MORNING CALL
14/12/2023

“Efforts to overcome the barrier failed"

- ❑ World stocks: The Fed's interest rate decision sent U.S. stocks soaring
- ❑ Vietnam stocks: Efforts to overcome the barrier failed
- ❑ Business news: #IMP, #TNH, #HAG, #TPB, #VJC, #BCG
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

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Global Market Review 11/12 – 15/12/2023

Major stocks market

- In regular trading on Wednesday, the Dow rallied 1.4% to close at a record higher. The S&P 500 and Nasdaq Composite also popped 1.37% and 1.38%, respectively, with all three benchmarks marking their fifth straight winning day. Those gains came as the Fed held the funds rate steady at 5.25%-5.5% in a widely expected move, but the central bank's "dot plot" indicated three rate cuts in 2024. The Summary of Economic Projections showed that FOMC expects the funds rate to be at 4.75% by the end of 2024, below their previous projections of 5.25%, as cooler-than-expected inflation reports drove Fed policymakers to revise PCE inflation forecasts downwards, while unemployment and GDP gauges were loosely unchanged.
- European markets finished mixed as of the most recent closing prices. The CAC 40 gained 1.38%, while Germany's DAX was off 0.15%. Shares in London were unchanged with the FTSE 100 at 7,548.44.. The Stoxx 50 index edged marginally below the flatline to ease slightly from the 23-year high touched in the prior session, while the pan-European Stoxx 600 closed flat. A sharper-than-expected decline in the currency bloc's industrial production underscored the economy's increasing struggle with high interest rates from the ECB, while similarly, the UK's economy contracted more than expected.
- The Nikkei 225 Index fell 0.4% to below 32,800 while the broader Topix Index dropped 1% to 2,330 on Thursday, erasing gains from the previous session. A stronger yen hurts Japan's export-heavy industries and makes Japanese assets less attractive to foreign investors. Markets also turned cautious ahead of the Bank of Japan's policy meeting next week as BOJ Governor Kazuo Ueda previously signaled an earlier than anticipated end to its negative interest rate policy
- WTI crude oil futures rose toward $70 per barrel on Wednesday, trimming the near 4% drop on the previous session that took the benchmark to its lowest since June with support from a relatively dovish Fed and bigger-than-expected crude oil withdrawals.

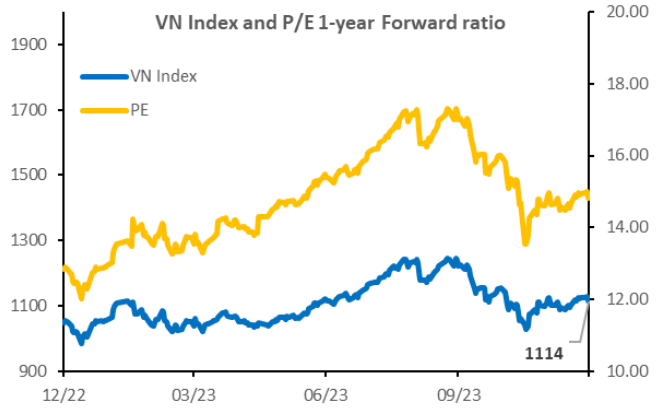
Market

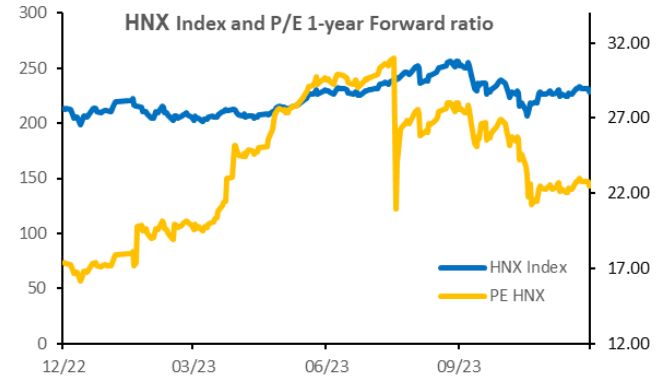
	Close	%1D	%1M	%1Y
VN-Index	1,114	-1.19%	0.40%	6.07%
S&P 500 Index	4,707	1.37%	6.70%	17.10%
Dow Jones Index	37,090	1.40%	8.02%	8.74%
GP 100	7,548	0.08%	1.45%	0.70%
Nikkei 225	32,769	-0.48%	0.22%	16.38%
SHCOMP Index	2,969	-1.15%	-2.86%	-6.54%
STOXX 600	472	-0.06%	4.39%	6.77%
KOSPI Index	2,545	1.37%	4.60%	6.08%
Hang Seng	16,229	-0.89%	-6.71%	-17.51%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.75	-0.11%	-1.25%	-0.98%
USD/VND	24,281.00	-0.01%	0.36%	-3.03%
EUR/USD	1.09	0.17%	0.12%	1.97%
USD/CNY	7.17	0.09%	1.65%	-3.06%
Brent	74.73	0.63%	-9.39%	-9.64%
WTI	69.94	0.68%	-10.63%	-9.50%
Natural gas	2.35	0.47%	-24.47%	-63.51%
Coal	146.25	0.00%	19.88%	-63.84%
Gold	2,032.70	0.24%	3.48%	12.47%

