MORNING CALL
08/11/2023

“Challenging at the 1,080 resistance zone”

- World stocks: Maintaining strong upward momentum
- Vietnamese stocks: Challenges at the 1,080 resistance zone
- Business news #VHC, #VJC, #PVT, #ACB, #SZC, #BAF
- 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

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Catching the latest report



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

Major stocks market

- In regular trading on Tuesday, the Dow and S&P 500 gained 0.17% and 0.28%, respectively, for their seventh straight positive session. The Nasdaq Composite also jumped 0.9% to post its eighth consecutive day of gains. Those moves came as a strong earnings season and hopes for interest rate cuts boosted investor confidence.
- European stock markets saw losses trimmed but remained in negative territory for a second consecutive session on Tuesday, with the pan-European STOXX 600 down about 0.2%.
- The Nikkei 225 Index rose 0.3% to above 32,300 while the broader Topix Index fell 0.2% to 2,328 in minced trade on Wednesday, with Japanese shares struggling for clear direction as investors awaited more economic data to guide the outlook. The Shanghai Composite shed 0.04% to close at 3,057 while the Shenzhen Component lost 0.15% to 10,056 on Tuesday, breaking a two-day advance as investors reacted to data showing Chinese exports fell more than expected in October, while imports unexpectedly rose.
- WTI crude oil futures fell more than 4% to below $78 per barrel, their lowest since August 25th, driven by concerns about global demand, which have outweighed the impact of supply cuts. The fuel demand outlook was clouded by concerns following China's report of a worse-than-expected drop in exports in October. On the supply side, top crude producers Saudi Arabia and Russia reaffirmed their commitment to additional voluntary oil supply cuts until the end of the year.

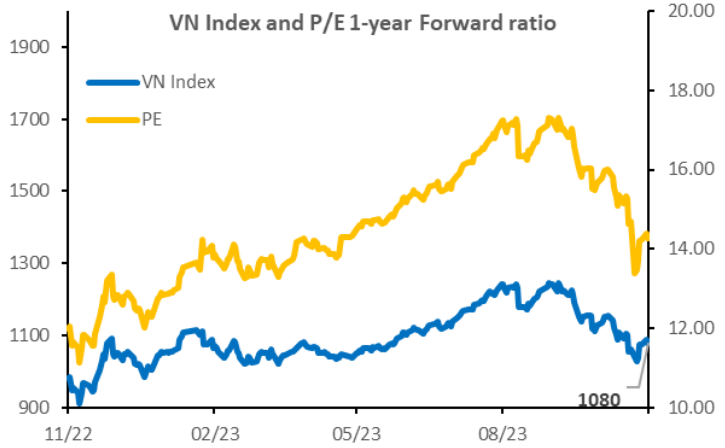
Market

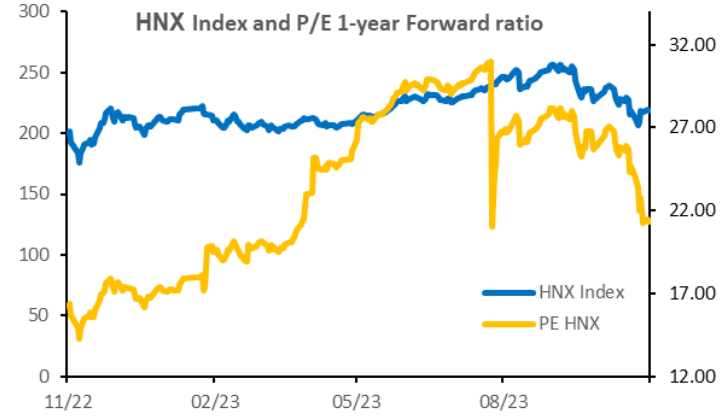
	Close	%1D	%1M	%1Y
VN-Index	1,080	-0.86%	-4.28%	10.05%
S&P 500 Index	4,378	0.28%	1.62%	15.01%
Dow Jones Index	34,153	0.17%	2.23%	4.04%
GP 100	7,410	-0.10%	-1.13%	1.42%
Nikkei 225	32,387	0.36%	4.49%	16.20%
SHCOMP Index	3,057	-0.04%	-1.71%	-0.24%
STOXX 600	443	-0.16%	-0.48%	5.03%
KOSPI Index	2,446	0.07%	1.54%	1.95%
Hang Seng	17,670	-1.65%	1.05%	6.72%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	105.54	0.31%	-0.47%	-4.16%
USD/VND	24,313.00	0.05%	0.30%	2.22%
EUR/USD	1.07	-0.07%	1.18%	6.13%
USD/CNY	7.28	-0.13%	0.17%	-0.67%
Brent	81.61	-4.19%	-3.51%	-16.66%
WTI	76.74	-0.81%	-7.31%	-13.69%
Natural gas	3.19	1.43%	-4.58%	-48.11%
Coal	120.10	0.92%	-13.29%	-65.18%
Gold	1,968.71	-0.04%	5.76%	14.97%

