MORNING CALL
03/11/2023

"The market rose sharply from the support level"

- ❑ World stocks: Global market sentiment improves
- ❑ Vietnam stocks: The market rose sharply from the support level
- ❑ Business news: #TCB, #HPG, #HHV, #PLX, #LCG, #NVL
- ❑ Technical perspective and updated recommendations
- ❑ 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

Following SSV's Zalo,
Catching the latest report



Please click or scan

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

Major stocks market

- The major averages rallied sharply during Thursday's regular session, with the Dow and S&P 500 surging 1.7% and 1.9%, respectively, for their fourth straight day of gains. Those moves came amid growing expectations that the Federal Reserve rate-hiking campaign is over and as the benchmark 10-year US yield dropped to a three-week low of 4.65%. Investors now look ahead to the October jobs report on Friday for further guidance.
- European stock markets extended gains for a fourth session on Thursday, their best run since July, as the Federal Reserve's signal that it may refrain from raising interest rates further supported equities worldwide. Frankfurt's DAX 40 added 1.5%, while the pan-European Stoxx 600 jumped 1.6%. Likewise, the Bank of England maintained rates at a 15-year high, trimming worries of tighter financial conditions.
- The Nikkei 225 Index jumped 1.1% to close at 31,950 while the broader Topix Index surged 1.6% to 2,322 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 futures rose by more than 3% to above $82 per barrel on Thursday as risk appetite was back to markets after recent interest rate decisions from the Fed, and the BoE gave the impression that the central banks are done with the tightening cycle.

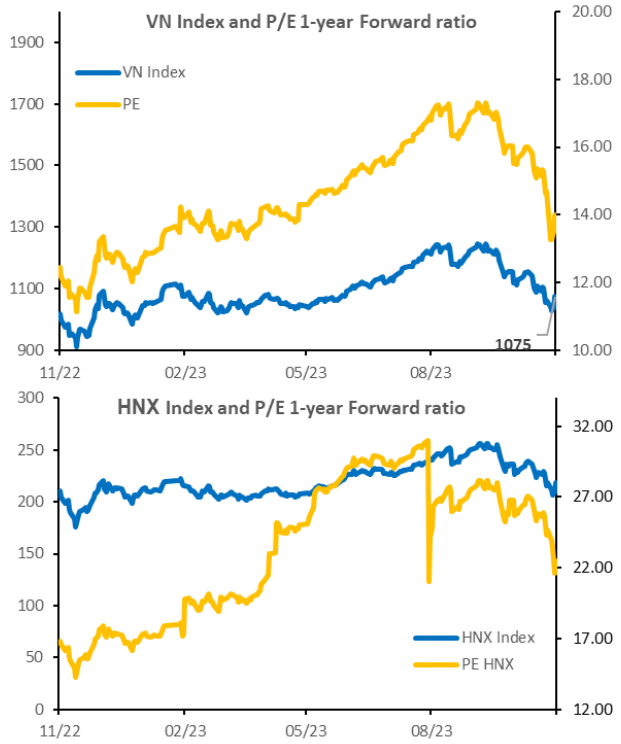
Market

	Close	%1D	%1M	%1Y
VN-Index	1,075	3.44%	-3.81%	5.46%
S&P 500 Index	4,318	1.89%	2.09%	16.07%
Dow Jones Index	33,839	1.70%	2.54%	5.74%
GP 100	7,447	1.42%	-0.32%	3.59%
Nikkei 225	31,950	1.10%	2.28%	15.50%
SHCOMP Index	3,009	-0.45%	-3.25%	0.39%
STOXX 600	443	1.58%	0.63%	8.28%
KOSPI Index	2,366	0.97%	-4.02%	1.58%
Hang Seng	17,231	0.75%	-0.58%	12.33%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.20	0.08%	-0.74%	-5.96%
USD/VND	24,575.00	0.00%	-0.74%	1.15%
EUR/USD	1.06	-0.03%	1.45%	8.92%
USD/CNY	7.31	0.02%	-0.22%	-0.33%
Brent	86.73	-0.14%	-4.61%	-8.39%
WTI	82.43	-0.04%	-7.62%	-6.51%
Natural gas	3.50	0.92%	18.82%	-41.36%
Coal	120.00	0.29%	-22.33%	-66.76%
Gold	1,984.77	-0.05%	8.87%	21.80%

