MORNING CALL
22/12/2023

"The market is rising cautiously"

- World stocks: US stocks maintained their upward momentum ahead of GDP data
- Vietnam stocks: The market is rising cautiously
- Business news: #DXG, #FRT, #BSR, #HPG, #YEG, #IMP
- Technical perspective and updated recommendations
- Event calendar
- Q&A

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Global Market Review 18/12 – 22/12/2023

Shinhan Securities

Major stocks market

- In regular trading on Thursday, the Dow rose 0.87%, the S&P 500 gained 1.03% and the Nasdaq Composite jumped 1.26%, with all three benchmarks recouping most of the losses from Wednesday. Those moves came as investors continued to bet that the Federal Reserve will start cutting interest rates next year. Markets also reacted to data showing the US economy grew weaker-than-expected in the third quarter.
- European equities sustained early losses to close slightly lower on Thursday, extending the slight drop from the week as key market players took profits from the late-year rally and continued to assess the trajectory for the ECB's interest rates next year. The CAC 40 index closed 0.16% lower at 7,571. The FTSE 100 ended slightly lower on Thursday, breaking a three-day winning streak after a 1% increase the previous day that brought the index to a three-month high. The Eurozone's Stoxx 50 dropped 0.2% in the session to close at 4,525, 0.5% below the 23-year high touched on Friday while the pan-European Stoxx 600 eased by 0.2%.
- The Nikkei 225 Index rose 0.1% to above 33,160 while the broader Topix Index gained 0.7% to 2,342 on Friday, recouping some losses from the previous session as investors digested data showing inflation in Japan continued to ease in November. The core consumer price index in Japan, which excludes fresh food but includes fuel costs, rose 2.5% in November 2023, slowing from a 2.9% gain in October and posting the lowest reading since July 2022. November's figure also matched market expectations.
- WTI crude oil futures fell below $74 per barrel on Thursday, ending a three-day climb due to divisions within OPEC. After 16 years, Angola's departure from OPEC heightened concerns about the organization's ability to stabilize global prices amidst disputes over oil production quotas.

