MORNING CALL
27/12/2023

“The market rose with improved liquidity"

- World stocks: Global stocks rose after US inflation data
- Vietnam stocks: The market rose with improved liquidity
- Business news: : #PDR, #GAS, #HSG, #PET, #STB, #DGC
- Technical perspective and updated recommendations
- Event calendar
- Q&A

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

Major stocks market

- In regular trading on Tuesday, the S&P 500 rose 0.42% and the Nasdaq Composite gained 0.54%, scaling their highest levels since January 2022. The Dow also climbed 0.43%, within a hair's breadth of another all-time closing high. Those moves came as further signs of easing inflationary pressures in the US reinforced interest rate cut expectations from the Federal Reserve next year.
- The Nikkei 225 Index jumped 1.1% to above 33,600 while the broader Topix Index gained 0.6% to 2,352 on Wednesday, hitting their highest levels in a week and taking cues from a strong lead on Wall Street as cooling US inflation bolstered interest rate cut bets from the Federal Reserve next year.
- The Shanghai Composite fell 0.68% to close at 2,899 while the Shenzhen Component dropped 1.07% to 9,157 on Tuesday, erasing gains from the previous session as caution dominated sentiment amid a lack of market-moving cues.
- WTI crude futures rose toward $76 per barrel on Tuesday, extending a 2.5% gain in the previous week, though trading volume is expected to remain thin amid ongoing holidays in some markets. Investors continued to monitor geopolitical developments in the Middle East as recent Houthi attacks on ships disrupted global trade.

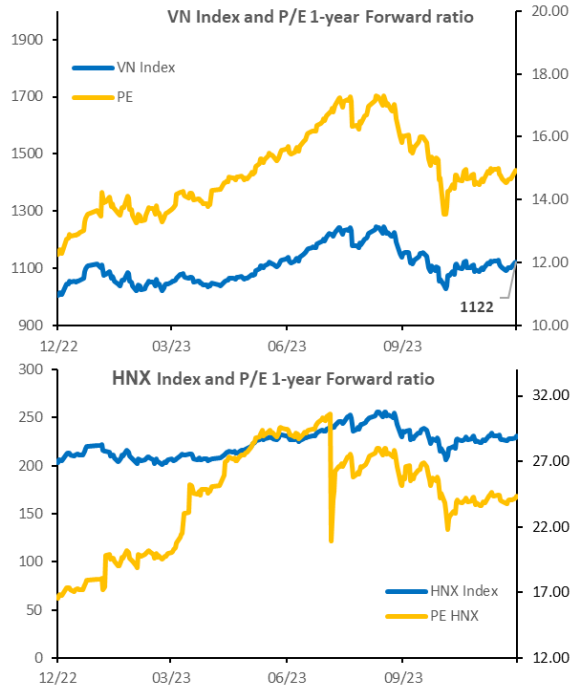
Market

	Close	%1D	%1M	%1Y
VN-Index	1,122	0.41%	3.14%	11.71%
S&P 500 Index	4,775	0.42%	4.72%	24.19%
Dow Jones Index	37,545	0.43%	6.09%	13.07%
GP 100	7,698	0.04%	2.80%	3.00%
Nikkei 225	33,685	1.14%	0.71%	27.36%
SHCOMP Index	2,899	-0.68%	-4.38%	-6.35%
STOXX 600	478	0.14%	3.83%	11.73%
KOSPI Index	2,594	-0.35%	3.92%	11.18%
Hang Seng	16,340	-1.69%	-6.94%	-16.60%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.55	0.08%	-1.60%	-2.52%
USD/VND	24,335.00	-0.11%	-0.37%	-3.00%
EUR/USD	1.10	-0.05%	0.76%	3.73%
USD/CNY	7.14	-0.09%	0.14%	-2.52%
Brent	81.07	2.53%	0.61%	-3.40%
WTI	75.24	-0.44%	0.51%	-5.39%
Natural gas	2.56	0.47%	-8.30%	-51.50%
Coal	145.50	0.00%	19.26%	-63.72%
Gold	2,065.58	-0.11%	2.55%	13.89%

Vietnam Market Snapshot 26/12/2023



Money flow and sector rotation (VND bn)

