MORNING CALL
25/12/2023

“The market is moving sideways with low liquidity "

- World stocks: Slight correction before the holiday
- Vietnam stocks: The market is moving sideways with low liquidity
- Business news: #CSV, #HPG, #GVR, #FPT, #STB, #VCB
- Highlight: Event causing tension in the Red Sea
- Technical perspective and updated recommendations
- Event calendar
- Q&A

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Catching the latest report



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Global Market Review 25/12 - 29/12/2023

Major stocks market

- The S&P 500 and the Nasdaq both added roughly 0.2%, while the Dow Jones closed slightly in the red. November's PCE inflation figures in the US came in cooler than expected, raising expectations that the Federal Reserve might initiate interest rate cuts next year. The Fed's preferred core inflation gauge dropped to 3.2%, below the anticipated 3.3%.
- The University of Michigan's consumer sentiment for the US was revised higher to 69.7 in December of 2023 from a preliminary of 69.4, hitting the highest reading in five months, amid substantial improvements in how consumers view the trajectory of inflation.
- European equity markets remained stable on Friday and closed with minimal changes, due to the cautious trading atmosphere before the Christmas break. The EURO STOXX 50 index dropped approximately 0.5% for the week, but it continues to hover near its 2007-high at 4,520. Conversely, the STOXX 600 index rose by 0.3%, reaching two-year highs above 477. The CAC 40 index closed flat at 7,569 on Friday
- The Nikkei 225 Index rose 0.09% to close at 33,169 while the broader Topix Index gained 0.45% to 2,336 on Friday, recouping some losses from the previous session as investors digested data showing inflation in Japan continued to ease in November.
- WTI crude futures hovered below $74 per barrel on Friday, advancing for the second straight week, underpinned by disruptions to global trade amid increased Houthi attacks on ships in the Red Sea

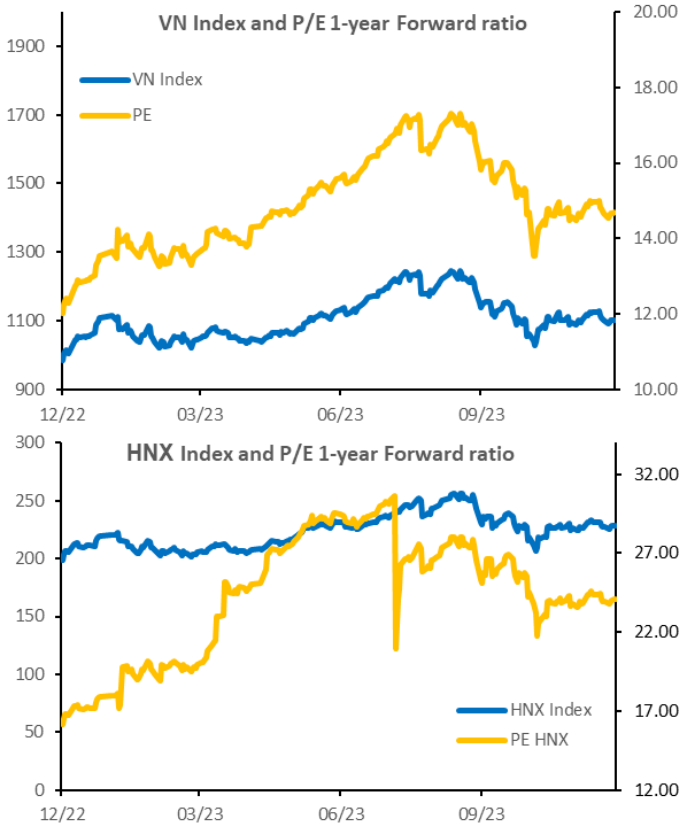
Market

	Close	%1D	%1M	%1Y
VN-Index	1,103	0.06%	0.68%	8.11%
S&P 500 Index	4,755	0.17%	4.28%	23.66%
Dow Jones Index	37,386	-0.05%	5.64%	12.60%
GP 100	7,698	0.04%	2.80%	3.00%
Nikkei 225	33,302	0.40%	-0.96%	26.93%
SHCOMP Index	2,915	-0.13%	-4.15%	-4.30%
STOXX 600	478	0.14%	3.83%	11.73%
KOSPI Index	2,600	-0.02%	4.12%	12.35%
Hang Seng	16,340	-1.69%	-6.94%	-16.60%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.70	-0.14%	-2.14%	-2.62%
USD/VND	24,250.00	0.33%	-0.04%	-2.40%
EUR/USD	1.10	-0.09%	0.46%	3.45%
USD/CNY	7.14	0.03%	0.41%	-2.11%
Brent	79.07	-0.40%	-3.53%	-2.36%
WTI	73.56	-0.45%	-4.59%	-5.07%
Natural gas	2.61	1.48%	-9.91%	-47.79%
Coal	145.50	0.17%	19.12%	-63.68%
Gold	2,053.08	0.35%	3.16%	14.54%

