MORNING CALL
09/01/2024

“Liquidity improves, the upward trend continues"

- World stocks: Upward trend continues
- Vietnam stocks: Liquidity improves, the upward trend continues
- Business news: #NT2, #PSH, #STB, #DRH, #CII, #PVN, #Vinfast
- Technical perspective and updated recommendations #KDH
- Event calendar
- Q&A

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

Major stocks market

- In regular trading on Monday, the Dow climbed 0.58%, while the S&P 500 and Nasdaq Composite rallied 1.41% and 2.2%, respectively. Investors now look ahead to key US inflation data this week for further clues on the path for Federal Reserve monetary policy. Major banks will also report earnings this week, including the Bank of America, Citigroup, JPMorgan Chase, and Wells Fargo.
- European shares rebounded and closed higher on Monday afternoon, with the STOXX 50 gaining about 0.4% and the broader STOXX 600 advancing by 0.3%, as investors digested a batch of economic data while awaiting the upcoming release of US inflation figures on Thursday and the onset of the US earnings season scheduled for Friday. The FTSE 100 index held its early losses and closed at 7,684 on Monday, Frankfurt's DAX 40 extended gains in afternoon trading and closed 0.7% higher at 16,716 points.
- The Nikkei 225 Index rallied 1.7% to above 33,900 in post-holiday trade on Tuesday, hitting its highest levels since 1990 and tracking strong gains on Wall Street overnight amid a rebound in technology stocks. The broader Topix Index also jumped 1% to around 2,417, scaling its highest levels since September 2023. Meanwhile, data showed that Tokyo's core inflation rate, a leading indicator for nationwide price trends, slowed to 2.1% in December from 2.3% in November, but remained above the Bank of Japan's 2% target for the 19th consecutive month.
- WTI crude futures fell 5% to approach $70 per barrel on Monday, fully erasing gains from last week as price cuts by Saudi Arabia and a rise in OPEC output outweighed tensions in the Middle East. Saudi Arabia has declared a reduction in the February official selling price (OSP) of its primary Arab Light crude for Asia by $2 to $1.50 a barrel above the benchmark to the lowest in 27 months.

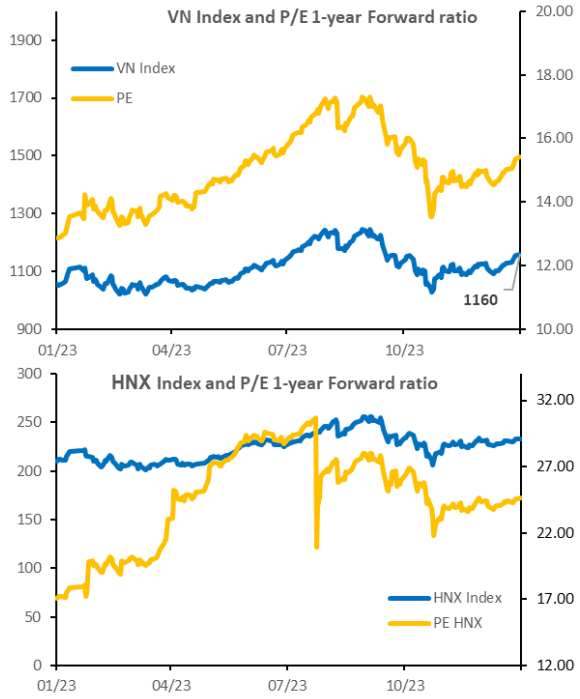
Market

	Close	%1D	%1M	%1Y
VN-Index	1,160	0.48%	3.18%	10.05%
S&P 500 Index	4,764	1.41%	3.46%	22.30%
Dow Jones Index	37,683	0.58%	3.96%	12.05%
GP 100	7,694	0.06%	1.85%	-0.40%
Nikkei 225	33,951	1.72%	5.09%	30.71%
SHCOMP Index	2,888	-1.42%	-2.76%	-9.08%
STOXX 600	478	0.38%	1.25%	6.65%
KOSPI Index	2,588	0.80%	2.80%	10.14%
Hang Seng	16,224	-1.88%	-0.67%	-24.14%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.21	0.00%	-1.73%	-0.77%
USD/VND	24,340.00	0.18%	-0.40%	-3.62%
EUR/USD	1.10	0.05%	1.77%	2.11%
USD/CNY	7.15	-0.06%	0.26%	-5.31%
Brent	76.12	-3.35%	0.37%	-3.12%
WTI	70.92	0.21%	-0.44%	-4.97%
Natural gas	2.90	-2.55%	12.51%	-25.73%
Coal	132.00	0.34%	-12.58%	-66.68%
Gold	2,035.33	0.36%	2.69%	8.74%

