MORNING CALL
05/01/2024

“Profit-taking pressure appeared at the end of the session"

- World stocks: Mixed movements
- Vietnam stocks: Profit-taking pressure appeared at the end of the session
- Business news: #HAG, #MVN, #GEE, #NCG, #VGT, #MWG
- Technical perspective and updated recommendations
- Event calendar
- Q&A

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Global Market Review 02/01 - 05/01/2024

Major stocks market

- In regular trading on Thursday, the Dow inched up 0.03%, while the S&P 500 and Nasdaq Composite lost 0.34% and 0.56%, respectively. Equities came under pressure at the start of the new year as the dollar and Treasury yields rebounded. Traders dialed back bets on the scale of interest rate cuts from the Fed this year, with the latest FOMC minutes indicating a high level of uncertainty on the policy outlook. The S&P Global US Services PMI was revised slightly higher to 51.4 in December 2023 from a preliminary of 51.3, continuing to point to the strongest growth in the services sector in five month.
- The Nikkei 225 Index rose 0.3% to around 33,400 while the broader Topix Index gained 0.4% to 2,388 on Friday, reversing market weakness seen in the previous session, with financial stocks leading the advance. On Thursday, Japanese markets came under pressure after returning from a long holiday as the country reeled from a strong earthquake and a collision at Tokyo's Haneda airport.
- The Eurozone's Stoxx 50 added 0.4% to close at 4,465 and the broader Stoxx 600 advanced 0.7% to 477. Outside the continent, minutes from the FOMC's last meeting showed that policymakers agree that recent economic developments are likely to warrant rate cuts this year, although little was commented regarding the timing and extent of said cuts
- WTI crude futures declined below $72 per barrel on Thursday, following a 3.3% increase in the previous session as investors considered the latest EIA report and kept an eye on protests in Libya and escalating tensions in the Middle East

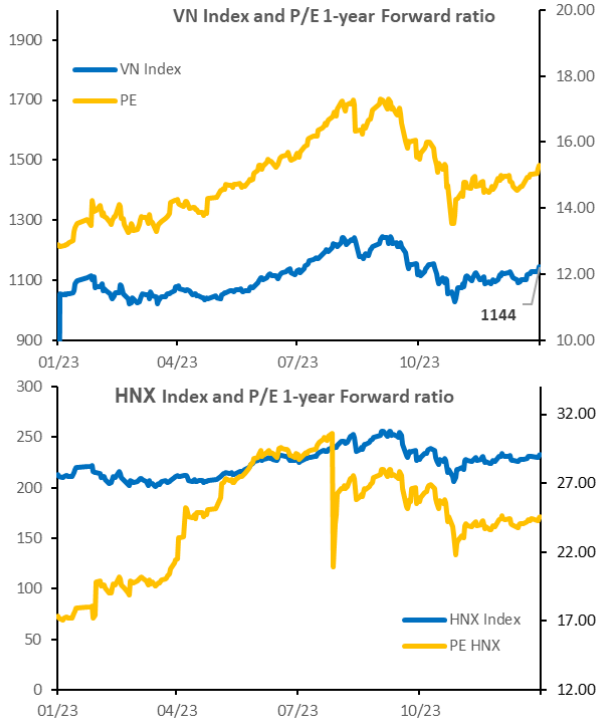
Market

	Close	%1D	%1M	%1Y
VN-Index	1,151	0.57%	3.11%	8.99%
S&P 500 Index	4,689	-0.34%	2.95%	21.69%
Dow Jones Index	37,440	0.03%	3.41%	12.54%
GP 100	7,723	0.53%	3.11%	1.17%
Nikkei 225	33,365	0.23%	-0.43%	29.22%
SHCOMP Index	2,954	-0.43%	-2.27%	-6.37%
STOXX 600	478	0.69%	2.27%	8.73%
KOSPI Index	2,587	0.01%	2.87%	14.24%
Hang Seng	16,646	0.00%	0.00%	-20.93%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.27	-0.03%	-1.60%	-2.52%
USD/VND	24,376.00	-0.01%	-0.43%	-3.56%
EUR/USD	1.10	0.05%	1.43%	4.08%
USD/CNY	7.16	-0.16%	-0.24%	-3.68%
Brent	77.59	-0.84%	-0.56%	-0.32%
WTI	73.81	0.28%	0.10%	-1.74%
Natural gas	2.77	-0.67%	3.39%	-24.68%
Coal	128.50	1.87%	-2.64%	-66.82%
Gold	2,048.40	0.04%	1.24%	11.54%

