MORNING CALL
07/12/2023

"The market bucked the trend of foreign selling to post strong gains"

- ❑ World stocks: Correction
- ❑ Vietnam stocks: The market bucked the trend of foreign selling to post strong gains
- ❑ Business news: #DXG, #PDR, #HPG, #VCS, #MSN, #SAB
- ❑ Technical perspective and updated recommendations #DGW
- ❑ Event calendar
- ❑ Q&A

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Catching the latest report



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

Major stocks market

- In regular trading on Wednesday, the Dow fell 0.19%, the S&P 500 lost 0.39% and the Nasdaq Composite dropped 0.58%. Meanwhile, fresh data showed signs of a cooling US labor market, as the ADP report indicated fewer-than-expected job additions in November and lower-than-anticipated labor costs in Q3. These data reinforced expectations of the Fed concluding its tightening campaign and potential rate cuts in the coming year.
- The Nikkei 225 Index fell 0.8% to below 33,200 while the broader Topix Index dropped 0.7% to 2,370 on Thursday, giving back some gains from the previous session and taking cues from a negative lead on Wall Street overnight as the recent rally showed signs of exhaustion.
- European markets finished broadly higher today with shares in France leading the region. The CAC 40 is up 1.71% while Germany's DAX is up 0.75% and London's FTSE 100 is up 0.21%. Locally, the Bank of England stated that the UK economy has weathered the worst of a rapid interest rate tightening cycle this year, but warned about ongoing challenges and the yet-to-be-felt full impact of higher interest rates on businesses and households
- WTI crude futures fell by almost 4% to below $70 a barrel on Wednesday, the lowest since early July, on demand worries and increased supply. EIA data showed gasoline inventories in the US were up by 5.4 million barrels in the week ending December 1st, the biggest increase in nine weeks, much higher than forecasts of 1 million, implying weaker demand

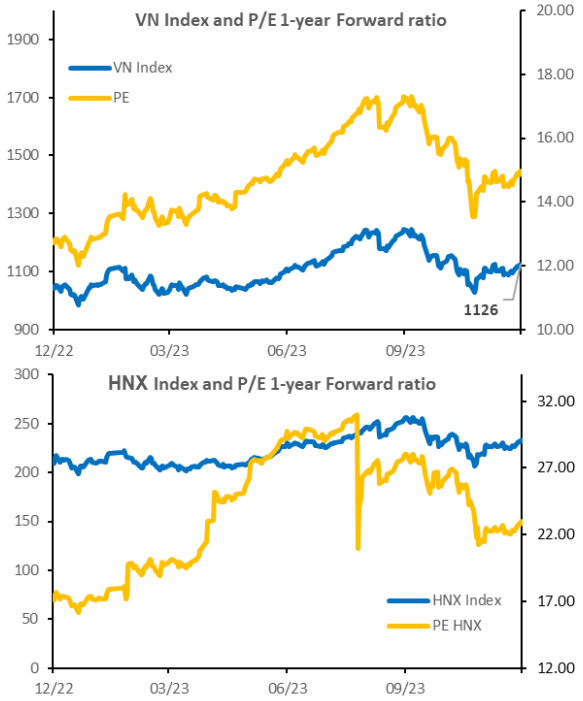
Market

	Close	%1D	%1M	%1Y
VN-Index	1,126	0.94%	4.27%	8.20%
S&P 500 Index	4,549	-0.39%	4.20%	15.43%
Dow Jones Index	36,054	-0.19%	5.74%	7.32%
GP 100	7,515	0.34%	1.42%	0.35%
Nikkei 225	33,100	-1.03%	2.57%	19.55%
SHCOMP Index	2,969	-0.11%	-2.89%	-7.21%
STOXX 600	470	0.52%	6.15%	7.76%
KOSPI Index	2,483	-0.51%	1.59%	4.19%
Hang Seng	16,463	0.83%	-6.83%	-12.50%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.13	-0.03%	-1.34%	-0.93%
USD/VND	24,276.00	-0.02%	0.28%	-1.00%
EUR/USD	1.08	0.04%	0.64%	2.49%
USD/CNY	7.16	-0.19%	1.53%	-2.31%
Brent	74.59	0.39%	-8.60%	-3.34%
WTI	69.68	0.43%	-9.94%	-3.24%
Natural gas	2.57	0.04%	-18.15%	-55.09%
Coal	140.45	4.70%	18.03%	-65.64%
Gold	2,028.28	0.13%	2.99%	13.55%

