MORNING CALL
17/11/2023

"The demand for buying is still cautious"

- World stocks: The recovery momentum is slowing down
- Vietnamese stocks: The demand for buying is still cautious
- Business news: #CEO, #DIG, #NRC, #TV2, #TCM, #MSN
- Technical perspective and updated recommendations
- Event calendar
- Q&A

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Global Market Review 13/11 - 17/11/2023

Major stocks market

- In regular trading on Thursday, the Dow fell 0.13%, while the S&P 500 and Nasdaq Composite gained 0.12% and 0.07%, respectively. Still, all three benchmark indexes are all up at least 5% this month as easing US inflation bolstered hopes that the Federal Reserve is done raising interest rates.
- European stocks markets closed mostly lower on Thursday, halting a three-session rally as macroeconomic data and earnings reports suggested that economies and businesses are feeling the impact of higher interest rates to a greater extent. The Stoxx 50, the Eurozone's blue-chip index, fell 1% while the pan European Stoxx 600 dropped a softer 0.6%.
- The Nikkei 225 Index rose 0.3% to above 33,500 while the broader Topix Index lost 0.1% to 2,366 in mixed trade on Friday, as Japanese shares struggled for clear direction amid a lack of market moving cues. Still, the benchmark indexes are on track to post strong gains this week as cooling US inflation bolstered hopes that the Federal Reserve is done raising interest rates. Earlier this week, data showed that Japan's economy shrank faster than expected in the third quarter amid slowing global demand and rising domestic inflation.
- WTI crude oil futures fell 5% to trade below $73 per barrel on Thursday, the lowest since July, amid increasing signs of low demand and eased concerns of scarce supply.

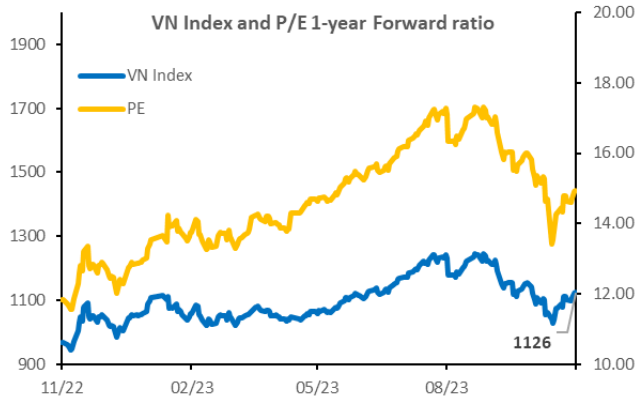
Market

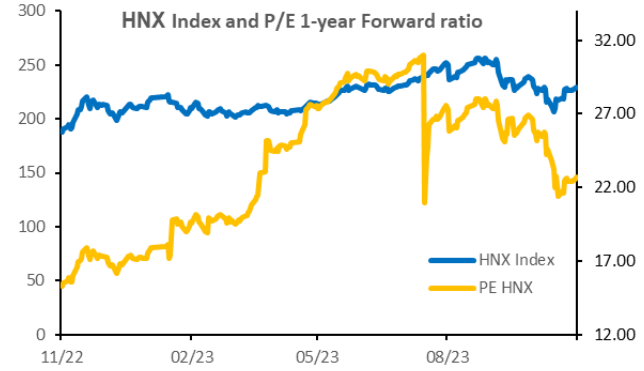
	Close	%1D	%1M	%1Y
VN-Index	1,126	0.27%	0.35%	16.12%
S&P 500 Index	4,508	0.12%	3.08%	13.88%
Dow Jones Index	34,945	-0.13%	2.83%	4.15%
GP 100	7,411	-1.01%	-3.44%	0.88%
Nikkei 225	33,495	0.21%	4.54%	19.92%
SHCOMP Index	3,051	-0.71%	-1.06%	-2.07%
STOXX 600	451	-0.72%	0.34%	5.34%
KOSPI Index	2,474	-0.56%	0.57%	1.28%
Hang Seng	17,833	-1.36%	0.33%	-1.18%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.35	0.00%	-1.79%	-2.20%
USD/VND	24,291.00	0.01%	0.86%	2.16%
EUR/USD	1.09	0.02%	2.62%	4.75%
USD/CNY	7.24	0.06%	0.94%	-2.00%
Brent	77.43	0.01%	-13.87%	-13.76%
WTI	73.08	0.25%	-15.67%	-10.49%
Natural gas	3.06	0.07%	-0.49%	-51.89%
Coal	123.10	-0.12%	-14.37%	-62.98%
Gold	1,984.91	0.20%	3.21%	12.75%

Vietnam Market Snapshot 16/11/2023





Money flow and sector rotation (VND bn)

