MORNING CALL
01/11/2023

"The downtrend pressure maintained"

- ❑ World stocks: Technical recovery from the global stock market
- ❑ Vietnam stocks: The downtrend pressure maintained
- ❑ Business news: #VHM, #VCB, #MWG, #PC1, #LTG, #CEO
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

[Analysts]

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Following SSV's Zalo,
Catching the latest report



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

Major stocks market

- In regular trading on Tuesday, the Dow rose 0.38%, the S&P 500 gained 0.68% and the Nasdaq Composite added 0.48%, with all 11 S&P sectors ending higher led by real estate, financials and utilities. US stocks climbed for the second straight session in what traders attributed to a technical bounce from oversold levels, while investors continued to weigh mixed corporate results, elevated Treasury yields and wider economic uncertainties.
- European stocks closed higher on Tuesday, extending the traction from the prior session as investors assessed key macroeconomic data and the latest earnings reports for gauges on the policy path for the European Central Bank. Frankfurt's DAX added 0.6% and the pan-European Stoxx 600 advanced 0.5%. The Eurozone's inflation rate cooled more than expected in October, slowing to an over-two-year low of 2.9%, while the currency bloc's GDP unexpectedly contracted in the third quarter.
- The Nikkei 225 Index jumped 2% to above 31,400 while the broader Topix Index gained 1.9% to 2,297 on Wednesday. Japanese shares also tracked gains on Wall Street overnight as investors prepared for the latest policy decision from the US Federal Reserve where it is expected to hold interest rates steady
- WTI crude oil futures pared early gains and dropped below the $81.5 per barrel mark on Tuesday, extending the plunge from the previous session to approach the lowest since late August, suggesting that markets continued to bet against risks that Israel's conflict with Gaza could have larger-scale repercussions that impact crude oil supply

