MORNING CALL
29/11/2023

"The market rose with low liquidity"

- ❑ World stocks: Readjustment is inevitable after a period of rapid growth
- ❑ Vietnamese stocks: The market rose with low liquidity
- ❑ Business news: #NVL, #FRT, #VCB, #HPG, #NLG, #NKG
- ❑ MEETING MINUTES: UPDATE NAM LONG INVESTMENT CORPORATION (NLG) 28/11/2023
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

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

Major stocks market

- Last week, the Dow rose 1.27%, the S&P 500 gained 1% and the Nasdaq Composite climbed 0.89%. Those moves came as investors piled on bets that US interest rates have already peaked, with weak consumer spending data suggesting the Federal Reserve's rate hikes are finally starting to weigh on the broader economy. Preliminary S&P Global PMIs also painted a mixed scenario in the US, with manufacturing contracting more than expected while services rose at a faster pace. Investors now look ahead to more economic data this week including new home sales, the latest Dallas Fed Manufacturing Survey, consumer confidence and inflation figures.
- The Nikkei 225 Index climbed 0.2% to around 33,690 while the broader Topix Index gained 0.25% to 2,397 on Monday, rising for the third straight session as investors look ahead to more data in Japan this week to guide economic and monetary policy outlook domestically. Last week, data showed that the country's headline inflation rate accelerated to 3.3% in October from 3% in September, pointing to the highest reading since July.
- European markets finished mixed as of their recent closing prices. The CAC 40 gained 0.44% while the DAX was higher by 0.22%. The FTSE 100 was even. European stocks closed cautiously higher on Friday, extending their positive momentum with the Eurozone blue-chip Stoxx 50 advancing 0.3% to a three-month high while the pan-European Stoxx 600 gained 0.4% to a two-month high.
- WTI crude futures dropped toward $76 per barrel on Friday after facing heightened volatility in recent sessions, remaining under pressure as a dispute among OPEC+ members over output quotas clouded the supply outlook

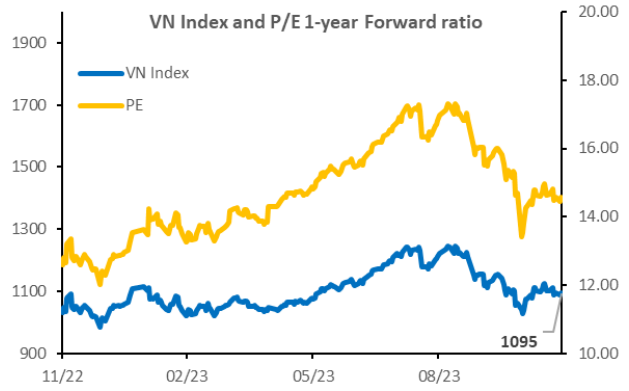
Market

	Close	%1D	%1M	%1Y
VN-Index	1,095	0.68%	3.28%	6.13%
S&P 500 Index	4,555	0.10%	10.63%	14.91%
Dow Jones Index	35,417	0.24%	9.25%	4.63%
GP 100	7,455	-0.07%	2.25%	-0.76%
Nikkei 225	33,298	-0.33%	7.44%	18.80%
SHCOMP Index	3,039	0.23%	0.69%	-3.53%
STOXX 600	457	-0.30%	6.39%	4.52%
KOSPI Index	2,508	-0.57%	8.89%	3.05%
Hang Seng	17,354	-0.98%	-0.26%	-4.67%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.75	-0.44%	-3.58%	-3.69%
USD/VND	24,237.00	0.01%	1.36%	2.17%
EUR/USD	1.10	0.12%	3.68%	6.54%
USD/CNY	7.14	0.23%	2.45%	0.99%
Brent	81.68	2.13%	-9.73%	-1.82%
WTI	76.67	0.34%	-10.37%	-1.96%
Natural gas	2.80	-1.30%	-11.50%	-61.30%
Coal	127.45	-0.04%	-5.73%	-66.37%
Gold	2,048.97	0.39%	2.65%	17.09%

Vietnam Market Snapshot 28/11/2023



	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,095.43	14.56	7.37	0.68	613	11,994
HNX INDEX	224.39	22.22	0.50	0.22	81	1,414