Vietnam Market Snapshot 02/11/2023



Money flow and sector rotation (VND bn)

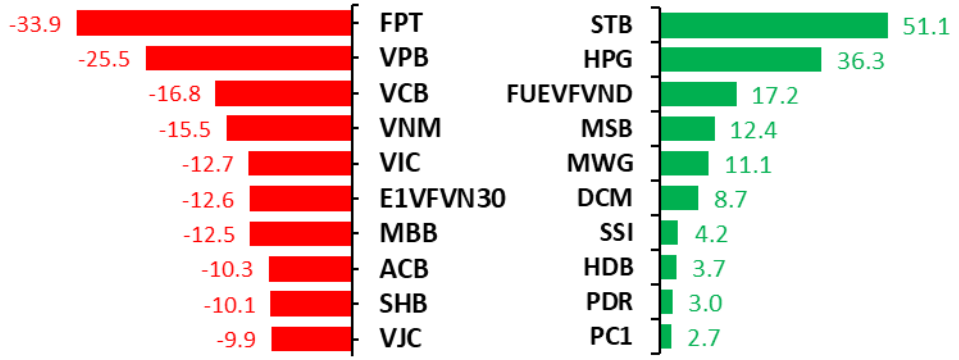
Sector	%1D	11/2/2023	11/1/2023	20-session Average
Insurance	96.70	24	12	19
Basic Resources	60.44	1,271	792	849
Health Care	59.07	20	13	22
Utilities	58.48	123	77	145
Chemicals	39.71	678	486	815
Construction & Materials	36.48	813	596	947
Industrial Goods & Services	33.04	747	561	839
Banks	29.38	1,876	1,450	1,887
Real Estate	28.38	3,110	2,422	2,595
Oil & Gas	27.88	144	112	243
Food and Beverage	13.98	731	642	808
Financial Services	12.47	2,775	2,467	2,436
Technology	4.43	205	197	278
Personal & Household Goods	3.18	93	90	110
Retail	-1.9	902	919	612
Travel & Leisure	-7.8	94	102	105
Automobiles & Parts	-21.6	90	115	123
Media	-41.6	5	9	8

Source: Bloomberg, Shinhan Securities Vietnam

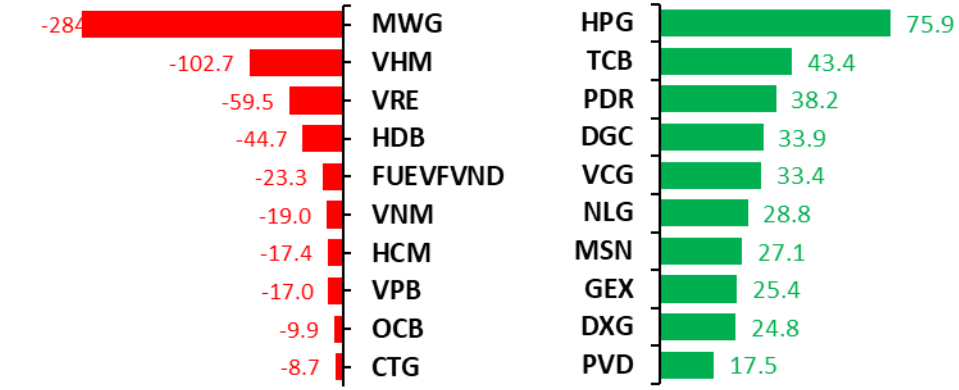
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,075.47	13.99	35.81	3.44	665	13,706
HNX INDEX	217.97	22.51	8.32	3.97	125	2,037