Vietnam Market Snapshot 04/01/2024



Money flow and sector rotation (VND bn)

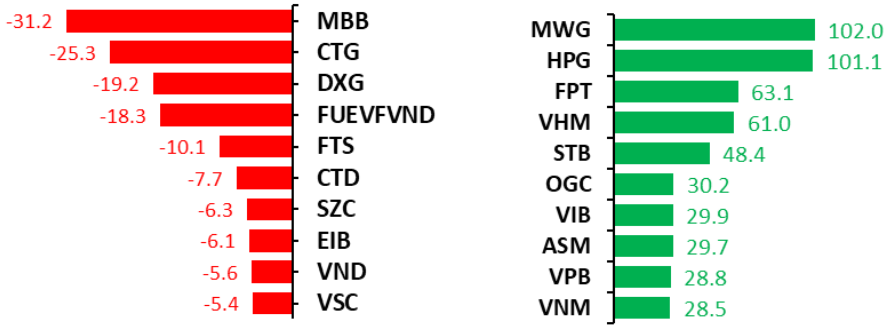
Sector	%1D	1/4/2024	1/3/2024	20-session Average
Financial Services	193.04	4,881	1,666	2,391
Insurance	178.48	33	12	18
Banks	143.41	6,640	2,728	2,322
Chemicals	123.24	1,021	457	450
Utilities	94.58	276	142	154
Real Estate	74.93	3,892	2,225	2,736
Technology	65.68	379	229	227
Oil & Gas	63.96	182	111	109
Industrial Goods & Services	62.47	1,319	812	867
Basic Resources	62.26	1,744	1,075	1,300
Food and Beverage	43.24	1,426	995	1,264
Automobiles & Parts	7.36	197	183	188
Health Care	-5.3	28	30	22
Retail	-5.6	659	698	499
Construction & Materials	-15.4	1,120	1,324	819
Media	-17.9	18	21	15
Personal & Household Goods	-22.1	148	190	151
Travel & Leisure	-25.2	107	143	124

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,150.72	15.31	6.55	0.57	1,064	24,116
HNX INDEX	232.56	24.57	0.92	0.40	113	2,157

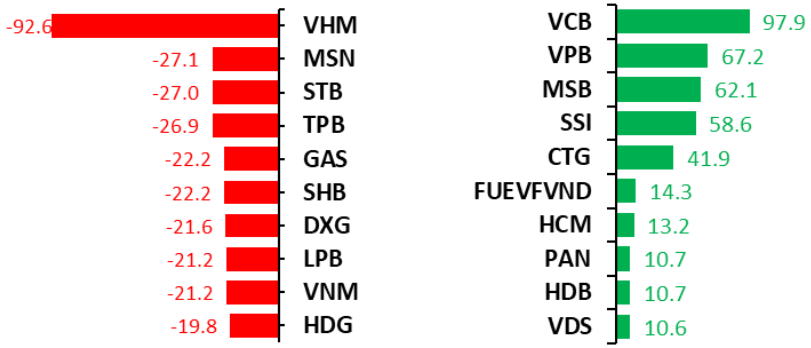
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 04/01/2024

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	113	(185)	77	107
Basic Resources	101	(8)	(74)	82
Media	-	(0)	0	-
Industrial Goods & Services	30	10	(97)	87
Health care	1	(0)	(1)	2
Chemicals	20	2	17	(19)
Financial Services	0	104	(65)	(39)
Travel & Leisure	9	(5)	46	(41)
Banks	99	191	(677)	486
Construction & Materials	(7)	1	(6)	5
Food and Beverage	79	(53)	(59)	112
Retail	102	(16)	(99)	115
Utilities	8	(33)	29	4
Personal & Household Goods	5	(1)	2	(0)
Technology	65	(0)	(80)	80
Automobiles & Parts	3	(0)	12	(12)
Insurance	0	1	(1)	0
Oil & Gas	26	(25)	9	16