Vietnam Market Snapshot 07/11/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,080.29	14.27	-9.37	-0.86	480	10,536
HNX INDEX	218.29	21.35	-1.30	-0.59	98	1,602

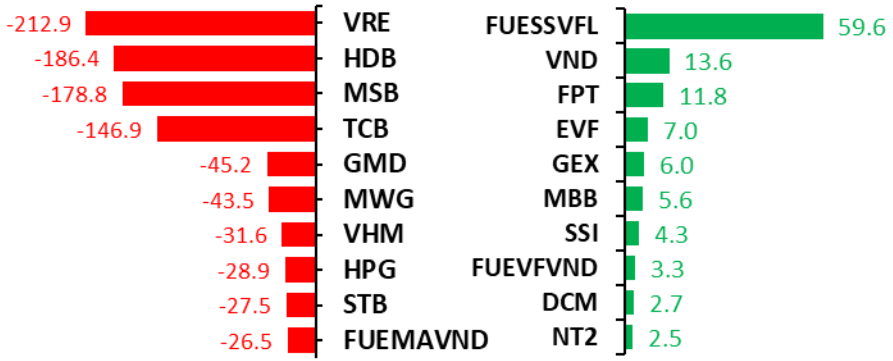
Money flow and sector rotation (VND bn)

Sector	%1D	11/7/2023	11/6/2023	20-session Average
Oil & Gas	73.32	156	90	235
Insurance	53.26	18	12	18
Construction & Materials	51.15	1,073	710	926
Chemicals	23.89	534	431	753
Food and Beverage	16.47	584	502	766
Automobiles & Parts	14.48	68	59	111
Financial Services	10.90	1,973	1,779	2,355
Technology	9.62	127	116	272
Industrial Goods & Services	2.67	663	645	819
Basic Resources	-3.2	974	1,006	877
Utilities	-8.3	114	124	133
Real Estate	-9.2	2,149	2,367	2,651
Retail	-10.6	538	602	627
Health Care	-12.3	9	10	19
Travel & Leisure	-28.6	102	143	110
Personal & Household Goods	-34.6	57	87	108
Banks	-39.1	1,391	2,283	1,940
Media	-79.0	2	10	7

