MORNING CALL
21/12/2023

"The recovery is still ongoing"

- ❑ World stocks: Correction after a hot rally
- ❑ Vietnam stocks: The recovery is still ongoing
- ❑ Business news: #DCM, #HAG, #LIX, #QNS, #FRT, #IMP
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

Tien Le ☎ (84-28) 037 639 1443
✉ tien.ld@shinhan.com

Nam Hoang ☎ (84-28) 6299 8004
✉ nam.h@shinhan.com

Following SSV's Zalo,
Catching the latest report



Please click or scan

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

Major stocks market

- In regular trading on Wednesday, the Dow fell 1.27%, the S&P 500 dropped 1.47% and the Nasdaq Composite tumbled 1.5%, with all three benchmarks posting their worst one-day loss in months. Sales of previously owned homes in the United States went up 0.8% month-over-month to a seasonally adjusted annualized rate of 3.82 million units in November 2023, rising for the first time in five months, and rebounding from 3.79 million in October which was the lowest level since August 2010. The US current account deficit shrank by 7.6% to $200.3 billion in Q3 of 2023, compared with Q2's revised figure of $216.8 billion and the market consensus of a $196 billion gap. It is equivalent to 2.9% of the current-dollar GDP
- The CAC 40 index closed 0.12% higher at 7,583 on Wednesday, as trading cooled ahead of the holidays. The Dax 40 index closed flat at 16,733 on Wednesday, in line with a muted session for other European equities as traders continued to analyze the outlook of the European monetary policy. In London, the FTSE 100 Index gained 97 points or 1.27 percent on Wednesday.
- The Nikkei 225 Index fell 1.4% to below 33,200 while the broader Topix Index dropped 0.9% to 2,327 on Thursday, snapping a two-day advance and tracking a late sell-off on Wall Street overnight as investors took profits following a strong rally that brought US indices to record highs. Investors also turned cautious ahead of key US inflation data that could influence the outlook for Federal Reserve monetary policy.
- WTI crude futures futures hit a two-week high above $75 per barrel on Wednesday, buoyed by investor focus on the Red Sea's geopolitical tension. Houthi attacks disrupted global trade, prompting the US to launch a task force to protect commerce.

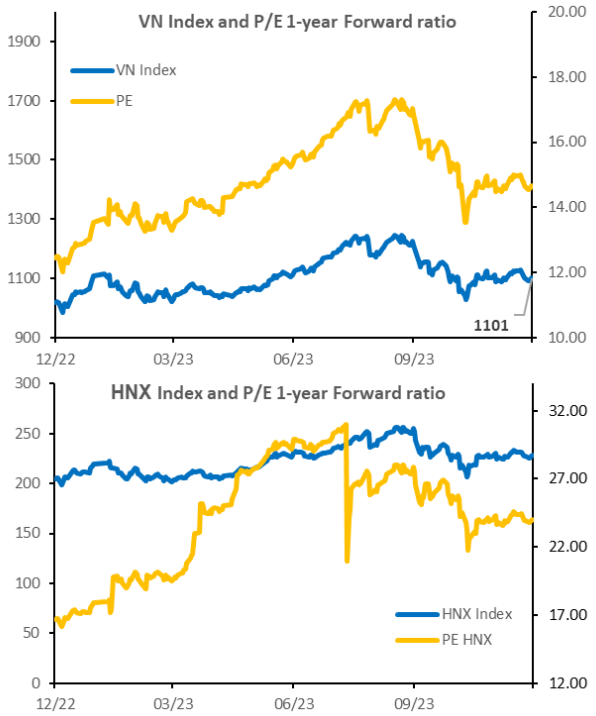
Market

	Close	%1D	%1M	%1Y
VN-Index	1,101	0.41%	-0.87%	8.04%
S&P 500 Index	4,698	-1.47%	3.32%	22.94%
Dow Jones Index	37,082	-1.27%	5.49%	12.88%
GP 100	7,716	1.02%	3.12%	2.91%
Nikkei 225	33,159	-1.54%	-0.59%	25.66%
SHCOMP Index	2,902	-1.03%	-5.41%	-5.42%
STOXX 600	478	0.19%	4.85%	10.78%
KOSPI Index	2,601	-0.52%	3.60%	11.67%
Hang Seng	16,614	0.66%	-6.32%	-13.29%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.35	-0.05%	-1.17%	-1.74%
USD/VND	24,342.00	0.00%	-0.44%	-2.54%
EUR/USD	1.10	0.07%	0.36%	3.25%
USD/CNY	7.14	-0.28%	0.40%	-2.48%
Brent	79.70	0.59%	-3.18%	-0.36%
WTI	73.63	-0.79%	-5.32%	-5.95%
Natural gas	2.42	-1.06%	-14.93%	-54.59%
Coal	144.25	-0.69%	17.76%	-63.94%
Gold	2,034.13	0.13%	1.79%	12.11%

