MORNING CALL
29/12/2023

“The VIN Group's stocks surged, driving the market up"

- World stocks: Mixed movements
- Vietnam stocks: The VIN Group's stocks surged, driving the market up
- Business news: :#PHS, #DCM, #TTB, #DHT, #HVN, #GVR
- Technical perspective and updated recommendations #VHC
- 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

- In regular trading on Thursday, the Dow and S&P 500 rose 0.14% and 0.04%, respectively, with the latter coming within a hair's breadth from a new record high. On the data front, weekly jobless claims experienced a slight uptick as Americans filed 218,000 claims, surpassing the previous week's 205,000 and exceeding projections of 210,000.
- The Nikkei 225 Index fell 0.42% to close at 33,540 while the broader Topix Index lost 0.14% to 2,362 on Thursday, giving back some gains from the previous session as profit-taking and a rallying yen pressured the market
- European equity markets edged lower on Thursday to ease from the multi-year highs that were tested through the last two weeks, as markets continued to assess the macroeconomic backdrop and the potential benefit from forecasts of incoming rate cuts. The Euro Area's Stoxx 50 and the pan-European Stoxx 600 eased 0.1% and 0.3%, respectively The average rate on a 30-year fixed mortgage was at 6.61% as of December 28th, the lowest since May, dropping for the ninth consecutive week.
- WTI crude futures fell to below $72 on Thursday, extending the sharp decline from the previous session. The latest government data showed inventory levels at Cushing have expanded and are at the highest level since August, indicating a growing supply that surpasses demand as the year-end nears.

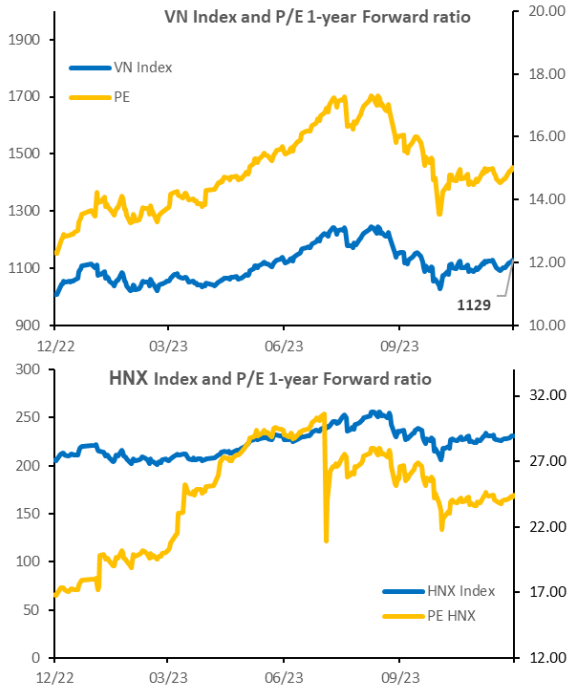
Market

	Close	%1D	%1M	%1Y
VN-Index	1,129	0.62%	2.37%	11.85%
S&P 500 Index	4,783	0.04%	5.02%	26.44%
Dow Jones Index	37,710	0.14%	6.47%	14.71%
GP 100	7,723	-0.03%	4.03%	2.80%
Nikkei 225	33,486	-0.16%	0.49%	28.33%
SHCOMP Index	2,955	1.38%	-2.22%	-3.87%
STOXX 600	478	-0.11%	4.13%	11.09%
KOSPI Index	2,655	1.60%	5.38%	18.73%
Hang Seng	17,044	2.52%	0.29%	-13.66%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.17	-0.06%	-1.56%	-2.57%
USD/VND	24,270.00	-0.08%	0.00%	-2.65%
EUR/USD	1.11	0.16%	1.00%	3.92%
USD/CNY	7.11	0.45%	0.36%	-1.81%
Brent	77.37	0.29%	-6.90%	-5.94%
WTI	71.93	0.22%	-7.62%	-8.25%
Natural gas	2.54	-0.63%	-9.38%	-44.26%
Coal	145.45	-0.38%	14.12%	-63.83%
Gold	2,067.68	0.10%	1.15%	13.93%

