MORNING CALL
25/10/2023

“Consolidation around 1,100 points”

- World stocks: Global markets rebound after US PMI data
- Vietnam stocks: Consolidation around 1,100 points
- Business news: #VIC, #ACB, #POW, #PNJ, #STB, #VRE
- Technical perspective and updated recommendations: #ACB
- 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

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Catching the latest report



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

Major stocks market

- In regular trading on Tuesday, the Dow rose 0.62%, the S&P 500 climbed 0.73% and the Nasdaq Composite advanced 0.93%, those gains came on the back of strong corporate earnings reports and easing Treasury yields. The S&P Global US Composite PMI rose to 51.0 in October 2023, up from September's 50.2, signaling an acceleration in the pace of private sector output expansion, a preliminary estimate showed. This marked the fastest expansion since July, supported by a quicker rate of expansion in both services and manufacturing activities.
- European equity markets rebounded on Tuesday, with the German DAX rising 0.5% and the benchmark Stoxx 600 up 0.4% as investors shrugged off weak PMI data and cheered updated corporate results
- The Nikkei 225 Index climbed 0.9% to above 31,300 while the broader Topix Index jumped 1.1% to 2,265 on Wednesday, rising for the second straight session and tracking gains on Wall Street overnight on the back of strong corporate earnings reports.
- WTI crude futures fell more than 2.5% to an over 1-week low of €83 per barrel on Tuesday, extending losses for the third session as investors recognized that the Israel-Hamas conflict is currently under control, leading to a reduction in the war-risk premium.Moreover, the United States has broadly suspended sanctions on OPEC member Venezuela, in response to Venezuelan leaders agreeing to hold fair elections next year.

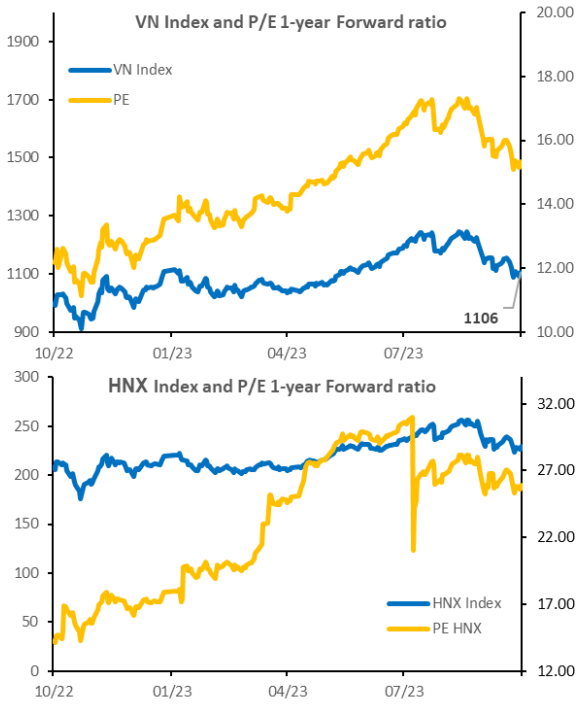
Market

	Close	%1D	%1M	%1Y
VN-Index	1,106	1.13%	-4.10%	10.84%
S&P 500 Index	4,248	0.73%	-2.07%	10.07%
Dow Jones Index	33,141	0.62%	-2.55%	4.10%
GP 100	7,390	0.20%	-3.07%	5.36%
Nikkei 225	31,293	0.74%	-4.24%	14.84%
SHCOMP Index	2,962	0.78%	-4.92%	-0.47%
STOXX 600	435	0.44%	-3.41%	6.74%
KOSPI Index	2,377	-0.29%	-4.78%	6.33%
Hang Seng	16,992	-1.05%	-4.16%	12.04%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.25	-0.02%	0.24%	-4.24%
USD/VND	24,562.00	0.00%	-0.72%	1.17%
EUR/USD	1.06	0.01%	-0.02%	6.27%
USD/CNY	7.31	-0.03%	0.01%	-0.66%
Brent	88.08	0.01%	-5.58%	-5.82%
WTI	83.64	-0.12%	-6.74%	-1.97%
Natural gas	2.98	0.30%	12.92%	-46.91%
Coal	136.50	-1.34%	-14.69%	-65.00%
Gold	1,973.95	0.15%	3.03%	19.40%

Vietnam Market Snapshot 24/10/2023



Money flow and sector rotation (VND bn)

