MORNING CALL
24/11/2023

"The sudden drop in the ATC session"

- World stocks: The world market is recovering
- Vietnamese stocks: The sudden drop in the ATC session
- Business news: :#DGC, #FPT, #DPG, #PDR, #TPB, #VCB, #MSN
- Technical perspective and updated recommendations
- Event calendar
- Q&A

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

Shinhan Securities

Major stocks market

- U.S. stocks rose on Wednesday as traders reacted to recent data and U.S. stocks will not trade on Thanksgiving Day, the 5th of this week.
- The average rate on a 30-year fixed mortgage was 7.29% as of November 22, dropping for the fourth consecutive week and 50bps below the 23-year high from the end of October. The outcome mirrored the notable decline in long-term Treasury bond yields since late October, reflecting expectations of an end to the U.S. Federal Reserve's rate hike cycle.
- European stocks closed marginally higher on Thursday, with the Stoxx 50 adding 0.2% to a three-month high while pan-European Stoxx 600 also advanced 0.2% to a two-month high as investors assessed the latest economic data for hints on the ECB's upcoming policy decisions. During the October meeting, ECB members unanimously agreed on the necessity of maintaining interest rates at restrictive levels for as long as required to effectively steer inflation back to the targeted range within an appropriate timeframe
- The Nikkei 225 Index jumped 1% to above 33,700 while the broader Topix Index gained 0.7% to 2,395 in post-holiday trade on Friday, with the former marching toward fresh 33-year highs as investors assessed key economic data in Japan. The country's headline inflation rate accelerated to 3.3% in October from 3% in September, pointing to the highest reading since July.
- WTI crude futures fell toward $76 per barrel on Thursday, extending losses from the previous session as official data showed that US crude inventories jumped by about 8.7 million barrels last week, way above forecasts for a 1.16 million barrel increase

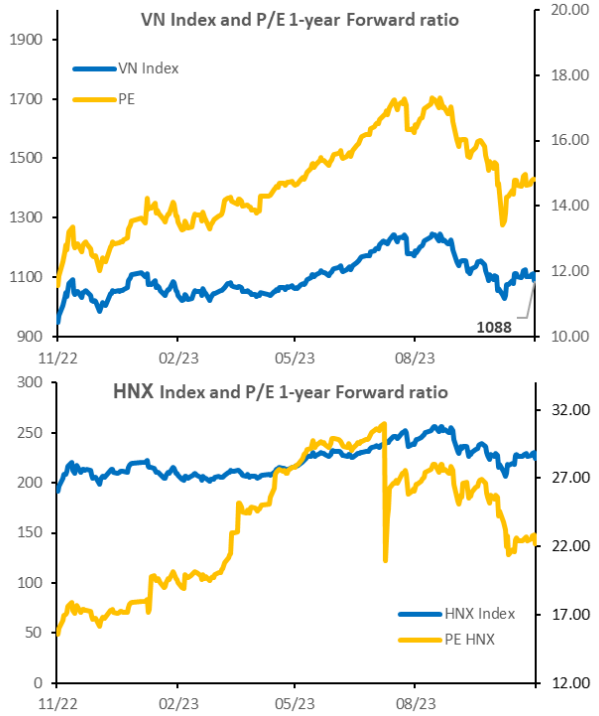
Market

	Close	%1D	%1M	%1Y
VN-Index	1,088	-2.27%	-1.57%	14.85%
S&P 500 Index	4,557	0.41%	8.05%	13.14%
Dow Jones Index	35,273	0.53%	7.09%	3.16%
GP 100	7,484	0.19%	1.27%	0.23%
Nikkei 225	33,770	0.95%	8.94%	20.11%
SHCOMP Index	3,062	0.60%	3.36%	-0.89%
STOXX 600	458	0.27%	5.37%	4.00%
KOSPI Index	2,511	-0.17%	5.33%	2.84%
Hang Seng	17,911	0.99%	5.41%	1.42%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.72	-0.19%	-2.40%	#VALUE!
USD/VND	24,256.00	0.00%	1.26%	2.40%
EUR/USD	1.09	0.04%	3.01%	4.79%
USD/CNY	7.15	0.24%	2.26%	0.18%
Brent	81.46	0.05%	-7.51%	-4.55%
WTI	76.49	-0.79%	-8.66%	-1.86%
Natural gas	2.94	1.52%	-1.01%	-59.76%
Coal	122.15	0.00%	-11.71%	-64.74%
Gold	1,994.24	0.10%	1.18%	13.62%

Vietnam Market Snapshot 23/11/2023



Money flow and sector rotation (VND bn)

