MORNING CALL
24/10/2023

"Accumulation"

- ❑ World stocks: The downward momentum continues
- ❑ Vietnam stocks: Accumulation
- ❑ Business news: #TCB, #HAG, #DGC, #PGB, #VHM, #DHG
- ❑ Technical perspective and updated recommendations: #PVS
- ❑ Event calendar
- ❑ Q&A

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

Major stocks market

- In regular trading on Monday, the Dow and S&P 500 lost 0.58% and 0.17%, respectively, while the Nasdaq Composite rose 0.27%. Those moves came as the benchmark 10-year US yield retreated from 5% after Pershing Square's Bill Ackman revealed he covered his short position on bonds due to growing geopolitical risks.
- European markets finished mixed as of the most recent closing prices. The CAC 40 gained 0.50% and the DAX rose 0.02%. The FTSE 100 lost 0.37%. Investors are bracing for an upcoming European Central Bank meeting later in the week and sifted through a series of earnings reports. At the same time, bond yields retreated, with the US 10-year Treasury yield declining from the 5% mark and the German bund yield falling below 2.9%
- The Nikkei 225 Index fell 0.5% to below 30,900 while the broader Topix Index dropped 0.6% to 2,225 on Tuesday, hitting their lowest levels in almost three weeks as investors reacted to data showing Japanese private sector activity turned contractionary in October due to ongoing weakness in the manufacturing sector. Japanese markets also took cues from a mixed session on Wall Street overnight as investors continued to monitor global bond yields and geopolitical developments in the Middle East.
- WTI crude futures fell toward $86 per barrel on Monday, sliding for the second straight session as diplomatic efforts to keep the Israel-Hamas war from exploding to a wider conflict in the Middle East eased some concerns about supply disruptions in the oil-rich region.

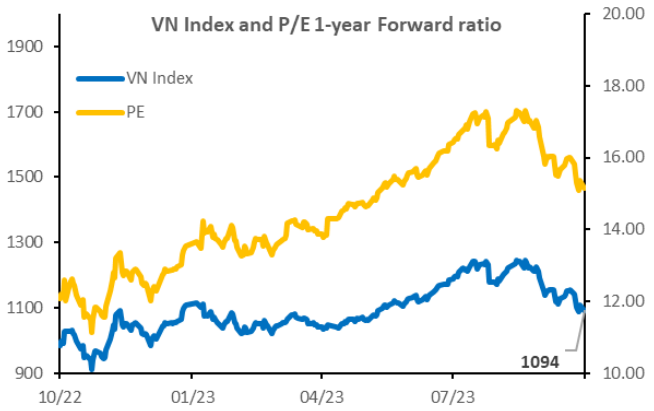
Market

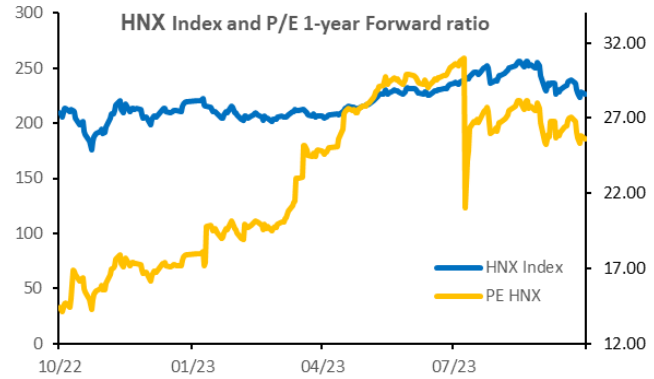
	Close	%1D	%1M	%1Y
VN-Index	1,094	-1.31%	-8.34%	10.89%
S&P 500 Index	4,217	-0.17%	-2.38%	11.05%
Dow Jones Index	32,936	-0.58%	-3.03%	4.56%
GP 100	7,375	-0.37%	-4.02%	5.14%
Nikkei 225	30,928	-0.23%	-4.55%	14.66%
SHCOMP Index	2,939	-1.47%	-6.17%	-1.29%
STOXX 600	433	-0.13%	-4.43%	7.80%
KOSPI Index	2,353	-0.16%	-6.18%	5.24%
Hang Seng	17,172	-0.72%	-4.90%	5.93%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	105.61	0.07%	0.03%	-5.69%
USD/VND	24,573.00	-0.12%	-0.77%	1.10%
EUR/USD	1.07	0.01%	0.74%	8.07%
USD/CNY	7.31	0.08%	0.04%	-0.63%
Brent	90.55	0.80%	-2.92%	-2.91%
WTI	86.19	0.82%	-4.27%	1.90%
Natural gas	2.93	0.07%	11.04%	-43.68%
Coal	138.35	0.25%	-13.53%	-64.53%
Gold	1,973.32	0.02%	3.00%	19.61%

Vietnam Market Snapshot 23/10/2023





Money flow and sector rotation (VND bn)

