MORNING CALL
28/11/2023

"Liquidity dries up"

- ❑ World stocks: Readjustment is inevitable after a period of rapid growth
- ❑ Vietnamese stocks: Liquidity dries up
- ❑ Business news: #VCI, #MWG, #IBC, #BSR, #VCB, #PDR, #VNZ
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

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Global Market Review 27/11 – 01/12/2023

Shinhan Securities

Major stocks market

- In regular trading on Monday, the Dow fell 0.16%, the S&P 500 lost 0.19% and the Nasdaq Composite shed 0.07%. Those moves came as investors assessed the pause in the November rally, where all three benchmarks are set to gain at least 7%. Markets also turned cautious ahead of key data this week, headlined by the Federal Reserve's preferred inflation measure, PCE prices. Several Fed officials will also deliver remarks in various events this week. The yield on the US 10-year Treasury note dropped to almost 4.4% after recent US treasury auctions showed strong demand and investors are coming to terms that interest rate cuts are coming soon in spite of mixed economic data
- European markets finished mixed as of the most recent closing prices. The CAC 40 gained 0.07%, while Germany's DAX was off 0.39%. Shares in London were unchanged with the FTSE 100 at 7,460.70. Traders continue to assess the economic and monetary outlook while awaiting key data due this week including the preliminary inflation reading for the Eurozone and Germany, PCE inflation for the US and PMIs for China
- The Nikkei 225 Index fell 0.15% to around 33,400 while the broader Topix Index lost 0.2% to 2,376 on Tuesday, sliding for the second straight session amid a lack of market-moving cues. Japanese shares also tracked losses on Wall Street overnight as investors assessed the pause in the November rally, while awaiting key economic data this week. Domestically, Japan will release retail sales and industrial production figures on Thursday, followed by the unemployment rate on Friday.
- Oil stabilized on Monday, halting a three-day decline, with WTI crude futures hovering around $75.5 per barrel. Investor focus is on the upcoming OPEC+ meeting where Saudi Arabia and Russia are anticipated to prolong voluntary supply cuts until at least Q1 2024

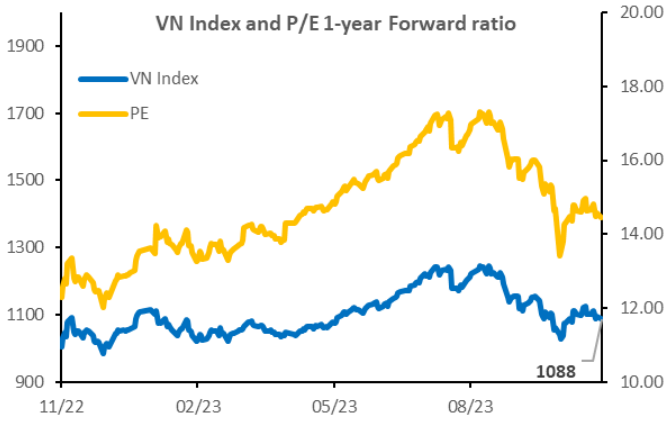
Market

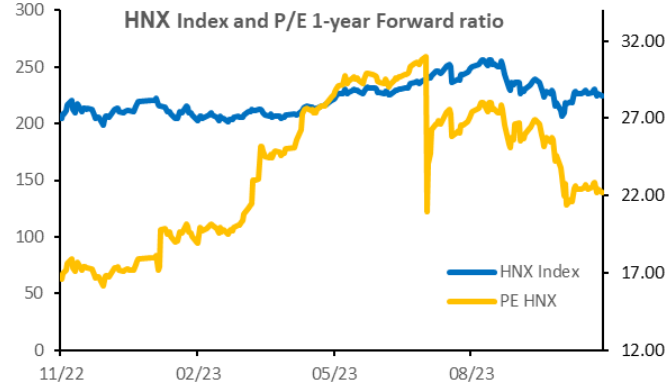
	Close	%1D	%1M	%1Y
VN-Index	1,088	-0.69%	2.59%	8.19%
S&P 500 Index	4,550	-0.20%	10.52%	14.80%
Dow Jones Index	35,333	-0.16%	8.99%	4.38%
GP 100	7,461	-0.37%	2.32%	-0.18%
Nikkei 225	33,342	-0.31%	7.59%	18.39%
SHCOMP Index	3,033	0.03%	0.49%	-1.49%
STOXX 600	458	-0.34%	6.71%	4.70%
KOSPI Index	2,508	0.49%	8.91%	4.14%
Hang Seng	17,512	-0.08%	0.65%	1.24%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.13	-0.07%	-3.22%	-3.33%
USD/VND	24,245.00	0.00%	1.33%	2.29%
EUR/USD	1.10	0.02%	3.21%	5.96%
USD/CNY	7.15	0.00%	2.22%	0.76%
Brent	80.43	0.56%	-11.11%	-3.32%
WTI	75.29	0.57%	-11.98%	-2.52%
Natural gas	2.81	0.50%	-11.25%	-58.16%
Coal	127.50	-0.31%	-5.70%	-63.51%
Gold	2,015.00	0.04%	0.95%	15.71%