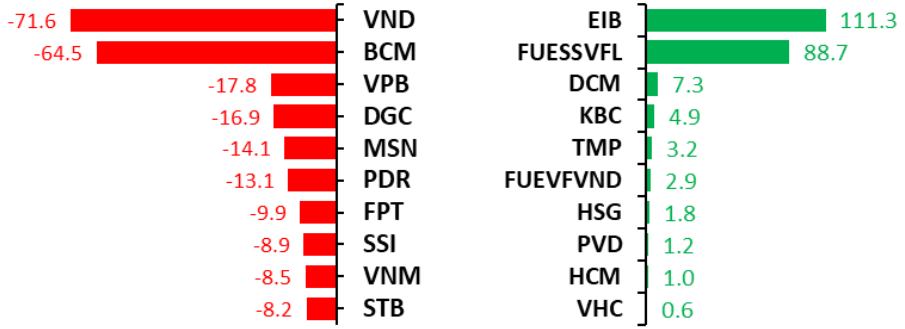
Sector	%1D	11/23/2023	11/22/2023	20-session Average
Food and Beverage	91.64	1,431	746	883
Health Care	77.12	23	13	14
Oil & Gas	64.26	223	136	165
Automobiles & Parts	56.14	241	154	147
Personal & Household Goods	53.32	177	116	106
Media	43.42	11	8	8
Basic Resources	38.14	1,508	1,092	1,278
Utilities	26.60	152	120	141
Travel & Leisure	14.78	105	92	109
Banks	13.88	2,095	1,840	2,216
Insurance	13.83	18	16	22
Construction & Materials	12.71	1,380	1,225	1,015
Financial Services	10.76	3,835	3,463	2,813
Real Estate	5.68	5,271	4,988	3,658
Chemicals	-11.2	677	763	581
Industrial Goods & Services	-15.8	1,236	1,468	914
Technology	-27.6	244	337	228
Retail	-29.4	493	698	619

Source: Bloomberg, Shinhan Securities Vietnam

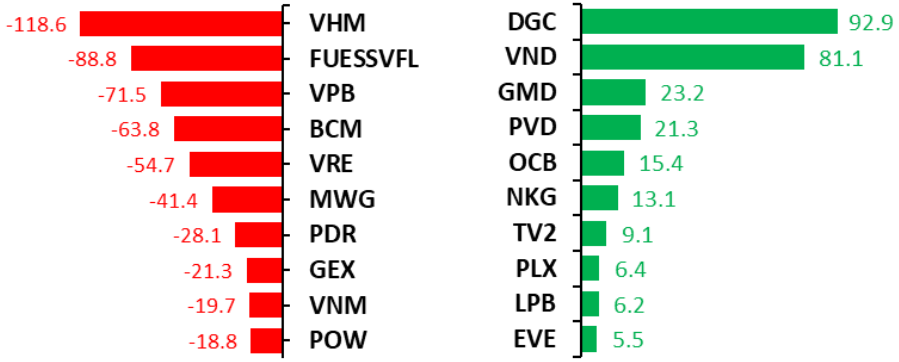
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,088.49	14.81	-25.33	-2.27	900	19,128
HNX INDEX	224.54	22.24	-5.95	-2.58	174	3,468

Vietnam Market Snapshot 23/11/2023

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	(99)	(298)	313	(15)
Basic Resources	(3)	7	42	(48)
Media	-	(0)	0	0
Industrial Goods & Services	(8)	8	6	(15)
Health care	-	(1)	3	(2)
Chemicals	(10)	87	(55)	(32)
Financial Services	10	(55)	34	21
Travel & Leisure	(5)	(5)	11	(6)
Banks	25	(93)	176	(83)
Construction & Materials	(4)	(22)	33	(11)
Food and Beverage	(24)	(45)	55	(10)
Retail	(6)	(35)	28	7
Utilities	1	(31)	38	(7)
Personal & Household Goods	(4)	5	(16)	11
Technology	(10)	1	(23)	23
Automobiles & Parts	(0)	3	(4)	0
Insurance	(0)	(2)	3	(0)
Oil & Gas	1	28	(34)	6

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Export of textile and garment products is expected to reach over 40 billion USD thanks to proactive expansion and diversification of markets. In 2023, despite facing many challenges, it is worth noting that Vietnam's textile and garment exports have reached 104 markets, with more diversified export products with 36 items, and total exports are expected to reach over 40 billion USD. Of these, the largest export market for textiles is still the United States. It is estimated that in the first 9 months of 2023, the export value of garments to the United States accounted for over 11 billion USD, Japan 3 billion USD, South Korea 2.43 billion USD, and the EU nearly 2.9 billion USD. These are the four key markets for Vietnam's textile and garment industry. The textile and garment industry is on the path of comprehensive openness to the global market, that is, FTAs - this is the number one opportunity for textile and garment products to penetrate the global market.
- The State Audit Office has pointed out errors from commercial banks that have caused the 2% interest rate support package to be deadlocked. Explaining the reason why the 2% interest rate support package has been slow to implement, the State Audit Office said that many commercial banks have not been proactive and actively implementing the policy. In addition, there are banks that have reviewed the documents that meet the conditions for interest rate support, but the amount of support is "0".
- FiinGroup names 6 industries with positive profit prospects in 2024, except for Banking and Real Estate. The banking group is forecast to be negative as the risk of bad debt related to loans to real estate and corporate bonds increases, leading to a high provisioning pressure, the ability to absorb capital of the economy is still weak, low credit growth and NIM shrinking. The real estate group is also similar when the depressed state of the residential real estate market lasts longer than expected due to the bottlenecks in legal mechanisms and capital sources have not been unlocked (the draft Land Law amendment has not been passed yet). ...). Very few housing projects are licensed for construction or sale; The prices of both primary and secondary markets do not have strong fluctuations while developers are pushing for discount policies, profit margins are shrinking.