Vietnam Market Snapshot 20/12/2023



Money flow and sector rotation (VND bn)

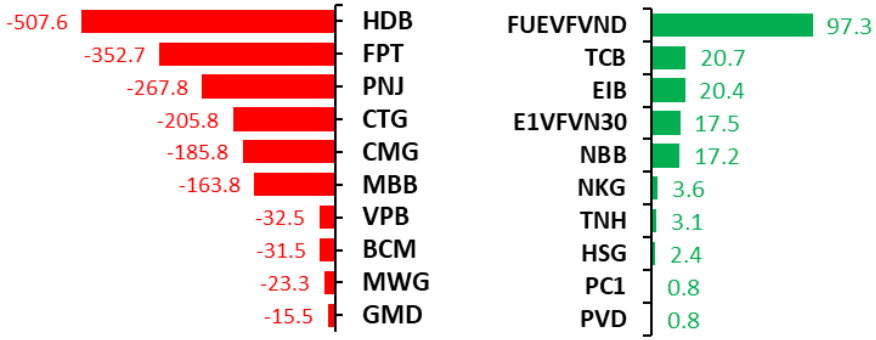
Sector	%1D	12/20/2023	12/19/2023	20-session Average
Retail	97.25	647	328	495
Personal & Household Goods	71.01	137	80	115
Travel & Leisure	66.47	142	85	103
Industrial Goods & Services	22.81	656	534	869
Media	13.04	6	5	13
Insurance	12.51	11	10	19
Automobiles & Parts	8.38	170	157	173
Technology	8.05	138	128	221
Financial Services	1.38	1,853	1,828	2,698
Food and Beverage	-3.8	1,032	1,072	1,210
Oil & Gas	-7.9	76	83	158
Construction & Materials	-10.0	476	528	893
Utilities	-17.0	105	127	136
Basic Resources	-25.5	790	1,060	1,345
Health Care	-27.1	24	33	19
Real Estate	-29.0	1,517	2,139	3,300
Banks	-30.3	1,447	2,077	2,044
Chemicals	-30.9	224	324	468

Source: Bloomberg, Shinhan Securities Vietnam

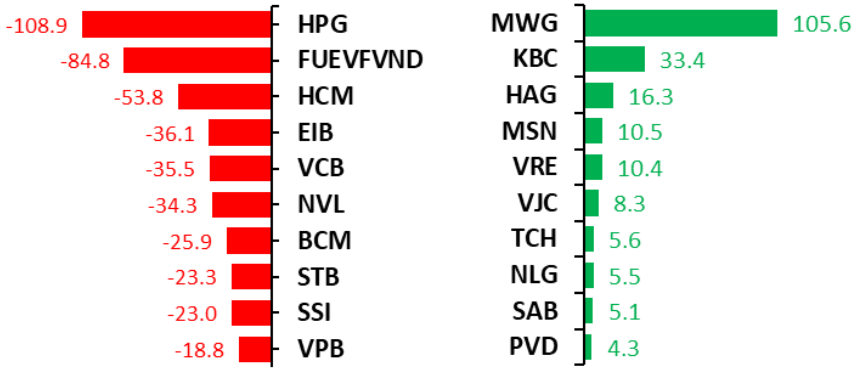
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,100.76	14.65	4.46	0.41	429	9,440
HNX INDEX	228.17	24.05	0.89	0.39	53	883

Vietnam Market Snapshot 20/12/2023

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	(66)	(70)	83	(13)
Basic Resources	2	(124)	126	(2)
Media	-	(0)	0	(0)
Industrial Goods & Services	(27)	3	25	(28)
Health care	3	(8)	6	2
Chemicals	(1)	7	4	(11)
Financial Services	99	(181)	72	109
Travel & Leisure	(3)	4	0	(4)
Banks	(947)	(154)	200	(47)
Construction & Materials	0	(17)	22	(5)
Food and Beverage	(23)	19	20	(38)
Retail	(30)	110	(70)	(40)
Utilities	(3)	(8)	35	(26)
Personal & Household Goods	(268)	(5)	43	(38)
Technology	(539)	0	37	(37)
Automobiles & Parts	(13)	7	(22)	15
Insurance	(0)	0	0	(0)
Oil & Gas	(0)	3	(17)	14

