MORNING CALL
07/11/2023

"The short-term uptrend is maintained"

- ❑ World stocks: Slightly increased when US Treasury bond yields fell sharply
- ❑ Vietnam stocks: The short-term uptrend is maintained
- ❑ Business news #TNG, #PLC, #VTP, #CTD, #TAR, #FPT
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

[Analysts]

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Global Market Review 06/11 - 10/11/2023

Major stocks market

- On Monday, the Dow and S&P 500 rose 0.1% and 0.18%, respectively, for their sixth straight day of gains. The Nasdaq Composite also added 0.3%, extending its winning streak to a seventh day. Those moves came as oversold conditions, upbeat earnings, growing expectations for an end to the Federal Reserve's rate-hiking campaign and a sharp pullback in Treasury yields all combined to lift the market.
- European equity markets were little changed on Monday, with Frankfurt's DAX retreating 0.4% and the pan-European STOXX 600 losing about 0.1%. Investors took a breather following a recent rally that propelled stocks to post their most significant weekly gain since March, driven by indications of a potential conclusion to monetary policy tightening by major central banks.
- The Nikkei 225 Index fell 0.8% to below 32,500 while the broader Topix Index lost 0.2% to 2,355 on Tuesday, retreating slightly from six-week highs. The Shanghai Composite rose 0.91% to close at 3,058 while the Shenzhen Component rallied 2.21% to 10,072 on Monday, hitting their highest levels in about three weeks
- WTI crude futures rose to around $81 per barrel on Monday, recouping some losses from the previous session after top crude producers Saudi Arabia and Russia announced that they would stick to extra voluntary oil output cuts until the end of the year, keeping the market tight.

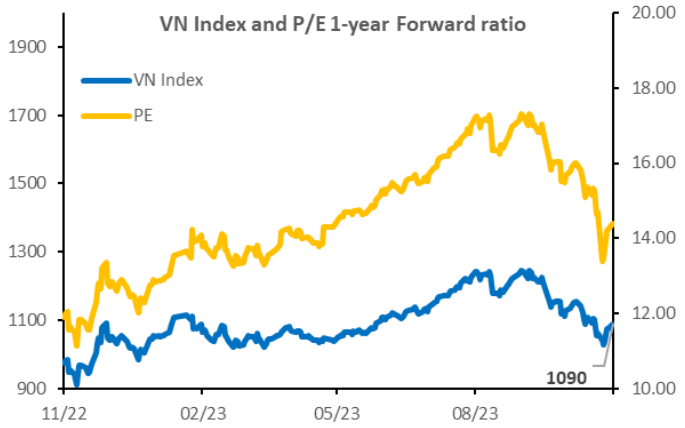
Market

	Close	%1D	%1M	%1Y
VN-Index	1,090	1.20%	-3.45%	11.74%
S&P 500 Index	4,366	0.18%	1.33%	14.69%
Dow Jones Index	34,096	0.10%	2.06%	3.87%
GP 100	7,418	0.00%	-1.03%	1.61%
Nikkei 225	32,539	-0.52%	4.98%	18.21%
SHCOMP Index	3,049	-0.31%	-1.98%	-0.94%
STOXX 600	444	-0.16%	-0.32%	6.02%
KOSPI Index	2,447	-2.21%	1.59%	3.17%
Hang Seng	17,818	-0.83%	1.90%	7.36%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	105.35	0.13%	-0.66%	-4.33%
USD/VND	24,377.00	-0.13%	0.03%	2.00%
EUR/USD	1.07	-0.08%	1.34%	6.88%
USD/CNY	7.28	-0.10%	0.21%	-0.64%
Brent	84.85	-0.39%	0.32%	-13.35%
WTI	80.52	-0.37%	-2.74%	-12.28%
Natural gas	3.28	0.61%	-1.62%	-52.71%
Coal	119.00	-2.86%	-14.08%	-65.95%
Gold	1,975.65	-0.13%	6.14%	17.90%

Vietnam Market Snapshot 06/11/2023



Money flow and sector rotation (VND bn)

