MORNING CALL
21/11/2023

“Strong buying pressure in the low-price range”

- World stocks: Mixed developments
- Vietnamese stocks: Strong buying pressure in the low-price range
- Business news: #IRC, #VHM, #HBC, #PNJ, #PDR, #HVN
- Technical perspective and updated recommendations
- Event calendar
- Q&A

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Global Market Review 20/11 – 24/11/2023

Major stocks market

- In regular trading on Monday, the Dow rose 0.58%, the S&P 500 gained 0.74% and the Nasdaq Composite jumped 1.13%. The dollar index weakened to around 103.6 on Monday, hovering at its lowest levels in 11 weeks as recent data reinforced bets that the Federal Reserve has reached the end of its tightening cycle. The central bank is widely expected to keep rates unchanged again in December, while markets see a 30% chance that the Fed could begin lowering rates as early as March 2024. Inventors now await the latest FOMC minutes and a slew of economic data in the US for further guidance.
- European markets finished mixed as of their recent closing prices. The DAX gained 1.84% while the CAC 40 was higher by 0.18%. The FTSE 100 was even. European equity markets saw little change on Monday as investors paused following last week's rally. The STOXX 50 held steady at its highest level since August 10th, and the STOXX 600 remained at a two-month high, driven by the anticipation of potential interest rate cuts by global central banks next year, responding to a slowdown in inflation
- The Nikkei 225 Index fell 0.1% to around 33,356 while the broader Topix Index lost 0.2% to 2,368 on Tuesday, with both benchmarks sliding for the second straight session as investors continued to book profits following a sustained rally over the past three weeks.
- WTI crude futures rose nearly 3% to above $78 per barrel on Monday, extending gains from the previous session as investors look ahead to an OPEC+ meeting, where the group is expected to deepen supply cuts to support oil prices.

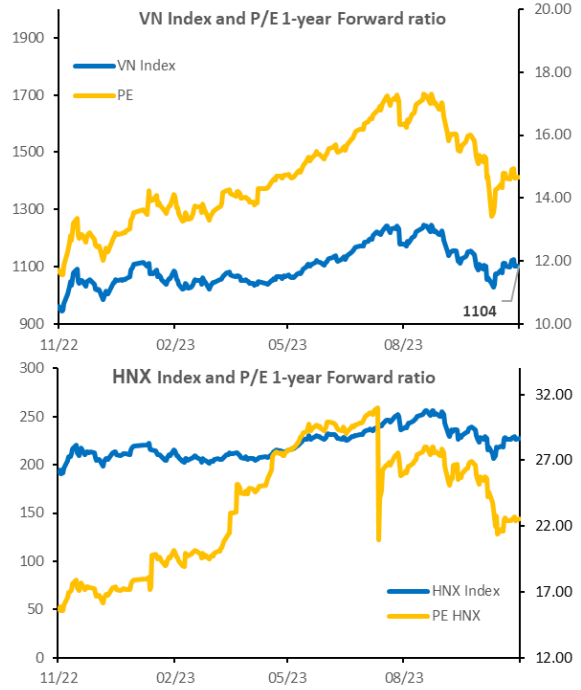
Market

	Close	%1D	%1M	%1Y
VN-Index	1,104	0.22%	-0.39%	14.89%
S&P 500 Index	4,547	0.74%	7.65%	14.68%
Dow Jones Index	35,151	0.58%	6.11%	4.16%
GP 100	7,496	-0.11%	1.27%	1.62%
Nikkei 225	33,329	-0.18%	6.62%	19.27%
SHCOMP Index	3,068	0.46%	2.86%	-0.54%
STOXX 600	456	0.10%	5.19%	5.36%
KOSPI Index	2,508	0.69%	5.62%	3.68%
Hang Seng	17,778	1.86%	3.53%	0.69%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.44	-0.46%	-2.57%	-3.27%
USD/VND	24,175.00	0.15%	1.65%	2.72%
EUR/USD	1.09	0.06%	2.60%	6.88%
USD/CNY	7.17	0.66%	2.07%	-0.02%
Brent	82.32	2.12%	-10.68%	-6.05%
WTI	77.76	-0.09%	-12.38%	-2.47%
Natural gas	2.90	0.52%	-0.07%	-57.25%
Coal	122.50	-0.61%	-11.23%	-64.33%
Gold	1,985.39	0.37%	0.64%	14.23%

Vietnam Market Snapshot 20/11/2023



	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,103.66	14.66	2.47	0.22	680	14,869
HNX INDEX	227.77	22.56	1.23	0.54	102	1,845