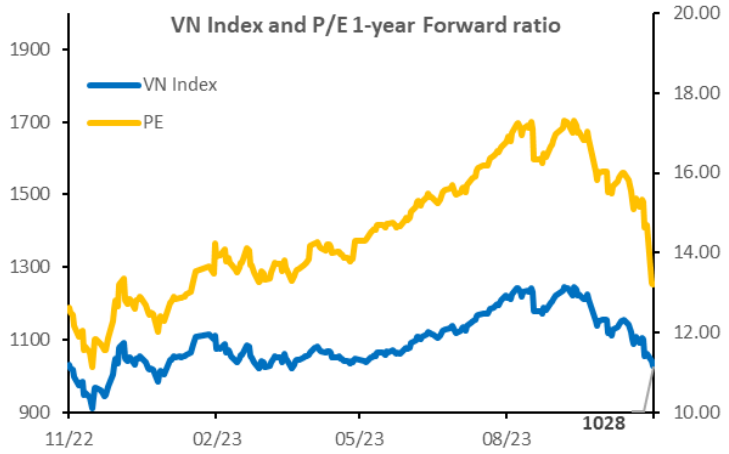
Market

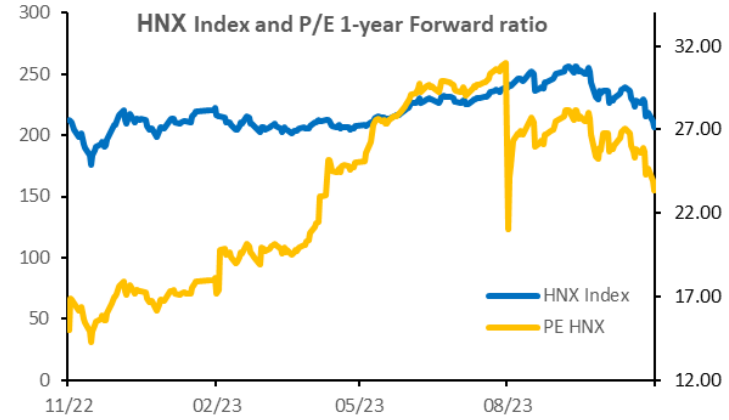
	Close	%1D	%1M	%1Y
VN-Index	1,028	-1.36%	-10.91%	-0.54%
S&P 500 Index	4,194	0.65%	-2.20%	8.76%
Dow Jones Index	33,053	0.38%	-1.36%	1.22%
GP 100	7,322	-0.08%	-3.76%	1.89%
Nikkei 225	31,453	1.93%	-1.27%	13.63%
SHCOMP Index	3,019	-0.09%	-2.95%	1.67%
STOXX 600	434	0.59%	-3.68%	4.59%
KOSPI Index	2,301	1.02%	-6.65%	-1.46%
Hang Seng	17,112	-1.69%	-3.91%	10.72%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.72	0.06%	0.52%	-4.27%
USD/VND	24,565.00	0.00%	-0.85%	1.12%
EUR/USD	1.06	-0.02%	0.92%	7.05%
USD/CNY	7.32	-0.07%	-0.25%	-0.16%
Brent	85.26	0.28%	-10.54%	-9.92%
WTI	81.17	0.19%	-10.60%	-8.15%
Natural gas	3.60	0.73%	22.94%	-36.98%
Coal	121.10	-7.56%	-24.36%	-66.01%
Gold	1,980.26	-0.18%	8.33%	20.16%

Vietnam Market Snapshot 31/10/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,028.19	13.20	-14.21	-1.36	646	13,565
HNX INDEX	206.17	23.34	-5.17	-2.44	110	1,815

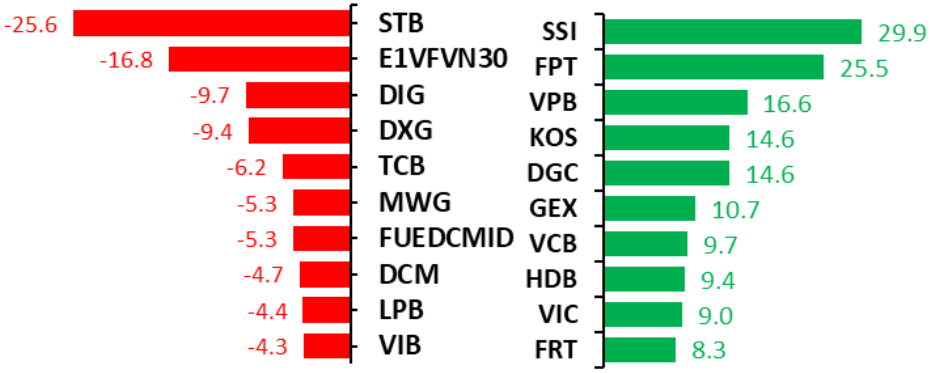
Money flow and sector rotation (VND bn)

Sector	%1D	10/31/2023	10/30/2023	20-session Average
Oil & Gas	207.13	283	92	246
Retail	151.88	744	295	572
Industrial Goods & Services	112.49	924	435	861
Personal & Household Goods	110.00	96	46	111
Automobiles & Parts	104.44	141	69	124
Financial Services	81.65	2,651	1,459	2,443
Utilities	74.17	122	70	152
Chemicals	72.23	708	411	869
Insurance	61.33	20	12	19
Technology	58.35	273	172	273
Construction & Materials	57.50	825	524	976
Food and Beverage	54.05	806	523	819
Travel & Leisure	44.61	114	79	105
Real Estate	30.78	2,899	2,217	2,562
Banks	29.99	2,089	1,607	1,885
Basic Resources	22.02	848	695	830
Health Care	-7.3	13	14	22
Media	-73.9	5	18	8

