MORNING CALL
28/12/2023

"The market's uptrend is facing many difficulties"

- World stocks: Mixed movements
- Vietnam stocks: The market's uptrend is facing many difficulties
- Business news: : #FRT, #HBC, #NO1, #LDG, #QNS, #HSG
- 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 25/12 – 29/12/2023

Major stocks market

- In regular trading on Wednesday, the Dow rose 0.3% and the Nasdaq Composite edged up 0.16%. The S&P 500 also gained 0.14%, inching closer to record levels. Expectations that the Federal Reserve will cut interest rates next year continued to drive equities higher
- European stock markets trimmed earlier gains but managed to close above the flatline on Wednesday, the first trading day of the week, amid continued support that the macroeconomic backdrop is suitable for key central banks to start curing interest rates next year. Both the Stoxx 50 and 600 indices edged above the flatline to 4,527 and 428, respectively, and remained above their respective multi-year highs from earlier in December.
- The Nikkei 225 Index fell 0.7% to below 33,500 while the broader Topix Index lost 0.4% to 2,356 on Thursday, giving back some gains from the previous session as investors took some profits off the table after what has been a strong year for stocks. The Nikkei has rallied about 28% so far in 2023, while the Topix is up around 25%. Industrial production in Japan declined by 0.9% month-over-month in November 2023, shifting from a final 1.3% growth in the prior month but coming less than market estimates of a 1.6% fall, preliminary data showed. Retail sales in Japan rose 5.3% year-on-year in November 2023, accelerating for the first time in three months following a downwardly revised 4.1% gain in October and exceeding market forecasts for a 5% growth.
- WTI crude futures fell toward $74 per barrel on Wednesday, giving back some gains from the previous session as major shipping firms began returning to the Red Sea despite continued attacks and geopolitical uncertainties in the Middle East.

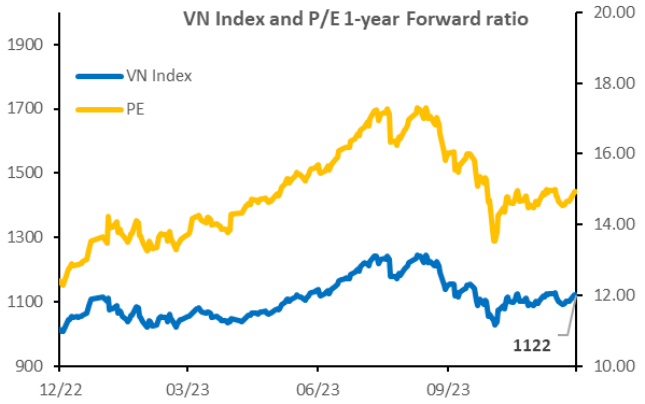
Market

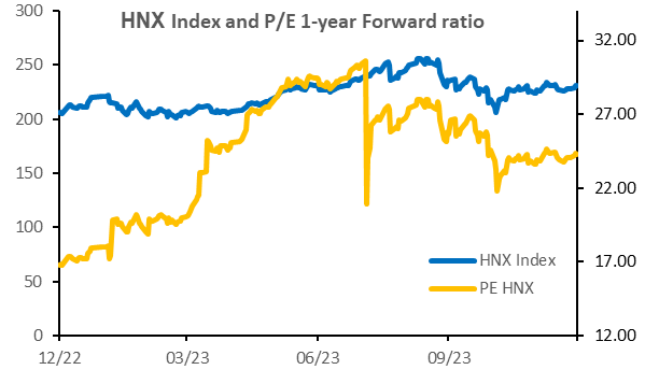
	Close	%1D	%1M	%1Y
VN-Index	1,122	-0.02%	2.42%	10.47%
S&P 500 Index	4,782	0.14%	5.08%	24.87%
Dow Jones Index	37,657	0.30%	6.57%	13.28%
GP 100	7,725	0.36%	3.62%	3.04%
Nikkei 225	33,518	-0.48%	0.33%	27.25%
SHCOMP Index	2,915	0.54%	-4.08%	-5.60%
STOXX 600	479	0.21%	4.72%	11.97%
KOSPI Index	2,623	0.38%	4.03%	15.04%
Hang Seng	16,625	1.74%	-4.20%	-16.45%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	100.82	-0.17%	-1.88%	-3.49%
USD/VND	24,353.00	-0.18%	-0.45%	-3.07%
EUR/USD	1.11	0.10%	1.12%	4.75%
USD/CNY	7.14	0.00%	0.14%	-2.56%
Brent	79.86	0.26%	-2.23%	-4.08%
WTI	74.31	0.27%	-2.75%	-5.89%
Natural gas	2.46	1.07%	-8.98%	-47.70%
Coal	146.00	0.34%	14.51%	-63.55%
Gold	2,082.03	0.22%	2.01%	15.39%

Vietnam Market Snapshot 27/12/2023





Money flow and sector rotation (VND bn)