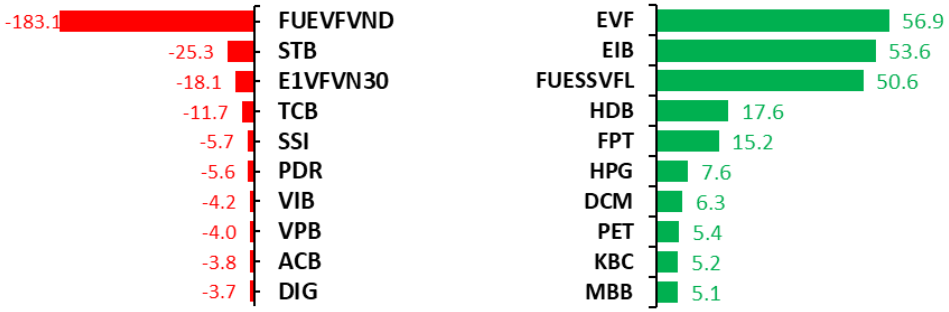
Money flow and sector rotation (VND bn)

Sector	%1D	11/20/2023	11/17/2023	20-session Average
Travel & Leisure	3.05	119	116	109
Financial Services	-8.5	3,541	3,870	2,692
Industrial Goods & Services	-18.6	978	1,200	873
Utilities	-24.1	127	167	145
Insurance	-25.1	16	21	22
Banks	-28.0	2,278	3,164	2,271
Personal & Household Goods	-32.4	114	169	98
Media	-34.0	6	10	9
Food and Beverage	-34.3	911	1,385	864
Health Care	-34.4	12	18	14
Chemicals	-35.1	498	768	621
Construction & Materials	-41.4	928	1,583	975
Retail	-42.4	411	713	625
Automobiles & Parts	-42.8	206	360	138
Technology	-46.2	191	354	235
Real Estate	-47.6	3,326	6,351	3,444
Basic Resources	-48.2	1,097	2,116	1,187
Oil & Gas	-58.3	107	256	170

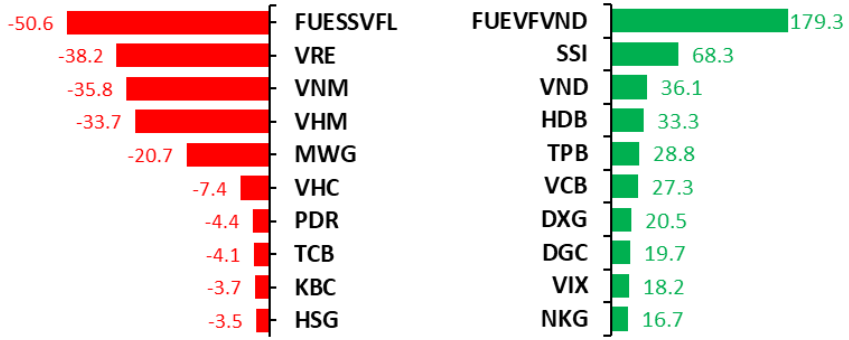
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 20/11/2023

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	2	(44)	176	(132)
Basic Resources	11	28	(34)	6
Media	-	(0)	0	-
Industrial Goods & Services	(4)	32	(25)	(7)
Health care	-	(0)	1	(1)
Chemicals	10	30	(39)	9
Financial Services	(106)	293	(156)	(137)
Travel & Leisure	2	9	(10)	1
Banks	22	133	(122)	(11)
Construction & Materials	(3)	23	(0)	(23)
Food and Beverage	7	(42)	25	18
Retail	8	(16)	1	15
Utilities	0	5	(14)	9
Personal & Household Goods	1	(2)	(1)	3
Technology	15	2	(5)	3
Automobiles & Parts	-	2	(15)	13
Insurance	0	(1)	0	0
Oil & Gas	1	15	(9)	(5)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Proposed 2% VAT Reduction. Most National Assembly delegates agreed to continue the value-added tax (VAT) reduction policy in 2024, but noted the need to carefully assess the impact of the policy on stimulating demand, increasing retail sales of goods, and affecting local budgets.

- Global Inflation Downturn: A Monetary Policy Turning Point? "This is certainly a turning point for inflation. Investors may be surprised at how quickly central banks will cut interest rates in the coming year." Economists at the investment bank Morgan Stanley forecast that the Bank of England (BOE) will start cutting interest rates in May, followed by the US Federal Reserve (Fed) and the European Central Bank (ECB) in June. However, regardless of which forecast is correct, there is a growing consensus that inflation is receding and interest rates will follow suit. Michael Saunders, a former OBE official, said that inflation and interest rates will fall broadly in developed economies in 2024.

- Crude Oil Prices Fall Nearly 40%. Data from the Vietnam Commodity Exchange (MXV) shows that crude oil prices have fallen by nearly 40% in value from their record highs in March 2022. Crude oil prices have been on a downward trend for several weeks, despite supply risks related to geopolitical factors and the ongoing voluntary production cuts of some OPEC and OPEC+ member countries. The US Energy Information Administration (EIA) said that US oil demand increased by 0.7% in October 2022 from the same period in 2021. This figure is more positive than the negative growth of (-1.8%) in 2021, but lower than the average growth of 5 years before the COVID-19 pandemic (about 1.2%).

