# MORNING CALL
# 05/12/2023

## “Strong gains from all sectors”

- ❑ World stocks: Correction
- ❑ Vietnam stocks: Strong gains from all sectors
- ❑ Business news: #PET, #HPG, #NKG, #CTG, #VHC, #PDR
- ❑ Technical perspective and updated recommendations #MWG, #MBB, #POW
- ❑ Event calendar
- ❑ Q&A


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# Global Market Review 04/12 - 08/12/2023

## Major stocks market

- In regular trading on Monday, the Dow lost 0.11%, the S&P 500 fell 0.54% and the Nasdaq Composite dropped 0.84%, with technology stocks leading the decline. Factory orders in the US sank 3.6% month-over-month in October 2023, following a downwardly revised 2.3% rise in September, and worse than market forecasts of a 2.8% fall. It is the biggest decrease since April 2020, in a sign the industrial sector is suffering from high interest rates and inflation.
- The Nikkei 225 Index fell 1% to below 33,000 while the broader Topix Index lost 0.2% to 2,357 on Tuesday, extending losses from the previous session and taking cues from a negative lead on Wall Street overnight as investors continued to assess the monetary policy outlook.
- European stocks were little changed on Monday, with the Stoxx 50 at a four-month high of 4,420 and the Stoxx 600 also at a four-month high of 466 as investors paused for breath following the recent surge propelled by hopes of rate cuts. Retail sales in the United Kingdom rose 2.6% on a like-for-like basis in November 2023 from a year ago, posting the same growth as October as households continued to dial back purchases in the run-up to Christmas.
- WTI crude futures fell for the third consecutive session to $73.5 per barrel on Monday, approaching a four-month low of $73 hit on November 16 amid uncertainty over OPEC+ voluntary output cuts and a weakening global demand outlook.

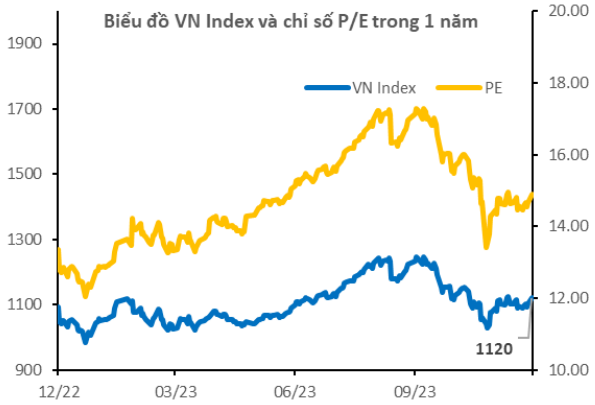
## Market

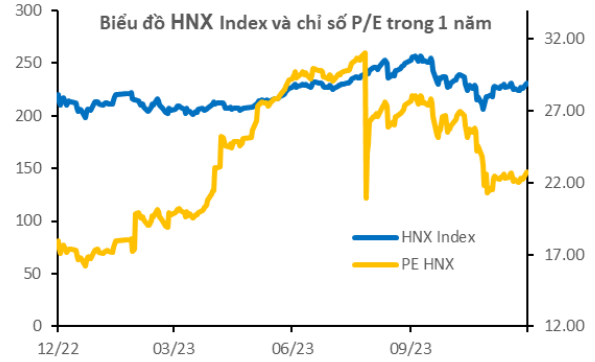
| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| VN-Index | 1,120 | 1.66% | 4.06% | 2.45% |
| S&P 500 Index | 4,570 | -0.54% | 4.85% | 12.23% |
| Dow Jones Index | 36,204 | -0.11% | 6.29% | 5.15% |
| GP 100 | 7,513 | -0.22% | 1.28% | -0.72% |
| Nikkei 225 | 32,896 | -1.01% | 2.96% | 18.24% |
| SHCOMP Index | 3,023 | -0.29% | -0.26% | -5.88% |
| STOXX 600 | 466 | -0.09% | 4.85% | 5.51% |
| KOSPI Index | 2,505 | -0.38% | 5.78% | 3.55% |
| Hang Seng | 16,646 | -1.09% | -5.76% | -14.72% |

## Currency & Commodity

| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| Dollar Index | 103.56 | -0.14% | -1.39% | -1.64% |
| USD/VND | 24,252.00 | 0.14% | 0.38% | -1.04% |
| EUR/USD | 1.08 | 0.03% | 1.13% | 3.32% |
| USD/CNY | 7.14 | -0.21% | 1.78% | -2.53% |
| Brent | 78.11 | 0.10% | -7.99% | -5.53% |
| WTI | 73.20 | 0.22% | -9.08% | -4.85% |
| Natural gas | 2.70 | 0.11% | -23.27% | -51.64% |
| Coal | 134.45 | 0.71% | 9.76% | -65.61% |
| Gold | 2,037.16 | 0.38% | 2.98% | 15.18% |