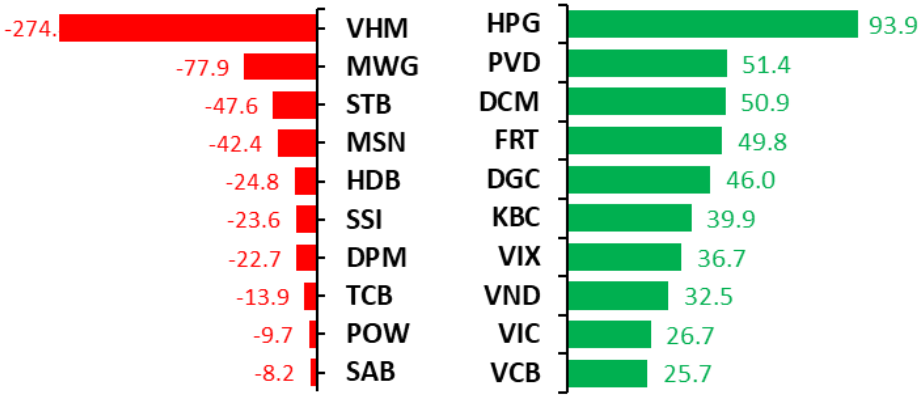
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 31/10/2023

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	11	(110)	147	(37)
Basic Resources	2	106	(127)	22
Media	-	0	(0)	(0)
Industrial Goods & Services	16	73	(120)	46
Health care	(0)	0	(2)	2
Chemicals	12	82	(122)	39
Financial Services	9	81	(45)	(37)
Travel & Leisure	5	(4)	(6)	10
Banks	32	(33)	(104)	137
Construction & Materials	1	49	(18)	(30)
Food and Beverage	19	(8)	(20)	28
Retail	(1)	(7)	(20)	27
Utilities	3	(3)	3	0
Personal & Household Goods	2	(1)	5	(4)
Technology	28	(0)	(50)	50
Automobiles & Parts	1	4	(0)	(3)
Insurance	1	3	(5)	2
Oil & Gas	3	60	(73)	13

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- 222,000 billion VND away from the "finish line", budget collection pressure is on at the end of the year. From now until the end of the year, the whole country must collect an additional 222,000 billion VND to complete the assigned state budget revenue estimate. According to data from the General Statistics Office, total state budget revenue in October 2023 is estimated to reach 169.5 trillion VND, nearly twice as high as many previous months, when September revenue only reached 89.6 trillion VND and August with 88.1 trillion VND. trillion. However, accumulated in the 10 months of 2023, total state budget revenue will only reach 1,398.7 trillion VND, equal to 86.3% of the year's estimate and down 9.2% over the same period last year.

- World Bank: Oil price could exceed 150 USD/barrel if Gaza war escalates. In the worst scenario proposed by the World Bank, global oil supply could decrease by 6-8 million barrels/day, pushing oil prices up to about 140-157 USD/barrel. The World Bank report states that the global economy is now in a better position to withstand an oil supply shock than it was in October 1973, when Arab countries in the Organization of Nations Oil exporter (OPEC) cut oil exports to the US and other countries in retaliation for these countries siding with Israel in the Yom Kippur War.

- By the end of October, Ho Chi Minh City had more than 128,000 workers requesting unemployment benefits. It is forecasted that the number of labor cuts by businesses will increase in the fourth quarter of 2023. The labor index working at enterprises in the processing and manufacturing industries in October increased 0.5% over the previous month, down 3.2% over the same period in 2022. Overall for the 10 months of 2023, the labor index down 2.5% over the same period.

Business news

- PC1: Electrical construction 1 (PC1) reported a sudden profit in the third quarter but only completed nearly 1/3 of the whole year plan after 9 months. Power Construction Joint Stock Company 1 has announced its consolidated financial report for the third quarter of 2023 with net revenue reaching 2,220 billion VND, a decrease of 26% over the same period. However, cost of goods sold decreased sharply by 35%, leading to gross profit growth of 35%, recording 534 billion VND. In terms of structure, electrical construction activities contributed 22% to nearly 478 billion VND, but decreased by 80% compared to the same period last year. The main activity that contributes the most to revenue is the sale of ore, which was newly generated in the third quarter of this year while it was not recorded in the same period, bringing in more than 598 billion VND (accounting for 27% of net revenue).
- LTG: Despite the sharp increase in rice prices, Loc Troi (LTG) reported a record loss of more than 300 billion in the third quarter of 2023. This is the record loss this business has ever recorded in a quarter. It is worth mentioning that in the previous second quarter, this business just recorded the highest profit in history reaching 426 billion VND. Loc Troi Group Joint Stock Company has just announced its business results for the third quarter of 2023 with net revenue reaching 4,461 billion VND, an increase of 63% over the same period. However, cost of goods increased nearly double the same period, causing gross profit to decrease by 69% to 152 billion VND, gross profit margin contracted sharply from 18% to 3%.
- CEO: CEO Group reported a 32% decline in Q3 profit, holding nearly 3,000 billion VND in cash. The new CEO Group has completed 31% of the revenue plan and more than 28% of the profit target after 9 months. According to the newly announced consolidated financial statements for the third quarter of 2023, C.E.O Group Joint Stock Company recorded revenue of 254 billion VND, down 24% compared to the same period last year.