Vietnam Market Snapshot 22/12/2023



Money flow and sector rotation (VND bn)

Sector	%1D	12/22/2023	12/21/2023	20-session Average
Construction & Materials	56.23	726	465	795
Financial Services	54.86	2,009	1,297	2,500
Banks	31.43	1,955	1,487	1,996
Insurance	19.09	18	16	19
Industrial Goods & Services	14.03	698	613	819
Chemicals	12.67	324	287	431
Real Estate	9.03	1,803	1,654	2,979
Utilities	8.61	122	112	132
Oil & Gas	-1.5	72	73	147
Travel & Leisure	-2.3	85	87	101
Basic Resources	-12.6	828	947	1,283
Technology	-12.9	152	175	212
Health Care	-15.2	18	21	19
Retail	-17.3	362	438	479
Food and Beverage	-20.9	1,002	1,267	1,169
Automobiles & Parts	-23.4	200	261	175
Personal & Household Goods	-55.9	152	344	125
Media	-82.0	5	25	14

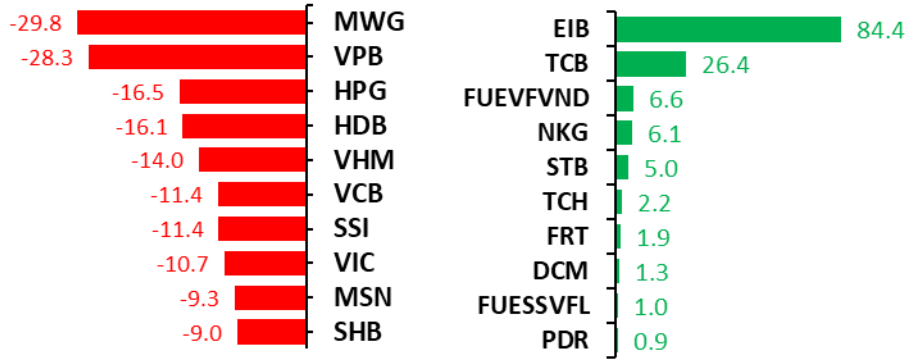
Source: Bloomberg, Shinhan Securities Vietnam

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,103.06	14.68	0.63	0.06	455	10,543
HNX INDEX	228.27	24.06	-0.21	-0.09	86	1,545

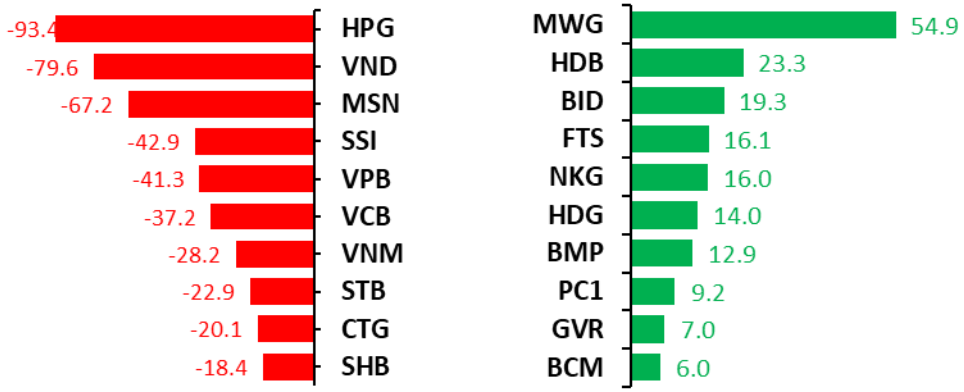
Vietnam Market Snapshot 22/12/2023

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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	(41)	(59)	94	(35)
Basic Resources	(11)	(81)	41	40
Media	-	0	(0)	(0)
Industrial Goods & Services	(9)	(0)	4	(4)
Health care	-	(7)	7	0
Chemicals	(2)	10	0	(10)
Financial Services	(22)	(139)	148	(9)
Travel & Leisure	(1)	(5)	159	(154)
Banks	19	(134)	286	(152)
Construction & Materials	(2)	6	(17)	11
Food and Beverage	(13)	(125)	119	5
Retail	(28)	48	(6)	(42)
Utilities	(2)	(24)	50	(26)
Personal & Household Goods	(5)	0	(0)	0
Technology	(9)	3	6	(9)
Automobiles & Parts	2	4	(9)	5
Insurance	0	(1)	2	(0)
Oil & Gas	(1)	(3)	2	1