# Vietnam Market Snapshot 04/12/2023




## Money flow and sector rotation (VND bn)

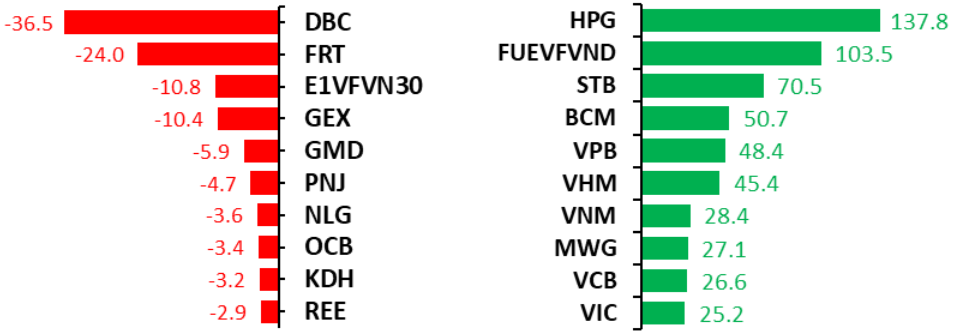
| Sector | %1D | 12/4/2023 | 12/1/2023 | 20-session Average |
|---|---|---|---|---|
| Automobiles & Parts | 201.31 | 238 | 79 | 158 |
| Technology | 173.32 | 365 | 134 | 219 |
| Financial Services | 139.67 | 5,429 | 2,265 | 3,025 |
| Construction & Materials | 134.78 | 1,504 | 641 | 1,057 |
| Health Care | 129.68 | 22 | 10 | 15 |
| Industrial Goods & Services | 124.99 | 1,529 | 679 | 985 |
| Chemicals | 115.98 | 839 | 388 | 565 |
| Personal & Household Goods | 111.83 | 143 | 68 | 106 |
| Basic Resources | 105.16 | 2,096 | 1,022 | 1,416 |
| Insurance | 100.02 | 25 | 13 | 23 |
| Banks | 99.12 | 2,917 | 1,465 | 2,188 |
| Retail | 94.36 | 674 | 347 | 549 |
| Utilities | 93.03 | 175 | 91 | 145 |
| Media | 77.26 | 16 | 9 | 10 |
| Real Estate | 56.09 | 4,437 | 2,842 | 3,798 |
| Oil & Gas | 44.75 | 208 | 144 | 179 |
| Travel & Leisure | 42.23 | 110 | 77 | 105 |
| Food and Beverage | 39.43 | 1,341 | 962 | 1,014 |

Source: Bloomberg, Shinhan Securities Vietnam

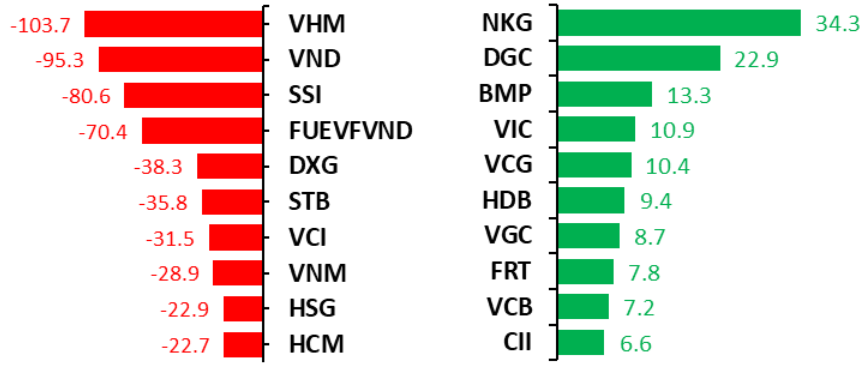
| | Close | PE | Change | %1D | Trading volume (mn stocks) | Trading value (VND bn) |
|---|---|---|---|---|---|---|
| VNI NDEX | 1,120.49 | 14.90 | 18.33 | 1.66 | 979 | 22,109 |
| HNX INDEX | 231.31 | 22.77 | 5.05 | 2.23 | 145 | 2,752 |

