MORNING CALL
06/12/2023

“Market closes slightly lower, testing the MA50 line”

- ❑ World stocks: Mixed movements
- ❑ Vietnam stocks: Market closes slightly lower, testing the MA50 line
- ❑ Business news: #VHC, #BCM, #CII, #POM, #PDR, #VGC
- ❑ Technical perspective and updated recommendations #VHC
- ❑ Event calendar
- ❑ Q&A

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

Major stocks market

- In regular trading on Tuesday, the Dow and S&P 500 fell 0.22% and 0.06%, respectively, while the Nasdaq Composite rose 0.31%. On the data front, US job openings came below expectations and reached the lowest level since March 2021, a sign the labor market is cooling. Meanwhile, the ISM Services PMI topped forecasts and continued to point to a resilient services sector.
- European stocks hit fresh 4-month highs on Tuesday, with the Stoxx 50 up 0.8% to 4,450 and the Stoxx 600 up 0.4% to 468. Market sentiment was positively influenced by dovish comments from ECB policymaker Schnabel and signals of a weakening US labor market, suggesting potential interest rate cuts by both the ECB and the Federal Reserve in the near future.
- The Nikkei 225 Index jumped 1.3% to around 33,200 while the broader Topix Index climbed 0.9% to 2,360 on Wednesday, rebounding from three-week lows. Investors also assessed data showing manufacturers' sentiment in Japan improved markedly in December. The Shanghai Composite fell 1.67% to close at 2,972 while the Shenzhen Component dropped 1.97% to 9,470 on Tuesday. Investors also reacted to data showing China's November services activity expanded at the fastest pace in three months
- WTI crude futures erased earlier gains to fall toward $72 per barrel on Tuesday, touching a five-month low amid doubts on OPEC+ cut and demand concerns and a stronger U.S. dollar.

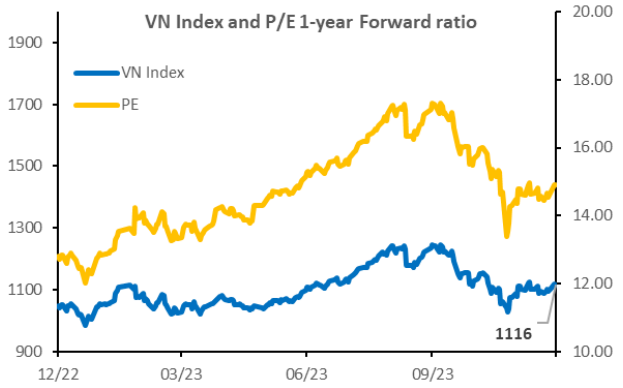
Market

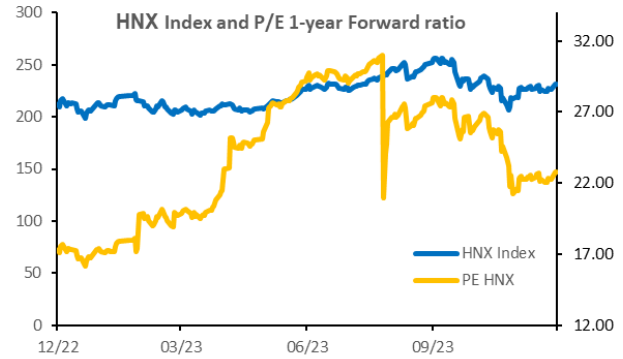
	Close	%1D	%1M	%1Y
VN-Index	1,116	-0.40%	2.41%	6.42%
S&P 500 Index	4,567	-0.06%	4.79%	14.21%
Dow Jones Index	36,125	-0.22%	6.06%	6.41%
GP 100	7,490	-0.31%	0.97%	-0.42%
Nikkei 225	33,208	1.32%	1.53%	19.08%
SHCOMP Index	2,972	-1.67%	-2.82%	-7.48%
STOXX 600	468	0.40%	5.43%	6.54%
KOSPI Index	2,504	0.37%	0.05%	4.61%
Hang Seng	16,328	-1.91%	-9.12%	-16.01%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.94	-0.10%	-1.21%	-1.55%
USD/VND	24,271.00	-0.08%	0.30%	-1.11%
EUR/USD	1.08	0.00%	0.74%	3.15%
USD/CNY	7.15	-0.05%	1.72%	-2.58%
Brent	77.20	-1.06%	-9.06%	-6.63%
WTI	72.19	-0.18%	-10.68%	-2.77%
Natural gas	2.69	-0.59%	-17.46%	-50.74%
Coal	134.15	-0.22%	9.51%	-66.50%
Gold	2,020.68	0.07%	2.15%	14.10%

Vietnam Market Snapshot 05/12/2023





Money flow and sector rotation (VND bn)