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Many bright spots in public debt management in 2023 were recorded, public debt safety indicators were strictly controlled and still far from the ceiling, which makes room for applying fiscal policy. Besides, Vietnam is also among the few countries whose credit rating was upgraded last year... "By the end of 2023, outstanding public debt is about 36.6% of GDP, outstanding Government debt is about 33.8% of GDP, meaning The Government's direct debt repayment is about 18.8% of state budget revenue.

- The real estate market has positive signals but still has many shortcomings. According to the assessment of the Ministry of Construction, over the past year, real estate problems have been gradually resolved, and the market situation has changed in a more positive direction. However, in reality, the problems have not been completely resolved, the market still has many shortcomings, it is necessary to closely monitor the market and continue strong solutions in the coming time. Specifically, regarding housing supply, the Ministry of Construction said it continues to be limited in supply in all segments. By the end of the third quarter of 2023, the whole country had only completed 42 commercial housing projects with about 15,966 units (46.15% compared to 2022); Completed 17 resort and office combined accommodation projects (56.67% compared to 2022) and completed construction of 05 social housing projects with a scale of 850 apartments...

- The Prime Minister issued important instructions on managing credit growth to serve economic growth. In particular, the Prime Minister requested the State Bank to closely monitor the use of credit rooms by banks and strictly prohibit granting credit to backyard businesses. Prime Minister Pham Minh Chinh has just signed and issued Official Dispatch No. 1403/CD-TTg dated December 22, 2023 on strengthening management and improving the efficiency of credit growth management to serve economic growth.

Business news

CSV: Southern Basic Chemicals Joint Stock Company has passed a resolution of the Board of Directors on delaying the payment of 2023 cash dividends for the reason of effective use of capital. CSV said that the 2023 dividend advance will be implemented at the appropriate time. Previously, CSV announced to pay 2023 dividends at a rate of 10% in cash. The last registration date is December 29, 2023 and the expected payment time is January 9, 2024.

GVR: Vietnam Rubber Industry Group has just announced the publication of the Board of Directors Resolution on adjusting the production and business plan for 2023, in the direction of sharply reducing main targets compared to the original plan. Specifically, the revenue target decreased by VND 3,284 billion (-12%) compared to the initial sale plan, down to VND 24,243 billion. Similarly, pre-tax and after-tax profits were adjusted down, down VND 899 billion (-19%) and VND 901 billion (-21%) respectively compared to the previously proposed plan, to VND 3,956 billion and VND 3,363 billion. GVR's move comes when the 2023 fiscal year is only a few days away. GVR's Board of Directors emphasized that the adjustment of the 2023 plan is carried out on the principle of completing the parent company's production and business plan assigned by the 2023 Annual General Meeting of Shareholders with revenue of VND 3,792 billion and profit of VND 1,395 billion.

HPG: According to the latest updated report, Hoa Phat shares have risen to become the largest investment in the portfolio of Vietnam Enterprise Investments Limited (VEIL) - Dragon Capital (NAV 1.7 billion USD) as of today. 12/14 with a proportion of 9.14%. This is the first time HPG shares have returned to this position after 2 years