# Vietnam Market Snapshot 04/12/2023

## 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 | 145 | (187) | 63 | 124 |
| Basic Resources | 148 | 0 | (171) | 171 |
| Media | - | 0 | 0 | (1) |
| Industrial Goods & Services | (19) | (8) | 62 | (55) |
| Health care | - | 1 | 1 | (2) |
| Chemicals | 3 | 21 | (22) | 1 |
| Financial Services | 117 | (304) | 252 | 53 |
| Travel & Leisure | 16 | 5 | (19) | 15 |
| Banks | 263 | (52) | (88) | 141 |
| Construction & Materials | 5 | 39 | (82) | 43 |
| Food and Beverage | 17 | (79) | 92 | (13) |
| Retail | 3 | (9) | 17 | (9) |
| Utilities | 7 | (10) | (17) | 27 |
| Personal & Household Goods | (5) | 0 | 18 | (18) |
| Technology | 24 | 2 | 2 | (5) |
| Automobiles & Parts | (0) | 5 | (11) | 6 |
| Insurance | (0) | (0) | (1) | 1 |
| Oil & Gas | 1 | (3) | 10 | (7) |

Source: Fiinpro, Shinhan Securities Vietnam

# Breaking News

## Macro

- 2024: State budget revenue estimated at 1.7 trillion VND, land revenue to increase by more than 50%. Compared to the 2023 budget and estimated figures, the estimated state budget revenue for 2024 increased by 80.1 billion VND (about 5%). Of this, the estimated domestic revenue is 1,444.4 billion VND, an increase of 110 billion VND from the 2023 budget (equivalent to 8%), accounting for 84.9% of the balanced state budget revenue. The National Assembly allocated nearly 227 billion VND for land use fees, an increase of nearly 77 billion VND from the 2023 budget, or more than 50%. This revenue is very slow this year and is expected to not meet the allocated target.

- The Ministry of Transport is rushing to disburse about 20,000 billion VND to reach the 95% target early. A report signed by Deputy Minister Nguyen Danh Huy stated that the Ministry of Transport's total disbursement plan for 2023 is about 95,000 billion VND, including 94,000 billion VND for the plan this year and 1,000 billion VND for the 2022 plan extended. As of the end of the year, the Ministry of Transport has disbursed about 71,200 billion VND, including 4,075 billion VND in foreign capital and 67,125 billion VND in domestic capital, reaching 75.6% of the plan assigned by the Prime Minister. To speed up the progress and ensure the quality of the projects, the Ministry of Transport has issued many documents directing the investors, project management boards, and contractors to update the detailed implementation progress to proactively have management plans and solutions. effective management and operation for each project.

- What is the proposed increase in the minimum wage for 2024? Discussing the union's perspective, Mr. Ngo Duy Hieu, Vice President of the Vietnam General Confederation of Labor, said that four months ago, the National Wage Council held the first session on the minimum wage, at that time the Vietnam General Confederation of Labor proposed an increase of 5-6%. However, at present, if the proposal is certain, the increase will be adjusted.

## Business news

- **PET:** Petrosetco Union Sells All PET Shares. In a recent announcement, the Petrosetco Union, the labor union of Petrosetco Joint Stock Company for Integrated Petroleum Services (Petrosetco, ticker: PET), has announced that it has completed the sale of its entire holding of nearly 1.6 million PET shares, representing 1.46% of the company's capital. The transactions took place from November 24 to December 1, 2023, through a combination of negotiated and block trades. Based on the average market price of PET shares, the Petrosetco Union is estimated to have received about 39 billion dong from the transaction.

- **HPG:** Hoa Phat Appoints General Counsel Tran Thi Thu Hien as Vice President. Hoa Phat has appointed General Counsel Tran Thi Thu Hien as Vice President. Ms. Hien has been with Hoa Phat for 15 years, including 11 years as General Counsel. She will assume the role of Vice President effective December 2023.

- **NKG:** Nam Kim Steel Shares Surge on Restart of 4.5 Trillion Dong Project. Shares of Nam Kim Steel Joint Stock Company (HOSE: NKG) are "breaking out" and surpassing their one-year high in the early trading session on December 4. Notably, NKG shares rose sharply ahead of the company's decision to restart the Nam Kim Phu My plant project. Recently, Nam Kim Steel set a goal of expanding sales of higher-end coated steel through its new Nam Kim Phu My plant project at the My Xuan B1 - Dai Duong industrial park (Ba Ria - Vung Tau). The plant is scheduled to start construction in 2024 and will last for three years from 2024 to 2026. The new product will be coated steel used in electrical appliances, which requires higher manufacturing techniques than current galvanized steel products (mainly used in construction).

# Breaking News



## Business news

- **CTG:** VietinBank Reaffirms Position as "Best Foreign Exchange Service Provider in Vietnam" Global Finance, a leading global financial magazine, has named VietinBank as the "Best Foreign Exchange Service Provider in Vietnam" for the sixth consecutive year in 2023. VietinBank has successfully surpassed domestic banks to make it to the list of 88 best national banks in this field.