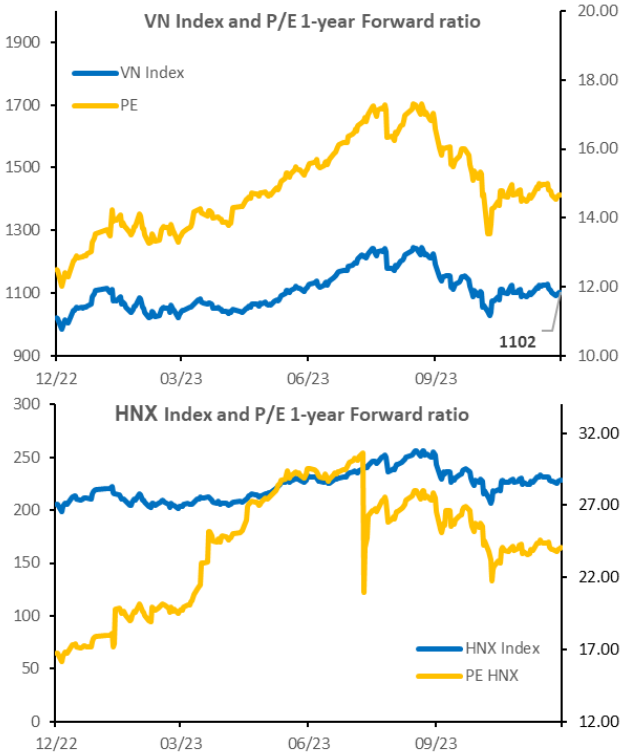
Market

	Close	%1D	%1M	%1Y
VN-Index	1,102	0.15%	-1.02%	7.81%
S&P 500 Index	4,747	1.03%	4.60%	22.39%
Dow Jones Index	37,404	0.87%	6.60%	12.07%
GP 100	7,695	-0.27%	3.02%	3.02%
Nikkei 225	33,243	0.31%	-0.62%	25.41%
SHCOMP Index	2,919	0.57%	-4.10%	-4.44%
STOXX 600	477	-0.21%	4.31%	11.63%
KOSPI Index	2,604	0.17%	3.69%	10.51%
Hang Seng	16,621	0.04%	-6.28%	-15.54%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.79	-0.05%	-2.05%	-2.53%
USD/VND	24,336.00	-0.02%	-0.39%	-2.74%
EUR/USD	1.10	-0.08%	1.05%	3.83%
USD/CNY	7.14	0.01%	0.04%	-2.19%
Brent	79.50	0.14%	-3.00%	-1.83%
WTI	74.03	0.19%	-3.98%	-4.47%
Natural gas	2.57	0.00%	-11.22%	-48.55%
Coal	145.25	0.69%	18.77%	-63.81%
Gold	2,048.40	0.12%	2.93%	14.27%

Vietnam Market Snapshot 21/12/2023



Money flow and sector rotation (VND bn)

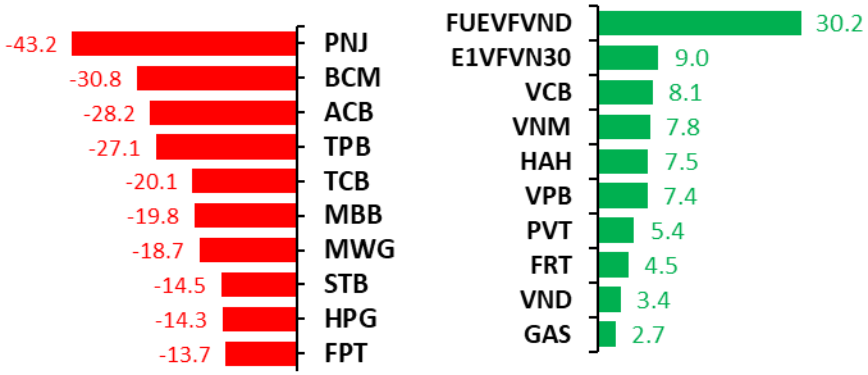
Sector	%1D	12/21/2023	12/20/2023	20-session Average
Media	334.51	25	6	14
Personal & Household Goods	150.62	344	137	123
Automobiles & Parts	53.97	261	170	173
Insurance	36.59	16	11	19
Chemicals	28.40	287	224	430
Technology	26.74	175	138	216
Food and Beverage	22.76	1,267	1,032	1,162
Basic Resources	19.92	947	790	1,299
Real Estate	9.00	1,654	1,517	3,079
Utilities	7.04	112	105	133
Banks	2.75	1,487	1,447	1,986
Construction & Materials	-2.2	465	476	817
Oil & Gas	-4.8	73	76	150
Industrial Goods & Services	-6.6	613	656	838
Health Care	-11.4	21	24	19
Financial Services	-30.0	1,297	1,853	2,544
Retail	-32.3	438	647	471
Travel & Leisure	-38.9	87	142	102

Source: Bloomberg, Shinhan Securities Vietnam

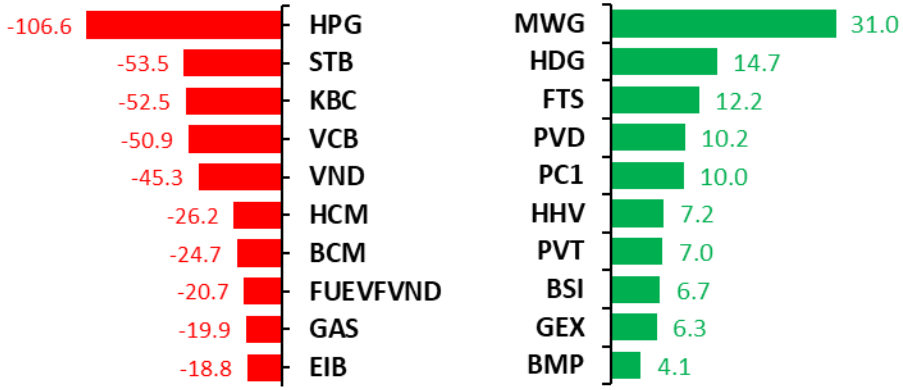
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,102.43	14.67	1.67	0.15	407	9,583
HNX INDEX	228.48	24.08	0.31	0.14	53	823