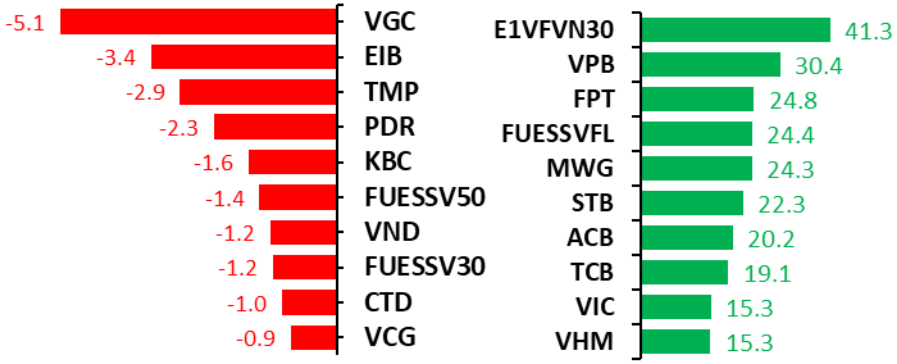
Sector	%1D	10/24/2023	10/23/2023	20-session Average
Media	290.26	10	3	5
Construction & Materials	23.38	689	559	1,016
Chemicals	20.04	777	647	876
Utilities	17.18	105	90	166
Industrial Goods & Services	2.60	614	598	943
Insurance	-4.9	10	10	19
Banks	-7.5	1,503	1,625	1,932
Financial Services	-8.6	1,503	1,644	2,544
Retail	-9.6	458	506	593
Personal & Household Goods	-12.4	67	76	116
Travel & Leisure	-15.3	102	120	123
Real Estate	-15.9	1,810	2,152	2,498
Technology	-16.6	160	192	260
Automobiles & Parts	-20.2	69	87	128
Basic Resources	-27.2	439	603	881
Oil & Gas	-33.2	131	195	219
Food and Beverage	-44.5	499	900	823
Health Care	-65.0	11	30	22

Source: Bloomberg, Shinhan Securities Vietnam

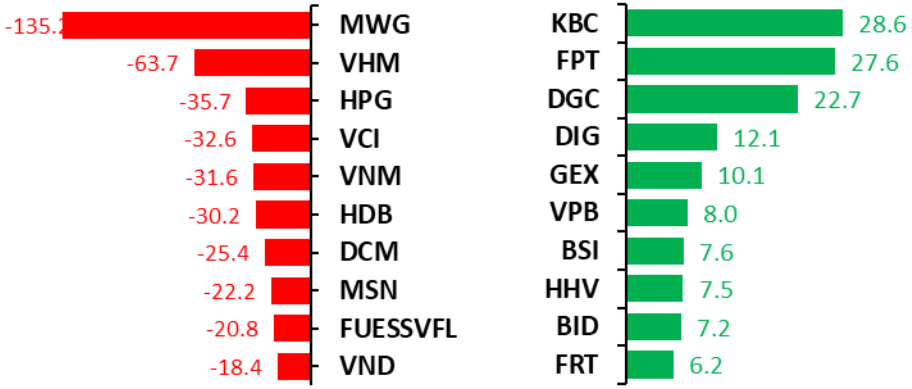
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,105.90	15.33	12.37	1.13	398	8,958
HNX INDEX	228.89	25.91	2.64	1.16	61	1,202

Vietnam Market Snapshot 24/10/2023

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	37	(36)	(4)	39
Basic Resources	13	(43)	14	30
Media	-	(1)	1	-
Industrial Goods & Services	1	(3)	(11)	14
Health care	-	(0)	(2)	2
Chemicals	2	(18)	56	(38)
Financial Services	80	(114)	73	41
Travel & Leisure	9	(4)	(3)	7
Banks	163	(59)	(110)	169
Construction & Materials	(5)	(3)	(31)	34
Food and Beverage	28	(47)	2	44
Retail	30	(128)	81	47
Utilities	3	(21)	13	8
Personal & Household Goods	1	(2)	13	(11)
Technology	26	27	(30)	3
Automobiles & Parts	0	(1)	(0)	1
Insurance	1	(1)	(0)	1
Oil & Gas	1	(5)	4	1

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- According to surveys of a number of real estate service organizations, rental demand and rental capacity for industrial real estate in the third quarter of 2023 tend to increase slightly compared to the previous quarter. Industrial park occupancy rates in key northern and southern markets are maintained at around 85% to 90% for both types of industrial land, factories and ready-built warehouses. The transaction rate of industrial land increased by about 5.9% compared to the previous quarter, overall in the first 9 months of 2023 is 20% higher than the whole year 2022. Average rental price in industrial parks in the third quarter/ 2023 is basically stable compared to the second quarter of 2023 (the average industrial land rental price in level 1 markets in the South reached 189 USD/m2/remaining term, a slight increase of 1% compared to the previous quarter and 13% higher over the same period last year).
- Prime Minister Pham Minh Chinh has just signed Official Telegram No. 993 dated October 24, 2023 on continuing to drastically implement solutions to develop a safe, healthy and sustainable real estate market, contributing to promoting social economic development. The dispatch clearly stated that in recent times, the Government and the Prime Minister have given many instructions, ministries and localities have made efforts to participate and coordinate to synchronously implement policies, tasks and solutions to solve the problem. Resolve difficulties in the real estate market, especially legal and capital difficulties.
- According to the latest data announced by the State Bank (SBV), the average interbank VND interest rate at the overnight term (main term accounting for 90% of transaction value) in the October 20 session increased sharply. 1.47% from 0.79% recorded in the previous session (October 19). This is the highest interest rate since mid-June 2023 and much higher than deposit interest rates for terms of less than 1 month of banks (0.1 - 0.5%/year). Compared to the previously recorded level. That month (September 20 session), the interbank overnight interest rate increased more than 9 times.