- **VHC:** Vĩnh Hoàn to Issue Over 37 Million Shares to Pay Dividends. Vĩnh Hoàn Joint Stock Company (stock code VHC, HOSE) plans to issue 37.4 million shares to pay dividends in shares. The number of shares above of Vĩnh Hoàn corresponds to 20% of the outstanding shares, with a total value of over VND 374 billion at face value. The issuance capital is taken from undistributed after-tax profits as determined as of December 31, 2022, according to the audited 2022 financial statements.

- **PDR:** PDR Up 34% After More Than a Month, Phát Đạt Looks to Raise Over VND 1,300 Billion from Shareholders to Finance Projects The Board of Directors of Phát Đạt Real Estate Development (stock code: PDR) has just approved a plan to offer up to 134.3 million shares to existing shareholders with a subscription ratio of 5.5:1, meaning that each shareholder holding 55 shares is entitled to purchase 10 offered shares. However, shareholders will not be able to transfer subscription rights.

# Technical view




## Trend: Recovery from the base

- VNINDEX closes at 1120.4 (+18.3 points, +1.6%), with liquidity up sharply by 1.5 times the 30-day average with a total trading value of VND 24 trillion. The market had 475 green codes and 64 red codes. The stocks that contributed the most to the market's upside were VCB, HPG, VIC, and GAS. On the other hand, SAB and BHN pulled the market down. All industry groups rose, with the strongest gains coming from the financial services, construction & materials, and chemicals sectors. However, foreign investors still sold heavily in the session today. Proprietary trading bought heavily.
- Technical analysis: After a series of trading weeks with low liquidity, VNINDEX had a good session with significantly improved liquidity in today's session. In addition, this rise came from many stocks and all industry sectors, showing that money flow has truly participated strongly in the market. The price momentum indicator has shown that the market's price strength has improved significantly. In terms of trend, VNINDEX has broken out of the MA50, but is still trading below the resistance zone of 1130 – corresponding to MA 200. If VNINDEX breaks out of the 1130-1140 zone, it will open up a new stronger wave of upward movement. The corresponding support and resistance are 1080 – 1130.
- Strategy: Investors can completely deploy new with a low proportion to take positions, and wait for the market to completely exceed 1130 to increase the proportion.

## Scenario:

- Positive (60%): The market will move sideways in a narrow range of 1080-1130
- Less positive (40%): The market will breach the 1080 zone and return to the 1040 zone.

# Recommended stocks

**5/12/2023**

Unit: VND thousand

## Today's watchlist

| | Recommendation | Buying price (+/- 1%) | Target | Cut loss | Upside | Downside | Current price | Signals |
|---|---|---|---|---|---|---|---|---|
| MBB | Buy | 18.0 | 19.02 | 17.41 | 5.7% | -3.3% | 18.1 | Increase from the base |
| MWG | Buy | 39.9 | 45.2 | 36 | 13.3% | -9.8% | 40.0 | Increase from the base |
| POW | Buy | 11.5 | 12.4 | 11.13 | 7.8% | -3.2% | 11.6 | Increase from the base |

## Trading portfolio

| Ticker | Recommendation | Buying price (+/- 1%) | Target | Cut loss | Upside | Downside | Current price | T+ | Profit/Loss | Date | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| BSR | Hold | 18.9 | 19.9 | 18.2 | 5.3% | -3.7% | 18.9 | | | | |

# Economic calendar

## December 2023

| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|---|---|---|---|---|---|---|
| 26 | 27 | 28 | 29 | 30<br>Core PCE Price Index m/m (USD)<br>Personal Income MoM OCT | 1<br>_ ISM Manufacturing PMI<br>_ Fed Chair Powell Speech<br>_ VN PMI<br>_ FTSE publishes its index constituents. | 2 |
| 3 | 4 | 5<br>_ US ISM Services PMI NOV<br>_ US JOLTs Job Openings OCT | 6 | 7<br>China Balance of Trade NOV | 8<br>_ US Unemployment Rate NOV<br>_ US Non Farm Payrolls NOV<br>_ US Michigan Consumer<br>_ Vaneck publishes its index constituents | 9<br>China Inflation Rate YoY NOV |
| 10 | 11 | 12<br>CPI,Core CPI (US) | 13<br>US PPI MoM NOV | 14<br>_ Fed Interest Rate Decision<br>_ US Retail Sales MoM NOV | 15<br>_ China Industrial Production YoY NOV<br>_ Vaneck and FTSE restructure its index | 16 |
| 17 | 18 | 19<br>US Building Permits Prel NOV | 20 | 21<br>US GDP Growth Rate QoQ Final Q3 | 22<br>_ US Personal Income MoM NOV<br>_ Core PCE Price Index (US) | 23 |
| 24 | 25 | 26 | 27 | 28<br>Monthly macroeconomic data release (Viet Nam) | 29 | 30 |

Shinhan Securities

# Q&A

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