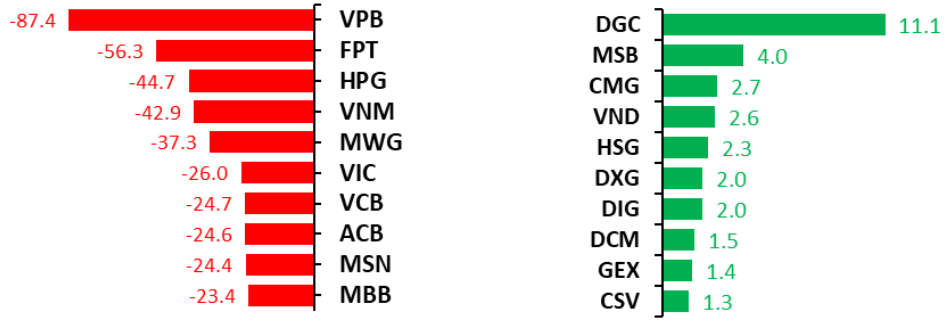
Sector	%1D	10/23/2023	10/20/2023	20-session Average
Health Care	88.60	30	16	23
Food and Beverage	24.54	900	722	863
Media	24.15	3	2	4
Travel & Leisure	10.38	120	109	126
Real Estate	-1.3	2,152	2,179	2,613
Automobiles & Parts	-1.7	87	88	139
Retail	-13.6	506	586	606
Banks	-15.2	1,625	1,916	2,000
Basic Resources	-17.1	603	728	940
Personal & Household Goods	-22.4	76	98	123
Chemicals	-23.8	647	849	890
Insurance	-25.6	10	14	22
Oil & Gas	-26.2	195	265	218
Industrial Goods & Services	-28.8	598	840	972
Technology	-31.9	192	281	262
Construction & Materials	-33.6	559	841	1,048
Utilities	-37.7	90	144	171
Financial Services	-37.8	1,644	2,645	2,683

Source: Bloomberg, Shinhan Securities Vietnam

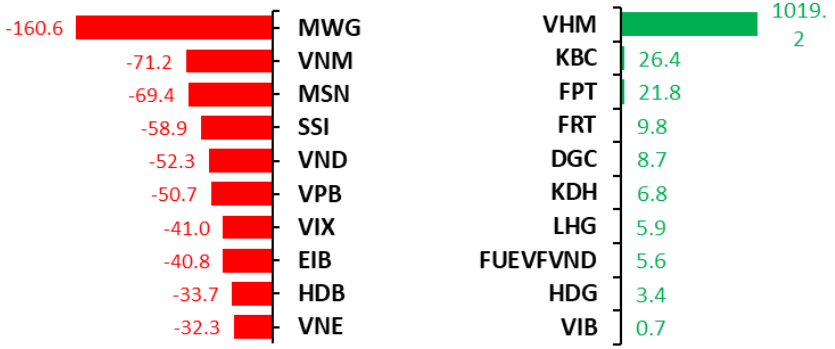
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,093.53	15.16	-14.50	-1.31	454	10,044
HNX INDEX	226.26	25.61	-2.19	-0.96	69	1,237

Vietnam Market Snapshot 23/10/2023

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	(66)	963	(913)	(50)
Basic Resources	(43)	(60)	109	(49)
Media	-	-	0	(0)
Industrial Goods & Services	1	(20)	4	16
Health care	0	(0)	10	(10)
Chemicals	12	0	(53)	53
Financial Services	(29)	(223)	290	(68)
Travel & Leisure	(15)	(5)	21	(16)
Banks	(276)	(194)	559	(366)
Construction & Materials	(5)	(77)	22	55
Food and Beverage	(71)	(162)	197	(36)
Retail	(39)	(155)	193	(38)
Utilities	(9)	(17)	26	(8)
Personal & Household Goods	1	(1)	(2)	4
Technology	(54)	21	39	(60)
Automobiles & Parts	(3)	(5)	(3)	8
Insurance	(1)	(1)	2	(0)
Oil & Gas	(4)	(7)	8	(1)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- The report from the Ministry of Finance indicates that, in the period 2021 - 2023, the annual debt safety indicators ensure within the ceilings and safety thresholds approved by the National Assembly. Accordingly, it is estimated that by the end of 2023, public debt/GDP will be about 39 - 40%; government debt/GDP will be about 36 - 37%; the country's foreign debt/GDP will be about 37 - 38%, all far from the warning threshold. Observations show that from the peak of 63.7% GDP in 2016, the public debt balance at the end of 2023 is expected to decrease to about 39 - 40% GDP, creating fiscal policy room for Vietnam to recover its economy after the pandemic. The proportion of domestic debt increased from 38.9% in 2011 to about 70% of the total government debt balance, contributing to reducing portfolio risk.
- Prime Minister: GDP growth target in 2024 is about 6-6.5%: Many reputable international organizations highly appreciate the results and prospects of our country's economy and forecast that Vietnam will recover quickly in the near future... Based on the results of the 9 months, it is estimated that for the whole year 2023, we will strive to have at least 10/15 targets met and exceeded, with the highlight being being able to complete all social indicators. Specifically, the macroeconomy is basically stable, inflation is controlled, growth is promoted, and major balances are basically guaranteed. GDP growth in the third quarter reached 5.33%, for the total of 9 months it reached 4.24%; It is estimated that the whole year will reach over 5%.
- Strive for credit growth in 2024 of over 15%. In 2024, the world situation is forecast to continue to become complicated and unpredictable; Global economic growth, trade and investment continue to slow down. The head of the Government said that "in the country, we have very basic advantages, but the economy continues to suffer from "double negative impacts" from unfavorable external factors and limitations and disadvantages. access inside.