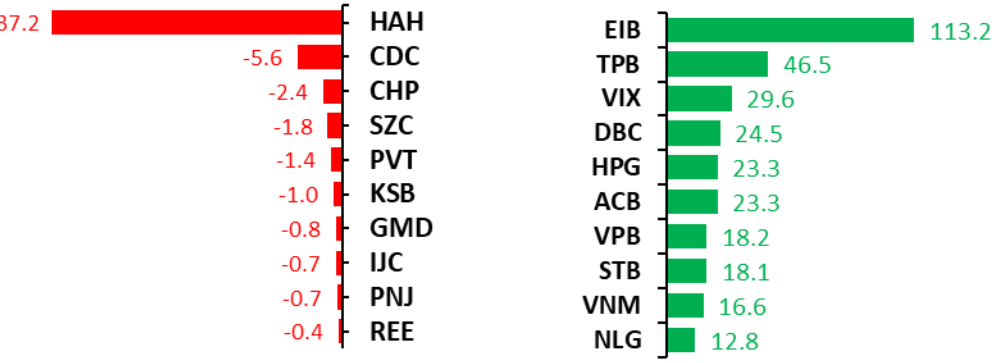
Sector	%1D	12/27/2023	12/26/2023	20-session Average
Automobiles & Parts	52.64	211	138	188
Travel & Leisure	45.76	190	130	108
Utilities	34.10	179	133	141
Financial Services	18.65	2,366	1,994	2,497
Media	17.95	21	18	13
Food and Beverage	5.37	1,251	1,187	1,242
Retail	0.94	406	402	491
Banks	-3.3	1,540	1,592	2,000
Industrial Goods & Services	-3.4	979	1,013	864
Insurance	-5.9	14	15	18
Health Care	-6.8	19	21	20
Real Estate	-7.4	2,284	2,467	2,950
Oil & Gas	-11.1	73	82	127
Personal & Household Goods	-14.3	166	194	139
Basic Resources	-18.4	1,148	1,406	1,302
Chemicals	-28.3	411	573	443
Construction & Materials	-38.6	715	1,164	847
Technology	-53.2	166	355	227

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,121.99	14.93	-0.26	-0.02	524	12,128
HNX INDEX	230.60	24.31	-0.66	-0.29	67	1,167

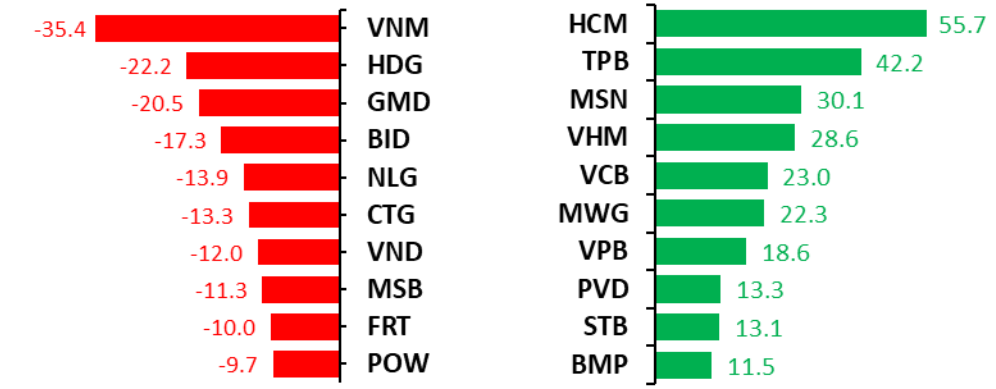
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 27/12/2023

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	44	1	(4,007)	4,006
Basic Resources	22	13	(71)	58
Media	-	2	(2)	0
Industrial Goods & Services	(40)	(24)	88	(64)
Health care	-	1	(1)	(1)
Chemicals	2	19	2	(21)
Financial Services	35	42	(36)	(6)
Travel & Leisure	4	(6)	(4)	10
Banks	259	47	(315)	268
Construction & Materials	(5)	13	(16)	3
Food and Beverage	48	(3)	(65)	67
Retail	1	2	(63)	61
Utilities	1	(16)	(64)	80
Personal & Household Goods	(1)	(3)	(28)	31
Technology	4	4	(13)	9
Automobiles & Parts	-	11	(18)	7
Insurance	1	2	(5)	2
Oil & Gas	1	8	(11)	2

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- The impact of a 10% increase in the minimum container handling price at Vietnamese ports on shipping companies. On December 25, the Ministry of Transport signed Circular 39/2023/TT-BGTVT regulating the price framework for container handling and other services at Vietnamese ports. This circular has been long awaited by all businesses and investors in the industry, with the key point being that the minimum price for handling services has been increased by 10% in all port segments (including river ports and deep-water ports) compared to the previous framework (specified in Circular 54/2018/TT-BGTVT), effective from February 15, 2024.