Vietnam Market Snapshot 27/11/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,088.06	14.47	-7.55	-0.69	460	9,908
HNX INDEX	223.87	22.17	-0.02	-0.01	59	1,042

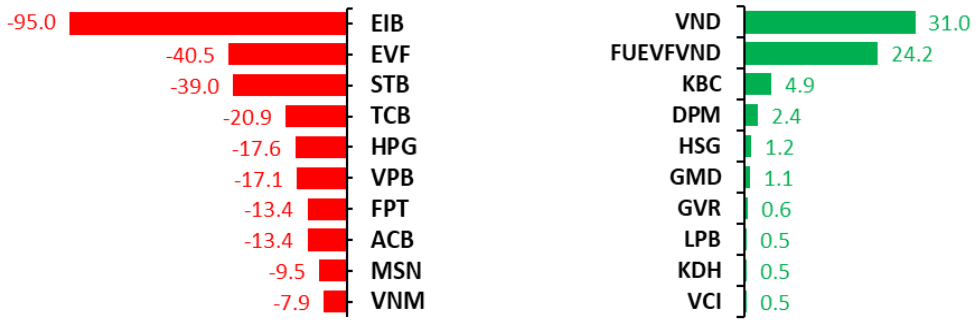
Money flow and sector rotation (VND bn)

Sector	%1D	11/27/2023	11/24/2023	20-session Average
Media	263.40	26	7	8
Oil & Gas	16.05	155	134	164
Health Care	-8.5	9	10	13
Travel & Leisure	-13.9	88	102	110
Insurance	-16.3	17	20	22
Food and Beverage	-26.1	899	1,216	917
Banks	-28.1	1,661	2,310	2,246
Technology	-28.2	179	250	232
Personal & Household Goods	-35.2	77	119	109
Basic Resources	-43.4	850	1,502	1,327
Industrial Goods & Services	-46.5	579	1,082	945
Financial Services	-48.4	1,770	3,429	2,894
Real Estate	-49.9	2,305	4,599	3,704
Utilities	-50.2	78	157	143
Construction & Materials	-52.4	610	1,283	1,046
Retail	-56.1	268	610	630
Automobiles & Parts	-56.7	80	185	150
Chemicals	-62.1	254	669	583

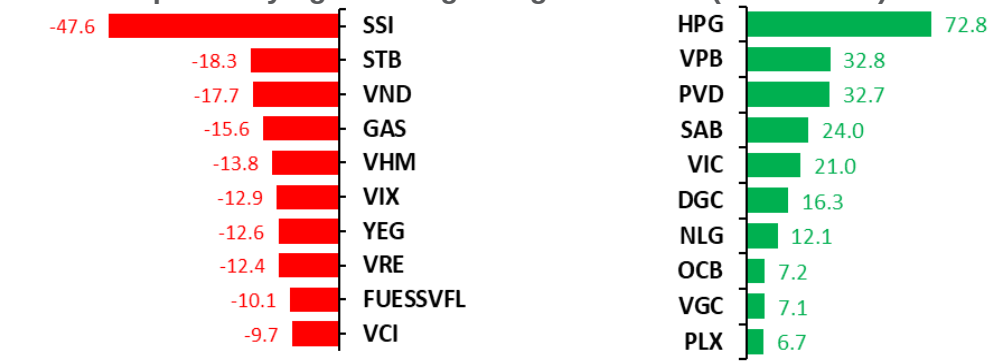
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 27/11/2023

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	(5)	7	(15)	7
Basic Resources	(16)	67	10	(77)
Media	-	(13)	9	3
Industrial Goods & Services	1	3	(23)	20
Health care	-	(0)	1	(0)
Chemicals	2	18	(33)	16
Financial Services	10	(113)	84	30
Travel & Leisure	(4)	2	21	(23)
Banks	(216)	26	102	(129)
Construction & Materials	(5)	6	(68)	62
Food and Beverage	(17)	8	(87)	79
Retail	(6)	5	9	(14)
Utilities	(4)	(17)	(26)	43
Personal & Household Goods	(3)	1	(10)	9
Technology	(13)	6	(4)	(2)
Automobiles & Parts	0	(0)	1	(1)
Insurance	(0)	(2)	4	(2)
Oil & Gas	0	39	(9)	(30)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- The Chairman of Tân Hoàng Minh Group has been evaluated by the prosecution agency as having honestly confessed, admitted to the crime, submitted a request, and actively cooperated to mitigate the consequences of the case. Many people wonder why the investigating agency has recovered all the money embezzled but cannot return it to investors immediately. Lawyer Phạm Ba Đô said that the more than 8,600 billion VND that Tân Hoàng Minh Group and the defendants have paid is considered evidence of the criminal case; therefore, it must be handled in accordance with the criminal prosecution procedure.
- Seafood exports will continue to be difficult and extend into 2024. The picture of the seafood industry in the second half of 2023, although bright, still faces many difficulties. This situation is expected to continue from now until the end of the year and into 2024. According to the statistics of the Import-Export Department (Ministry of Industry and Trade), as of October 2023, seafood exports earned nearly 7.5 billion USD, down 20% compared to the same period last year. In which: shrimp accounts for 38% of seafood export turnover with a value of over 2.8 billion USD, down 24% compared to the same period last year; the export turnover of tra fish reached over 1.5 billion USD, down 28% compared to the same period last year. "Seafood exports to other major markets such as the EU, Japan, and South Korea still recorded negative growth of 10-26%, but the decline was lower than in the previous months."
- The State Bank of Vietnam's money-tightening measures helped the bond market grow slightly in the third quarter. According to the Asian Development Bank (ADB), the continued issuance of treasury bills by the State Bank of Vietnam helped the domestic currency bond market grow 3.9% from the second quarter. Interest rates on Vietnamese government bonds increased across all maturities in the period from September 1 to November 10 due to rising inflation and the Fed's decision to maintain high interest rates for a longer period of time.