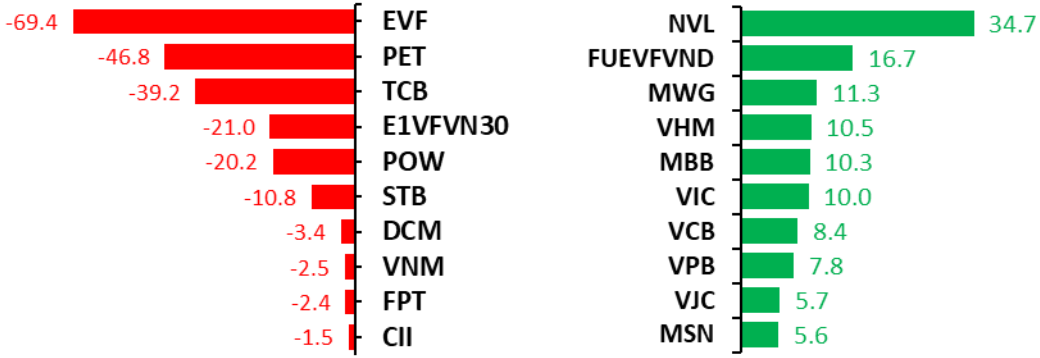
Money flow and sector rotation (VND bn)

Sector	%1D	11/28/2023	11/27/2023	20-session Average
Health Care	61.33	14	9	14
Automobiles & Parts	51.02	121	80	149
Insurance	50.18	25	17	22
Chemicals	49.52	380	254	567
Retail	48.73	398	268	613
Industrial Goods & Services	44.00	834	579	940
Financial Services	43.71	2,543	1,770	2,889
Basic Resources	42.12	1,208	850	1,345
Utilities	37.30	108	78	142
Real Estate	25.82	2,901	2,305	3,704
Construction & Materials	13.08	690	610	1,040
Travel & Leisure	-3.0	86	88	108
Banks	-3.3	1,606	1,661	2,222
Personal & Household Goods	-3.7	74	77	108
Food and Beverage	-12.9	783	899	916
Technology	-30.8	124	179	225
Oil & Gas	-42.8	89	155	155
Media	-58.9	11	26	9

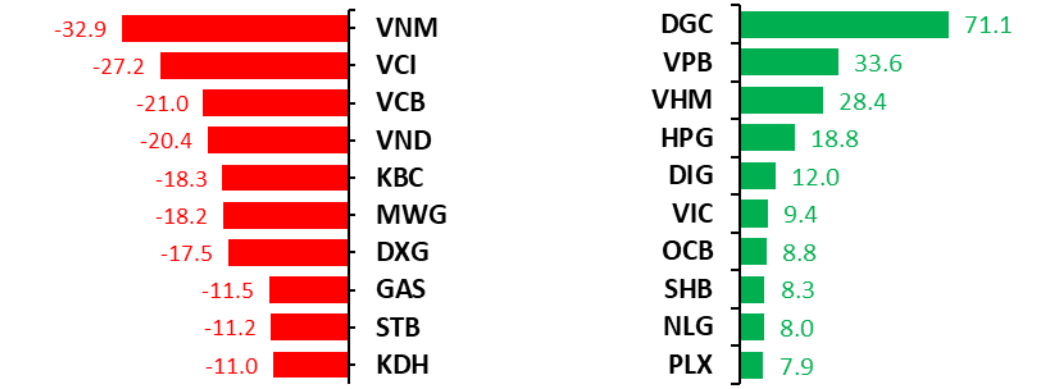
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 28/11/2023

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

- According to a report from the Ministry of Planning and Investment, as of November 11, 2023, the disbursement of public investment capital nationwide reached about 461,000 billion dong, accounting for 65.1% of the plan assigned by the Prime Minister and 58.33% higher than the same period. However, there is still 247,000 billion dong of public investment capital that has not been disbursed, while there is still more than a month left until the end of 2023.The Prime Minister emphasized that there is only more than a month left until the end of the 2023 state budget year, while the disbursement volume is still quite large. The Prime Minister stated his determination to disburse at least 95% of the plan assigned in 2023.