Vietnam Market Snapshot 28/12/2023



Money flow and sector rotation (VND bn)

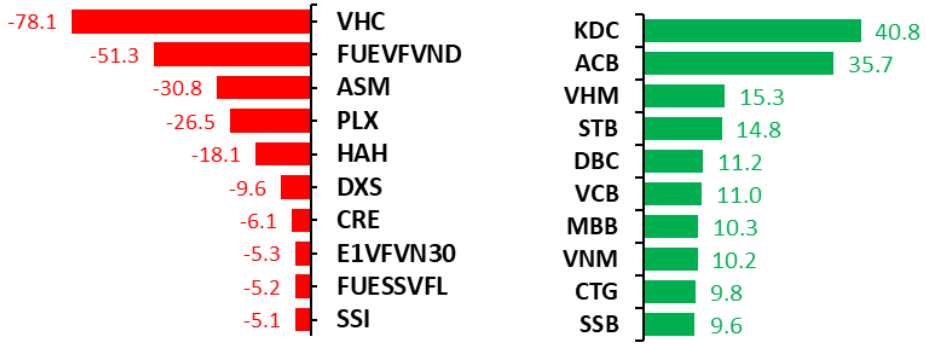
Sector	%1D	12/28/2023	12/27/2023	20-session Average
Oil & Gas	57.95	115	73	123
Real Estate	27.72	2,917	2,284	2,935
Basic Resources	26.02	1,447	1,148	1,317
Banks	24.78	1,921	1,540	2,013
Food and Beverage	20.32	1,485	1,235	1,245
Media	14.87	24	21	14
Retail	2.30	415	406	497
Travel & Leisure	1.27	192	190	112
Personal & Household Goods	0.85	168	166	142
Chemicals	0.21	412	411	441
Construction & Materials	-6.2	655	699	824
Technology	-7.3	154	166	224
Health Care	-9.5	17	19	20
Insurance	-13.8	12	14	18
Financial Services	-20.0	1,893	2,366	2,460
Industrial Goods & Services	-21.1	772	979	866
Automobiles & Parts	-26.4	155	211	189
Utilities	-31.7	122	179	142

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,128.93	15.02	6.94	0.62	555	12,863
HNX INDEX	231.35	24.44	0.75	0.33	59	1,032

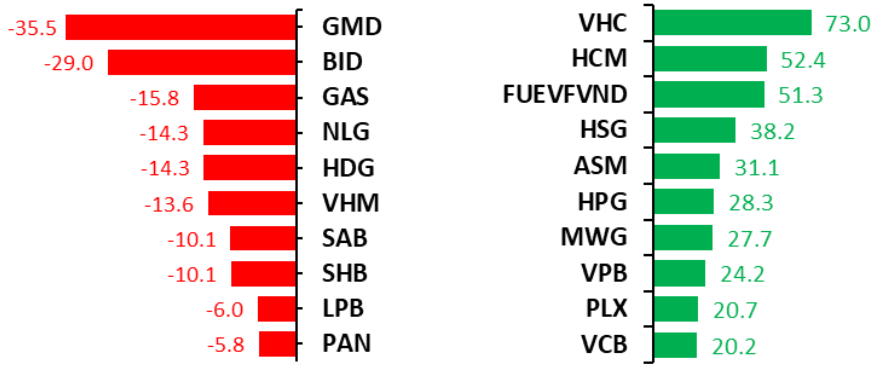
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 28/12/2023

