	58
Health care	0	(0)	(2)	2
Chemicals	11	21	(78)	57
Financial Services	199	(97)	(80)	177
Travel & Leisure	9	2	(6)	4
Banks	139	(6)	10	(4)
Construction & Materials	7	10	(38)	28
Food and Beverage	18	19	(20)	1
Retail	21	32	(30)	(2)
Utilities	9	(24)	11	13
Personal & Household Goods	1	3	(5)	2
Technology	22	9	(25)	16
Automobiles & Parts	0	5	(16)	10
Insurance	0	3	(4)	1
Oil & Gas	(2)	11	(11)	1

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- The world economy is "holding its breath" waiting for a conflict scenario. Conflict in the Middle East could send shockwaves around the world because the region is a source of energy and an important shipping route. Bloomberg Economics examined the impact that the clash that broke out on October 7 could have on global growth and inflation under three scenarios: Scenario 1: Conflict limited to the Gaza Strip. Scenario 2: Proxy war. Scenario 3: Iran-Israel war.

- The world's largest oil and gas corporation wants to invest in Vietnam. Prime Minister Pham Minh Chinh proposed that Aramco Group invest in Vietnam in the oil and gas sector, especially large petrochemical refinery projects. At the same time, he requested Vietnam National Oil and Gas Group (PVN) and Aramco to arrange to work directly on the cooperation plan... The Prime Minister also asked Aramco to create conditions for Vietnam National Petroleum Group (PVN) to Participate in oil and gas service provision activities in Saudi Arabia, find large projects to invest together and support the training of oil and gas human resources. To achieve the above goals, the two sides agreed to research the establishment of joint economic working groups and soon organize the 5th Joint Committee meeting in the near future and research to improve the efficiency of the mechanism. This mechanism is used to review and promote bilateral cooperation.

- In October 2023, the highest term deposit interest rates at 4 State-owned commercial joint stock banks will be adjusted down from 0.2 - 0.3%, to only 5.5% for 12 - 24 month terms. With a term of 6-9 months, the deposit interest rate has returned to 4.5%/year. With current developments, the State Bank may continue to reduce another 0.5% in the last quarter of 2023 to support the economy entering 2024.

Business news

- HT1: Cement industry giant Vicem Ha Tien (HT1) reported a loss for the second quarter of 2023. Vicem Ha Tien Cement Joint Stock Company (Vicem Ha Tien; HoSE: HT1) recorded a less than satisfactory business situation in the quarter March 2023, amid difficulties in the real estate market as well as the construction industry. Specifically, Vicem Ha Tien recorded net revenue from sales and service provision decreased by 30.2% over the same period, to 1,576 billion VND. Gross profit on sales and service provision reached 142 billion VND, down more than 25% over the same period.

- DHA: After 2 years of struggling with losses, a "quarry giant" has sold more than 2.6 million HPG shares. Hoa An Joint Stock Company (CP code: DHA) bought HPG shares at a price of more than 50,000 VND/share from the fourth quarter of 2021. According to the newly published report, DHA's third quarter 2023 revenue decreased slightly by 3.26 billion VND, equivalent to more than 3% over the same period due to a decrease in sales volume of 27,423 m2 of all types of stone. However, profit after tax increased to nearly 8 billion VND, equivalent to 41.7%, the main reason being the reversal of provisions for financial investments.

- TPB: Tien Phong Commercial Joint Stock Bank has just announced its business results for the third quarter of 2023 with pre-tax profit reaching 1,575 billion VND, accumulated 9 months reaching 4,959 billion VND. Specifically, in the first 9 months of the year, TPBank's net interest income decreased slightly by 2% over the same period, reaching 8,429 billion VND. Up to now, this bank has about 10 million customers using the service, of which more than 1.5 million new customers were added in the first 9 months of this year alone. Thanks to the rapid increase in the number of customers, TPBank's service income also increased, increasing 15% over the same period last year, reaching 2,165 billion VND.