Vietnam Market Snapshot 21/12/2023

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	(60)	(101)	79	22
Basic Resources	(14)	(109)	18	91
Media	-	(1)	1	-
Industrial Goods & Services	0	3	(9)	5
Health care	1	(10)	9	1
Chemicals	1	(12)	8	4
Financial Services	37	(109)	88	21
Travel & Leisure	(9)	4	64	(68)
Banks	(119)	(175)	108	67
Construction & Materials	(0)	18	(17)	(1)
Food and Beverage	(11)	(34)	40	(6)
Retail	(14)	16	(122)	106
Utilities	2	(27)	46	(19)
Personal & Household Goods	(43)	(4)	36	(32)
Technology	(14)	2	(15)	13
Automobiles & Parts	(2)	1	(7)	6
Insurance	1	(2)	1	1
Oil & Gas	(1)	5	(7)	2

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- The development of a transparent and valuable Vietnamese consumer market. Despite facing many challenges, the Vietnamese retail market is considered to be a market with great appeal and potential for development. In the long term, the development potential of the retail industry is expected to be increasingly large, according to the General Director and Secretary General of the Vietnam Economic Times newspaper. In 2023, the Vietnam Consumer Confidence Program celebrated its 17th anniversary, contributing to the development of a transparent and valuable Vietnamese consumer market. In the context of difficult economic conditions, people tighten their spending, causing many retailers to lose business efficiency and lose momentum. Many products are heavily discounted, but consumers remain "calm" in the face of the wave of promotions.

- Financial inspection recommends handling over VND107,000 billion, up sharply from the same period. In 2023, the Financial Supervisory Board of Vietnam and its specialized inspection units recommended handling VND107,014 billion, up sharply from the same period. The inspection work focused on many pressing issues related to the issuance and provision of services for individual corporate bonds or insurance complaints. As a result, in 2023, the Financial Supervisory Board of Vietnam and its specialized inspection units conducted 78,213 inspections; conducted 748,399 tax return inspections at the agency's headquarters and 1,124 post-clearance inspection dossiers. Increased exports, businesses under pressure with "green" standards

- ESG (a set of standards for measuring factors related to sustainable development and the impact of businesses on the community) is gradually becoming one of the standard benchmarks for assessing the sustainability of businesses. The three ESG aspects of "environment-social-governance" are the focus of sustainable investment. However, this ESG standard is still relatively new to the Vietnamese business community.

Business news

DXG: DXG Corporation (DXG) will issue 9 million employee stock ownership plan (ESOP) shares, equivalent to 1.48% of the outstanding shares, at a price of zero dong. DXG said the issuance of ESOP shares is intended to encourage, motivate, and foster a sense of belonging between employees and the company. The capital for the issuance of shares is derived from undistributed after-tax profits, based on the audited consolidated financial statements for 2022. The shares will be restricted from transfer for 1-4 years from the date of completion of the issuance, with a release schedule of 25% each year.