Breaking News



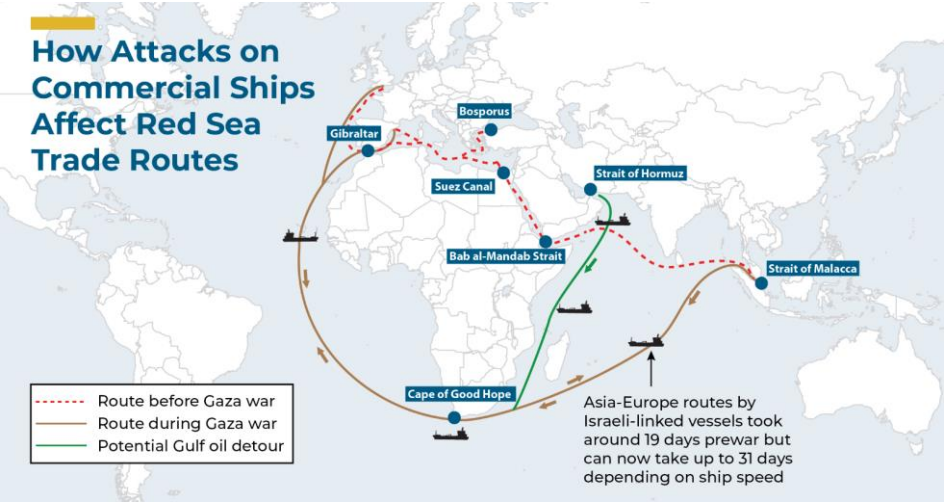
Business news

FPT: Doubled within 3 years, FPT's revenue of USD 1 billion in IT services from foreign markets comes mainly from three key markets: Japan, America and Asia Pacific. Up to now, these markets have grown over 30%. Of which, the Japanese market increased by 54%, driven by the large demand for IT spending in this market, especially spending on digital transformation. In particular, in recent years, FPT's IT services in foreign markets have strongly shifted to higher stages in the technology value chain, with 50% of total foreign revenue coming from services. digital transformation and increased nearly 6 times over the past 5 years. In particular, focusing on new technologies such as Cloud - accounting for 40% of digital transformation service revenue, other technologies such as AI and data analysis accounting for 12%; RPA & Lowcode account for 10%...

STB: Information from Saigon Thuong Tin Commercial Joint Stock Bank shows that, by the end of 2023, this bank's total assets are estimated to reach nearly VND 664,000 billion, of which profitable assets account for 90.3%. Total capital mobilization is estimated at more than VND 574 trillion; Loans are estimated at more than VND 487 trillion. Sacombank's consolidated pre-tax profit in 2023 is estimated to reach more than VND 9,500 billion, up 50% over the previous year and reaching 100% of the plan assigned by the General Meeting of Shareholders. Bad debt ratio is controlled at 2%..

HAG: Mr. Duc affirmed that there is no crew that can drive HAGL: "Whoever still holds HAG shares should thank me". At the recent investor conference, Mr. Doan Nguyen Duc (elected Duc) - Chairman of the Board of Directors Hoang Anh Gia Lai Group (HAGL, HAG) has shared its business estimates for 2023, planned plans for 2024, durian project as well as answered shareholders' concerns about the risk of being taken over. Mr. Duc admitted that he was a person with large debts, understood the feelings of debtors, and understood the feelings of people who lost liquidity.

Highlight: Event causing tension in the Red Sea



Source: washingtoninstitute

- In recent days, the situation in the Gaza Strip has become tense with increased attacks targeting cargo ships in the Red Sea, where about 15% of global maritime traffic is Shortest shipping route between Europe and Asia. In fact, as a result, about 55 ships had to accept a diversion via a longer route - passing the Cape of Good Hope within the past month, while in the same period of time there were about 2,128 ships. transfer.

- Many large shipping lines such as Hapag Lloyd, MSC and Maersk have also announced to temporarily suspend shipping goods through the Suez Canal, and choose the route through the Cape of Good Hope, incurring additional costs and causing delays. at least 10 days late compared to the original route. The total cost incurred for each ship is estimated to be up to 400,000 - 1,000,000 USD (according to BenHakoun). This factor will create a negative impact on freight rates for many types of ships such as container ships, tankers, and bulk carriers.

Technical view



Trend: Sideway

- VNINDEX closed at 1103.06 points (+0.63 points, +0.06%) with relatively low liquidity. The market went sideways with 197 green codes and 284 red codes. The group leading the market is BID, GVR and STB, whereas HPG MSN contributed the most to the market decline. Foreign investors and proprietary trading continued to be net sellers
- Technical perspective: The trading market is quite weak with poor liquidity, the main trend is still trading in the range of 1080-1130. The price momentum indicator improved when STOCH RSI crossed the signal line.
- Strategy: Investors can buy when VNINDEX increases from 1080 and sell at 1130.

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

25/12/2023

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	14	0.83%	05/12/2023	
MWG	Hold	39.9	43.8	36.0	10%	-10%	42.7	14	6.89%	05/12/2023	
POW	Hold	11.5	12.4	11.0	8%	-5%	11.3	14	-1.74%	05/12/2023	
HCM	Hold	30.9	34.0	29.9	10%	-3%	32.7	4	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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