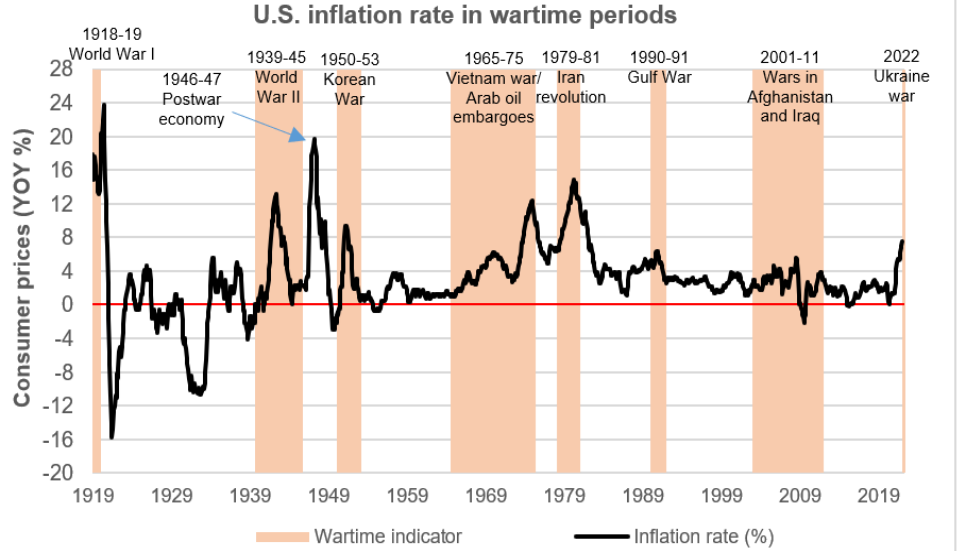
Breaking News



Business news

- ORS: Tien Phong Securities (TPS) lost more than 200 billion VND from selling bonds. Tien Phong Securities has announced its financial statements for Q3/2023, recording an increase in operating revenue of 15% over the same period to 630 billion VND, of which custody revenue accounts for the largest proportion with 282 billion VND. billion, an increase of 69% compared to the third quarter of 2022. TPS sold nearly 13,500 billion VND of FVTPL assets, of which nearly 12,100 billion VND were bonds. However, just over 3,060 billion VND of bonds sold had a profit of nearly 30 billion VND, the remaining more than 9,000 billion VND of bonds sold had a loss of 249 billion VND.
- VND: VNDirect third quarter profit was 7 times higher than the same period, took profit from PTI shares, aggressively bought more VPB, HSG. Big profit in the third quarter, but VNDirect's 9-month accumulated pre-tax profit still decreased by 13% compared to the same period last year. VNDirect Securities Joint Stock Company has just announced its separate financial report for the Q3/2023 with operating revenue reaching 1,751 billion VND, an increase of 22% over the same period last year. Pre-tax profit reached more than 788 billion VND, nearly 7 times higher than Q3/2022. The growth is mainly due to flourishing self-employment activities.
- NVB: NCB has positive capital mobilization and credit growth in Q3/2023. By the end of Q3/2023, customer loans grew outstandingly, reaching a growth rate of 7.1%, customer deposit balances at NCB increased sharply compared to the previous quarter and compared to the end of 2022, showing that customers are increasingly believe in the bank's development direction. National Commercial Joint Stock Bank (NCB) has just announced its business results report for the third quarter of 2023 with many positive results. Among them, the most prominent is capital mobilization and customer lending activities that achieved outstanding growth results, in the context of interest rates being adjusted downward across the system of credit institutions.

Breaking News: Geopolitical risks from Israel – Hamas



Source: BLS; NBER; RSM US

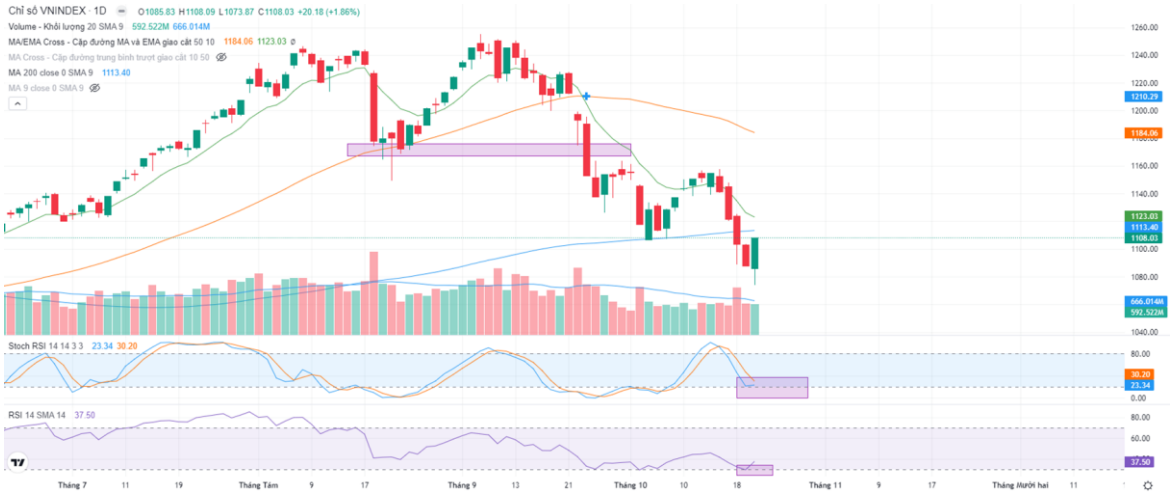
Stocks Usually Take Geopolitical Events In Stride