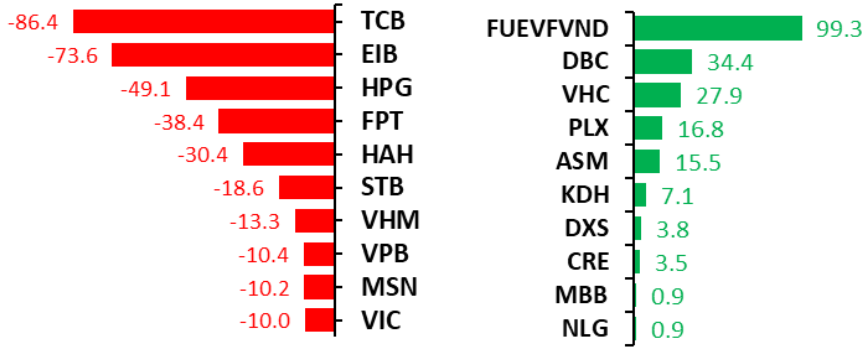
Sector	%1D	12/26/2023	12/25/2023	20-session Average
Media	141.20	18	7	13
Chemicals	91.89	573	299	443
Construction & Materials	68.51	1,146	680	822
Technology	67.81	355	212	226
Health Care	36.92	21	15	20
Travel & Leisure	31.96	130	99	103
Basic Resources	18.70	1,406	1,185	1,310
Personal & Household Goods	11.96	194	174	136
Financial Services	11.44	1,994	1,789	2,474
Insurance	4.93	15	15	18
Real Estate	1.99	2,467	2,418	2,963
Food and Beverage	-4.0	1,169	1,217	1,206
Banks	-5.8	1,592	1,689	1,996
Industrial Goods & Services	-7.6	1,013	1,096	854
Oil & Gas	-15.5	82	97	144
Utilities	-18.0	133	162	138
Retail	-26.6	402	548	494
Automobiles & Parts	-27.3	138	190	181

Source: Bloomberg, Shinhan Securities Vietnam

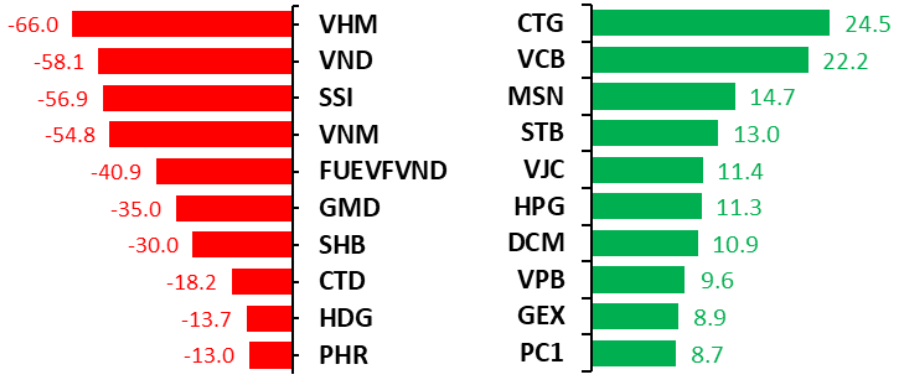
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,122.25	14.93	4.59	0.41	521	12,871
HNX INDEX	231.26	24.38	1.81	0.79	61	1,116

Vietnam Market Snapshot 26/12/2023

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	(17)	(79)	44	35
Basic Resources	(53)	10	(29)	19
Media	-	(0)	0	0
Industrial Goods & Services	(34)	(32)	94	(62)
Health care	0	(6)	6	0
Chemicals	(10)	4	30	(34)
Financial Services	84	(157)	64	93
Travel & Leisure	(4)	10	20	(31)
Banks	(218)	17	276	(293)
Construction & Materials	(0)	(7)	5	2
Food and Beverage	60	(50)	(15)	66
Retail	(6)	2	(81)	79
Utilities	(9)	(16)	50	(34)
Personal & Household Goods	0	(4)	10	(6)
Technology	(39)	5	128	(133)
Automobiles & Parts	(3)	1	9	(10)
Insurance	0	1	(1)	0
Oil & Gas	16	(13)	(3)	16

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Housing demand in Vietnam is expected to remain strong in 2024, according to a survey by Batdongsan.com.vn. The survey found that 65% of respondents plan to buy a home within the next year. Of those, the majority are looking for apartments priced between 2 and 4 billion dong. This suggests that demand for affordable housing remains high, which could benefit the development of this segment in the coming year. According to the Vietnam Real Estate Association (VARS), apartment prices in the primary market are expected to continue to rise by an average of 3-8% in 2024. This is due to the fact that supply is not expected to increase significantly in the short term. The lack of new supply could lead to a less competitive market, giving an advantage to developers who launch apartment projects during this period.