Business news

- VIC: Vingroup Joint Stock Company (stock code: VIC) has just announced its financial statements for the third quarter of 2023 with a record revenue in its operating history of 47,948 billion VND, an increase of 66.5% over the same period last year. Pre-tax profit reached 4,475 billion VND, down nearly 15%. Accumulated in the first 9 months of the year, total consolidated net revenue reached 134,207 billion VND, up 122% over the same period last year mainly thanks to the handover of real estate units. Low-rise real estate at the Vinhomes Ocean Park 2 and 3 project as well as the strong growth of electric vehicle sales compared to the same period last year. In addition, other fields including investment real estate business, hotel services, tourism, entertainment and manufacturing all recorded good growth.
- ACB: The 9-month business results just announced by ACB show that, accumulated in the first 9 months of 2023, ACB closely followed the set goal, reaching more than 15,000 billion pre-tax profit, equivalent to 75% of the year's profit plan. . Profit in the third quarter of 2023 alone reached more than 5,000 billion VND, recording growth compared to the past second quarter as well as compared to the third quarter of 2022. Non-interest income increased by 45% over the same period, contributing to ACB's profit growth. As of September 2023, ACB still ensures the highest profitability in the market, with ROE at 24.5%. In addition, ACB effectively controls operating costs, increasing slightly over the same period in 2022 while revenue grows by 17%. Thanks to that, the CIR rate improved to 32%, down compared to the same period in 2022 (36%).
- POW: In the first 9 months of 2023, PV Power has achieved quite impressive results, exceeding the plan with a total electricity output of 11.149 million kWh, equal to 101% of the 9-month plan, reaching 71.51% of the whole plan. year 2023; Total revenue reached 22,530 billion VND, completing 74.28% of the full year 2023 plan. Profit after tax reached 861 billion VND, completing 77.01% of the full year 2023 plan.

Breaking News



Business news

- **PNJ:** According to the recently announced PNJ business report, in the third quarter of 2023 alone, the Company recorded net revenue of 6,918 billion VND (a slight decrease of 6.1% over the same period) and profit after tax of 253 billion VND (an increase 0.4% over the same period). Accumulated for 9 months, net revenue reached 23,377 billion VND and profit after tax maintained a level equivalent to last year's record high, reaching 1,340 billion VND. Thus, PNJ has completed 69.2% of the year's profit plan
- **STB:** Member funds managed by Dragon Capital have just announced that they have purchased a total of 3.5 million additional STB shares of Saigon Thuong Tin Commercial Joint Stock Bank (Sacombank) on October 19. Of which, Amersham Industries Limited bought 250,000 shares, KB Vietnam Focus Balanced Fund bought 1,000,000 shares and Vietnam Enterprise Investments Limited (VEIL) bought an additional 2,250,000 STB shares. After the above transactions, the foreign fund group increased its total ownership in Sacombank to 96.2 million shares, equivalent to more than 5.1%, thereby becoming a major shareholder of this bank from October 23.
- **VRE**: Vincom Retail Joint Stock Company (stock code VRE) has announced business results for the third quarter of 2023, recording total consolidated net revenue in the third quarter of 2023 reaching 3,333 billion VND, an increase of 66% over the same period last year. period last year. The reason was due to recording real estate handover revenue during the period, while shopping mall business activities continued to grow steadily. Vincom Retail has completed handing over 268 commercial townhouses at Quang Tri and Dien Bien projects to customers, contributing 1,304 billion VND (equivalent to 39%) to total revenue. At the same time, shopping center business activities recorded revenue of 1,988 billion VND, contributing 60% to total revenue and increasing 8% over the same period in 2022.

Technical view



Trend: Accumulation

- VNINDEX closed at 1,105 points (+12.37 points, +1.13%) with relatively low liquidity. The market increased with 355 green stocks and 142 red stocks. Foreign investors returned to net selling with -460 billion VND, focusing mainly on stocks such as MWG, VHM, HPG.
- **Technical perspective**: The market has shown signs of a temporary halt in the downtrend and is accumulating around the 1,100 point range. The lower band of the Bollinger band is currently the short-term support line for the market. However, the market is in a medium-term downtrend and the RSI is still in a downtrend. Therefore, risks still exist in the near future. Low liquidity is one of the signals that the market lacks motivation to recover in the short term.
- **Strategy**: Investors should observe the market, implement risk management measures for portfolios and wait for the market's downtrend to end.

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

25/10/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
ACB	Buy	21.7	23.1	21.4	6%	-1%	21.8	

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	4	-0.69%	19/10/2023	
SZC	Hold	37.1	40.9	36	10%	-3%	38.8	4	4.58%	19/10/2023	
NKG	Hold	18.2	20.9	17.2	15%	-5%	18.65	2	2.47%	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 US ISM Purchasing Managers Index (PMI)	2 FED's interest rate decision	3 US unemployment rate Non-agricultural payroll	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



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