Vietnam Market Snapshot 06/12/2023



Money flow and sector rotation (VND bn)

Sector	%1D	12/6/2023	12/5/2023	20-session Average
Food and Beverage	60.13	1,513	945	1,056
Retail	35.45	603	446	527
Automobiles & Parts	34.55	216	161	166
Banks	26.75	2,194	1,731	2,185
Media	24.68	17	13	10
Insurance	23.70	21	17	22
Health Care	18.97	15	13	15
Real Estate	3.37	4,120	3,985	3,901
Construction & Materials	-1.4	1,035	1,050	1,068
Financial Services	-6.5	2,721	2,909	3,046
Basic Resources	-7.1	1,153	1,241	1,402
Travel & Leisure	-11.5	94	106	104
Personal & Household Goods	-13.8	121	141	112
Chemicals	-19.1	492	608	560
Industrial Goods & Services	-21.7	953	1,218	1,008
Oil & Gas	-31.8	179	262	184
Utilities	-32.4	107	158	146
Technology	-58.9	154	374	226

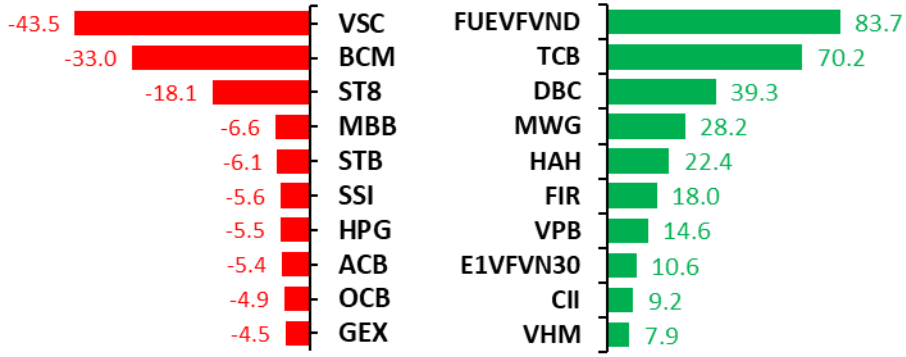
Source: Bloomberg, Shinhan Securities Vietnam

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,126.43	14.98	10.46	0.94	734	15,750
HNX INDEX	233.63	23.00	2.29	0.99	109	2,011