Vietnam Market Snapshot 13/12/2023





Money flow and sector rotation (VND bn)

Sector	%1D	12/13/2023	12/12/2023	20-session Average
Oil & Gas	194.45	228	77	179
Insurance	146.56	39	16	20
Construction & Materials	109.25	1,227	586	1,020
Industrial Goods & Services	80.49	976	541	958
Financial Services	68.99	2,497	1,478	3,003
Retail	60.27	617	385	518
Banks	51.63	2,406	1,587	2,074
Health Care	48.18	24	16	16
Real Estate	47.51	3,551	2,408	3,724
Utilities	46.82	170	116	133
Travel & Leisure	37.08	123	90	103
Chemicals	31.24	496	378	526
Media	29.28	21	16	13
Personal & Household Goods	27.50	169	133	121
Automobiles & Parts	24.42	193	155	178
Basic Resources	18.79	1,591	1,340	1,416
Food and Beverage	13.65	1,497	1,317	1,166
Technology	-43.9	236	421	242

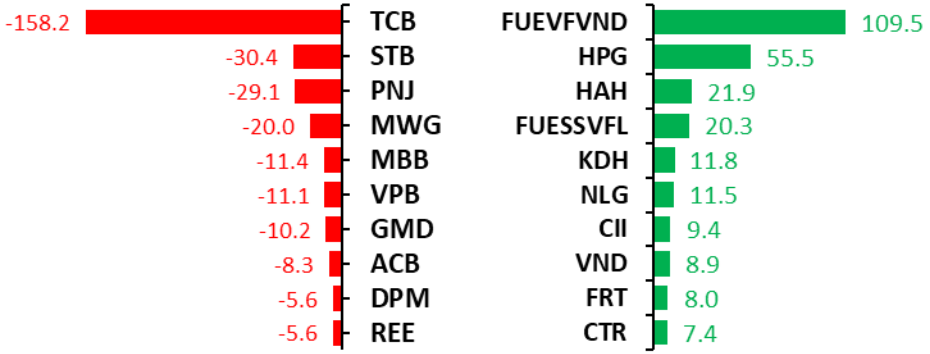
Source: Bloomberg, Shinhan Securities Vietnam

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,114.20	14.82	-13.43	-1.19	709	16,040
HNX INDEX	228.42	22.49	-3.29	-1.42	115	2,042