Business news

- **DGC**: Vice CEO of Đức Giang Chemical (DGC): Consider solid waste, emissions, or wastewater as another resource, not 'waste'. In terms of reducing CO2 emissions and recovering CO2, Đức Giang has implemented many measures in the past. One of the strongest measures the company has taken is to liquefy CO2, putting CO2 into use in other fields so that it does not dissipate into the atmosphere.
- **FPT**: FPT Japan receives a commendation for its efforts to promote Vietnam-Japan exchanges. In nearly two decades in the land of the rising sun, FPT Japan is considered a pioneering company that helps connect and promote bilateral relations. Most recently, FPT was the organizer of a special concert by the Vietnam Symphony Orchestra on the occasion of the 50th anniversary of the establishment of diplomatic relations between Vietnam and Japan. The company took the orchestra to perform in 6 major provinces and cities in Japan. Through this, it introduced the rich Vietnamese cultural identity to Japanese friends.
- **DPG:** DPG Corporation (MCK: DPG) has just announced information about lending to DPG Sơn Trà Hydropower Joint Stock Company with a maximum of 500 billion VND, a loan period of 1 month and the purpose of lending to serve production and business activities. In addition, Đạt Phương also approved the implementation of a loan, guarantee transaction between the Company and Hanoi-Saigon Commercial Joint Stock Bank - Thăng Long Branch with a credit limit for short-term loans, issuing a guarantee of 100 billion VND.
- **PDR**: Phát Đạt (PDR) CEO: The company has brought bond debt to zero before the end of 2023. Mr. Bùi Quang Anh Vũ talked about the company's development strategies after the general crisis of the entire real estate market. In which, according to him, the early repayment of bond debt is a testament to the company's unremitting efforts to be ready for 2024 with many major changes.

Breaking News



Business news

- VCB: The meeting will be held to remove a member of the Audit Board, elect additional members to the Board of Directors for the term of 2023-2028, and other proposals (if any). Tomorrow (November 24), Vietcombank (VCB) will hold an extraordinary general meeting of shareholders at the Vietcombank Tower building, 198 Tran Quang Khai Street, Hoan Kiem District, Hanoi.

- MSN: Masan is deploying a series of growth initiatives with more than VND26,000 billion in hand. Masan currently has more than VND14,000 billion in cash on hand, and in the future, it could increase to up to VND26,250 billion thanks to funding from Bain Capital. Meanwhile, the amount of bonds due for the whole year of 2024 is only VND6,000 billion, so Masan is holding a large amount of resources to implement its breakthrough business plans. In early October, Bain Capital, one of the world's leading private equity funds with a managed asset value of approximately USD180 billion, agreed to invest at least VND4,900 billion in Masan Group, and could increase to VND12,250 billion in the future. This amount shows Bain Capital's confidence in the growth story of the consumer market in Vietnam, as well as Masan's ability to realize the opportunity to serve 100 million domestic consumers, from basic living needs to financial products and services.

- TPB: TPBank is allowed to contribute capital, purchase shares to acquire VietCat Asset Management Company with a maximum amount of VND125 billion and must complete it within 12 months from the date of approval. Specifically, on November 22, the State Bank of Vietnam approved TPBank to contribute capital, purchase shares to acquire VietCat Asset Management Company with a maximum amount of VND125 billion. TPBank must complete the capital contribution and share purchase within 12 months from the date of approval.

Technical view



Trend: Sideway

- VNINDEX closed at 1,088.4 (-25.3 points, -2.27%) with increased liquidity and higher than the 30-day average. The market had 109 green stocks and 397 red stocks. The big cap stocks that contributed the most to the market's decline included: HPG, VCB, and GAS. No stocks in the VN30 maintained a green color. All sectors fell, with the strongest declines in financial services, resources, and retail services. Only the insurance sector was flat. Foreign investors continued to sell net of over 700 billion dong, and proprietary trading sold net slightly.
- Technical: VNINDEX opened higher after continuing the accumulation base from previous sessions. However, the market suddenly fell sharply after 2pm and ATC, causing many stocks to close at the daily low. The 1,080 zone currently serves as a short-term support, but the probability of the market breaking through 1,080 is high, as the selling pressure in today's session was quite strong. At the same time, the MACD, STOCH, and RSI indicators have all adjusted significantly, indicating that the downward trend in the coming sessions is high. Investors should stand on the sidelines and sell out to cut losses with stocks that have broken support. The reference support levels are 1,080, and further away is the old bottom zone of 1,030.
- Strategy: Investors should consider buying new stocks with those that have accumulated enough and rebounded again.

Scenario:

- Positive (50%): The market will continue to accumulate within the 1,080-1,130 range.
- Negative (50%): The market will adjust to the 1,040 zone to retest it again and form a second bottom.

Recommended stocks

24/11/2023

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	14	0.72%	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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