MORNING CALL
13/11/2023

"Adjustment at the resistance zone"

- ❑ World stocks: Mixed movements before Moody's rating news
- ❑ Vietnamese stocks: Correcting at the resistance zone
- ❑ Business news: #NHH, #CTR, #NVL, #MPC, #PTB, #DHM
- ❑ Highlights: Moody's lowered the outlook for US debt credit rating
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

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

Major stocks market

- Last week, the Dow rose 0.65%, the S&P 500 gained 1.31% and the Nasdaq Composite jumped 2.37%. Those moves came despite hawkish remarks from Federal Reserve officials, with Fed Chair Jerome Powell saying the central bank is prepared to raise rates further if necessary. On the data front, the University of Michigan consumer sentiment index fell to six months low and came in significantly below forecasts. Moody's has lowered its outlook on the United States credit rating to "negative" from "stable" while affirming the rating at Aaa, the highest investment-grade notch, on November 10th.
- European equity markets declined on Friday, with the German DAX down 0.8% and the Stoxx 600 down 1%, following warnings from Federal Reserve Chair Jerome Powell and ECB President Lagarde about the potential need for further interest rate increases to control inflation. In economic news, initial figures indicated that the U.K. economy remained stagnant in the third quarter
- Producer prices in Japan rose by 0.8% yoy in October 2023, slowing from an upwardly revised 2.2% gain in the prior month and coming slightly less than market forecasts of 0.9%. This was the lowest producer inflation since a deflation in February 2021, marking the tenth straight month of a slowdown in the reading.
- WTI crude futures climbed nearly 2% to $ 77 per barrel on Friday, mirroring gains in equities as the broader financial market rebounded from hawkish Federal Reserve comments, but were still on track for a third consecutive weekly decline.

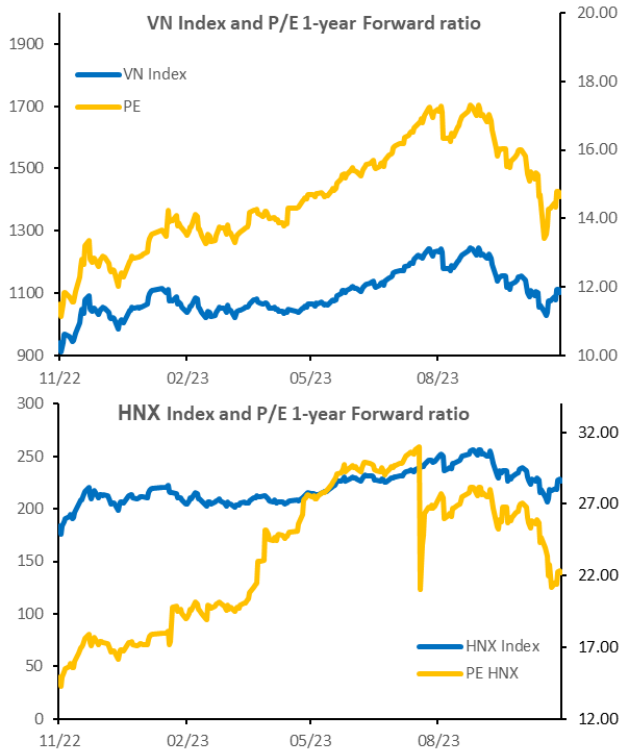
Market

	Close	%1D	%1M	%1Y
VN-Index	1,102	-1.10%	-4.59%	15.42%
S&P 500 Index	4,415	1.56%	2.02%	10.58%
Dow Jones Index	34,283	1.15%	1.82%	1.59%
GP 100	7,361	-1.28%	-3.15%	0.58%
Nikkei 225	32,848	0.86%	1.65%	16.22%
SHCOMP Index	3,039	-0.47%	-1.59%	-1.57%
STOXX 600	443	-1.00%	-1.31%	2.56%
KOSPI Index	2,413	0.16%	-1.74%	-2.81%
Hang Seng	17,203	-1.76%	-3.43%	-0.71%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	105.78	-0.07%	-0.81%	-0.48%
USD/VND	24,343.00	-0.07%	0.44%	1.87%
EUR/USD	1.07	0.00%	1.67%	3.48%
USD/CNY	7.29	-0.01%	0.12%	-1.36%
Brent	81.20	-0.28%	-10.66%	-15.41%
WTI	76.90	-0.35%	-12.30%	-13.56%
Natural gas	3.09	1.85%	-4.54%	-47.46%
Coal	123.25	0.20%	-13.14%	-61.99%
Gold	1,940.27	0.00%	0.39%	9.53%

Vietnam Market Snapshot 10/11/2023



Money flow and sector rotation (VND bn)