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- In 2024, inflation is expected to be "manageable" due to a number of factors. On January 4, the Institute of Finance and Economics (Academy of Finance) in collaboration with the Price Management Department (Ministry of Finance) held a conference on market developments and prices in Vietnam in 2023 and 2024 in Hanoi. At the conference, experts predicted that inflation pressure in 2024 would not be significant. The first factor is that the US economy is expected to enter a recession in 2024. This is due to a number of factors, including the Federal Reserve's aggressive interest rate hikes and the ongoing war in Ukraine. The second factor is that oil prices are unlikely to rise significantly in 2024. This is because of the uncertain global economic outlook and the possibility of a US recession. The third factor is that Vietnam's exports are expected to grow at a moderate pace in 2024. This is due to the slower global economic growth. The experts at the conference also noted that there are a number of factors that could contribute to higher inflation in 2024, such as the continued effects of the COVID-19 pandemic and the war in Ukraine.

- The Prime Minister issues a directive to increase budget savings. To address the existing shortcomings and limitations and meet the requirements of budget management and savings, on January 4, the Prime Minister issued Directive No. 01/CT-TTg on strengthening budget savings. The Prime Minister also requested to strengthen regular budget savings; promote the restructuring of the budget, gradually reduce the proportion of regular budget spending, combined with the renewal of the mechanism for allocating regular budget spending, ensuring spending for human resources, social security, health care, the environment, national defense, security, and education, training, science and technology, in accordance with the law.

- How to "unblock" the "excess" money flow from banks into real estate? However, according to Mr. Long, to help the real estate market overcome the current difficult period, it needs many solutions and the coordination of these solutions will create momentum to promote the recovery and development of this market. The expert also believes that, to solve the problem of improving the ability of real estate businesses to absorb capital, it cannot rely on monetary policy alone, but needs the push from many sides as well as the cooperation of other industries.

Business news

HAG: In its latest announcement, Hoang Anh Gia Lai Corporation (HAGL, ticker HAG) has registered to sell 13.31 million shares of Hoang Anh Gia Lai International Agriculture Corporation (HAGL Agrico) (ticker HNG). The transaction is expected to take place from January 9 to February 7, 2024, through negotiated and on-market transactions. The purpose of the sale is to repay BIDV bank bonds. If successful, HAGL will still hold nearly 91.4 million HNG shares, equivalent to 8.24% of the capital after the transaction.

MVN: Vietnam Maritime Corporation (VIMC - ticker MVN) has just announced its 2023 performance report. Specifically, the shipping volume reached 20.6 million tons, equivalent to 95% of the same period in 2022 and 116% of the plan. The volume of goods handled through the port reached 113.5 million tons, reaching 84% of the annual plan. Revenue in 2023 is estimated to reach VND17,964 billion, equivalent to 91% of 2022 and 4% above the 2023 plan. Profit in 2023 is estimated to reach VND2,084 billion, equivalent to 68% of the same period last year and 90% of the plan; of which the profit of the parent company reached VND350 billion, equivalent to 54% of the previous year. Specifically, in the shipping block, revenue is estimated to reach VND6,261 billion (including revenue of the parent company), equivalent to an increase of 22% over the plan, with the main increase in revenue from Vosco at VND1,382 billion thanks to the bold expansion of trading activities.

GEE: On January 15, 2024, Gelex Electric Corporation (Gelex Electric, ticker GEE) will finalize the list of shareholders to receive 2/2023 advance dividends in cash at the rate of 5%, corresponding to shareholders owning 1 share received 500 VND. With 300 million shares in circulation, it is estimated that the Company will need to spend 150 billion VND to advance dividends to shareholders, expected payment time is February 2, 2024.

Breaking News



Business news

NCG: Nova Consumer's stock price has fallen 61% since trading on UPCoM. Is Vina Capital cutting its losses or triggering a 'special' clause? With high expectations, Nova Consumer once caught the eye of Vina Capital. It is known that Vina Capital's member fund has poured 25.2 million USD to buy shares of Nova Consumer. With 12.77 million NCG shares, Foremost Worldwide Limited has spent about 46,000 VND to own one share of Nova Consumer. Therefore, Vina Capital may have temporarily lost up to 68% when investing in the company.