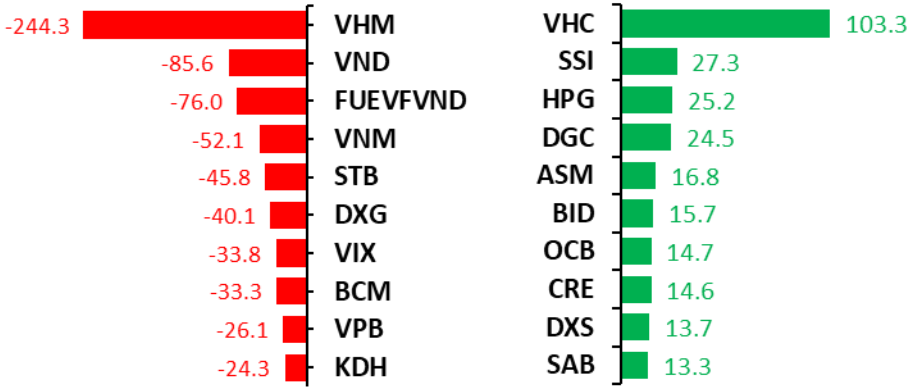
Vietnam Market Snapshot 06/12/2023

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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	(0)	(352)	330	21
Basic Resources	(2)	12	(88)	76
Media	(0)	1	(1)	(0)
Industrial Goods & Services	(32)	(4)	(49)	53
Health care	-	0	2	(2)
Chemicals	(2)	11	(9)	(2)
Financial Services	82	(183)	111	72
Travel & Leisure	4	(0)	(4)	4
Banks	73	(81)	22	59
Construction & Materials	9	(3)	(32)	35
Food and Beverage	47	52	(133)	81
Retail	28	(30)	13	17
Utilities	3	0	(4)	4
Personal & Household Goods	(4)	(1)	(2)	3
Technology	(15)	8	(15)	7
Automobiles & Parts	1	0	(9)	8
Insurance	1	(0)	(2)	2
Oil & Gas	0	21	(26)	5

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Prime Minister to meet with commercial bank leaders on credit growth. On the morning of December 7, 2023, Prime Minister Phạm Minh Chính will preside over a conference to find solutions to address difficulties in credit growth for production and business, promoting growth and stabilizing the macroeconomy. According to the State Bank of Vietnam, as of November 22, 2023, total credit growth reached 8.21%, lower than the targeted growth rate of 14.5% at the beginning of the year. The credit growth rate of the banking system is not uniform, with some banks growing rapidly, while others are growing slowly or even shrinking.

- Ho Chi Minh City lists a series of real estate companies with tax debts. The Ho Chi Minh City Tax Department has just announced information on 198 companies with tax debts in the second quarter of 2023. As of October 31, the total amount of taxes, fines, and late fees owed by these companies is up to VND8,080 billion. The real estate company with the largest tax debt in Ho Chi Minh City is Golden Hill Investment Joint Stock Company with over VND1,289 billion in debt. Golden Hill Investment Joint Stock Company is the developer of the Alpha City complex at 87 Cống Quỳnh Street, District 1, Ho Chi Minh City. The project is being built on a land area of over 8,300 square meters, with a scale of one 8-storey commercial center tower and two towers with a total of 1,074 apartments. The tower is commercially known as Alpha City, and was once a key project of Alpha King in Vietnam.

- Negotiation rate for corporate bond extensions successful at 63%. According to Nguyễn Hoàng Dương, Deputy Director of the Department of Financial Affairs of Banks and Financial Institutions (Ministry of Finance), to date, there are approximately 68 companies that are unable to fully repay the principal and interest of their corporate bonds on time and in full according to the issuance plan. These companies all have plans to negotiate debt extensions with investors. The successful negotiation rate has increased from 16% in February 2023 to 63% in October 2023.

Business news

- **DXG**: According to the latest announcement from Dat Xanh Group (DXG), as of October 30, 2023, the company has a total of 54,684 shareholders, including 54,083 domestic individual shareholders, 93 domestic institutional shareholders, and 507 foreign shareholders. This is a record high for Đất Xanh Group and is a very large number of shareholders for a listed company on the Vietnamese stock market.

- **PDR:** In the latest announcement, Phat Dat Group (PDR) has issued a press release regarding internal stock trading. Specifically, on December 4, 2023, Phát Đạt announced information on the stock trading of a number of internal employees. With the purpose of restructuring their investment portfolio, Mr. Bui Quang Anh Vu - CEO, Ms. Ngô Thúy Vân - CFO, and Mr. Nguyen Khac Sinh - Deputy CEO have registered to sell a total of more than 1.5 million shares, from December 7, 2023 to January 5, 2024. It is estimated that the leaders could earn about VND45 billion based on the current market price.