Sector	%1D	11/10/2023	11/9/2023	20-session Average
Automobiles & Parts	22.18	221	181	122
Food and Beverage	22.04	1,236	1,013	809
Technology	9.66	233	213	273
Utilities	9.64	247	225	141
Industrial Goods & Services	4.18	1,436	1,378	880
Construction & Materials	-1.8	1,391	1,417	964
Media	-4.1	7	7	8
Basic Resources	-5.3	1,488	1,571	986
Travel & Leisure	-6.9	110	118	111
Financial Services	-7.0	3,602	3,874	2,530
Chemicals	-12.2	629	716	728
Banks	-12.3	2,261	2,579	2,083
Retail	-12.8	614	704	640
Real Estate	-16.2	4,877	5,816	3,012
Oil & Gas	-25.4	176	236	211
Health Care	-26.8	16	21	18
Insurance	-28.9	19	26	19
Personal & Household Goods	-31.4	84	122	102

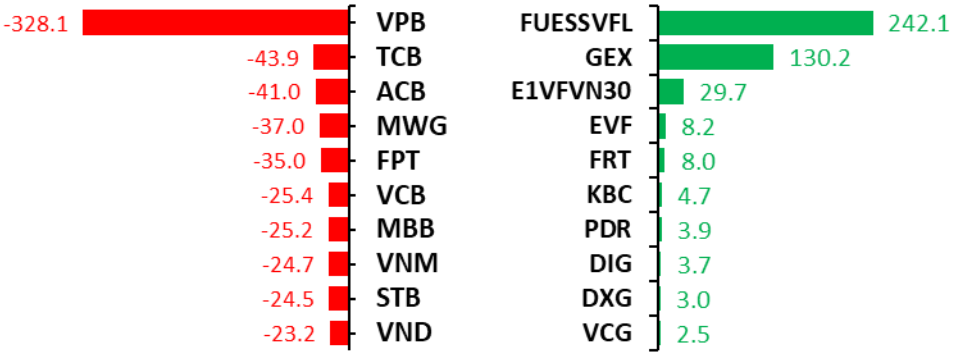
Source: Bloomberg, Shinhan Securities Vietnam

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,101.68	14.62	-12.21	-1.10	873	18,658
HNX INDEX	226.65	22.21	-1.57	-0.69	126	2,296

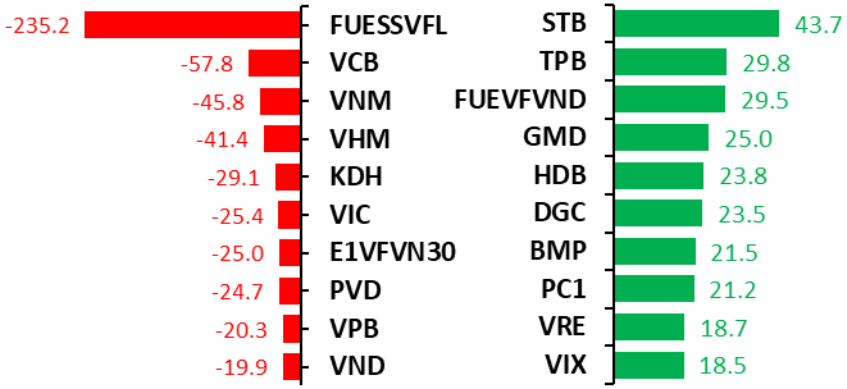
Vietnam Market Snapshot 10/11/2023

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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	(39)	(49)	79	(31)
Basic Resources	(22)	18	(17)	(1)
Media	-	(0)	1	(1)
Industrial Goods & Services	125	21	(137)	116
Health care	-	(2)	2	0
Chemicals	(3)	7	(16)	9
Financial Services	206	(222)	68	155
Travel & Leisure	(13)	1	18	(19)
Banks	(592)	23	621	(644)
Construction & Materials	(1)	58	(56)	(2)
Food and Beverage	(44)	(65)	124	(58)
Retail	(29)	7	26	(33)
Utilities	(10)	(18)	24	(6)
Personal & Household Goods	(3)	(1)	(6)	7
Technology	(35)	8	(13)	5
Automobiles & Parts	-	3	(0)	(3)
Insurance	(1)	4	(3)	(1)
Oil & Gas	1	(26)	27	(1)

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

- Pressure on the exchange rate cooled down, the State Bank stopped issuing bills. Since November 1, the State Bank has switched to a state of continuous net injection. On November 9, the State Bank stopped issuing bills on the open market. The total amount of outstanding T-bills is currently VND 194,659 billion with the most recent issued interest rate reaching 1%. According to VnEconomy statistics, from September 21 to November 8, 2023, the State Bank has had 34 issuances of T-bills in the form of interest rate bidding, 28-day term. The total value of issued treasury bills reached VND 360.345 billion. On October 19, the first batch of bills matured. Also from this time, the State Bank gradually reduced the intensity of attracting money through the bill channel. Accumulated from October 19 to November 8, the State Bank injected VND 165,695 billion back into the market, bringing the amount of outstanding bills to VND 194,650 billion.