Vietnam Market Snapshot 02/11/2023

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	(16)	(42)	61	(19)
Basic Resources	26	84	(137)	54
Media	-	(0)	0	-
Industrial Goods & Services	(4)	22	(13)	(9)
Health care	-	(1)	5	(4)
Chemicals	8	42	(35)	(7)
Financial Services	1	(44)	16	27
Travel & Leisure	(10)	1	10	(11)
Banks	(28)	(17)	(61)	78
Construction & Materials	3	41	(79)	38
Food and Beverage	(16)	14	(8)	(6)
Retail	11	(267)	309	(42)
Utilities	(7)	1	(3)	1
Personal & Household Goods	(2)	1	14	(15)
Technology	(34)	2	172	(174)
Automobiles & Parts	1	(0)	4	(4)
Insurance	(0)	(0)	1	(1)
Oil & Gas	(3)	18	(24)	5

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Currently, the economy shows signs of recovery but is still quite fragile. As a result, many National Assembly delegates said at the discussion session on the socio-economic situation on November 1 that fiscal policy should be the focus, with specific mechanisms such as reducing VAT on all goods, reducing income tax, and stimulating demand to help the economy overcome difficulties. To stimulate demand for the economy in the coming time, delegates said that VAT should be reduced for all items in the economy, not just for certain items.
- VND interbank interest rates are on a downward trend. The overnight VND interbank interest rate has fallen by half since its peak on October 5. In the past 15 sessions, the State Bank has withdrawn a net total of VND 165,695 billion through 28-day bills. The winning interest rate on T-bills has decreased from its highest level of 1.3% per year to 0.68% per year in the most recent session. Previously, the State Bank said that the average interbank interest rate increased compared to the previous week at most terms in the week from October 2 to 6. Specifically, the average interest rates of some key terms such as overnight, 1 week, and 1 month increased by 0.8% per year, 0.88% per year, and 0.34% per year to 0.97% per year, 1.24% per year, and 1.64% per year, respectively.
- Gold faces downward pressure as the Fed signals to keep interest rates higher for longer. World gold prices fluctuated little after the US Federal Reserve (Fed) kept interest rates unchanged and signaled to maintain interest rates at high levels for a longer period of time to fight inflation. Domestic gold prices this morning (November 2) also moved almost sideways, with gold bars maintaining a price difference of more than VND 11 million per tael compared to the converted international price. In the Ho Chi Minh City market, SJC Company quoted the price of gold bars of the same brand at VND 70 million per tael and VND 70.7 million per tael, an increase of VND 100,000 per tael compared to yesterday morning.

Business news

- **TCB:** According to FiinRatings, Techcombank's business position is at the 'Good' level due to its consistent position as one of Vietnam's leading private banks and as one of the system's key credit institutions, as announced by the State Bank of Vietnam. FiinRatings, a partner of Standard&Poor's Global Ratings, has just announced the results of the Long-Term Issuer Credit Rating for Vietnam Technological and Commercial Joint Stock Bank (Techcombank) at 'A+', with a 'Stable' outlook.
- **HPG:** HPG shares have fallen more than 17% from their 17-month peak in early September, but are still 33% higher than at the beginning of 2023. Sao Phuong Bac Investment and Construction Joint Stock Company has just registered to sell 1.1 million HPG shares of Hoa Phat Group Joint Stock Company to balance its finances. The transaction is expected to be carried out by order matching on the floor and by agreement from November 6 to December 5.
- **HHV:** Deo Ca Infrastructure Investment Joint Stock Company (HHV) recorded revenue of VND 674 billion in the third quarter of 2023, an increase of nearly 20%. In particular, construction revenue increased sharply by 74%, and BOT toll station revenue also increased significantly to VND 391 billion, making a significant contribution to the revenue structure in the period. Construction revenue was mainly recorded from bidding packages for the Cam Lam - Vinh Hao expressway project, the Bình Định and Quảng Ngãi coastal road projects, and others. After deducting costs, HHV's after-tax profit reached VND 117 billion, an increase of nearly 45% over the same period in 2022. In the first nine months of 2023, HHV's consolidated revenue reached VND 1,825 billion, an increase of 23.5%, and profit after tax reached VND 309 billion, an increase of 29%, compared to the same period in 2022. The company has achieved 74% of its revenue target and more than 91% of its profit target for the first nine months of the year, compared to the plan assigned by the General Meeting of Shareholders.