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Viet Nam Electricity Group (EVN) has recently sent a document to the Ministry of Industry and Trade regarding the proposal to import wind power projects from the Lao People's Democratic Republic to the Quảng Trị province of Vietnam. Specifically, EVN proposes that the Ministry of Industry and Trade assess and submit to the Prime Minister a proposal to import electricity from the Trường Sơn wind farm, and add additional transmission lines to the plan. The purchase price of electricity from this project is 6.95 US cents/kWh, which is equivalent to approximately 1,700 VND/kWh. The Ministry of Industry and Trade has said that it has sent a document to relevant ministries and localities requesting their opinions on the proposal to purchase wind power from the Trường Sơn wind farm, with a capacity of 250 MW from Bolikhamsai province (Laos) to Vietnam, as proposed by the Vietnam Electricity Group (EVN).

- The National Wage Council has agreed to a proposed 6% increase in minimum wages for 2024. With 100% of votes in favor, the National Wage Council agreed on a proposed 6% increase in minimum wages for 2024, effective from July 1, 2024, at the same time as the civil service salary reform.... Previously, the Vietnam General Confederation of Labor proposed the highest rate of 7.3%; employers proposed 4-5%, and the technical department of the Council also proposed three options of 4%, 5%, and 6%. At the end of the meeting, with a majority of votes in favor, the National Wage Council agreed on a 6% increase in minimum wages for 2024, effective from July 1, 2024, to be recommended to the Government.

- Japan has recently provided Vietnam with an additional loan of 41,223.7 million yen to build the No. 1 metro line in Ho Chi Minh City, the Ben Thanh - Suoi Tien line. The metro line is scheduled to be put into operation in 2024. ... Japan provides additional loans of more than 41 billion yen to put the first metro line in Ho Chi Minh City into operation in 2024. The project has four main packages using ODA loans from the Japanese government, including three construction packages and one mechanical and electrical package. The project is about 20 kilometers long from Ben Thanh in District 1 to Long Binh depot in Thu Duc City. This is the first urban railway project in Ho Chi Minh City, which began construction in 2012 and is scheduled to be put into operation in 2024.

Business news

DCM: Ca Mau Fertilizer and Petrochemical Joint Stock Company (DCM) has announced its key production and business plan for 2024. According to the plan, DCM expects to produce more than 882,000 tons of urea and 180,000 tons of NPK. The sales volume will include 749,000 tons of urea, 110,000 tons of functional fertilizer, 180,000 tons of NPK, and 248,000 tons of self-produced fertilizer. In terms of consolidated financial plans, DCM has set a target of more than VND 11.878 trillion in total revenue, VND 841.4 billion in pre-tax profit, and nearly VND 795 billion in after-tax profit. For the parent company, the total revenue is planned at VND 11,081 billion and after-tax profit at VND 794 billion. The planned dividend payout ratio/registered capital is 10%. The company's decision to set a cautious profit target for 2024 is likely due to a number of factors, including the global economic slowdown, rising inflation, and the ongoing conflict in Ukraine.

HAG: Ms. Doan Hoang Anh, daughter of Mr. Doan Nguyen Duc (Bau Duc) - Chairman of the Board of Directors of Hoang Anh Gia Lai Joint Stock Company (HAGL – code: HAG) has just registered to buy 1 million HAG shares through on-exchange trading. The transaction is expected to be carried out through on-exchange trading within the period from December 25, 2023 to January 23, 2024. The purchase of 1 million HAG shares by Doan Hoang Anh, the daughter of the company's chairman, is seen as a vote of confidence in HAG's future.

LIX: Lix Soap Joint Stock Company (mã LIX) has just announced the cancellation of the last registration date for interim dividend payment in 2023 in cash. The reason is to review the operating situation to ensure the optimization of cash resources for production and business activities. Accordingly, LIX will postpone the last registration date from December 22, 2023 to January 2, 2024 and the payment date from January 5, 2024 to January 18, 2024. The interim dividend ratio remains at 10% (1 share receives VND 1,000). The company's decision to cancel the interim dividend payment is likely due to a number of factors, including the company's declining revenue and profit in the first 9 months of 2023, and the need to conserve cash for its future operations.