- The latest information from the Foreign Investment Agency, the Ministry of Planning and Investment, as of November 20, 2023, the actual capital of FDI projects reached 20.25 billion USD, the highest in the period 2018-2023. In the first 11 months of 2023, the total registered capital of new, adjusted and contributed capital, and capital contribution of foreign investors reached nearly 28.85 billion USD, an increase of 14.8% over the same period, up slightly 0.1 percentage point from 10 months. Data from the Foreign Investment Agency also shows that 2,865 new projects were granted Investment Registration Certificates, an increase of 58.1% over the same period with a total registered capital of over 16.41 billion USD, an increase of 42.4% over the same period.

- President Vo Van Thuong and Japanese Prime Minister Kishida Fumio agreed to upgrade the relationship between the two countries to a "Comprehensive Strategic Partnership for peace and prosperity in Asia and the world."

Business news

- NVL: Novaland uses real estate to pay off part of a delayed 1,000 billion dong bond, a subsidiary requests to share the bond's TDB for a 3,600 billion dong loan at VPBank. On November 28, Novaland Real Estate Investment Corporation (Novaland, stock code: NVL) announced that it had used real estate to pay off part of the delayed NVLH2123011 bond. The remaining debt of this bond is still 936 billion dong. The previous debt of the bond was also paid off by Novaland using real estate. NVLH2123011 has a face value of 100,000 dong/bond with a total value of 1,000 billion dong. The bond was issued on September 1, 2021 with a maturity of 2 years, meaning the maturity date is September 1 this year. Thus, the company has been late in paying the bond for nearly 3 months.

- FRT: FPT Long Châu launches "old for new" program for asthma inhalers. Continuing its journey to support chronic patients and encourage people to dispose of medical waste properly, protecting the environment, the FPT Long Châu pharmacy chain has just launched the "Old for New Asthma Inhaler" program at 1,600 pharmacies nationwide. According to this program, when customers bring used asthma inhalers to any FPT Long Châu pharmacy nationwide, Long Châu will collect them and provide up to 5,000 dong for one device so that they can buy a new asthma inhaler, ensuring that they follow the treatment regimen correctly, adequately, and effectively.

- VCB: VCB has adjusted its 2023 pre-tax profit plan, reducing the initial growth target from over 15% to below 10%. As a result, Q4/2023 could see negative pre-tax profit growth. At the end of Q3/2023, VCB only recorded credit growth of 3.8% from the beginning of the year, much lower than the industry growth rate of 7% and that of Vietcombank itself at the end of Q3/2022 (17.3%).

Breaking News



Business news

- **HPG:** Hòa Phát is the only Vietnamese company that currently produces hot rolled coil (HRC) with a capacity of 3 million tons/year. The product meets a series of strict standards in Vietnam and the world, such as: JIS, MS, SAE, BS EN... In mid-2023, Hòa Phát's HRC was awarded CE Marking, a quality certification that is considered a "passport" when exporting to Europe. On October 24, 2023, Hòa Phát reached the milestone of 8 million tons of hot rolled coil (HRC) after more than 3 years since the first HRC coil was produced in May 2020. In the first 10 months of 2023 alone, the Group supplied 2.25 million tons to the Vietnamese and global markets, accounting for 40% of the hot rolled coil produced in Vietnam.

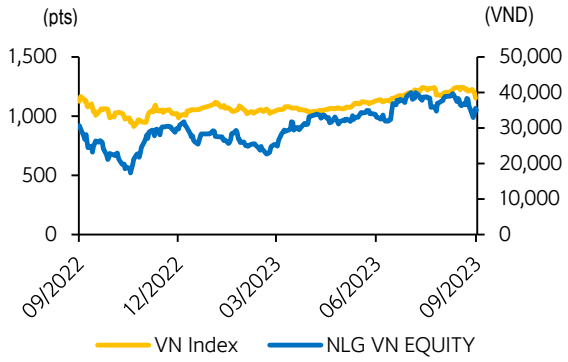
- **NKG:** It is expected that the export activities of Nam Kim Steel (stock code NKG) to the EU market in Q4/2023 will be difficult to break through when steel mills there resume operations. Notably, the company is preparing to expand its business into the steel coating segment.