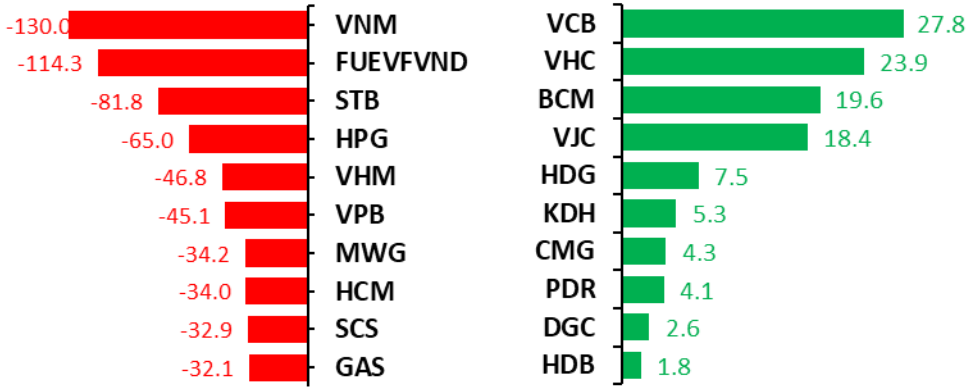
Vietnam Market Snapshot 13/12/2023

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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	38	(95)	112	(17)
Basic Resources	54	(77)	38	39
Media	-	(1)	1	(1)
Industrial Goods & Services	2	(20)	32	(12)
Health care	2	(7)	273	(265)
Chemicals	(6)	(11)	4	7
Financial Services	144	(233)	124	108
Travel & Leisure	1	(15)	14	1
Banks	(244)	(144)	307	(163)
Construction & Materials	22	(40)	52	(12)
Food and Beverage	5	(157)	186	(29)
Retail	(12)	(47)	66	(19)
Utilities	(3)	(39)	53	(14)
Personal & Household Goods	(29)	(3)	41	(38)
Technology	5	5	9	(14)
Automobiles & Parts	0	(1)	1	(1)
Insurance	5	(1)	(2)	3
Oil & Gas	3	(28)	13	14

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Steel industry sees strong recovery in both production and prices in November. The Vietnamese steel industry saw a strong recovery in both production and prices in November. After more than two months of stagnation, the domestic steel market recorded three rounds of price increases, especially in the North. The largest increase in the month was 410 dong/kg on November 22. Thanks to the price increases, steel from Hòa Phát and VAS brands exceeded 14,000 dong/kg. In addition, steel exports reached 7.4 million tons, up 29% from the same period last year. Vietnam's steel export markets are mainly ASEAN, the EU, the United States, India, and Taiwan.

- Vietnam is a bright spot in the "gray picture" of the global economy. Vietnam is a bright spot in the "gray picture" of the global economy. To achieve the target of average GDP growth of 6.5% per year in the 2021-2025 period as set out at the beginning of the XIII Party Congress, the average growth rate of the 2023-2025 period must reach about 7.3% per year. This is a very high level, requiring great determination and effort.

- Facing the difficulties of the real estate market: Don't be like "a bird afraid of a bent branch". The policy mechanisms related to real estate still have many obstacles, procedures are still cumbersome, the amount of disbursement of the 120,000 billion dong package is very limited; The Land Law (amended) has not been passed, so many projects will not be able to be implemented. Businesses still have to wait anxiously... but not to the point of being pessimistic, just be upbeat because opportunities are still waiting ahead... This is the view that many delegates raised at the Fourth Regular Meeting of the Standing Committee of the Vietnam Real Estate Association, term V (2022 - 2027) recently held. All speakers shared the same view that the real estate market is showing more signs of recovery, but a number of difficulties still exist, which need a long time to overcome.

Business news

IMP: Impressive business results, stock performance goes against VN-Index. Despite impressive 9-month business results, shares of Imexpharm Pharmaceutical Joint Stock Company (IMP) have not performed well on the stock market. Profit growth in 2023 could reach nearly 47%. In contrast to the unstable performance of the stock price, the business results of IMP in the first 9 months of 2023 were very impressive. IMP's net revenue and pre-tax profit (PBT) reached VND1,385 billion (+27.6%) and VND285.8 billion (+44.7%), respectively. Mirae Asset Vietnam Securities Company (MAS) assessed that the most outstanding point of IMP lies in the growth of ETC channel revenue since 2018. The contribution of ETC revenue in 2018 was 19%, while it increased to 36.7% in 2022.

HAG: Hoang Anh Gia Lai Group (HAGL, HAG) recently announced information about the Group's debt reduction. Specifically, Gia Lai Livestock Joint Stock Company - a subsidiary of the Group - paid VND750 billion (including nearly VND587 billion in principal and more than VND163 billion in outstanding interest) to Eximbank to settle loans from 2014. This is another positive information about HAGL's debt reduction process. In mid-2023, Bau Duc announced that HAGL will pay off all debt by 2026 through the sale of assets, collection of receivables, additional share issuance, and retained earnings from business operations.