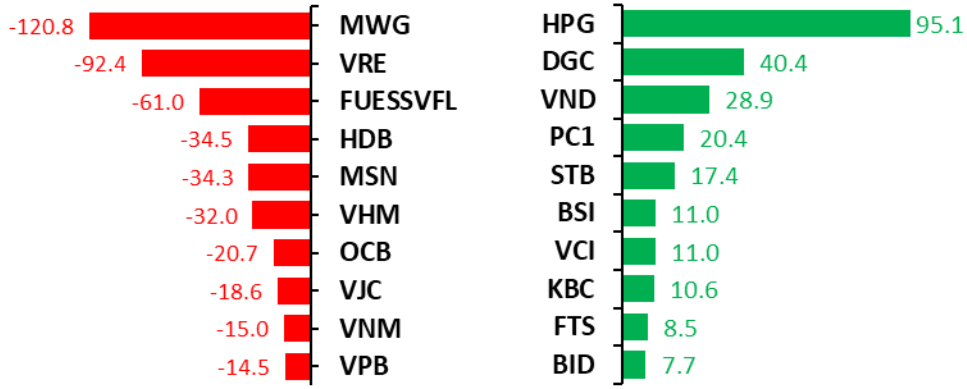
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 07/11/2023

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	(250)	(132)	113	20
Basic Resources	(29)	96	(61)	(35)
Media	-	(0)	0	-
Industrial Goods & Services	(39)	7	(33)	27
Health care	-	(1)	1	(0)
Chemicals	(5)	35	(16)	(19)
Financial Services	80	(15)	(31)	45
Travel & Leisure	(19)	(19)	3	16
Banks	(589)	(54)	(127)	181
Construction & Materials	(14)	8	3	(11)
Food and Beverage	2	(64)	69	(5)
Retail	(41)	(119)	44	76
Utilities	4	(1)	(5)	6
Personal & Household Goods	(0)	(1)	10	(9)
Technology	12	(2)	(17)	19
Automobiles & Parts	(0)	1	(1)	0
Insurance	(1)	(1)	2	(1)
Oil & Gas	(0)	(2)	(19)	21

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- According to data from the Vietnam Textile and Apparel Association (Vitas), by the end of September 2023, Vietnam's textile and garment exports reached 29.7 billion USD, down 14% compared to the same period in 2022. The United States is still the market. largest, accounting for over 40% market share of Vietnam's textile and garment industry, followed by Japan, EU, Korea, China... However, there were also more positive market signals in the fourth quarter/ 2023.
- In the first 10 months of 2023, Vietnam exports 7.1 million tons of rice, worth 3.97 billion USD, up 17% in volume and 35% in value compared to the same period in 2022. The average export price of rice is estimated at 558 USD /ton, an increase of 15.3%. This is also the highest rice export figure in the first 10 months of the year that Vietnam has achieved during the past 38 years, since Vietnam joined the world rice market.
- Up to now, Vietnam owns 17 Free Trade Agreements (FTA) and is continuing to affirm its position on the international trade map. Along with regional and international competitive advantages, Vietnam has also become a strategic destination in the global supply chain of supporting industries, manufacturing and component manufacturing.
- In the recently published report of the Vietnam Steel Association (VSA), in September 2023, steel consumption output of member enterprises recorded the highest level since the beginning of the year, reaching nearly 2.2 million tons, an increase of 4.7 million tons. % compared to August and increased 9.4% compared to the same period last year. Of which, construction steel consumption reached nearly 1 million tons, up 9% and 4%, respectively. In the third quarter of 2023, Vietnam's steel industry consumed nearly 6.5 million tons of finished products, up 6.3%, with exports alone. Exports contributed more than 2 million tons, an increase of 70% over the same period.