- **VCS:** Once the largest enterprise on HNX, Vicostone (VCS) has gradually lost its position in recent years. The market capitalization of Vietnam's largest quartz export enterprise is currently less than 10,000 billion, about half of its peak. This causes Vicostone to be usurped as the market capitalization champion on HNX by PTSC (PVS). The performance of VCS shares is quite in sync with business results. In 2021, Vicostone recorded breakthrough growth with record-setting revenue and profits, and shares also set a new historic peak. However, just one year later, this business broke its growth streak for the first time in a decade with net revenue reaching 5,660 billion VND and pre-tax profit of 1,377 billion VND, down 20% and 34% respectively compared to the same period last year. period 2021.

Breaking News



Business news

- HPG: Hoa Phat's steel sales in November 2023 hit a 20-month high, exceeding 700,000 tons. In November 2023, Hoa Phat Group (HPG) produced 623,000 tons of crude steel, the same as the previous month. Sales of hot rolled coil (HRC), construction steel, high-quality steel, and pig iron reached 709,000 tons, up 12% from October and 60% from the same period last year. Construction steel and high-quality steel in particular increased by 63% year-on-year to 410,000 tons. The domestic construction steel market increased due to the start of the construction season and partly due to measures to promote public investment disbursement. This led to consumption in all three regions of Hoa Phat recording growth. The highest increase was in the southern region, which increased by 47% from the previous month.

- MSN: A $180 billion investment fund pours more money into Masan, raising the total investment to $250 million. On December 6, 2023, Masan Group (MSN) announced that Bain Capital, a leading global private equity fund with an estimated $180 billion in assets under management, has agreed to increase its investment in Masan Group's equity by an additional $50 million, bringing the investment to $250 million from the previously announced $200 million in October 2023.

- SAB: On January 5, 2024, Saigon Beer – Alcohol – Beverage Corporation (Sabeco, SAB) will close the list of shareholders for the 2023 interim dividend in cash at a rate of 15%, corresponding to each shareholder holding 1 share will receive 1,500 VND. In October of last month, Sabeco just completed the issuance of more than 641.2 million shares for existing shareholders to increase the charter capital, raising the number of outstanding shares to over 1.28 billion units. Thus, it is estimated that Sabeco will need to spend VND1,920 billion to pay shareholders. The estimated payment date is February 7, 2024 (the 28th day of the Lunar New Year).

Technical view



Trend: Recovery from the base

- VNINDEX closed at 1,126.43 (10.46 points, 0.94%) with slightly higher liquidity than the previous session's decline. The market had 359 green and 122 red tickers. The top contributors to the market's rise were VCB, BCM, and HPG, while the top contributors to the decline were STG, PDN, and VHM. All sectors rose except for the media sector, with telecommunications rising the most. Foreign and proprietary accounts continued to sell heavily.
- Technical view: After yesterday's correction session, the market rose throughout today's session and closed at its highest level of the session, reflecting investors' positive sentiment. We expect that when the market clearly breaks above 1,130, it will confirm that VNINDEX has returned to a medium-term uptrend. However, investors should deploy their capital using the accumulation price method at the bottom and buy when the market just starts to rise, rather than buying heavily with a FOMO mentality when the price breaks the top. Looking at the price momentum indicators, the market still has room to rise further. The corresponding support and resistance levels are 1,080 – 1,130
- Strategy: Investors can consider disbursement during market corrections when stocks drop to the support zone.

Scenario:

- Positive (50%): The market will clearly break above the 1,130 level – corresponding to the MA200 – and create a new uptrend.
- Negative (50%): The market will consolidate in a narrow range of 1,080-1,130.

Recommended stocks

7/12/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
DGW	Buy	53.4	60.0	51.5	12%	-4%	53.9	Officially surpassed EMA 50

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	5	2.65%	30/11/2023	
MBB	Hold	18.0	19.0	17.4	6%	-3%	18.1	2	0.28%	05/12/2023	
MWG	Hold	39.9	45.2	36.0	13%	-10%	41.0	2	2.63%	05/12/2023	
VHC	Hold	71.1	78.7	65.8	10.7%	-7.5%	75.9	1	6.75%	06/12/2023	

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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