Breaking News



Business news

- **PLX:** The two largest gasoline retailers in the country hold more than $1 billion in inventory as gasoline prices reach a 14-month high. In the context of rising gasoline and oil prices, Petrolimex (PLX) and PV Oil (OIL) increased their inventory accumulation in the third quarter. As of September 30, the total inventory value of the two major gasoline retailers nationwide was up to VND 25,400 billion (approximately $1 billion), an increase of nearly VND 6,300 billion in one quarter and the highest level since the end of the second quarter of last year. In the third quarter, Petrolimex's inventory increased by more than VND 4,200 billion to nearly VND 19,600 billion, the highest since the end of the second quarter of 2022. Similarly, PV Oil's inventory value also increased by nearly VND 2,050 billion compared to the end of the second quarter to more than VND 5,800 billion, the highest in recent years.
- **LCG:** Lize Joint Stock Company (LCG) recorded net revenue in the third quarter that increased by 163% over the same period to nearly VND 478 billion. However, due to a lack of transfer activities like last year, financial revenue decreased by 95%. As a result, the Company's net profit reached more than VND 25 billion, down 17% compared to the third quarter of 2022. Accumulated for 9 months, LCG's net profit reached nearly VND 56 billion. In the announcement dated October 25, LCG said it won additional package No. 01: Construction of component project 2.2, construction of parallel road (urban road) in Hung Yen province under the first project. Investing in the construction of Ring Road 4 – Hanoi Capital region with the winning bid value of VND 1,253 billion.
- **NVL:** On the morning of November 2, the HoSE decided to remove NVL shares of No Va Real Estate Group Joint Stock Company (Novaland) from the warning zone. Previously, this stock was placed on warning from April 25 because the company was more than 15 days late in submitting its 2022 audited financial statements compared to the prescribed deadline. According to HoSE, the company has since overcome this situation.

Technical view



Trend: Recovery

- VNINDEX closed at 1,075.4 points (+35.8 points, 3.44%) with improved liquidity. The market recovered with 516 stocks up and 32 stocks down. Foreign and retail investors continued to buy net. The groups of stocks that contributed to the VNINDEX's rise were BID, HPG, VCB, and VHM, while there were hardly any stocks that fell significantly. Most sectors also rebounded strongly, such as financial services and chemicals.
- Technical view: VNINDEX had a strong rally with increased liquidity. Technical indicators also improved as a result. We have previously mentioned the hard support zone of the market in the 1020-1080 area, which corresponds to the trading range at the beginning of 2023. At the present time, VNINDEX will start to return to the uptrend when it completely breaks through the support zone above 1020-1080 and the MA 200 zone. Especially the MA 200, the market will often have a reversal signal when it meets the MA 200. Therefore, the formation of a second bottom is still possible and the market needs to accumulate further
- Strategy: Investors should stand aside and observe, and see what scenario the market will follow. Buying new will be better when the price has accumulated enough and then increased again.

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

3/11/2023

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

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



Compliance Notice

- Analyst Certification: We/I hereby certify the information and material presented in this report are accurate expressions of their views, and that we/I have not received internally or externally wrongful pressure to express such views.
- All opinions and estimates regarding the company and its securities are accurate representations of the covering analyst's judgments as of this date and may differ from actual results.
- This report is intended to provide information to assist investment decisions only and should not be used or considered an offer or the solicitation of an offer to sell or to buy any securities. Stock selection and final investment decisions should be made at the client's own discretion.
- This report is distributed to our clients only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.

Disclaimers

- This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of Shinhan Securities Vietnam Ltd.., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of Shinhan Securities Vietnam Ltd.
- This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. Shinhan Securities Vietnam Ltd. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Shinhan Securities Vietnam Ltd.., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or Shinhan Securities Vietnam Ltd. The final investment decision is based on the client’s judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.
- Copyright ⓒ 2020 Shinhan Securities Vietnam Ltd. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of Shinhan Securities Vietnam Ltd.