- In 2024, the National Assembly will specifically supervise the implementation of policies and laws on real estate market management and social housing development from 2015 to the end of 2023; which focuses on market regulation issues; supply; real estate transactions; operational situation of real estate businesses, the use of land to implement projects and capital sources for the real estate market...

- Debating the ratio of State capital contribution in transport PPP projects, many National Assembly delegates proposed increasing it to 80%. A low rate will not attract investors, but if it is too high, the PPP project no longer makes sense. Therefore, the Minister of Planning and Investment said that raising the State capital ratio is an issue that needs to be calculated and considered. Calculation shows that the level of 70 - 75% is reasonable, however some projects may be higher depending on each specific project, depending on the ability to balance the State's capital to decide the proportion of State capital involved. .

Business news

- NHH: NHH shares of Hanoi Plastic Joint Stock Company were almost not affected by the recent deep decline, even exceeding a 1-year peak. Immediately after this development, An Phat Holdings announced that it would sell 5 million NHH shares. According to an announcement from An Phat Holdings (APH) on November 10, the sale transaction will be carried out from November 15 to December 14, 2023. APH will reduce its ownership in NHH from 20.16 million shares (27.66%) to 15.16 million shares (20.8%) for the purpose of restructuring its investment portfolio. At the same time, after the transaction, APH and its subsidiary An Phat Xanh Plastics (AAA) still own 68.24% in NHH.

- CTR: Viettel's "family" business regularly collects tens of billions each month from repairing and cleaning air conditioners and washing machines. According to Viettel Construction, the total revenue of the Technical services segment can reach VND 2,000-3,000 billion by 2025. Viettel Construction has begun to develop more technical services in the past few years, including two The main branches are Home Services and Solar Care. In addition, the technical services segment has two other services: IT service and Fiber Care - Tower Care. After several years of operation, the technical services segment gradually brought good and stable results, with regular revenue of several tens of billions of VND per month.

- NVL: BSC has not yet had time to sell the mortgage, NovaGroup has proactively registered to sell an additional 26.5 million Novaland shares (NVL). NovaGroup Joint Stock Company - the largest shareholder at No Va Real Estate Investment Group Joint Stock Company (Novaland - code NVL) has just registered to sell 26.5 million NVL shares for the purpose of balancing the investment portfolio and supporting debt structure. The transaction is expected to be carried out by order matching and agreement method during the period from November 16 to December 15, 2023. If the transaction is successful, NovaGroup will reduce its ownership in Novaland from 405.6 million shares (ratio 20.8%) to 379.1 million shares (ratio 19.44%).