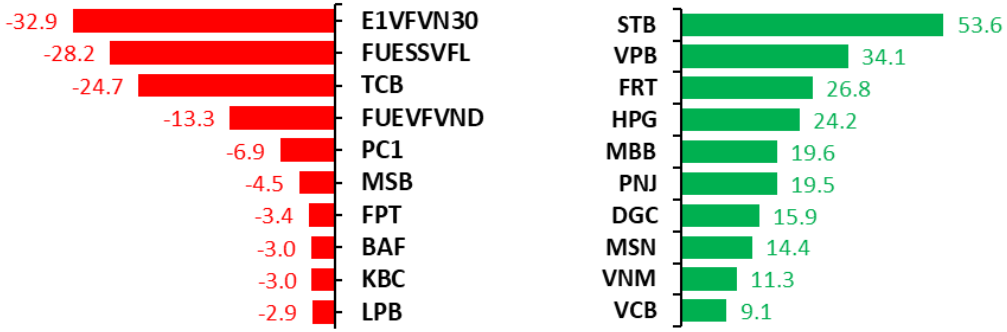
Sector	%1D	11/6/2023	11/3/2023	20-session Average
Media	95.25	10	5	8
Travel & Leisure	20.11	143	119	109
Utilities	17.87	124	106	139
Health Care	-1.1	10	10	20
Retail	-5.6	602	637	626
Basic Resources	-8.2	1,006	1,096	880
Banks	-11.8	2,283	2,589	1,961
Food and Beverage	-18.4	502	615	789
Chemicals	-19.8	431	537	774
Industrial Goods & Services	-23.0	645	838	837
Real Estate	-27.3	2,367	3,255	2,660
Insurance	-28.1	12	16	18
Automobiles & Parts	-28.1	59	83	114
Financial Services	-28.2	1,779	2,477	2,397
Oil & Gas	-29.1	90	127	237
Construction & Materials	-37.9	710	1,143	941
Personal & Household Goods	-53.3	87	186	113
Technology	-73.5	116	436	282

Source: Bloomberg, Shinhan Securities Vietnam

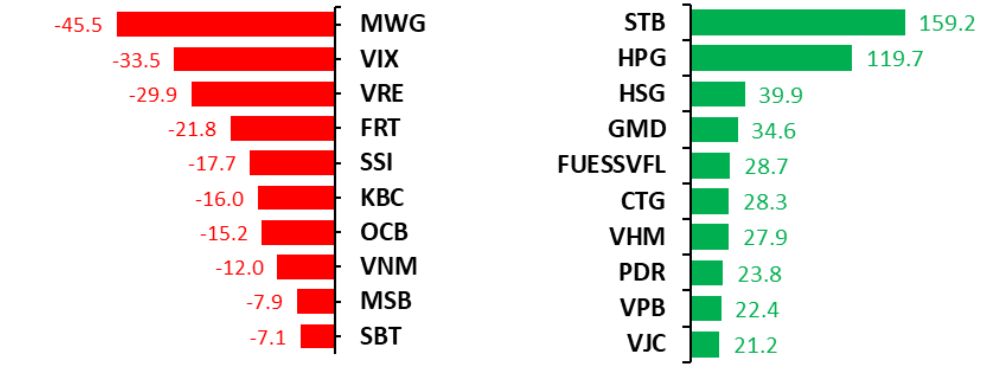
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,089.66	14.40	12.88	1.20	508	10,980
HNX INDEX	219.05	21.27	-0.54	-0.25	78	1,304

Vietnam Market Snapshot 06/11/2023

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	34	5	(60)	55
Basic Resources	24	160	(167)	7
Media	-	(7)	6	1
Industrial Goods & Services	1	25	(26)	1
Health care	-	(0)	0	0
Chemicals	18	9	(50)	40
Financial Services	(70)	(4)	109	(105)
Travel & Leisure	5	21	(22)	1
Banks	107	214	(289)	75
Construction & Materials	(5)	(15)	13	2
Food and Beverage	27	(10)	14	(4)
Retail	30	(64)	18	46
Utilities	3	5	(8)	3
Personal & Household Goods	19	0	(18)	18
Technology	(3)	1	6	(7)
Automobiles & Parts	0	1	18	(18)
Insurance	0	1	(1)	0
Oil & Gas	1	10	(20)	10

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- The Vietnam Association of Seafood Exporters and Producers (VASEP) said: At the end of October, the American Shrimp Processors Association (ASPA) just filed an application with the Ministry of Commerce of this country to sue against dumping on shrimp from Ecuador and Indonesia; At the same time, it also filed an anti-subsidy lawsuit (CVD) against shrimp from Ecuador, Indonesia, India and Vietnam. These are all the world's leading the shrimp industry.
- The derivatives trading market in October 2023 did not have much change compared to the previous month. The VN30 index futures contract product has an average trading volume of 264,970 contracts/session, a slight increase of 3.57% compared to September 2023, the average trading value (in contract terms) reaches VND 29,572 billion/session, down 4.6% compared to the previous month. Notably, the trading session on October 26, 2023 had the largest trading volume from the beginning of the year until now, reaching 429,570 contracts. Open interest volume (OI) reached its highest level of the month with 58,430 contracts at the last trading session of the month. Government bond futures contracts had no transactions conducted in October.
- Banks' profits are greatly affected when they cannot lend but still have to pay large interest rates to depositors. In the first 9 months of 2023, 27 listed banks paid interest to depositors of VND 398,723 billion, a sharp increase of 79% compared to the same period in 2022, equivalent to nearly 5% of the total mobilized capital of these banks. Notably, the increase in interest payment costs for banks' deposits in the first 9 months of 2023 is over 50%, with some banks in particular recording this cost increase by 2 times. The business results of many banks face many "headwinds", so it is difficult to maintain the same as the same period in previous years. Forecasting profits for the whole year, securities companies also predict that the profit growth of the banking industry this year will only reach 10% while last year's increase was over 30%.