Business news

- **TCB:** Techcombank's profit is 5.8 trillion VND in the third quarter of 2023, capital adequacy ratio (CAR) leads the banking industry. Techcombank's capital adequacy ratio (CAR) according to Basel II at the end of the third quarter reached 15%, continuing to lead the banking industry. In particular, many key business segments at this bank have grown outstandingly in the past 3 months. In the first 9 months of 2023, Techcombank's net interest income decreased by 14.4% over the same period last year to VND 20.1 trillion. In the third quarter, the decrease in net interest income slowed down to 3.9%, from about 19% in the previous two quarters. The Bank's cost of fund began to show stability, falling to 4.7% in the third quarter, from 5.4% in the second quarter as liquidity continued to improve.

- **HAG:** Hoang Anh Gia Lai joined hands with LPBank, HAG shares "upstream" increased almost to the full amplitude. The trading session at the beginning of the week (October 23, 2023) continued to correct on a large scale. Notably, HAG shares of Hoang Anh Gia Lai Group (HAGL, HAG) "upstream" increased sharply, approaching the ceiling price of 8,710 VND/share, with a liquidity of nearly 33 million units. Worth mentioning, this is a rare strong price fluctuation of HAG stock in recent months.

- **DGC:** Duc Giang Chemical (DGC) reported a 46% decrease in net profit for the third quarter of 2023, holding nearly 10,000 billion in cash and only 1,000 billion VND in financial debt. Duc Giang Chemical Joint Stock Company (stock code: DGC) has just announced its financial statements for the third quarter of 2023 with net revenue of 2,463 billion VND, down 33.3% over the same period last year. Gross profit of the business reached 839.8 billion VND, down 49%

Breaking News



Business news

- PGB: PG Bank successfully organized an extraordinary General Meeting of Shareholders, Mr. Pham Manh Thang was elected as Chairman of the Board of Directors. On the morning of October 23, 2023, in Ninh Binh province, Petrolimex Commercial Joint Stock Bank (PG Bank, stock code: PGB) organized the 2023 Extraordinary General Meeting of Shareholders. At the congress, the bank presented shareholders with 4 main contents, including the content approved for the structure and personnel plan for the Board of Directors (BOD), Supervisory Board (SB) for the term 2020-2025. The expected candidates have all been appraised, approved by the State Bank of Vietnam and voted by shareholders with a high consensus rate.

- VHM: Foreign investors continue to "pump" thousands of billions more into Vinhomes shares through a series of huge agreements. Amidst a market immersed in red, VHM shares of Vinhomes Joint Stock Company once again received a sudden strong buying force from foreign investors. A series of agreement transactions at the beginning of the afternoon session with a total volume of up to more than 26 million units (price 43,600 VND / share) quickly reversed the foreign capital flow on this stock.

- DHG: Hau Giang Pharmaceutical Joint Stock Company (DHG) has just announced its Q3/2023 financial statement, recording net revenue of VND 1,099 billion - down 5% compared to the same period. Correspondingly, gross profit decreased to approximately VND 515 billion, gross profit margin in the period continued to narrow to 46.9% (compared to 49.7% in the same period last year).

Technical view



Trend: Accumulation

- VNINDEX closed at 1093.5 (+14.5 points, -1.31%) with relatively low liquidity. The market declined slightly with 398 red stocks, 91 green stocks. Foreign investors returned to net selling while proprietary trading continued to net buy for the 4th consecutive session. The leading market gainers were SSB and HAG, on the contrary, there were GAS and VNM. All industry groups declined, including the chemical group, retail services, telecommunications being the strongest decline.
- Technical view: The market has shown signs of slowing down and accumulating sideways in the 1100 area. The Stoch RSI indicator has crossed up the signal line showing that the price momentum is significantly improving. However, the market needs to accumulate more after the previous strong decline. The next resistance zone is MA 200 corresponding to 1110-1120. Support is 1080.
- Strategy: Maintain a completely observational status for short-term traders. Because this is a suitable stage for long-term investment buying strategy rather than short-term trading. However, opportunities will appear when the market completely escapes through the 1110 area with increasing liquidity.

Scenario:

- Positive (60%): The market will accumulate further in the 1110 area this week and may regain MA 200.
- Less positive (40%): The market will return to the 1060-1080 area for further accumulation.

Recommended stocks

24/10/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
PVS	Buy	37.7	40.3	36.4	7%	-3%	38.2	Stong accumulation

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	3	-0.69%	19/10/2023	
SZC	Hold	37.1	40.9	36	10%	-3%	37.4	3	0.81%	19/10/2023	
NKG	Hold	18.2	20.9	17.2	15%	-5%	18.5	1	1.65%	23/10/2023	

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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