MORNING CALL
02/11/2023

"Technical Recovery"

- ❑ World stocks: The Federal Reserve decided to keep interest rates unchanged, technical recovery from the global stock market
- ❑ Vietnam stocks: Technical Recovery
- ❑ Business news: #FLC, #CTF, #MWG, #HPX, #PDR, #DXG
- ❑ 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 Wednesday, the Dow rose 0.67%, the S&P 500 gained 1.05% and the Nasdaq Composite rallied 1.64%. The Federal Reserve kept the target range for the federal funds rate at its 22-year high of 5.25%-5.5% for a second consecutive time in November, reflecting policymakers' dual focus on returning inflation to the 2% target while avoiding excessive monetary tightening.
- European equity markets extended their gains on Wednesday afternoon, trying to rebound from their worst monthly performance in over a year in October. Frankfurt's DAX 40 added 0.7% to close at 14,918 points, and the pan-European STOXX 600 gained 0.7% to 437 points, as bond yields fell and the Federal Reserve is widely expected to keep interest rates unchanged at the end of its two-day meeting today. Additionally, ECB vice-president Luis de Guindos welcomed the fall in Eurozone inflation in October, but policymaker Joachim Nagel noted the importance of maintaining interest rates at a sufficiently high level for an extended period
- The Nikkei 225 Index jumped 1.3% to above 32,000 while the broader Topix Index surged 2.1% to 2,334 on Thursday, hitting their highest levels in at least two weeks and tracking a tech-led rally on Wall Street overnight, as risk appetite returned to the markets after the US Federal Reserve kept interest rates unchanged and the 10-year US yield fell to a two-week low.
- WTI crude oil futures erased early gains to drop toward the $80 per barrel mark on Wednesday, extending the sharp pullbacks from earlier in the week to its lowest since 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.

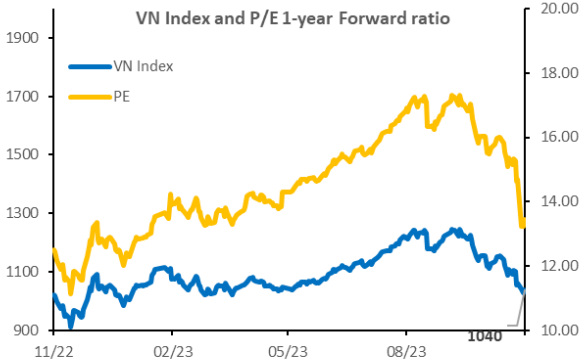
Market

	Close	%1D	%1M	%1Y
VN-Index	1,040	1.12%	-10.01%	1.61%
S&P 500 Index	4,238	1.05%	-1.18%	12.72%
Dow Jones Index	33,275	0.67%	-0.47%	3.51%
GP 100	7,342	0.28%	-2.24%	2.78%
Nikkei 225	32,057	1.44%	0.94%	15.88%
SHCOMP Index	3,023	0.14%	-2.81%	0.66%
STOXX 600	437	0.67%	-2.02%	5.61%
KOSPI Index	2,345	1.88%	-4.88%	0.34%
Hang Seng	17,102	-0.06%	-3.97%	8.05%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.34	-0.51%	-0.53%	-4.50%
USD/VND	24,584.00	0.01%	-0.93%	1.01%
EUR/USD	1.06	0.29%	1.18%	7.98%
USD/CNY	7.32	0.01%	-0.25%	-0.53%
Brent	85.32	0.82%	-5.94%	-11.27%
WTI	81.17	0.91%	-8.61%	-9.81%
Natural gas	3.49	-0.09%	22.92%	-44.30%
Coal	119.65	-1.20%	-25.27%	-66.67%
Gold	1,986.02	0.18%	8.64%	21.45%

Vietnam Market Snapshot 01/11/2023



Money flow and sector rotation (VND bn)