Breaking News



Business news

- VHM: Vinhomes' pre-tax profit in the third quarter of 2023 reached VND 14,206 billion, down 26% compared to the previous year. The profit champion in the third quarter of 2023 continues to belong to Vinhomes. This is the third consecutive quarter the business has achieved this position. Specifically, the company's total consolidated net revenue in the last quarter reached VND 32,700 billion, an increase of 84% over the same period in 2022. Last quarter's revenue of this business increased mainly thanks to the handover of 2,400 units of the Vinhomes Ocean Park 3 mega project according to plan. After deducting expenses, pre-tax profit of this real estate business reached 14,206 billion VND, down 26% YoY.

- VCB: Vietcombank's profit before tax in the third quarter of this year reached 9,051 billion VND, an increase of 19.6% over the same period in 2022. Despite positive growth over the same period, third quarter profit is still the lowest in the last 4 quarters. The main growth driver of Q3 profits came from a sharp decrease in operating costs and risk provision costs, despite negative growth in total income.

- MWG: Enterprises reported that profits "evaporated" by 96%, stocks fell to the floor price. Since the one-year peak reached in mid-September, Mobile World's MWG shares have lost more than 34% of their market value, and their market capitalization has also "evaporated" by nearly 29,000 billion VND (~1.2 billion USD).). The stock market's last session of October saw selling pressure prevail on a large scale. Many stocks fell deeply, in which MWG of Mobile World attracted attention when it fell to the floor price.

Technical view



Trend: Decrease

- VNINDEX closed at 1,028.19 points (-14 points, -1.36%) with increased liquidity. The market decreased with 448 red stocks, 66 green stocks and 41 floor stocks. Foreign investors suddenly returned to strong net buying after 6 consecutive net selling sessions. Self-trading had a slight net selling session. The group of sharply falling stocks contributing to the decline of VNINDEX includes SAB, GVR, MWG, on the contrary, VCB, SSB, and VNM contributed to the increase. Most industry groups decreased sharply, mainly financial services and telecommunications.
- Technical perspective: VNINDEX continues to decline and shows no signs of stopping. The decline has lasted since mid-September and has discounted more than 17% from the peak. Depression prevails, causing demand to almost disappear. RSI has just entered the oversold zone. We expect the market to fluctuate in the range of 1020-1080. In the coming sessions, VNINDEX can still decrease further even though it is currently touching the support zone. In a worst 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, observe, and cut loss on stocks that have violated support area.

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

November 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
29	30	31	1 US ISM Purchasing Managers Index (PMI) VN PMI	2 FED's interest rate decision	3 Non-Farm Payrolls Unemployment Rate (US) ISM Services PMI	4
5	6	7 Balance of Trade of China	8	9 Inflation rate of China YoY	10 Michigan Consumer Sentiment	11
12	13	14 US Core inflation and inflation rate MSCI review	15 PPI MoM Retail Sales MoM	16 Expiration of futures contract VN30F1M expires	17	18
19	20	21	22 Durable Goods Orders MoM of US	23 FOMC Meeting Minutes	24 Tokyo Core CPI y/y	25
26	27 Diamond Index Structure	28	29 US GDP Growth Rate QoQ 2nd EST	30 Core PCE MoM Personal Income of US MoM Personal Spending of US MoM	1	2

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Q&A

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