MORNING CALL
31/10/2023

“Demand disappears, downward trend resumes”

- ❑ World stocks: Technical recovery from the global stock market
- ❑ Vietnam stocks: Demand disappears, downward trend resumes
- ❑ Business news: #BSR ,#NVL, #REE, #HAH, #SAB, #STB #MWG
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

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Catching the latest report



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Global Market Review 30/10 – 03/11/2023

Major stocks market

- In regular trading on Monday, the S&P 500 and Nasdaq Composite both gained about 1.2%, while the Dow jumped 1.6% for its best day since early June. Those moves came as the market hit oversold levels, prompting traders to cover shorts and opportunistic buyers to ride the bounce. Investors now look ahead to the Federal Reserve's policy decision, the monthly jobs report and Apple's earnings.
- European stocks eased from session highs but closed with gains on Monday, bouncing slightly from the year-to-date lows from the prior session as bond yields eased and investors assessed a batch of economic data for insights on the ECB's policy path. Frankfurt's DAX inched 0.1% higher, while the pan-European Stoxx 600 added 0.4%. Fresh data revealed a milder-than-anticipated contraction in Germany's GDP and a decrease in inflationary pressures.
- The Nikkei 225 Index was little changed around 30,697 while the broader Topix Index rose 0.4% to 2,240 on Tuesday,
- Industrial production in Japan rose by 0.2% month-over-month in September 2023, missing market forecasts of 2.5% while shifting from the final 0.7% fall in the previous month, a preliminary figure showed. Retail sales in Japan rose 5.8% year-on-year in September 2023, slowing from a 7% increase seen both in July and August and roughly in line forecasts for a 5.9% gain
- WTI crude futures fell 4% to near $82 a barrel on Monday, close to two-week lows, as traders mull the economic and monetary policy outlook and the war in the Middle East.

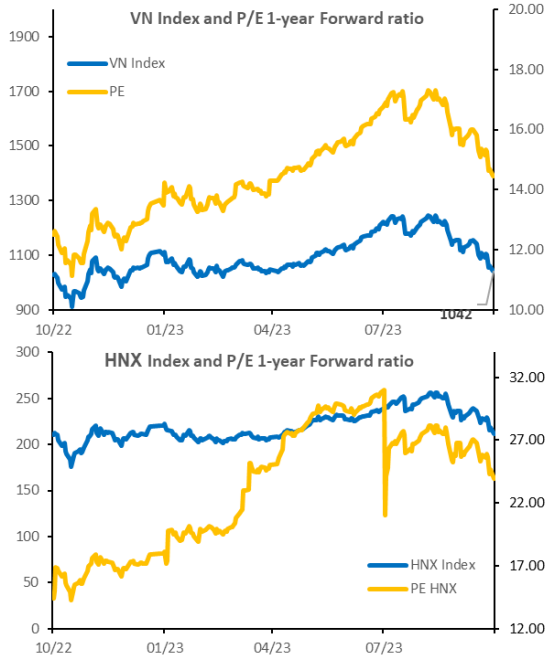
Market

	Close	%1D	%1M	%1Y
VN-Index	1,042	-1.72%	-9.68%	1.41%
S&P 500 Index	4,167	1.20%	-2.83%	7.61%
Dow Jones Index	32,929	1.58%	-1.73%	0.60%
GP 100	7,327	0.50%	-3.69%	3.28%
Nikkei 225	30,607	-0.29%	-3.92%	10.95%
SHCOMP Index	3,022	0.12%	-2.86%	4.43%
STOXX 600	431	0.36%	-4.24%	4.59%
KOSPI Index	2,299	-0.48%	-6.72%	0.25%
Hang Seng	17,406	0.04%	-2.26%	18.52%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.20	0.07%	0.02%	-4.78%
USD/VND	24,567.00	0.02%	-0.86%	1.10%
EUR/USD	1.06	-0.04%	1.28%	7.38%
USD/CNY	7.31	0.09%	-0.18%	-0.08%
Brent	87.93	0.55%	-7.74%	-7.28%
WTI	82.73	0.51%	-8.88%	-4.39%
Natural gas	3.32	-0.84%	13.49%	-47.69%
Coal	131.00	-2.42%	-18.18%	-66.04%
Gold	1,995.42	-0.03%	9.16%	22.15%

Vietnam Market Snapshot 30/10/2023



Money flow and sector rotation (VND bn)