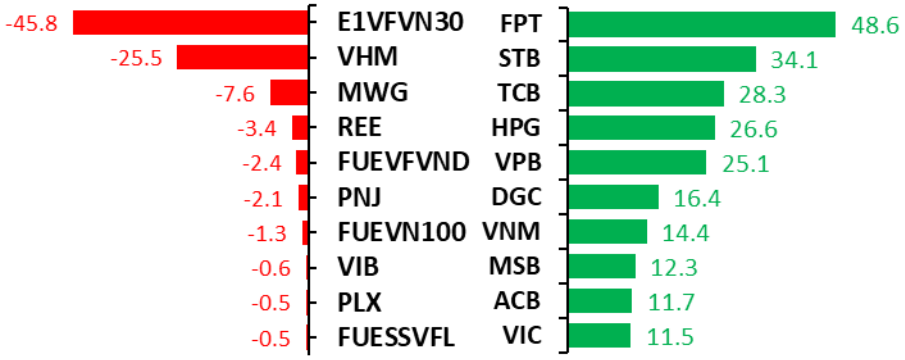
Sector	%1D	11/1/2023	10/31/2023	20-session Average
Media	80.76	9	5	8
Retail	23.59	919	744	593
Health Care	0.90	13	13	22
Basic Resources	-6.5	792	848	818
Personal & Household Goods	-6.6	90	96	110
Financial Services	-6.9	2,467	2,651	2,402
Travel & Leisure	-10.5	102	114	105
Real Estate	-16.4	2,422	2,899	2,557
Automobiles & Parts	-18.5	115	141	123
Food and Beverage	-20.4	642	806	816
Construction & Materials	-27.7	596	825	959
Technology	-28.0	197	273	275
Banks	-30.6	1,450	2,089	1,867
Chemicals	-31.4	486	708	824
Utilities	-36.5	77	122	148
Industrial Goods & Services	-39.3	561	924	842
Insurance	-39.3	12	20	19
Oil & Gas	-60.2	112	283	246

Source: Bloomberg, Shinhan Securities Vietnam

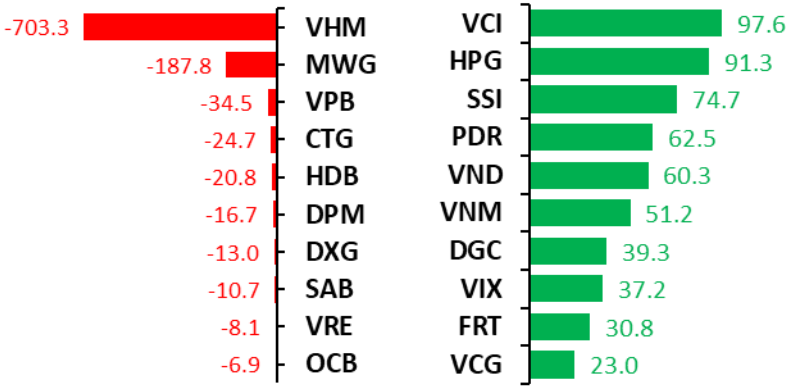
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,039.66	13.45	11.47	1.12	539	11,066
HNX INDEX	209.65	21.65	3.48	1.69	99	1,440

Vietnam Market Snapshot 01/11/2023

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	2	(600)	593	7
Basic Resources	26	96	(122)	26
Media	-	(2)	2	(0)
Industrial Goods & Services	(2)	72	(78)	6
Health care	-	(1)	(13)	14
Chemicals	17	30	(49)	19
Financial Services	(41)	309	(121)	(188)
Travel & Leisure	6	10	(17)	7
Banks	167	(39)	(163)	202
Construction & Materials	3	67	(65)	(2)
Food and Beverage	26	77	(79)	2
Retail	(5)	(150)	173	(23)
Utilities	3	(2)	(2)	4
Personal & Household Goods	(2)	(3)	2	0
Technology	49	0	97	(97)
Automobiles & Parts	2	7	(20)	13
Insurance	0	2	(1)	(1)
Oil & Gas	(0)	20	(33)	13

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- October PMI continues below average, new orders increase weakly. The Purchasing Managers' Index (PMI) for manufacturing in Vietnam remained below 50 points in October, falling to 49.6 points from 49.7 points in September. This result indicates that the health of the manufacturing sector has declined for the second consecutive month. The report stated that overall business conditions in the manufacturing sector in Vietnam declined slightly in October as companies continued to reduce production despite a slight increase in new orders. A more positive sign is that employment has stabilized after a period of job losses, and companies continue to increase their purchasing activity with a positive outlook for the coming year.
- In the past 10 months, the Vietnamese economy has had many positive signs. The industrial production index in October increased sharply compared to the months from the beginning of the year; exports exceeded USD 24.6 billion in 10 months, higher than the same period last year by USD 9.56 billion; public investment capital disbursement reached over 65% of the plan, up nearly 23% from the same period last year. However, it is still very challenging to achieve the GDP growth rate of 5-6% when the entire economy only has 2 months left to strive for.
- The investment capital of the Ho Chi Minh City Ring Road 3 project has been reduced by over VND 7.2 trillion after updating. At the time the project was approved at the end of 2022, this source of capital was updated to over VND 18.9 trillion. After reviewing the legal documents for land from people and compensation land funds, local authorities determined that the total compensation and resettlement costs for the project were still VND 11.7 trillion, down over VND 7.2 trillion from the approved level. The Ho Chi Minh City Ring Road 3 section is over 47 km long, with a total investment of over VND 41,000 billion, including construction costs of over VND 22,400 billion and compensation costs of about VND 18,000 billion. The section through Thu Duc City is nearly 15 km long.