- The Ministry of Transport has just issued a document to the Vietnam Highways Administration and BOT project companies regarding the adjustment of tolls at BOT contracts under the Ministry's management. Based on the proposal of the Vietnam Highways Administration, the Ministry of Transport has approved the adjustment of tolls for 41 BOT projects.

- After a number of companies were prosecuted for violating bond issuance regulations in 2022, the bond market was virtually frozen in the fourth quarter of 2022 and the first quarter of 2023. However, it has begun to pick up again since June 2023. As of December 22, 2023, there have been 25 successful private bond issuances, with a total value of over 16.481 trillion dong. This is down 54.1% from the previous month, but still nearly three times higher than the same period last year. The cumulative value of private corporate bond issuances as of December 22, 2023, is estimated to be around 249.21 trillion dong, which is equal to the same period last year.

Business news

PDR: Phat Dat Real Estate Development Joint Stock Company (PDR) has just announced that it has repurchased all two bond tranches with a total issue value of VND800 billion. Specifically, PDR spent VND421.2 billion to repurchase the entire PDR12101 tranche (total issue value of VND500 billion). At the same time, the real estate company spent VND37.5 billion to repurchase all of the PDR12204 tranche (total issue value of VND300 billion) ahead of schedule. With this move, PDR has officially reduced the company's outstanding bond debt to zero.

GAS: In a recent meeting with investors, the management of Vietnam National Oil and Gas Group - Joint Stock Company (GAS) estimated that the company's net profit in 2023 will exceed the plan by 77%, reaching VND11,600 billion. However, it is expected to fall sharply by 51% in 2024 under the scenario of Brent prices remaining low. According to the preliminary business plan, dry gas consumption in 2024 is set at a cautious level of 6.3 billion cubic meters, down more than 13% from the same period last year. Net profit is expected to reach VND5,700 billion (down 51%) under the scenario of an average Brent price of USD70/barrel, or VND6,800 billion (down 41%) under the scenario of an average Brent price of USD80/barrel.

HSG: From November 27 to December 22, 2023, Mr. Tran Ngoc Chu, Vice Chairman of the Board of Directors of Hoa Sen Group, registered to sell 1.5 million HSG shares to reduce his ownership from 1,781,147 shares (0.29% of the charter capital) to 281,147 shares (0.046% of the charter capital). However, at the end of the registration period, Mr. Chu did not sell any shares and still owns 0.29% of the charter capital. Mr. Tran Ngoc Chu has continued to register to sell 1.5 million HSG shares to reduce his ownership from 1,781,147 shares (0.29% of the charter capital) to 281,147 shares (0.046% of the charter capital), the transaction is expected to be carried out from December 28, 2023 to January 26, 2024.