Sector	%1D	12/5/2023	12/4/2023	20-session Average
Oil & Gas	25.83	262	208	184
Technology	2.55	374	365	232
Personal & Household Goods	-1.8	141	143	110
Travel & Leisure	-3.2	106	110	105
Utilities	-9.6	158	175	147
Real Estate	-10.2	3,985	4,437	3,890
Media	-15.9	14	16	10
Industrial Goods & Services	-20.5	1,215	1,529	1,013
Food and Beverage	-26.1	990	1,341	1,035
Health Care	-27.1	16	22	15
Chemicals	-27.4	609	839	568
Construction & Materials	-30.2	1,050	1,504	1,056
Automobiles & Parts	-31.6	163	238	163
Insurance	-32.4	17	25	22
Retail	-33.9	446	674	544
Banks	-40.7	1,731	2,917	2,205
Basic Resources	-40.8	1,241	2,096	1,429
Financial Services	-46.4	2,909	5,429	3,072

Source: Bloomberg, Shinhan Securities Vietnam

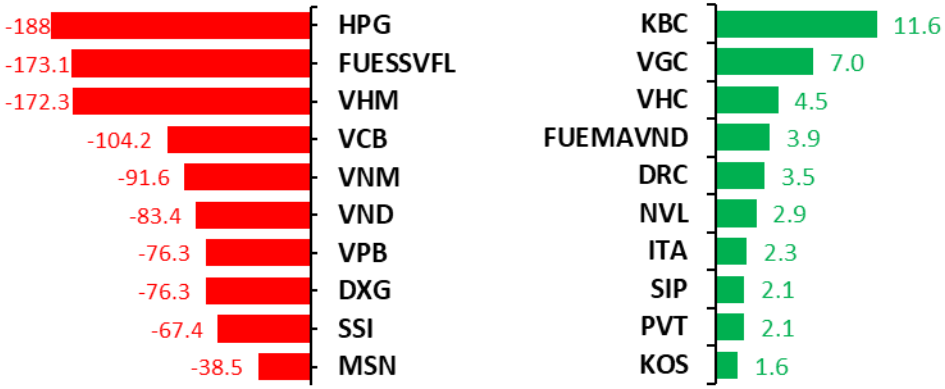
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,115.97	14.90	-4.52	-0.40	705	15,432
HNX INDEX	231.34	22.77	0.03	0.01	94	2,023

Vietnam Market Snapshot 05/12/2023

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	63	(322)	293	28
Basic Resources	(26)	(211)	221	(10)
Media	-	(0)	1	(1)
Industrial Goods & Services	(18)	(10)	99	(89)
Health care	-	(2)	4	(2)
Chemicals	(6)	(61)	72	(12)
Financial Services	159	(435)	264	172
Travel & Leisure	(8)	(16)	25	(8)
Banks	(271)	(287)	580	(293)
Construction & Materials	(27)	(16)	7	9
Food and Beverage	(22)	(152)	165	(13)
Retail	(33)	(23)	69	(46)
Utilities	(2)	(17)	19	(3)
Personal & Household Goods	(4)	(1)	26	(25)
Technology	(39)	0	77	(78)
Automobiles & Parts	-	4	(5)	1
Insurance	(1)	(6)	6	0
Oil & Gas	(2)	(9)	30	(21)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Pressure on the exchange rate has eased, creating conditions for the State Bank of Vietnam (SBV) to pump out the net money it had previously absorbed back into the market through the open market operations (OMO) channel. This move has temporarily dispelled market concerns that the SBV would reverse its monetary easing policy due to exchange rate pressure. The interbank interest rate base has continued to decline and has remained relatively stable in the past two weeks. Specifically, the overnight interest rate has fallen to 0.1%. Interest rates at other maturities under 1 month have also cooled off and are trading in the range of 0.2-0.8%. Notably, commercial banks have continued to cut lending rates. For example, Vietcombank's 12-month lending rate has fallen to a historical low of 4.8%. Many other commercial banks have also brought their highest lending rates down to around 5% per year for 12-month maturities. Currently, the average 12-month lending rate of banks is around 5.1%, down 34% from the beginning of the year.

- Although the real estate market has continued to stagnate since the beginning of the year, with many segments showing signs of decline or even "freezing," apartment prices have continued to rise. In Hanoi, on the primary market, the average selling price of newly launched apartments reached about 50.8 million VND/m2, up nearly 7% quarter-on-quarter (about 3.6 million VND/m2), 14% year-on-year (about 7 million VND/m2). On the secondary market, the average selling price reached about 32 million VND/m2, up 2.7% (about 800,000 VND/m2) quarter-on-quarter and 0.8% (250,000 VND/m2) year-on-year. Similarly, in Ho Chi Minh City, the third-quarter selling price reached 45 million VND/m2, up 3% from the previous quarter.

- According to statistics from the Ministry of Industry and Trade, after reaching a growth rate of 5.1% in October 2023, export of goods in November 2023 is estimated to have reached 31.08 billion USD, down 3.6% from the previous month. In the first 11 months of 2023, the estimated value of export of goods reached 322.5 billion USD, down 5.9% from the same period of the previous year.