Business news

- VCI: Vietcap Securities (VCI) announced that it has signed a syndicated loan agreement worth USD 75 million (equivalent to VND 1,815 billion) with a Greenshoe option for up to USD 50 million (equivalent to VND 1,210 billion). The loan was arranged by Maybank Securities Pte Ltd and Taishin International Bank Co Ltd Singapore Branch as lead arrangers and credit book managers; Maybank International Labuan Branch is the lead lender and lead collateral manager; Malayan Banking Berhad Ho Chi Minh City Branch is the account opening bank and secured transaction service bank.
- MWG: The sadness of The Gioi Di Dong: Once opened 2 stores on the same street to relieve congestion, now have to close 1 because it becomes a 'parasite'. At the Q3/2023 investor meeting, Mr. Nguyen Duc Tai, Chairman of The Gioi Di Dong, mentioned that the company has 2 stores located on the same Phan Dang Luu street.
- IBC: Apax Holdings: From the largest English center chain in Vietnam to the debt crisis, the board of directors only has 2 members including Shark Thuy. 2022 was also the year of controversy for Apax Leaders - Apax English of Apax Holdings related to teaching quality, late salary payment, teacher salary debt... A series of parents came to Apax Leaders to complain, demanding a refund of tuition fees due to the center not fulfilling its commitments. At one point, Shark Thuy spoke out to admit to the deadlock, asking for debt extension from each person: "We are really struggling. I have also talked to investors, shareholders, partners to postpone and extend the time for capital recovery, profit to allow Apax to focus resources on restructuring."

Breaking News



Business news

- **BSR:** Binh Son Refinery and Petrochemical Company (BSR) has partnered with the Sleader Institute for Strategic Leadership Development to organize a workshop on "Implementing the 2024 investment plan using the Malik fusion technology method" on November 23 and 24, 2023.

- **VCB:** SSI Securities has just lowered its 1-year target price for Vietnam Bank for Foreign Trade (VCB) to VND 104,000 per share (from VND 105,900 per share in the previous report) for VCB shares. SSI said that although VCB's net profit increased by 20% year-on-year but still decreased by 2.4% quarter-on-quarter, mainly due to weaker profitability in the context of abundant liquidity. The Q3/2023 business results were slightly lower than SSI's expectations in some areas such as credit growth (up 3.8% from the beginning of the year), NIM (down 24 basis points from the previous quarter) and NPL ratio (1.6% compared to 0.42% in Q2/2023).

- **VNZ:** VNG is following the ChatGPT trend. According to Nikkei Asia, VNG Corporation is planning to deploy artificial intelligence services. Specifically, VNG said in a filing to the U.S. Securities and Exchange Commission (SEC) in August that it is building a large Vietnamese language model to "create content, translate languages, and chatbots."

- **PDR:** SSI estimates that the FTSE Vietnam Swap UCITS ETF will buy about 5.6 million PDR shares in this review period, while BSC estimates that PDR will be bought 5 million shares.

Technical view



Trend: Sideway

- VNINDEX closed at 1088.06 (-7.5 points, 0.69%) with liquidity drying up. The market had 165 green codes and 351 red codes. The stock groups that contributed the most to the market's growth were VHM, VIC, SAB, while BID, TCB, STB pulled the market down. Most of the industry groups fell sharply, including the financial services, telecommunications, and retail services groups. Foreign and self-employed blocks traded insignificantly.
- Technical analysis: VNINDEX had a rather "bland" trading session with a narrow trading range and liquidity drying up. It can be seen that the market is still trading sideways building a foundation at the 1080 zone - the current support area. The MACD, STOCH, and RSI indicators all adjusted significantly, indicating that the trend from sideways to down in the next sessions is high. The reference support thresholds are 1080, and further is the old bottom zone of 1030. In addition, in the positive scenario, the market needs to clearly break through 1140 to confirm a new and clearer upward trend.
- Strategy: Investors should stand aside to observe and respond appropriately to each market scenario.

Scenario:

- Positive (50%): The market will trade sideways within the 1120-1080 range.
- Negative (50%): The market will break through the 1080 zone and return to the 1030 zone.

Recommended stocks

28/11/2023

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	Sell	69.0	75.0	67.5	9%	-2%	68.3	16	-1.01%	06/11/2023	Restucture the portfolio

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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