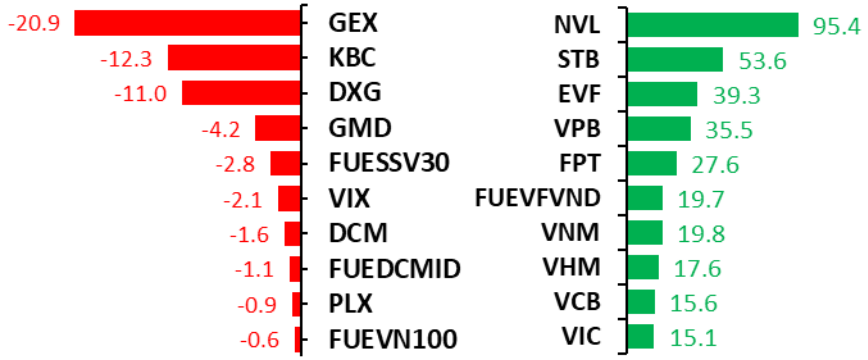
Sector	%1D	11/16/2023	11/15/2023	20-session Average
Media	14.97	7	6	8
Chemicals	14.34	652	570	633
Retail	-5.2	568	599	623
Health Care	-10.9	15	16	15
Travel & Leisure	-11.7	105	118	109
Real Estate	-15.2	3,303	3,893	3,176
Personal & Household Goods	-15.5	77	92	93
Technology	-15.9	216	257	231
Insurance	-17.2	25	31	21
Automobiles & Parts	-20.0	116	145	119
Financial Services	-23.8	2,314	3,036	2,536
Industrial Goods & Services	-25.6	639	858	836
Construction & Materials	-32.5	767	1,137	919
Food and Beverage	-37.9	859	1,384	831
Oil & Gas	-46.4	95	178	175
Utilities	-49.3	118	233	142
Basic Resources	-50.5	881	1,779	1,093
Banks	-52.0	1,864	3,882	2,176

Source: Bloomberg, Shinhan Securities Vietnam

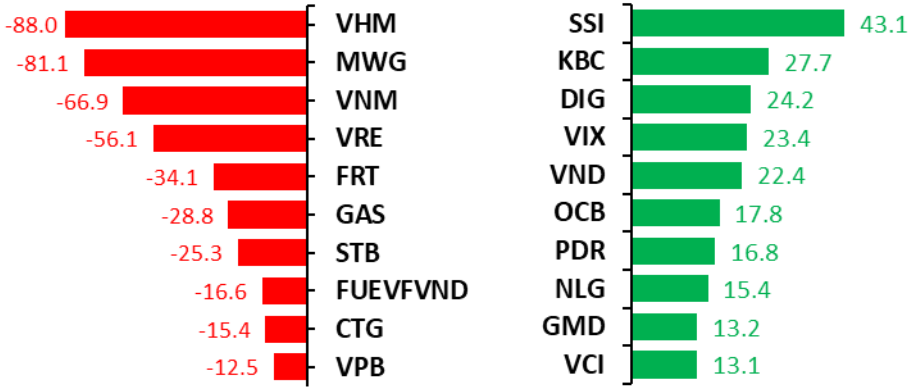
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,125.53	14.95	3.03	0.27	554	12,624
HNX INDEX	229.56	22.74	1.69	0.74	119	2,058

Vietnam Market Snapshot 16/11/2023

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	113	(44)	8	35
Basic Resources	23	12	(14)	2
Media	-	0	(0)	-
Industrial Goods & Services	(25)	21	(0)	(21)
Health care	-	0	2	(2)
Chemicals	(0)	2	(55)	53
Financial Services	88	84	(178)	94
Travel & Leisure	9	14	184	(198)
Banks	173	(35)	(67)	102
Construction & Materials	0	7	11	(18)
Food and Beverage	36	(71)	64	8
Retail	12	(105)	72	33
Utilities	4	(25)	25	(0)
Personal & Household Goods	-	4	(4)	1
Technology	28	5	(18)	13
Automobiles & Parts	0	3	1	(4)
Insurance	1	(1)	0	0
Oil & Gas	(1)	4	(8)	4

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- After a period of strong growth, Vietnamese tuna exports to the UK showed signs of slowing down with a 36% decline in September 2023. The Vietnam Association of Seafood Processing and Export (VASEP) said that tuna exports to the UK in September 2023 had slowed down, down 36% after a period of strong growth. However, in the first 9 months of 2023, tuna exports to the UK increased by 48% over the same period last year, reaching over 5.5 million USD. In terms of product structure, Vietnam exports the most frozen tuna meat, loin (loin). These products account for 94% of total tuna export turnover. Compared to the same period last year, Vietnamese fresh and frozen tuna products to the UK are still increasing.
- "Dissecting" the valuation level of the Vietnamese stock market. The current valuation level of the Vietnamese stock market is being affected by the banking sector (P/E 8.8x) and real estate (P/E 12.2x). If these two industries are not included, the P/E of the Vietnamese stock market is currently at 23.5x. This is a very high level compared to history. FiinGroup recently released a report on the valuation of the Vietnamese stock market, emphasizing that after the recent correction, the P/E of the Vietnamese stock market has returned to 13.1x, lower than the average of the period from 2015 to the present (14.2x) and higher than the P/E fwd 2023 (12.5x).
- According to data from AidData, a research unit of William & Mary University in the state of Virginia, USA, debt overdue payments from Chinese lenders are increasing at a rapid pace. AidData's research found that nearly 80% of China's lending portfolio to developing countries today is loans to support countries in financial distress. For many years, the Chinese government has focused on providing capital for infrastructure projects in poor countries, including the Belt and Road Initiative launched a decade ago.