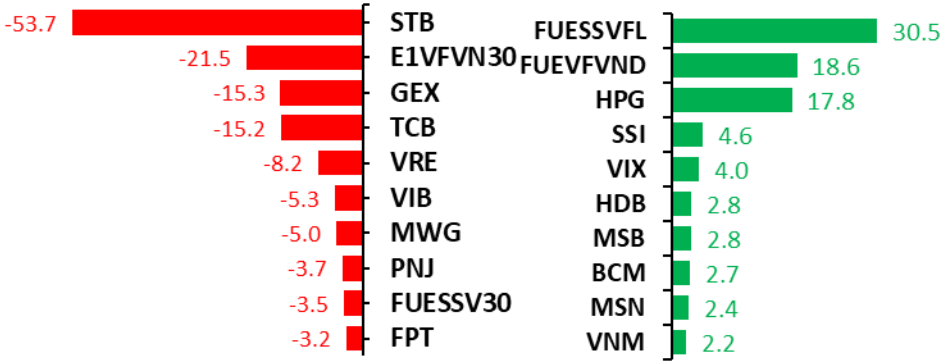
Sector	%1D	10/30/2023	10/27/2023	20-session Average
Media	160.68	18	7	8
Basic Resources	3.98	695	668	877
Technology	-6.6	172	185	269
Banks	-9.2	1,607	1,771	1,933
Chemicals	-12.0	411	468	884
Health Care	-13.4	14	16	22
Travel & Leisure	-14.8	79	93	106
Retail	-16.9	295	355	578
Industrial Goods & Services	-27.7	435	602	884
Construction & Materials	-28.6	524	733	1,006
Financial Services	-30.6	1,459	2,104	2,513
Real Estate	-41.0	2,217	3,755	2,609
Utilities	-41.2	70	119	157
Food and Beverage	-43.0	523	918	835
Insurance	-45.1	12	23	20
Personal & Household Goods	-47.9	46	88	113
Automobiles & Parts	-52.3	69	144	127
Oil & Gas	-57.5	92	216	238

Source: Bloomberg, Shinhan Securities Vietnam

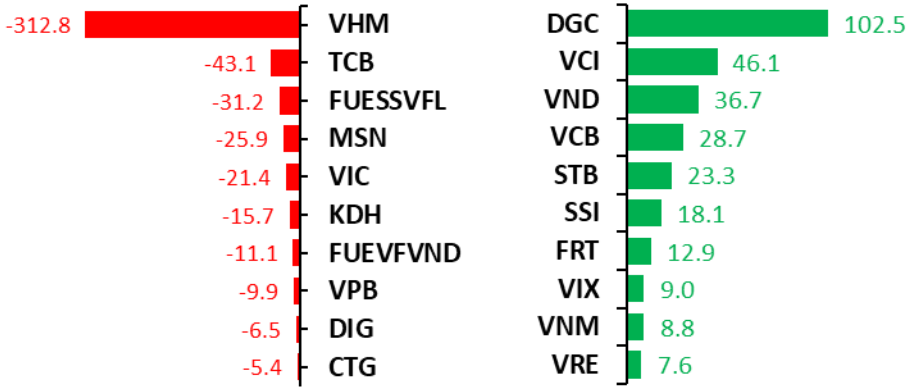
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,042.40	14.45	-18.22	-1.72	413	8,744
HNX INDEX	211.34	23.93	-6.70	-3.07	65	1,205

Vietnam Market Snapshot 30/10/2023

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	(5)	(327)	347	(21)
Basic Resources	18	9	(20)	12
Media	-	0	(0)	0
Industrial Goods & Services	(16)	7	5	(12)
Health care	-	0	(3)	3
Chemicals	2	111	(64)	(47)
Financial Services	32	77	(129)	52
Travel & Leisure	2	(1)	1	(0)
Banks	(67)	(0)	118	(118)
Construction & Materials	0	3	6	(8)
Food and Beverage	5	(6)	(5)	11
Retail	(5)	19	(19)	(0)
Utilities	(1)	(6)	6	(1)
Personal & Household Goods	(4)	1	27	(28)
Technology	(2)	(1)	2	(1)
Automobiles & Parts	0	1	(24)	23
Insurance	0	3	(2)	(1)
Oil & Gas	1	4	(4)	1

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- In a speech at the end of September, Fed Chairman Jerome Powell said that "inflation remains too high" — leaving the door open for another rate hike this year. However, before entering this Fed meeting, speculators in the futures interest rate market in the US are reflecting a nearly 100% possibility that the Fed will not change interest rates at this meeting. The Fed's final meeting of 2023 will take place in December.
- Europe controls budget deficits better than the US. This is in contrast to what happened more than a decade ago, when budget deficits in the post-global financial crisis period pushed some countries in the Eurozone to the brink of default. The US Treasury Department recently announced that the country's federal government budget deficit in the 2023 fiscal year ending on September 30 is nearly 1.7 trillion USD, equivalent to 6.3% of gross domestic product (GDP). This deficit has increased from $1.4 trillion, equivalent to 5.4% of GDP, in the previous fiscal year. The forecast of reduced budget deficits of European countries as given by the IMF mainly reflects that these countries no longer have to implement emergency support for their economies. But in addition, painful memories of the 2011 sovereign debt crisis may be a factor ensuring that European governments will be more cautious about rising budget deficits.
- Wanted 7 defendants in the case at SCB Bank and Van Thinh Phat Group. The Police Department investigating crimes related to corruption, economics, and smuggling is investigating the case "Embezzlement of assets; fraudulent appropriation of assets; money laundering; abuse of trust and appropriation of assets; violations of regulations." regarding banking activities, other activities related to banking activities; irresponsibility causing serious consequences" occurred at Saigon Commercial Joint Stock Bank (SCB), Van Thinh Phat Group and related units.