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	27	38	(113)	75
Basic Resources	4	70	(212)	142
Media	(0)	4	(4)	0
Industrial Goods & Services	(12)	(34)	66	(32)
Health care	1	3	(2)	(1)
Chemicals	3	19	(14)	(5)
Financial Services	(65)	148	(62)	(86)
Travel & Leisure	1	(1)	4	(3)
Banks	110	5	(248)	243
Construction & Materials	2	29	(34)	5
Food and Beverage	(41)	101	(71)	(30)
Retail	5	40	(44)	4
Utilities	2	(12)	(33)	45
Personal & Household Goods	2	(0)	(6)	6
Technology	8	8	25	(32)
Automobiles & Parts	0	1	24	(25)
Insurance	1	2	(4)	1
Oil & Gas	(27)	24	1	(25)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- MBS: Vietnam's $7 billion retail pharmacy sector still has a lot of room to grow. The Vietnamese pharmaceutical market is estimated to be worth around $6-7 billion in 2022, with over 70% of revenue coming from the ETC channel. Excluding ETC revenue, there are currently around 60,000 pharmacies competing in the retail pharmaceutical market with a value of nearly $2 billion. Of these, only over 2,400 stores sell under a modern chain model (about 4% of the total number of pharmacies), according to the latest report from MBS Securities.

- Conclusion of the inspection of Power Development Plan VII: Despite EVN's warnings, a solar power project of a large conglomerate was still approved for additional planning. The developer of the project had started construction before the provincial People's Committee had leased the land and before the land use plan for salt production had been converted to land for the construction of energy facilities. The project was also constructed before the Electricity and Renewable Energy Department had reviewed the Technical Design, and without the opinion of the Department of Construction on the overall layout plan. The Ninh Thuan Provincial People's Committee had imposed administrative penalties and the developer had paid the fine.

- Information from the Ministry of Finance shows that as of December 25, 2023, state budget revenue reached VND1,693.5 trillion, exceeding the budget by 4.5%. However, due to the difficult economic situation, many localities with large revenue are expected to still have a shortfall, making it difficult to reach the assigned target, such as: Da Nang, Ho Chi Minh City. According to the report, in 2023, the Ministry of Finance proactively researched, proposed, and coordinated with ministries, departments, and localities to submit to the competent authority the issuance of tax exemption, reduction, extension packages, fees, stamps and land rent for 2023 with a scale of about VND200 trillion; of which, 79 trillion VND for exemption and reduction; 121 trillion VND for extension. The budget for state budget revenue in 2024 was assigned by the National Assembly at VND1.7 million billion. Of which, domestic revenue accounts for 84.9%; crude oil revenue accounts for 2.7%; balanced revenue from export and import activities accounts for 12%.

Business news

PHS: A securities company sets a target of doubling its profit, forecasting VN-Index to reach 1,460 points in 2024. Phu Hung Securities Corporation (PHS) recently announced a resolution of the Board of Directors approving the business plan for 2024. Accordingly, in 2024, PHS aims to achieve VND745 billion in operating revenue, up 33% from the estimated results for 2023 (VND562 billion). The target for pre-tax and after-tax profit is VND132 billion and nearly VND101 billion, respectively, up 119% and 114% from the estimated results for 2023. In the revenue structure, the largest source of income for PHS is expected to come from lending activities, which are projected to reach VND378 billion in 2024, up 20% from the same period last year. Brokerage activity revenue is expected to increase sharply by 69% from the estimated results for 2023, to VND259 billion. Profit from financial assets recognized through profit/loss (FVTPL) is expected to bring in VND40 billion, nearly four times the previous year. Conversely, profit from investments held to maturity (HTM) is expected to decrease by 27% from the 2023 estimate, down to around VND54 billion.

DCM: Fertilizer producer lowers profit target by nearly 30%. In the latest announcement, Ca Mau Fertilizer and Petrochemical Joint Stock Company (DCM) has announced the adjustment of its business plan for 2023. Specifically, DCM has adjusted to reduce the target for pre-tax profit by nearly 30%, from VND1,460.5 billion to VND1,029.3 billion. Similarly, after-tax profit decreased from VND1,383.1 billion to VND915.99 billion, a decrease of 34%. For the parent company, pre-tax and after-tax profits also decreased by about 30%, to VND1,027 billion and VND915 billion, respectively. Meanwhile, the production plan for urea increased from 882,000 tons to 950,000 tons, while the production plan for NPK decreased from 160,000 tons to 147.2 thousand tons. Business production targets also changed, with urea increasing to 862,000 tons, functional fertilizer and NPK decreasing to 70,000 tons and 150,000 tons, respectively.