Business news

- TNG: TNG Investment and Trading Joint Stock Company has just announced that October sales revenue reached VND 570 billion, down 5% compared to September, a slight increase (1 billion VND) over the same period. Accumulated in the first 10 months of the year, the company's sales revenue reached VND 6,007 billion, an increase of 3% over the same period. Of which exports account for 98% (VND 5,887 billion) mainly to the US (47%), France (15%), Spain (17%), Russia (6%)... In 2023, TNG sets a goal Revenue of VND 6,800 billion and profit after tax of VND 299 billion. After 10 months, the garment business in Thai Nguyen has achieved 88% of its revenue plan.
- PLC: Specifically, PLC adjusted this year's sales revenue plan to nearly VND 8,396 billion, down 5.7% compared to the original target although the output target remains the same. Profit after tax target is expected to decrease by 30% compared to the original plan, to VND 112 billion. PLC said that under the impact of factors related to the economic situation, interest rate and exchange rate policies have caused production and business activities to be directly and materially affected. Since August, exchange rates have tended to fluctuate, thereby affecting and increasing PLC's financial costs. On the other hand, input costs are always high while the average selling price of products tends to decrease during the year.
- VTP: Viettel Post Joint Stock Corporation has just reported a profit of VND 103 billion after tax, an increase of 84% compared to the same period in 2022. This result raised the company's 9-month profit to VND 276 billion, up 7.4% over the same period. Viettel Post's profits grew even in a situation where the company's revenue decreased. Improving gross profit margin by reducing costs per order is the main reason for Viettel Post's profit growth. Viettel Post is expected to list on HoSE after 5 years of trading on UPCoM.

Breaking News



Business news

- CTD: At the end of the first quarter of 2024, Coteccons recorded VND 4,124 billion in net revenue, an increase of VND 1,000 billion, equivalent to 25% compared to the same period last year. Cost of goods sold reached VND 4,023 billion, up 30% over the same period. Thus, CTD gross profit reaches VND 100 billion, an increase of VND 78 billion over the same period in 2023, equivalent to 33%. The total profit after tax (NPAT) of the parent company reached VND 67 billion, equivalent to an increase of VND 70 billion compared to the same quarter in 2023.

- TAR: The third quarter consolidated financial report of Trung An High-Tech Agriculture Joint Stock Company showed that net revenue reached VND 966 billion, an increase of 94% over the same period last year. Gross profit reached VND 48 billion, up 27% compared to the third quarter of 2022. Gross profit margin reached 5%, down from 7.7% in the same period in 2022. Excluding expenses, Trung An reported profit after tax for parent company shareholders of nearly VND 12 billion, 14.3 times higher than the third quarter of 2022. Accumulated for 9 months, Trung An recorded VND 3,479 billion in net revenue, an increase of 57% but profit after tax was less than VND 12 billion, equal to 1/4 of the same period last year. This year, the business targets revenue of VND 3,800 billion and profit after tax of VND 50 billion. Thus, after 3 quarters, Trung An has only achieved 13% of the revenue target and less than 12% of the year's profit plan.

- FPT: On November 6, FPT Corporation announced the purchase of Cardinal Peak, a 20-year-old technology service provider in the North American market. It is known that Cardinal Peak has been providing technology services including hardware, embedded software, IoT, cloud computing and mobile product development for more than 300 companies, in the fields of automobiles, electronics. consumer electronics, health care, online content streaming, robotics, security - safety, defense - aerospace.

Technical view



Trend: Short-term uptrend

- VNINDEX closed at 1,089 (+12.88 points, +1.20%) with a slight decrease in liquidity. The market has broken out of the 1,080 resistance area and is exiting the downtrend. Foreign investors net bought VND 350 billion, focusing on stock codes STB, HPG, HSG.
- Technical: VNINDEX has completed breaking the resistance area of 1,080, thereby gradually escaping the medium-term downtrend. Positive signals continue to appear as the RSI continues to increase and head towards higher areas. The MACD line has officially crossed the signal line, signaling a buy. The fact that foreign investors turned to net buying in the last 2 sessions with a total value of more than VND 500 billion shows that the risks that caused the market to decline have gradually changed.
- Strategy: Investors can buy stocks that show signs of successfully bottoming and are gradually returning to an uptrend in the short term.

Scenario:

- Positive (60%): Breaking resistance at 1,080 and heading towards 1,100
- Less positive (40%): The market will turn around at the resistance level of 1,080.

Recommended stocks

7/11/2023

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
VHC	Hold	69.0	75.0	67.5	9%	-2%	69.5	1	0.72%	06/11/2023	
HPG	Hold	25.1	27.0	24.5	8%	-3%	25.75	1	2.59%	06/11/2023	
HHV	Hold	14.5	16.0	14.0	10%	-3%	14.5	1	0.00%	06/11/2023	

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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