S&P 500 Index And Select Geopolitical Events

		S&P 500 Returns		Days	
Market Shock Events	Event Date	One Day	Total Drawdown	Bottom	Recovery
Pearl Harbor Attack	12/7/1941	(3.8%)	(19.8%)	143	307
N. Korean Invades S. Korea	6/25/1950	(5.4%)	(12.9%)	23	82
Hungarian Uprising	10/23/1956	(0.2%)	(0.8%)	3	4
Suez Crisis	10/29/1956	0.3%	(1.5%)	3	4
Cuban Missile Crisis	10/16/1962	(0.3%)	(6.6%)	8	18
Kennedy Assassination	11/22/1963	(2.8%)	(2.8%)	1	1
Gulf of Tonkin Incident	8/2/1964	(0.2%)	(2.2%)	25	41
Six-Day War	6/5/1967	(1.5%)	(1.5%)	1	2
Tet Offensive	1/30/1968	(0.5%)	(6.0%)	36	65
Munich Olympics	9/5/1972	(0.3%)	(4.3%)	42	57
Yom Kippur War	10/6/1973	0.3%	(0.6%)	5	6
Reagan Shooting	3/30/1981	(0.3%)	(0.3%)	1	2
Iraq's Invasion of Kuwait	8/2/1990	(1.1%)	(16.9%)	71	189
U.S. Terrorist Attacks	9/11/2001	(4.9%)	(11.6%)	11	31
Madrid Bombing	3/11/2004	(1.5%)	(2.9%)	14	20
London Subway Bombing	7/5/2005	0.9%	0.0%	1	4
Boston Marathon Bombing	4/15/2013	(2.3%)	(3.0%)	4	15
Bombing of Syria	4/7/2017	(0.1%)	(1.2%)	7	18
North Korea Missile Crisis	7/28/2017	(0.1%)	(1.5%)	14	36
Saudi Aramco Drone Strike	9/14/2019	(0.3%)	(4.0%)	19	41
Iranian General Killed In Airstrike	1/3/2020	(0.7%)	(0.7%)	1	5
U.S. Pulls Out of Afghanistan	8/30/2021	0.4%	(0.1%)	1	3
Escalation of Russia/Ukraine Conflict	2/17/2022	(2.1%)	(6.8%)	13	23
Israel-Hamas War	10/9/2023	0.3%	?	?	?
Average		(1.1%)	(4.7%)	19.4	42.3

Source: LPL Research, Bloomberg, Factset, S&P Dow Jones Indices, CFRA, Strategas 10/09/23

Technical view



Trend: The downward momentum temporarily stopped

- VNINDEX index closed at 1108.03 (+1.86%) with relative liquidity. The momentum spread strongly with 389 green codes and 122 red codes. The stocks leading the market include: VHM CTG HPG, on the contrary, the decline came from GMD, SSB, PGV. Foreign investors and proprietary trading were strong net buyers.
- Technical: The market showed signs of slowing down when it formed a strong bullish candle that closed at the session's highest. After the decline in the morning session, market-wide demand participated strongly. The Stoch RSI indicator shows signs of about to cross the signal line, showing that the price momentum is improving significantly. However, with 4 consecutive down sessions, a green up session cannot clearly determine the upcoming trend, especially when the market is still trading below MA 200.
- Strategy: Because the upcoming trend is unclear, short-term trading needs to be very limited. It is possible for the market to turn down further. However, this is a more suitable time for investors who tend to hold medium and long term when VNINDEX has a relatively deep discount.

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

23/10/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
NKG	Buy	18.2	20.9	17.2	15%	-5%	18.4	

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%	57.5	2	-0.35%	19/10/2023	
SZC	Hold	37.1	40.9	36	10%	-3%	38.2	2	2.96%	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

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Q&A

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