FRT: Long Chau will remain the main growth driver for FPT Retail, while FPT Shop also shows signs of recovery. According to a recent updated report by Viet Dragon Securities (VDSC), FPT Retail's revenue in Q3 2023 could reach a record 8,761 billion dong, up 4% from the same period last year. After-tax profit reached 18 billion dong, down 81% from the same period but would end the previous two quarters of losses. However, for the whole year of 2023, the company's revenue is forecast to grow 6% to 31,192 billion dong and still lose about 227 billion dong, corresponding to earnings per share (EPS) of negative 1,917 dong. According to VDSC, the brokerage expects FPT Shop's revenue to recover in Q4 2023 – a time when the annual "golden" shopping season coincides with excess supply of the iPhone 15. However, as demand for ICT products is expected to remain low, this recovery will be limited. The slight improvement in the ICT segment's profit margin for retailers such as The Gioi Di Dong, Dien May Xanh or FPT Shop in Q3 2023 is the first sign of an end to the "price war"

BSR: General Department of Taxation meets with BSR to discuss tax management. On December 8, a delegation from the General Department of Taxation (GDT) of the Ministry of Finance visited and met with Binh Son Refinery and Petrochemical Corporation (BSR) to discuss tax management for businesses operating in the oil and gas sector.

Breaking News



Business news

HPG: Hoa Phat Group (stock ticker: HPG) announced to dealers on December 19 that it would raise prices due to rising steel scrap and raw material costs. Specifically, the price of steel bars increased by 100,000 VND/ton, and the price of construction steel coils increased by 150,000 VND/ton from the date of the announcement. The scope of application is the northern market. This is the third time Hòa Phát, the largest market share holder in Vietnam, has raised prices. On December 11, Hoa Phat adjusted product prices compared to the current level, with steel bars of all types (from D12 and above) up 150,000 VND/ton, and steel bars D10 up 250,000 VND/ton in the northern market. .

YEG: The surplus capital of over 1,100 billion VND from the record-breaking private placement in 2018 was only used up by Yeah1 Corporation (HoSE: YEG) in the end of 2023 in a stock bonus for existing shareholders. The fourth quarter financial statements of Yeah1 Corporation in 2023 will be significantly different from previous reports: the surplus capital item will be close to zero, down sharply from over 550 billion VND only three months earlier. In return, the company's charter capital will increase by the same amount, from 763 billion VND to 1,313 billion VND. Yeah1 has just announced the completion of a stock bonus for shareholders with a ratio of 72.2%, meaning that each shareholder with 100 YEG shares will receive 72.2 new shares. This number of shares will be automatically added to the account of each shareholder. The total number of shares added is over 55 million units, corresponding to a value of over 550 billion VND at face value.

IMP: On December 15, 2023, Imexpharm Pharmaceutical Joint Stock Company was honored as "Top 20 Best Annual Report in the Non-Financial Sector and Top 10 Best Corporate Governance in the Medium-Cap Group" from the selection of Listed Enterprises organized by the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange, Dragon Capital Company and Dau Tu Newspaper.

Technical view



Trend: Sideway

- VNINDEX closed at 1,102.4 (+1.67 points, +0.15%) on low liquidity. The market had 214 stocks up and 246 stocks down. The stocks that contributed the most to the market's rise were BID, PNH, and VHM, while the stocks that contributed to the decline were GAS, VCB, and STB. Most sectors rebounded, with the retail sector leading the way and the oil and gas sector leading the decline. Foreign investors continued to net sell.
- Technical analysis: The market continued its slight recovery from the previous session, but liquidity was very low. The 1,080 level once again continued to act as an important support level. Currently, the market is still trading within the 1,080-1,130 range since early November. In which the 1,080 level acts as support and the 1,130 level is resistance. Price momentum indicators have given a buy signal, specifically the STOCH RSI indicator has crossed up above the signal line. The main trend of the market is still sideways.
- Strategy: Investors can trade within the range, buying low at the 1,080 level and selling at the 1,130 resistance level.

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

22/12/2023

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	13	0.83%	05/12/2023	
MWG	Hold	39.9	43.8	36.0	10%	-10%	42.7	13	6.89%	05/12/2023	
POW	Hold	11.5	12.4	11.0	8%	-5%	11.3	13	-1.74%	05/12/2023	
HCM	Hold	30.9	34.0	29.9	10%	-3%	32.7	3	5.83%	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

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Q&A

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