TTB: Listed shares of a thousand-billion-dong company are delisted. According to HoSE, the shares were delisted due to the company's securities violations that had not been resolved, had the potential to continue to occur and prolong, and seriously violated securities obligations and affected the interests of shareholders.

Breaking News



Business news

DHT: A Japanese company increases its stake in a Vietnamese pharmaceutical company. In the latest announcement, ASKA Pharmaceutical Co., Ltd (Japan) has reported completing the purchase of 8.4 million shares of Hanoi Pharmaceutical Joint Stock Company (DHT). After the transaction, ASKA increased its ownership from 18.4 million (24.9% of capital) to nearly 27 million shares, equivalent to nearly 32.56% of capital. It is known that this is a private placement of DHT shares, with 8.4 million additional shares issued and ASKA is the only entity to participate in the purchase of the entire amount. The offering price according to the announced plan is VND21,500/share, corresponding to the amount of money that the Japanese organization has to spend around 181 billion dong. The newly issued shares will be restricted from transfer for 3 years.

HVN: Vietnam Airlines plans to recruit hundreds of redundant employees from Bamboo. On the sidelines of the conference to report on the summary of 2023, implementing the plan for 2024 of the Ministry of Transport, Mr. Le Hong Ha, General Director of Vietnam Airlines (VNA), said that in response to the information that Bamboo is redundant with hundreds of pilots and cabin crew after restructuring, Vietnam Airlines has planned to use these human resources in accordance with demand. According to Mr. Ha, although Vietnamese airlines are competing with each other in the business environment, they still have to support each other for the overall development of the industry. "Before the redundant resources of other airlines, VNA must find a way to solve and based on its own needs to use appropriately. The current plan is being implemented by us," Mr. Ha said.

GVR: Auctioning 271,565 hectares of rubber for liquidation and replanting in 2024. In 2024, the Rubber Corporation of Vietnam (GVR) will auction 271,565 hectares of rubber for liquidation and replanting. Of these, 21,730 hectares are in Plei Kần Agricultural Enterprise, 90,740 hectares are in Tân Hưng Agricultural Enterprise, 71,590 hectares are in Thanh Trung Agricultural Enterprise, and 87,505 hectares are in Tân Cảnh Agricultural Enterprise.

Technical view



Trend: Sideway

- VN-Index closed at 1,128.9 (+6.94 points, 0.62%) with improved liquidity. The market had 312 green codes and 163 red codes. The groups of stocks that contributed the most to the market's rise were VHM, VIC, and SSB. On the other hand, the groups of stocks that contributed to the market's decline were BID, PGV, and VSH. The groups of industries that rose sharply today were also large-cap groups, with the real estate group rising the most. Foreign investors increased their net buying slightly.
- Technical analysis: The market maintained its upward momentum after pausing in yesterday's session, although it still closed below the 200-day moving average of 1130. The trend has not changed much in the past month, with VN-Index trading in the 1080-1130 range. The STOCH RSI indicator has pulled up above the 80 zone, suggesting that a correction could occur as in previous times. However, if VN-Index can close above 1130 in tomorrow's session, then the new upward trend of the market will be clearer
- 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

29/12/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VHC	Buy	74.2	82.8	71.3	11.6%	-3.9%	74.4	

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%	18.6	18	3.06%	05/12/2023	
MWG	Hold	39.9	43.8	36.0	10%	-10%	43.1	18	7.89%	05/12/2023	
HCM	Sell	30.9	34.0	29.9	10%	-3%	34.0	8	10.03%	19/12/2023	Reach Target
TV2	Hold	38.2	43.2	36.6	13%	-4%	38.0	3	-0.52%	26/12/2023	
KBC	Hold	31.7	35.1	30.1	11%	-5%	31.5	3	-0.63%	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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