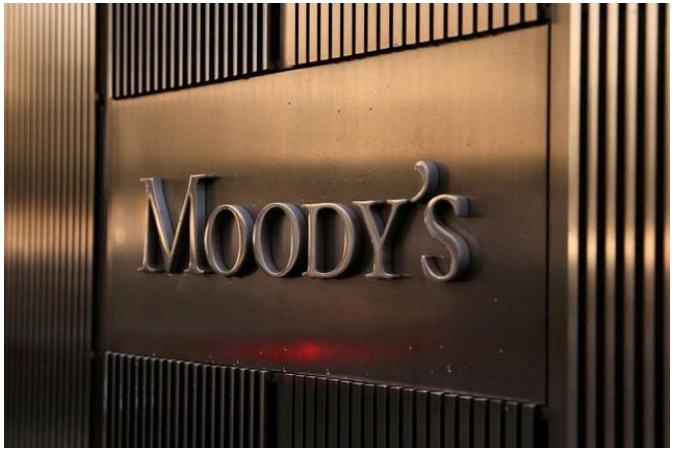
Breaking News



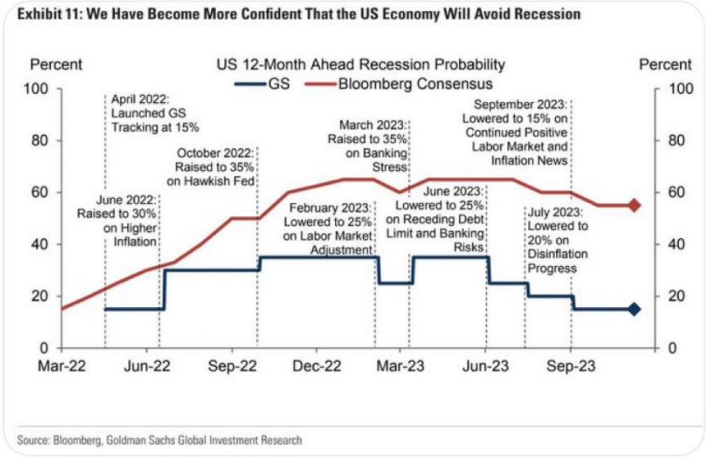
Business news

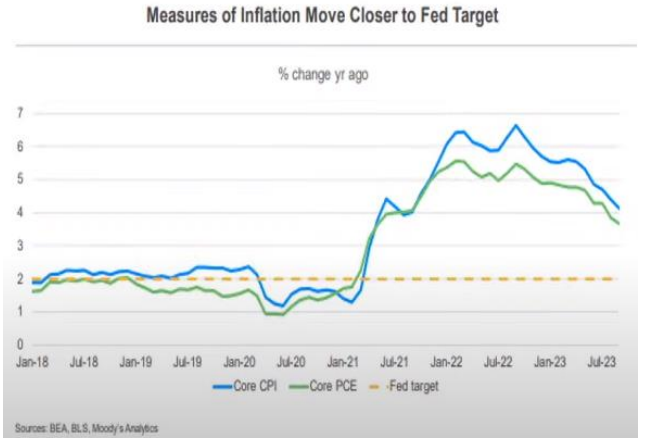
- MPC: Shrimp farming and investing in stocks is currently resulting losses, Minh Phu Fisheries (MPC) wants to do more real estate business. The extraordinary General Meeting of Shareholders is expected to take place in December 2023, the final list of attending shareholders will be finalized on December 1. At the Congress, Minh Phu will submit to shareholders for approval the addition of real estate business, land use rights belonging to the owner, user or lease.
- PTB: Phu Tai (PTB) may have to set aside 30-40% of the reserve value for receivables with Noble House when the US partner files for bankruptcy? Previously, Phu Tai said that the event of Noble House declaring bankruptcy protection under Chapter 11 did not have much impact on the company's production and business activities, the above bankruptcy protection was intended to serve the restructuring process. SSI Research has just released a prospect report for Phu Tai Joint Stock Company (stock code: PTB) in the fourth quarter of 2023 and 2024. Specifically, this company's revenue in the fourth quarter of 2023 is expected to reach 1,475 billion VND (down 14% compared to the same period) due to decreased revenue from wood and real estate. Pre-tax profit reached 109 billion VND, an increase of 22% compared to the fourth quarter of 2022 thanks to the efficient operation of the quartz stone factory, reducing costs such as loan interest expenses due to a 25% decrease in working capital and reduced operating costs.
- DHM: A steel company suddenly raised its plan for the whole year of 2023 even though nine-month profit "went backwards" by 55% over the same period. In the latest announcement, Duong Hieu Mineral Exploitation and Trading Joint Stock Company (code DHM) announced that the General Meeting of Shareholders approved the plan to increase the business plan for 2023. Specifically, according to the new plan, consumption output 2023 DHM increases by 50% compared to the old plan to 212,000 tons. Adjusted revenue increased to 2,520 billion, equivalent to an increase of 50%, and adjusted pre-tax profit increased 15% to more than 9 billion VND. If completed, the revenue plan of more than 2,500 billion will be a record revenue level in the company's history.

Key highlights: Moody's lowered the outlook for US debt credit rating









Technical view



Trend: Correction

- VNINDEX index closed at 1101.6 (-12 points, -1.1%) with 148 green codes and 417 red codes. Liquidity is high compared to the 20-session average. Among the stock groups that caused the market to fall sharply: VCB BID and VPB, on the contrary, there was no stock code that significantly led the market. Foreign investors and proprietary trading are relatively strong net sellers
- Technical: The market has shown signs of slowing down the recovery momentum when encountering strong resistance at the 1120 area corresponding to MA 50 and MA 200. Signs of profit-taking by bottom-fishing investors have occurred in 2 sessions on Thursday. and Friday last week. The STOCH RSI indicator has just crossed the signal line, showing that price momentum is weakening in the short term. Thus, the market will likely fluctuate in the range of 1080-1120. We expect the market to adjust and accumulate more tightly in the 1080 area and then completely break out of 1120, opening a new rising wave with more disbursement opportunities.
- Strategy: Traders can take advantage of trading in a range when the market adjusts to the 1080 support area and shows signs of rebounding.

Scenario:

- Positive (40%): The market will surpass 1120 after successfully testing the bottom.
- Less positive (60%): The market will accumulate more and fluctuate in the 1020-1120 range for a longer time.

Recommended stocks

11/11/2023

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%	70.6	4	2.32%	06/11/2023	
HPG	Sell	25.1	27.0	24.5	8%	-3%	26.7	4	6.37%	06/11/2023	
HHV	Hold	14.5	16.0	14.0	10%	-3%	15.3	4	5.52%	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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