Business news

- CEO: CEO records record daily trading volume of 242.7 million public offering shares traded. This is the number of shares that CEO Group has fully distributed to investors exercising their rights to purchase in the public offering at a price of VND 10,000/share. The stock market session on November 16 witnessed a boom in trading of CTCP Tập đoàn C.E.O (CEO Group - code CEO) shares. More than 46.7 million CEO shares were traded, recording a record number since the company was listed. The corresponding trading value reached over VND 1 trillion, the largest on the stock market.
- DIG: DIC Corp has not yet used up the VND 1,500 billion it raised from a private placement at a price of VND 20,000/share two years ago. Specifically, on October 7, 2021, DIC Corp issued 75 million private placement shares at a price of VND 20,000/share, raising VND 1,500 billion. Of these, Mr. Nguyen Thien Tuan, Chairman of the Board of Directors, bought 10 million shares; Mr. Nguyen Hung Cuong, Mr. Tuan's son, bought 10 million shares; Mrs. Nguyen Thi Thanh Huyen, Mr. Tuan's daughter, bought 5 million shares; Mr. Cao Van Vu bought 10 million shares; CTCP Đầu tư Phát triển Thiên Tân bought 38 million shares; and the remaining 2 million shares were bought by CTCP Chứng khoán Liên Việt.
- NRC: A listed real estate company is ordered to stop using invoices for overdue tax payment of nearly VND 100 billion. On November 13, the District 1 Tax Department (Ho Chi Minh City) issued a decision to enforce an administrative decision on tax management by means of stopping the use of invoices against CTCP Tập Đoàn Danh Khôi (HNX: NRC). The reason is that NRC owes nearly VND 100 billion in taxes that are overdue for more than 90 days from the deadline for payment, as well as the extension period as prescribed. The enforcement of the cessation of use of invoices will officially take effect from 5pm on November 13, 2023, for a period of 1 year.

Breaking News



Business news

- **TV2:** A power industry company fined over VND 2 billion, asserts it did not intentionally evade taxes. Recently, CTCP Tư vấn Xây dựng Điện 2 (TV2) announced that it had received a decision from the General Department of Taxation on the administrative sanction for tax violations through tax inspections in 2020, 2021, and 2022. According to the decision, TV2 was fined VND 397 million for administrative violations. In total, TV2 was fined and had to pay VND 2.1 billion in late payments. The company has paid the taxes, fines, and late payments (as of November 14, 2023) to the State Bank of Vietnam. TV2 also has a mitigating factor, which is that it voluntarily rectified the consequences and did not intentionally evade taxes.

- **TCM:** Thành Công Textile (TCM) experiences negative growth for five consecutive months, not enough orders for the end of the year. In October, TCM estimated that it achieved revenue of over USD 11.4 million (about VND 278 billion) and net profit of USD 439 thousand (about VND 11 billion), down 16% and 45%, respectively, from the same period last year. CTCP Dệt may - Đầu tư - Thương mại Thành Công (TCM) recently announced its business results for October and the first 10 months of 2023, with both revenue and profit declining from the same period last year.

- **MSN:** Masan's business results remain promising in the first 9 months of 2023 despite the challenging macroeconomic environment. Masan's net revenue reached VND 57,470 billion in the first 9 months of 2023, up 3.5% from VND 55,546 billion in the first 9 months of 2022. Masan's consumer business, which includes WinCommerce ("WCM"), Masan Consumer Holdings ("MCH"), Masan MEATLife ("MML"), and Phúc Long Heritage ("PLH"), recorded a 45.5% increase in operating profit ("EBIT" or "earnings before interest, taxes, and depreciation") in the first 9 months of 2023 and 47.3% in the third quarter of 2023, respectively, compared to the same period last year.

Technical view



Trend: Accmulation

- VNINDEX closed at 1,125.3 (+3 points, +0.27%). The market had 218 green and 280 red stocks. The leading stocks of the market were VCB, SAB, and HPG, while BID, VHM, and VIC contributed to the decline of the market. Most of the industry groups rose strongly, such as: telecommunications, financial services. Foreign investors sold net slightly, while local investors turned to net buy strongly.
- Technical analysis: VNINDEX formed a good bullish candle throughout most of the session today, with declining liquidity indicating that the selling side was weak, while the buying side was still hesitant to deploy new capital. Thus, the market has officially surpassed the MA200, opening up many new opportunities for deployment. However, there will still be one resistance level ahead, corresponding to the MA50 and Fibonacci 0.5 zone of 1,140, for the market to officially enter a major uptrend.
- Strategy: Investors should consider buying new stocks with those that have accumulated enough tightly and rebounded again.

Scenario:

- Positive (50%): The market will clearly surpass 1,140, opening a new uptrend.
- Negative (50%): The market will accumulate more and fluctuate in the 1,020-1,120 range for a longer period of time.

Recommended stocks

17/11/2023

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%	73.0	9	5.80%	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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