TNH: The only listed hospital on the stock exchange is about to distribute stock dividends at a rate of 15%, increasing the registered capital to over one thousand billion. In the latest announcement, Thai Nguyen International Hospital Joint Stock Company (code TNH) announced the resolution of the Board of Directors on December 12, 2023, approving the plan to distribute dividends for 2022 in the form of shares at a rate of 15%. TNH plans to issue more than 14.3 million shares to pay dividends at a rate of 15%, (corresponding to each shareholder holding 100 shares will receive an additional 15 new shares.

Breaking News



Business news

- **TPB:** Tiên Phong Bank to Acquire Việt Cát Fund Management, Aiming to Become a Modern Financial Group. Tiên Phong Bank (TPB) has announced that it has been approved to acquire Việt Cát Fund Management, a move that is part of the bank's plan to become a modern financial group in Vietnam. On November 22, 2023, the State Bank of Vietnam approved TPB's plan to invest up to VND125 billion to acquire Việt Cát Fund Management. TPB must complete the acquisition within 12 months of the approval. The acquisition of Việt Cát Fund Management will give TPB a foothold in the fund management industry, which is growing rapidly in Vietnam. It will also help TPB to expand its range of financial products and services to customers.

- **VJC:** Vietjet Launches Direct Flights between Hanoi and Siem Reap. Vietjet, Vietnam's leading low-cost carrier, has launched direct flights between Hanoi, the capital of Vietnam, and Siem Reap, a popular tourist destination in Cambodia.The inaugural flight took off from Noi Bai International Airport in Hanoi on December 12, 2023. The flight was attended by Vietnamese Prime Minister Pham Minh Chinh, Cambodian Prime Minister Hun Sen, and other government officials from both countries. The new flights will operate twice a week, on Wednesdays and Saturdays. The flight time is approximately two hours.

- **BCG:** BCG Energy Buys Back VND2.5 Trillion in Bonds to Fund Wind Power Project BCG Energy, a subsidiary of Bamboo Capital Group, has announced that it has bought back all of its VND2.5 trillion (US$110 million) in bonds. The bonds, which were issued in 2021, were used to fund the development of the Khai Long wind power project in Ca Mau Province, Vietnam. The Khai Long wind power project is the largest renewable energy project in BCG Energy's portfolio. It has a total capacity of 300 MW and is expected to cost VND18 trillion (US$720 million) to build. The bond buyback is a sign of BCG Energy's confidence in the Khai Long wind power project. It will also help the company to reduce its debt and improve its financial position..

Technical view



Trend: Accumulation

- The VN-Index closed at 1,114.2, down 13.4 points, or 1.19%, on December 14, 2023, with trading volume increasing. While 89 stocks finished in the green, 448 ended in the red. The biggest contributors to the decline were HPG, GAS, and VCB, while the gainers were relatively insignificant. Most sectors were down sharply, with energy, resources, and telecommunications leading the losses. Foreign investors and proprietary traders continued to sell heavily.
- Technical view: The market was mostly down throughout the session, with sellers in complete control, causing the VN-Index to close below the 50-day moving average (EMA). As a result, after a series of failed attempts to conquer the 1130 resistance zone, the market is likely to adjust to the 1080-1100 zone to test again. The STOCH indicator has crossed below the signal line, along with the decline in today's session, further suggesting that the probability of the market continuing to adjust is high.
- Strategy: Given that the market is adjusting, investors should stand on the sidelines and limit new purchases. New investments should be held off until the market convincingly breaks above 1130 or retreats back to the 1080 support level and rebounds.

Scenario:

- Positive (60%): The market will consolidate in a narrow range of 1,080-1,130.
- Negative (40%): The market will break through the 1,080 support level and return to the 1,040 support level.

Recommended stocks

14/12/2023

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
BSR	Hold	18.9	19.9	18.2	5%	-4%	18.7	10	-1.06%	30/11/2023	
MBB	Hold	18.0	19.0	17.4	6%	-3%	18.1	7	0.28%	05/12/2023	
MWG	Hold	39.9	45.2	36.0	13%	-10%	41.7	7	4.51%	05/12/2023	
POW	Hold	11.5	12.4	11.1	8%	-3%	11.4	7	-0.87%	05/12/2023	
VHC	Hold	71.1	78.7	65.8	11%	-7%	75.6	6	6.33%	06/12/2023	
DGW	Hold	53.4	60.0	51.2	12%	-4%	51.5	5	-3.56%	07/12/2023	

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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