Breaking News



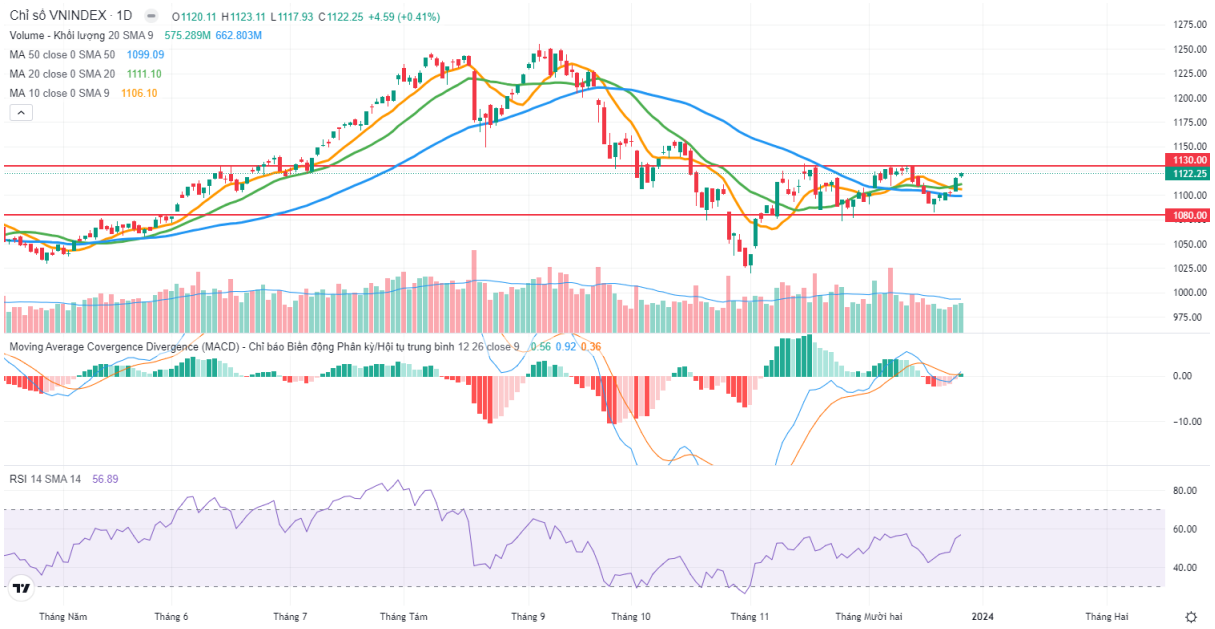
Business news

PET: Petrosetco is estimated to have earned approximately VND180 billion in profit (profit before tax or after tax is not disclosed). At the 2023 Annual General Meeting of Shareholders, Petrosetco's management board set a relatively optimistic business plan, with revenue of VND18,000 billion (up 2%), profit before tax of VND300 billion, and profit after tax of VND240 billion (up 43% from the actual performance in 2022). Therefore, with a profit of VND180 billion at the end of the fiscal year, Petrosetco did not meet the annual plan, regardless of whether the VND180 billion profit is before or after tax.

STB: Sacombank's consolidated pre-tax profit for 2023 is estimated to be over VND9,500 billion, up 50% from the previous year and reaching 100% of the target set by the Annual General Meeting of Shareholders. The bad debt ratio was controlled at 2%. The bank said that the work of debt collection and disposal was carried out decisively, with an estimated VND7,000 billion of bad debt and outstanding assets being successfully resolved, raising the accumulated recovery amount to nearly VND95,000 billion. The operating safety ratios and financial indicators were balanced between safety and efficiency: the CAR ratio is estimated to be 9.45%, the LDR ratio is estimated to be 83%, the NIM ratio is estimated to be 3.88%, and the ROA and ROE indicators are estimated to be 1.21% and 18.03%, respectively, up 0.3 and 4.2%. Thanks to its strong financial strength, Sacombank has set aside 100% of provisions for the entire remaining outstanding asset debt portfolio, thereby approaching the completion of financial obligations under the restructuring plan.

DGC: Duc Giang Chemical Group recently announced that the Duc Giang- Nghi Sơn Chemical Complex will be launched at the latest in the second quarter of 2024; thus, it is expected to make a significant contribution to its business activities. The Duc Giang - Nghi Son Chemical Complex will be completed in the second quarter of 2025, contributing approximately VND670 billion to Duc Giang Chemical's revenue in 2025 with a gross profit margin of 12%. In the following years, revenue will gradually increase and reach approximately VND1,500 billion/year when the complex reaches full capacity.

Technical view



Trend: Sideway

- VNINDEX closed 1,122.25 (+4.59 points, +0.41%) with a slight improvement in liquidity. The market has 265 green codes and 216 red codes. The group of stocks that contributed the most to the market's increase were VCB, VHM, and HPG. On the contrary, the stock groups contributing to the market's decline were BID, CTG, and TCB. Most sectors had a slight increase. Foreign investors continued to maintain net selling with a net selling value of about 314 billion VND.
- **Technical**: The market recovered and increased from the 1,080 area. Currently, the VNINDEX index has crossed most of the MA10, MA20, and MA50 lines, showing a short-term uptrend. In the medium term, the market is maintaining a sideways trend, the market needs to surpass the 1,130 zone to confirm a change to an uptrend. Technical indicators such as MACD and RSI show that the short-term uptrend is being maintained.
- **Strategy**: Investors need to patiently wait for the market to surpass the 1,130 zone for the market to confirm the trend and increase investment proportion.

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

28/12/2023

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%	18.5	17	2.50%	05/12/2023	
MWG	Hold	39.9	43.8	36.0	10%	-10%	42.7	17	7.02%	05/12/2023	
HCM	Hold	30.9	34.0	29.9	10%	-3%	32.8	7	5.99%	19/12/2023	
TV2	Hold	38.2	43.2	36.6	13%	-4%	38.3	2	0.26%	26/12/2023	
KBC	Hold	31.7	35.1	30.1	11%	-5%	31.7	2	0.00%	26/12/2023	

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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