Business news

- BSR: Oil prices increased, Binh Son Refining and Petrochemical (BSR) reported profits nearly 7 times higher than the same period, cash and deposits increased by 7,000 billion after one quarter. Binh Son Refining and Petrochemical Joint Stock Company (stock code: BSR) has just announced its financial statements for the third quarter of 2023 with net revenue reaching 37,755 billion VND, down 3% over the same period last year. However, cost of goods sold decreased more sharply by nearly 13% to 33,925 billion VND, helping gross profit increase 5.8 times to 3,830 billion VND.

- NVL: Just reported profit again after 2 quarters of heavy losses, Novaland (NVL) proposed to remove the stock from the warning. Novaland's NVL shares are currently on the list of ineligible for margin trading. announced by HoSE in early October on the grounds that the securities were under warning.

- MWG: Profits plummeted, Mobile World Chairman Nguyen Duc Tai did not receive a salary in the third quarter but there were still members of the Board of Directors who "pocketed" billions of dong. According to the third quarter 2023 consolidated financial report of Mobile World Investment Joint Stock Company (code MWG), Chairman of the Board of Directors Nguyen Duc Tai received a salary of 226.3 million VND in the first 9 months of the year. This number is equal to Mr. Tai's salary income in the first half of the year recorded on the 2023 semi-annual reviewed consolidated financial statements. Thus, the Chairman of MWG did not receive a salary in the third quarter.

Breaking News



Business news

- REE: Hydropower is facing difficulties, Refrigeration Electrical Engineering (REE) reported the lowest profit in 8 quarters. REE reported that third quarter pre-tax profit decreased by 43% over the same period to VND 526 billion, the lowest profit within 8 quarters since the third quarter of 2021. REE Refrigeration Electrical Engineering Joint Stock Company (code: REE) has just announced its consolidated business results for the third quarter of 2023 with net revenue reaching nearly 1,962 billion VND, down 12% over the same period last year. The largest contribution to REE's third quarter revenue structure came from the electricity and water infrastructure segment with 927 billion VND, recording a decrease of 23% over the same period last year. Meanwhile, real estate revenue and refrigeration mechanical revenue contributed VND 267 billion and VND 771 billion, respectively, a slight increase of 2% and 1% over the same period in 2022.
- HAH: Shipping output and freight rates dropped sharply, Hai An (HAH) reported a 60% decrease in third quarter profit compared to the same period last year. Hai An Transport and Loading Joint Stock Company (Stock code: HAH) has announced its financial statements for the third quarter of 2023, recording net revenue of 681 billion VND, down 12% over the same period last year. Cost of goods sold increased by 30%, causing gross profit to erode, down 58% to 158 billion VND, profit margin narrowed from 48% in the same period last year to 23%.
- SAB: Once the largest beer consumer in Southeast Asia, the Vietnamese market is clearly weakening from the business results of the "big guys" Sabeco, Habeco and its members. Vietnam's beverage industry is currently in a very difficult period. Beer sales decreased by 10 - 20% and raw material prices increased by 50%. The "big guy" in the beer industry, Saigon Beer - Alcohol - Beverage Joint Stock Company (Sabeco, SAB) has just announced its financial report for the third quarter of 2023 with revenue down 14% compared to the same period last year. Accumulated for 9 months, Sabeco recorded a net profit of 3,170 billion VND, down 24% compared to the first 9 months of last year. With this profit, the Company has completed about 57% of the year's profit plan.

Technical view



Trend: Decrease

- VNINDEX closed at 1,042.4 points (-18 points, -1.72%) with low liquidity. The market decreased with 393 red stocks, 111 green stocks and 21 floor stocks. Foreign investors were net sellers, while proprietary were net buyers. The group of stocks that fell sharply contributing to the decline of VNINDEX included GVR, TCB, BID, on the contrary, VCB and BCM contributed to the most significant increase. All industry groups decreased sharply, except for the health sector, which increased slightly by +0.05%. Among them, the financial services and chemicals groups decreased the most.
- Technical view: VNINDEX dropped with the closing price at the lowest level, a depressed mood prevailed, causing demand to almost disappear. We expect the market to fluctuate in a range of 1020-1080. In the coming sessions, VNINDEX can still decrease further even though it is currently touching the hard support zone. In a bad scenario, if VNINDEX breaks through the 1020 zone, the possibility of returning to the 950-1000 zone is relatively high. However, we believe that the probability of this scenario is not high.
- Strategy: Investors should stand aside and observe, and cut loss on stocks that have violated support.

Scenario:

- Positive (70%): The market will move sideways in the range of 1030-1080
- Less positive (30%): The market will breach the 1030 zone and return to the 1000 zone.

Recommended stocks

31/10/2023

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

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

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Q&A

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