Business news

- IRC: Rubber company on the stock exchange appears in the agreement "transferring 65% of capital worth 45 million USD" between Nguyen Cao Tri and Truong My Lan. In the case related to the Van Thanh Phat Group and SCB Bank, in addition to the defendant Truong My Lan, the Criminal Investigation Department of the Ministry of Public Security also clarified the act of misusing trust to embezzle property of tycoon Nguyen Cao Tri (born 1970, from Lam Dong, residing in Ho Chi Minh City). According to the documents, due to the lack of receipts for the two sides' investment and borrowing money, when Mrs. Truong My Lan was arrested, Mr. Nguyen Cao Tri had the fictitious and signed the procedures for liquidating the contract for the transfer of shares of Văn Lang Company, the investment delegation contract, in order to embezzle the received amount of 1,000 billion dong.
- VHM: Vinhomes contributes more than 3,600 billion dong to turn a 'one-week-old' real estate company into a subsidiary. As of September 30, Vinhomes has a total of 37 subsidiaries, most of which operate in the field of real estate investment, construction, and trading. Specifically, Vinhomes will contribute additional capital and turn SV Holding into a subsidiary of Vinhomes. After contributing capital, SV Holding has a charter capital of 5,248 billion dong, of which Vinhomes owns 84%, equivalent to 4,408.5 billion dong. In addition to Vinhomes, the remaining two shareholders of SV Holdings are Nguyen Thu Phuong and Le Thi Giang, who will own 16% of the company's capital, with the amount of capital contributed remaining unchanged from the beginning.
- HBC: Hòa Bình (HBC) reduces 21.5 million debt conversion shares, two foreign investors appear to want to buy private placement at twice the market price. Accordingly, Hòa Bình plans to issue nearly 252.5 million shares, of which 220 million are private placement with a minimum price of VND12,000/share, the highest is VND14,500/share along with 32.5 million shares are private placement for debt conversion. In the old plan, the company wanted to issue up to 274 million shares with a minimum price of VND12,000/share, including 220 million shares for private placement and 54 million shares for debt conversion.

Breaking News



Business news

- **PNJ:** PNJ's profit increases by nearly 32% in peak month. Phu Nhuan Jewelry Joint Stock Company (PNJ) said that October is the time to enter the annual peak business season for the retail industry and has Vietnam Women's Day (October 20). In October, the company recorded a net revenue of VND3,008 billion and after-tax profit of VND193 billion; increased by 1.6% and 31.6% respectively compared to the same period. Cumulatively for 10 months, the net revenue reached VND26,384 billion, down 7.5% compared to the same period, but the after-tax profit increased by 3.1% to VND1,533 billion. In 2023, PNJ set a target of VND35,598 billion in revenue and VND1,937 billion in after-tax profit. Thus, after 10 months, PNJ has achieved 74% of the revenue target and 79% of the annual profit plan.

- **PDR:** As of the end of Q3/2023, Property Development Phat Dat (PDR) still has nearly VND1,000 billion in bonds maturing in Q4/2023 and Q1/2024. Although the business situation has had positive points, the challenges of the residential real estate market still remain. As of the end of Q3/2023, the total debt of Property Development Phat Dat was still around VND3,366 billion, as the company paid VND681 billion in bonds and debt with money from the transfer of the Astral City project and business money in the quarter. Currently, Property Development Phat Dat still has VND858 billion in bonds maturing in December 2023 and VND122 billion maturing in March 2024.

- **HVN:** The Vietnam Civil Aviation Authority has granted air transportation rights and issued flight permits for Vietnam Airlines for the Hanoi - Dien Bien - Hanoi (HAN - DIN - HAN) route and Vietjet Air for the Ho Chi Minh City - Dien Bien - Ho Chi Minh City (SGN - DIN - SGN) route.

Technical view



Trend: Recovery

- VNINDEX Closes at 1103.6 (+2.4 points, +0.22%). The market had 203 green and 314 red stocks. The leading stock groups included VCB, GVR, and VIC, while VNM, MWG, and MBB contributed to the market's decline. The strongest rising sectors included financial services and chemicals; on the other hand, the weakest falling sector was retail services. Foreign investors bought heavily in today's session.
- Technical analysis: VNINDEX opened at the 1103 region but rose to the reference level after being under light selling pressure at the end of the session. Overall, the market is still consolidating at the 200-day moving average and we expect the market to trade sideways within the 1080-1130 range in the near future to gain momentum to break through the 1130 region. In a more negative scenario, the market could completely return to the 1030 region to test again. Therefore, investors should not chase, but place low bids in support areas.
- Strategy: Traders can take advantage of trading within the range when the market adjusts to the support zone of 1080 and has signs of rebounding.

Scenario:

- Positive (60%): The market will continue to consolidate in the 1080-1120 range.
- Negative (40%): The market will return to the 1020 range to test again.

Recommended stocks

21/11/2023

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%	70.0	11	1.45%	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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