Breaking News



Business news

QNS: Quang Ngai Sugar Company (QNS) has reported estimated consolidated revenue of VND 9,600 billion and pre-tax profit of VND 2,100 billion for the first 11 months of 2023, up 23% and 73% year-on-year, respectively. This is also the highest profit ever recorded by the company. In November alone, the company, headquartered in central Vietnam, reported a profit of VND 170 billion, down 8% from October due to a decline in profit from the soy milk segment while the sugar segment remained flat from the previous month. Based on its business plan for the year, QNS set a target of VND 8,400 billion in revenue and VND 1,200 billion in pre-tax profit. With the estimated results above, the company has already exceeded its revenue target by 14% and its profit target by 75%, even though the year is not over yet.

FRT: FPT Retail (FRT) could see its revenue in 2024 come close to VND 40,000 billion, with Long Chau Pharmacy accounting for around VND 22,150 billion. The report from the research team suggests that Long Chau Pharmacy could continue to improve its revenue by around 8% from the previous quarter, thanks to the continuous increase in the number of stores and the stable monthly revenue per store of around VND 1 billion. The retail chain maintains its ability to open around 500 new stores per year, which means that it could add another 120 stores in the fourth quarter, primarily in tier 2 and 3 provinces. Experts expect Long Chau to maintain its average store revenue of VND 1 billion and a gross profit margin of 21-22%, based on the optimization of costs. The strong performance of Long Chau Pharmacy is expected to be a key driver of FPT Retail's profitability in 2024.

IMP: Imexpharm Pharmaceuticals Company (IMP) has recently announced a resolution from its shareholders' meeting approving several important issues, including the waiver of a public tender offer for shareholder SK Investment Vina III Pte Ltd. The resolution was approved by a majority of shareholders at the meeting. The waiver will allow SK Investment Vina III Pte Ltd to increase its stake in IMP to 69.99%, without having to make a public tender offer to other shareholders. This is a significant development for IMP, as it will give SK Investment Vina III Pte Ltd greater control over the company. It remains to be seen how SK Investment Vina III Pte Ltd will use its increased stake in IMP, but it is likely that the company will look to accelerate its growth and expansion plans.

Technical view



Trend: Sideway

- VNINDEX closed at 1,100.7 (+4.46 points, +0.41%) with low liquidity. The market had 318 green codes and 151 red codes. The groups of stocks that contributed the most to the market's rise were MWG, MSN, and VNM, while the codes that contributed to the decline were TCB, LGC, and VCB. Most sectors recovered, with retail services, oil and gas, and insurance rising the most. Foreign investors continued to net sell.
- Technical analysis: The market continued to recover after yesterday's session. The 1080 area once again continued to play a role as an important support level. Currently, the market is still trading within the 1,080-1,130 range from the beginning of November. In which the 1,080 area plays the role of support and the 1,130 area is resistance. Price momentum indicators have given a buy signal, specifically the STOCH RSI indicator has cut up the signal line. The main trend of the market is still sideways.
- Strategy: Investors can trade within the range, buy low at the 1,080 area and sell at the 1,130 resistance

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

21/12/2023

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
MBB	Hold	18.0	19.0	17.4	6%	-3%	18.2	12	0.83%	05/12/2023	
MWG	Hold	39.9	43.8	36.0	10%	-10%	42.4	12	6.27%	05/12/2023	
POW	Hold	11.5	12.4	11.0	8%	-5%	11.3	12	-1.74%	05/12/2023	
HCM	Hold	30.9	34.0	29.9	10%	-3%	32.7	2	5.66%	19/12/2023	

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

Shinhan Securities

Q&A

Shinhan Investment Network

SEOUL

Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HCM

Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, HCM City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000



Compliance Notice

- Analyst Certification: We/I hereby certify the information and material presented in this report are accurate expressions of their views, and that we/I have not received internally or externally wrongful pressure to express such views.
- All opinions and estimates regarding the company and its securities are accurate representations of the covering analyst's judgments as of this date and may differ from actual results.
- This report is intended to provide information to assist investment decisions only and should not be used or considered an offer or the solicitation of an offer to sell or to buy any securities. Stock selection and final investment decisions should be made at the client's own discretion.
- This report is distributed to our clients only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.

Disclaimers

- This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of Shinhan Securities Vietnam Ltd.., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of Shinhan Securities Vietnam Ltd.
- This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. Shinhan Securities Vietnam Ltd. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Shinhan Securities Vietnam Ltd.., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or Shinhan Securities Vietnam Ltd. The final investment decision is based on the client’s judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.
- Copyright ⓒ 2020 Shinhan Securities Vietnam Ltd. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of Shinhan Securities Vietnam Ltd.