UPDATE NAM LONG INVESTMENT CORPORATION (NLG)

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Target price (12 months)	**VND 44,200**
Current price (28/11/23)	VND 37,200
Return (%)	18.8%
VNINDEX	1,095
Market P/E (x)	11.6
Market cap (billion VND)	14,288
Outstanding shares (mil shares)	384
Free-float (mil shares)	218
52-week high/low (VND)	40,750/22,800
90-day avg. trading volume (mil shares)	2.81
90-day avg. turnover (bn VND)	90
Major SHDs (%) BOD and Related Parties	22%
Major SHDs (%) Ibeworth Pte	8%

Performance	3M	6M	12M
Absolute (%)	-1.1	16.3	20.8
Rel.to VN-Index (%)	8.0	14.3	32.9



Attending AM held on November 28,2023

Nam Long Investment Corporation is one of the leading affordable real estate developers in Vietnam. NLG owns a clean land bank of up to 684 hectares and is always looking for a new land bank. In addition, this is a developer with low financial leverage (debts/equity is only half the average of large developers).

We participated in NLG's AM held on November 28, 2023, with the participation of CBRE's representative:

1) Business results in 11 months of 2023:

- Presales reached VND 3,038 billion, mainly from Mizuki (VND 457 billion), Akari City (VND 1,277 billion), and Waterpoint (Southgate) (VND 1,304 billion). Presales in 11M/2023 completed 32% of the plan. The BOD expects to increase presales by VND 1,000 - 1,500 billion in December.
- NLG is still trying to hand over the project. BOD expected profit for the whole year to reach 80-100% of the plan.

2) About the real estate sector in 2024:

- CBRE forecasts that supply may continue to be limited in 2024 and 2025 due to legal issues. Therefore, the number of new condos launched for sale will increase but be lower than in 2019. Specifically, in 2024F in HCMC, the new condo launched will reach 13,000 units (+30% YoY but less than half of 2019). In 2025F, condo supply in HCMC will reach 14,000 units (+8% YoY).
- In addition, CBRE also forecasts that the supply of luxury condos will continue to lead the market in the fourth quarter of 2023 and 2024 in both Hanoi and Ho Chi Minh City. Therefore, developers in the mid-end and affordable segments can benefit from the limited supply.
- In addition, the Law on housing and Law on real estate trading were approved on November 27-28. New regulations such as reducing the maximum deposit to 5% and not stipulating the condo ownership period will also help support buyer.

Year	2020	2021	2022	2023F	2024F
Revenue (bil VND)	**2,217**	**5,206**	**4,339**	**3,846**	**7,987**
OP (bil VND)	236	782	829	331	1,397
NP (bil VND)	**850**	**1,479**	**866**	**813**	**2,341**
EPS (VND)	3,078	3,099	1,345	1,323	3,924
OPM	10.6	15.0	19.1	8.6	17.5
NPM	38.3	28.4	20.0	21.1	29.3
ROE (%)	12.6	10.9	6.5	5.7	14.4
P/E (x)	9.9	20.7	23.2	31.7	10.7
P/B (x)	1.4	2.8	1.3	1.9	1.8

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Technical view



Trend: Sideway

- VNINDEX closed at 1095.06 (+7.3 points, +0.68%) with increased liquidity. The market had 290 green stocks and 210 red stocks. The groups of stocks that contributed the most to the market's rise were VHM, BID, and HPG. On the other hand, BCM and CTG dragged the market down. Most of the industry groups rebounded strongly, including the media, resources, and automotive and auto parts sectors. Foreign and self-owned blocks traded insignificantly.
- Technical analysis: VNINDEX had a trading session that was no different from the previous Friday's session when it fell sharply in the morning session and then formed a pullback candle in the afternoon session and both closed at 1095. It can be seen that the market is still trading sideways building a foundation in the 1080 region - the current support area, corresponding to the fibo 0.5. 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 away is the old bottom zone of 1030. In addition, in the positive scenario, the market needs to break through 1140 clearly to confirm a new and more distinct uptrend.
- Strategy: Investors should stand by and observe to respond accordingly 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

29/11/2023

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

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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