Business news

- **VHC:** VHC to issue 37.4 million shares as dividends with a 100:20 rights ratio (for every 100 shares held on the record date, shareholders will receive an additional 20 shares). In the most recent period, in October 2023, VHC had revenue of VND 748 billion, down 26% from the same period last year. The main reason was that revenue from the company's main product, catfish, only reached VND 445 billion, down 26%. Accumulated in the first 10 months of 2023, Vĩnh Hoàn's total revenue was VND 8,303 billion, down nearly 30% from the same period last year and achieved 72% of the plan.

- **BCM:** On November 30, 2023, the Binh Duong Provincial People's Committee issued Decision 3622 QĐ-UBND, on the transfer of the entire new urban area project (at lots B8, B9, B10, B12, B13, B14, B15 with a scale of 18.9 hectares) belonging to the Binh Duong Industrial Service - Urban Complex. The recipient of the entire project is Sycamore Company Limited, a subsidiary of Capital Land. BCM must complete the project transfer before December 30, 2023. As such, to complete the transaction, Becamex IDC expects to receive more than VND 2,700 billion from the buyer and record the profit in this year, when the legal procedures are completed.

- **CII:** CII announced that the record date for shareholders to attend the Extraordinary General Meeting (EGM) will be December 25, 2023. The contents to be submitted to shareholders are expected to approve the adjustment of some indicators in the issuance plan of the conversion bond package 2 that was approved by the General Assembly on May 24, 2023, and some other issues in accordance with the actual situation. It is known that on May 24, CII approved the plan to issue convertible bonds to the public with a total face value of VND 1,977.8 billion.

Breaking News



Business news

- **POM:** Do Thi Kim Ngoc, the sister of Do Duy Thai, the Chairman of Pomina Steel Joint Stock Company, has just announced that she will sell more than 5.5 million POM shares of Pomina Steel from December 7, 2023 to January 4, 2024 through negotiation and matching orders for investment purposes. After the transaction, Ngọc's ownership ratio at Pomina Steel will decrease from 2.82% (equivalent to nearly 7.9 million shares) to 0.84% (equivalent to nearly 2.4 million shares). With the price of VND 4,750/share at 10:00 am on December 5, Ngọc is expected to earn nearly VND 26.3 billion from this transaction.

- **PDR:** According to the website of Phat Dat Real Estate Development Joint Stock Company, General Director Bùi Quang Anh Vũ has registered to sell 1.2 million PDR shares from December 7, 2023 to January 6, 2024 through the matching order method. The purpose is to restructure the investment portfolio. With the same time and purpose, Chief Accountant Ngô Thúy Vân has registered to sell 323,790 PDR shares. Vice General Director Nguyễn Khắc Sinh also registered to sell 45,183 PDR shares. The trading method is matching order and/or negotiation.

- **PDR:** Viglacera Corporation said that in November, the parent company's profit exceeded the monthly plan by 1%. Accumulated in the first 11 months of the year, the pre-tax profit of the parent company reached VND 1,856 billion, up 7% from the same period last year and exceeded 42% of the annual plan. The pre-tax profit of the entire corporation is estimated to reach VND 1,663 billion, achieving 137% of the plan.

Technical view



Trend: Recovery from the base

- VNINDEX closed at 1,115.97 (-4.52 points, -0.4%) with liquidity at an average level of 20 sessions with a transaction value of VND 17 trillion. The market has 141 green tickers and 356 red tickers. The group of stocks that contributed the most to the market's increase included BCM, FPT, REE, on the other hand, VHM, VCB, and VPB pulled the market down. Foreign investors recorded a strong net selling of VND 1,554 billion, focusing mainly on HPG, FUESSVFL, VHM
- Technical: The market corrected slightly after experiencing a positive gaining session on Monday. Strong net selling by foreign investors put pressure on the market. However, in the short term, the uptrend is still maintained when the VNINDEX index has surpassed the MA50 line and the MA20 line is tending to cut the MA50 line. The RSI and MACD indicators are still maintaining a positive trend. This shows that the rising trend may continue to be maintained.
- Strategy: Investors can consider disbursement during market corrections when stocks drop to the support zone.

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

6/12/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VHC	Buy	71.0	78.7	65.8	11%	-7%	18.1	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%	-4%	19.4	4	2.65%	30/11/2023	
MBB	Hold	18.0	19.0	17.4	6%	-3%	18.1	1	0.28%	05/12/2023	
MWG	Hold	39.9	45.2	36.0	13%	-10%	40.0	1	0.25%	05/12/2023	
POW	Hold	11.5	12.4	11.1	8%	-3%	11.5	1	-0.43%	05/12/2023	

Economic calendar

December 2023

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

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Q&A

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