- Five solar power projects of Xuân Thiện Group found to have committed violations. On December 25, 2023, the Government Inspectorate issued a Conclusion Report on the inspection of compliance with policies and laws in the management, implementation of planning, and investment in the construction of power projects under the VII Power Plan and the VII Power Plan Adjustment. Notably, in this conclusion, the Government Inspectorate pointed out many violations related to the series of solar power projects of Xuân Thiện Joint Stock Company (Xuân Thiện Group).

- Vietnam's trade surplus with the EU-US market reaches 125 billion USD. In 2023, the trade in goods between Vietnam and the European and American markets decreased by 9.5% compared to 2022. However, Vietnam still exported surplus to this region by about 125 billion USD. According to statistics from the European-American Market Department of the Ministry of Industry and Trade, the total turnover of import and export of goods between Vietnam and the European and American market in 2023 is expected to reach about 208 billion USD, down about 9.5% compared to 2022.

Business news

LDG: LDG Investments suddenly cancels the plan to issue ESOP at 0 dong. The reason is that the LDG stock price is low and is affected by a number of objective factors, so the issuance of ESOP 2023 is not appropriate for the current situation. In the latest announcement, LDG Investment Joint Stock Company (stock code: LDG) has approved the cancellation of the plan to issue more than 12.8 million shares under the employee stock option program (ESOP).

QNS: On January 11, 2024, Quang Ngai Sugar Joint Stock Company (stock code: QNS) will close the list of shareholders to receive interim dividends for the 2nd/2023 period in cash at a rate of 10%, corresponding to each shareholder owning 1 share will receive 1,000 dong. With nearly 357 million shares in circulation, it is estimated that QNS needs to pay nearly 3,600 billion dong to shareholders, the expected payment date is January 24, 2024. Previously, QNS had paid interim dividends for the 1st/2023 period for shareholders at a rate of 10% in cash. Thus, completing the second interim payment, the total dividend ratio for 2023, the company has paid to shareholders is 20% in cash, exceeding the minimum of 15% as planned at the beginning of the year.

HSG: HSG shares are allowed to trade margin again from December 26, 2023. On December 26, 2023, the Ho Chi Minh City Stock Exchange (HOSE) issued Document No. 2049/TB-SGDHCM announcing that the HSG stock code of Hoa Sen Group Joint Stock Company has been removed from the list of securities not qualified for margin trading. Thus, investors will be able to use margin provided by securities companies to buy HSG shares again. According to the audited consolidated financial statements for the period 2022 - 2023 recently announced, HSG's consolidated revenue reached 31,650 billion dong, HSG's consolidated net profit reached 30 billion dong, increased 1.7 billion dong equivalent to 5.96% compared to the consolidated financial statements independently prepared (28.3 billion dong).

Breaking News



Business news

FRT: MBS reports that Long Chau has achieved a quarterly growth rate of 23.4%, far outpacing its peers and is the most efficient operating model among retail pharmacy chains. MBS Securities has just released a 2024 investment strategy report, which updates the business performance of the pharmaceutical retail industry. Notably, MBS said that Long Chau was the only profitable company with a remarkable growth rate in 2023. According to MBS, the size of the Vietnamese pharmaceutical market was estimated at 6-7 billion USD in 2022, with more than 70% of revenue coming from the ETC channel. Excluding ETC channel revenue, there are currently about 60,000 pharmacies competing in the pharmaceutical retail market with a scale of nearly 2 billion USD. Of these, only more than 2,400 stores sell under a modern chain model (about 4% of the total number of pharmacies).

HBC: Hoa Binh Construction to be the general contractor for a nearly 4,000 billion VND social housing project by Thai - Holding. The social housing complex includes 10 blocks of 15-storey apartment buildings with about 4,456 apartments. The commercial housing complex is 7 storeys high with 163 apartments. The Vice Chairman of Hai Phong City assessed that this is the first social housing project implemented according to the resolution of the People's Council of the city, "of great significance".

NO1: The stock price of Tap doan 911, which is listed on the HOSE stock exchange with the ticker symbol NO1, has increased by 36% in the past two months of trading. The stock price has risen from VND 8,200 to VND 11,350 per share.

Technical view



Trend: Sideway

- VNINDEX closes at 1,121.9 (-0.26 points, -0.02%) with low liquidity. The market had 219 green and 250 red stocks. The groups of stocks that contributed the most to the market's rise were MSN, TPB, and BCM. On the other hand, the groups of stocks that contributed to the market's decline were LGC, VNM, and SAB. The groups of industries that rose and fell had strong divergence. Foreign investors turned to net buying for the first time in over a month after selling net for over a month.
- Technical analysis: The market shows signs of stalling as it approaches 1,130. The trend has not changed much in over a month, as VNINDEX has been trading in the range of 1,080-1,130. The STOCH RSI indicator has entered the overbought zone, indicating that the market still needs a few sessions of adjustment and accumulation to break through 1,130.
- Investment strategy: Investors need to be patient and wait for the market to break through the 1,130 zone to confirm the trend and increase their investment allocation.
- **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

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.