VGT: "Big brother" of the textile industry sacrifices 1.5 trillion VND in profits to keep the income of 9.45 million VND/person for nearly 62,000 workers. On December 29, the Party Committee of the Vietnam Textile and Garment Group (Vinatex) held an expanded meeting of the Executive Committee to summarize the 2023 Party building work, and deploy tasks and solutions for 2024. In the report on the implementation of the political task on production and business, General Director Cao Hữu Hiếu - Deputy Secretary of the Party Committee, Member of the Vinatex Board of Directors, emphasized that 2023 was a particularly difficult year with the development of the market and the world economy. The whole year, the demand situation was low. Previously, in the Q3/2023 financial report, Vinatex said that orders were in short supply, and the company was forced to accept low-price orders to ensure an average salary of over 8 million VND/month for workers.

MWG: Can MWG reverse the trend of declining revenue in 2024? MWG Chairman Nguyen Duc Tai admitted in a meeting with investors in November that, in the context of declining purchasing power, MWG should have quickly cut all costs, including operating costs, labor costs, electricity costs, etc., but this time MWG was a bit slow. In fact, the store closure activities were only implemented strongly from October-November 2023.

Technical view



Trend: Return to the uptrend

- VNINDEX closed at 1,150.72 (+6.55 points, +0.57%) with record-breaking liquidity of over 25 trillion dong, 1.5 times the average of 30 sessions. The market had 299 green codes and 203 red codes. The groups of stocks that contributed most to the market's rise were VCB, MBB, CTG, VPB, and TCB. On the other hand, the groups of stocks that contributed to the market's decline were SAB, MSN, and BID. The groups of industries that rose and fell were diversified, but the banking sector was the main leading group of this increase session.
- Technical analysis: After breaking through the resistance zone of 1,130, VNINDEX still maintained its good upward momentum with the strong leadership of the banking sector. It is worth noting that the record-breaking increase in liquidity shows that market sentiment has improved significantly. However, profit-taking pressure occurred after 2 hours, causing the market to fall by more than 10 points from the peak of 1,160 and close at 1,150. In general, the market has changed the wave structure to a rising trend in the medium term when VNINDEX officially crossed the EMA 200. The corresponding support zone for this period is 1,130, so investors can watch to sell off when the market tends to adjust to this area and rebound again.
- Strategy: Investors can deploy new purchases or increase their holdings with stocks that have risen from the bottom.

Scenario:

- Positive (60%): The market will consolidate around the 1,130-1,140 range.
- Negative (40%): The market will break 1,130 and return to 1,100.

Recommended stocks

5/1/2024

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	Sell	18.0	20.3	17.4	13%	-3%	20.1	23	11.67%	05/12/2023	Hit the target to take profit
MWG	Sell	39.9	43.8	36.0	10%	-10%	43.2	23	8.27%	05/12/2023	Hit the target to take profit
TV2	Hold	38.2	43.2	36.6	13%	-4%	38.8	8	1.57%	26/12/2023	
KBC	Hold	31.7	35.1	30.1	11%	-5%	31.7	8	0.00%	26/12/2023	
VHC	Hold	62.0	70.6	59.1	14%	-5%	63.7	5	2.74%	29/12/2023	
DCM	Hold	32.3	36.0	31.4	11%	-3%	32.4	3	0.15%	02/01/2024	
SSI	Hold	32.95	36	31.7	9.3%	-3.8%	33.6	1	1.97%	04/01/2024	

Economic calendar

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January 2024

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
31	1	2	3 ISM Manufacturing PMI DEC (US)	4 FOMC Minutes	5 Non-farm payrolls, unemployment rate (US)	6
7	8	9	10	11 Inflation figures (US)	12 PPI MoM DEC (US) Inflation Rate YoY DEC (China)	13 Trade balance (China)
14	15	16 House Price Index YoY DEC (China)	17 Retail Sales, PPI (US) Unemployment rate, GDP growth Q4 (China)	18 Expiration of futures contract VN30F1M	19 Michigan Consumer Sentiment Prel JAN (US)	20
21	22	23 BoJ Interest Rate Decision	24	25 GDP Growth Rate QoQ Adv Q4 (US)	26 Core PCE Price Index MoM DEC (US)	27
28	29	30 JOLTs Job Openings DEC (US)	31	1	2	3

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Q&A

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