Business news

- VHC: The State Securities Commission said that it has received a request to extend the time for submitting and publishing the Financial Statements for the third quarter of 2023 dated October 27 of Vinh Hoan Company but the reason stated is not in the approved case. The State Securities Commission requested Vinh Hoan Company to disclose information in accordance with regulations.
- VJC: On November 3, the Board of Directors of Vietjet Aviation Joint Stock Company approved the implementation of a private stock offering plan. Accordingly, Vietjet will offer a maximum of 24.5 million shares to investors at a price of 100,000 VND/share. The offering rate accounts for 4.5% of outstanding shares. Vietjet will offer these shares in the fourth quarter of 2023. The list of investors buying VJC shares in this issuance is Leadvisor Fund Management Joint Stock Company (13.5 million shares), Amber Fund Management Joint Stock Company (7.2 million shares) and Thanh Cong Fund Management Company Limited (3.8 million shares). share). Currently, these organizations do not hold VJC shares.
- PVT: Sticking to the strategy of promoting investment and rejuvenating the fleet, in order to improve transport capacity, increase competition, and expand international markets, PetroVietnam Transport Joint Stock Corporation (PVTrans) has just received received three new ships, including 1 Supramax type bulk carrier and 2 MR size product tankers. By the end of 2023, PVTrans has increased the size of its owned and managed fleet to 51 ships with a variety of types from crude oil ships, product oil ships, chemical oil ships, LPG ships and bulk cargo ships. continues to affirm its number one position in liquid cargo transportation in Vietnam, as well as enhance its reputation in the international market.

Breaking News



Business news

- ACB: According to the consolidated report for the third quarter of 2023, during the period, ACB recorded interest income and similar income reaching 13,024 billion VND, an increase of VND 2,704 billion, equivalent to 26.2% QoQ; Accumulated in the first 9 months of the year increased by VND 11,039 billion, equivalent to 38.3% YoY. During the period, ACB was strong in provisions. Credit risk provision expenses increased by VND 430.6 billion, equivalent to 476% to VND 521 billion; Accumulated 9 months reached VND 1,483 billion, an increase of VND 1,303 billion, equivalent to 724%. As a result, ACB's profit after tax in the Q3/2023 increased by VND 451 billion, equivalent to 12.6% to VND 4,038 billion; Accumulated in the first 9 months of the year reached VND 12,038 billion, an increase of VND 1,220 billion, equivalent to 11.3% YoY.

- SZC: At the end of the third quarter of 2023, Sonadezi recorded 208 billion VND in net revenue, an increase of VND 85 billion, equivalent to nearly 50% over the same period last year. Deducting costs, Sonadezi Chau Duc's total profit before tax (PBT) reached VND 67 billion, an increase of VND 39 billion compared to the same business period in 2022. Total profit after tax (PBT) reached VND 66 billion, corresponding to an increase more than 2 times compared to the same period last year.

- BAF: At the end of the third quarter, BAF Vietnam Joint Stock Company, owner of the "vegetarian pig" brand, achieved revenue of more than VND 1,200 billion, down 36% YoY. Of which, revenue from livestock only accounts for 1/3, reaching VND 416 billion. Deducting the cost price, the enterprise's gross profit is VND 143 billion, down 34% YoY. Gross profit margin reached 12%, a slight increase over the same period. Loan interest costs increased sharply, causing the business's financial costs to increase to VND 44 billion, nearly 9 times higher than the same period. BAF ended the third quarter with VND 39 billion in profit after tax, down 75% YoY.

Technical view



Trend: Difficulty at the resistance area of 1,080

- VNINDEX closed at 1,080 (-9.37 points, -0.86%) with a slight decrease in liquidity. The market corrected again after overcoming the resistance area of 1,080. Foreign investors were net sellers of VND 262 billion, focusing on the stock codes MWG, VRE, and FUESSVFL.
- Technical: VNINDEX index dropped again and closed at the resistance area of 1,080, this shows that investor psychology is still concerned when the market has increased sharply recently. The MACD indicator continues to show positive signals as the MACD line increasingly separates from the signal line. The market needs an increasing session with high liquidity to confirm the break of the 1,080 resistance area.
- Strategy: Investors can wait until the market confirms it has surpassed the 1,080 resistance zone to proceed with disbursement.

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

8/11/2023

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%	67.9	2	-1.59%	06/11/2023	
HPG	Hold	25.1	27.0	24.5	8%	-3%	25.8	2	2.79%	06/11/2023	
HHV	Hold	14.5	16.0	14.0	10%	-3%	14.35	2	-1.03%	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

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

Shinhan Securities



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