Business news

- FLC: The Ministry of Public Security proposed a series of issues after completing the investigation of the FLC case. The Ministry of Public Security recommends to the authorities measures to strengthen the effectiveness of state management in the field of markets and securities, ensuring healthy, transparent and safe market development. Through the investigation of the case of "Stock market manipulation" and "Fraudulent appropriation of assets" occurring at FLC Group Joint Stock Company, BOS Securities Joint Stock Company, Faros Construction Joint Stock Company and related companies, the Ministry of Public Security recommends to the authorities measures to strengthen the effectiveness of state management in the field of markets and securities, ensuring the market develops healthily and transparently. transparent, safe.

- CTF: City Ford (CTF) reported a profit of more than 39 billion VND in the first 9 months of 2023. CTF gross profit in the third quarter reached 80.5 billion VND. During the period, CTF's financial revenue soared to more than 72 billion VND, while in the same period it was nearly 12 billion VND, however financial costs (mainly interest expenses) also skyrocketed to more than 41 billion VND, 2.15 times higher than the same period. Sales and administrative expenses fluctuate insignificantly.

- MWG: Domestic money "massively" rushed in to catch the bottom, Mobile World (MWG) shares matched record orders. The stock market session in early November witnessed explosive trading on MWG shares of Mobile World. This stock matched nearly 21 million units, equivalent to a transaction value of up to 750 billion VND, the second highest on the entire stock exchange. This is the highest matched volume in a single session of MWG since its listing in July 2014.

Breaking News



Business news

- **HPX:** The stock was warned and trading was suspended, how does Hai Phat Invest (HPX) fix it? Hai Phat Investment Joint Stock Company (Hai Phat Invest - code HPX) has just sent a document to the State Securities Commission and Ho Chi Minh City Stock Exchange (HoSE) on overcoming the situation of securities being warned and suspended. transaction only.

- **DXG:** Ineffective real estate brokerage, Dat Xanh Group (DXG) reported an "evaporation" of 84% in 9-month profit. Dat Xanh Group Joint Stock Company (code DXG) has announced its financial report for the third quarter of 2023 with revenue slightly decreasing by 3% over the same period last year, to 1,214 billion VND. Cost of goods sold increased by 8%, causing gross profit to shrink by 13% over the same period to about 594 billion VND, gross profit margin decreased to 49% in the third quarter of 2023

- **PDR:** Preparing to spend more than 330 billion to buy back bonds before maturity, how much financial debt does Phat Dat still have? Phat Dat Real Estate Development Joint Stock Company (stock code: PDR) has just approved a plan to buy back two lots of bonds ahead of maturity, code PDRH2123010 and code PDRH2224001 with an expected amount of VND 332.8 billion. Specifically, Phat Dat Board of Directors will buy back 2,079 bonds with code PDRH2123010 with par value of 100,000,000 VND/bond. The total value of bonds with this code to be repurchased is 207.9 billion VND. Expected implementation date is before December 15. At the same time, the company will also buy back 1,249 bonds, code PDRH2224001, par value 100,000,000/bond. The expected value of repurchased bonds is 124.9 billion VND. Implementation date is December 31.

Technical view



Trend: Technical recovery

- VNINDEX closed at 1,039.6 points (+11.4 points, 1.12%) with low liquidity. The market recovered with 319 green codes and 177 red codes. Foreign investors suddenly continued to buy even more strongly than the previous session, with a slight net buying. The group of stocks that increased strongly and contributed to the increase in VNINDEX were VCB HPG and VNM, on the contrary, MWG VHM decreased the most. Most industry groups recovered, most notably financial services and resources.
- Technical perspective: VNINDEX has a technical recovery period when liquidity is still very low. After a continuous sharp decline, it is normal to increase again. Part of this upward momentum also follows the recovery of global stocks. Therefore, it is still early to participate in bottom fishing at the present time when the market has had no less than two bull-traps in the past, although the current price range is quite a hard support zone.
- Strategy: Investors should observe more price developments in this 1020 area. If the market accumulates enough and bounces back out of the 1040-1060 area, new buying opportunities will be clearer.

Scenario:

- Positive (50%): The market will move sideways in the range of 1030-1080
- Less positive (50%): The market will breach the 1030 zone and return to the 1000 zone.

Recommended stocks

2/11/2023

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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