Vietnam Market Snapshot 08/01/2024



	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,160.19	15.43	5.51	0.48	742	16,794
HNX INDEX	233.33	24.65	0.57	0.24	85	1,652

Money flow and sector rotation (VND bn)

Sector	%1D	1/8/2024	1/5/2024	20-session Average
Oil & Gas	51.65	194	128	106
Basic Resources	47.02	1,526	1,038	1,194
Real Estate	42.63	3,885	2,724	2,601
Construction & Materials	41.66	1,301	918	804
Chemicals	40.41	548	390	433
Technology	12.91	193	171	216
Health Care	10.53	21	19	22
Financial Services	8.17	2,510	2,321	2,217
Utilities	5.63	192	182	152
Media	4.48	10	9	14
Insurance	-1.3	18	18	18
Banks	-3.0	3,520	3,630	2,378
Personal & Household Goods	-5.2	149	157	154
Travel & Leisure	-6.3	82	87	120
Industrial Goods & Services	-13.2	793	913	828
Automobiles & Parts	-13.6	153	177	177
Retail	-17.7	536	651	479
Food and Beverage	-22.5	1,135	1,465	1,225

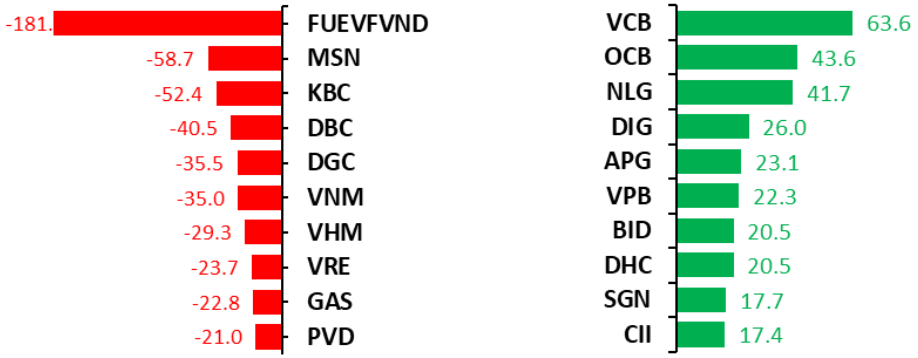
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 08/01/2024

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	32	(84)	93	(9)
Basic Resources	3	12	13	(25)
Media	-	1	(1)	0
Industrial Goods & Services	(15)	3	84	(87)
Health care	5	(2)	(3)	5
Chemicals	(2)	(31)	23	9
Financial Services	254	(102)	(31)	133
Travel & Leisure	3	(0)	2	(1)
Banks	(62)	112	(133)	20
Construction & Materials	(0)	25	28	(53)
Food and Beverage	32	(109)	38	71
Retail	3	(19)	17	3
Utilities	4	(23)	25	(3)
Personal & Household Goods	(10)	(2)	6	(4)
Technology	(3)	(1)	9	(8)
Automobiles & Parts	(0)	2	(3)	1
Insurance	0	1	(1)	(0)
Oil & Gas	25	(30)	11	19

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Trends in the seafood export market in 2024. According to the Vietnam Association of Seafood Processing and Export (VASEP), many challenges will continue to affect the production and export of seafood in 2024. Additionally, there will be other challenges that will slow the recovery of exports in the coming year. According to VASEP, there will be a trend of rising processing costs in the Chinese seafood industry. Additionally, China's ban on the import of Japanese seafood has led to Japanese factories flocking to Vietnam to seek processing partners. In addition, businesses may increase the import of raw materials for production and business, and increase processing for the Japanese and US markets. It is forecast that Vietnam's seafood exports will gradually recover in 2024 and be more optimistic in the second half of the year. With the adaptation and adjustment to the market context, it is predicted that seafood businesses will help the sector's export revenue recover to the level of 9.5 billion USD - 10 billion USD in 2024.

- Prime Minister welcomes the mechanism for immediate credit management of quotas from the beginning of the year. Attending and directing the 2024 banking industry conference, the head of government welcomed the State Bank of Vietnam for its new mechanisms for credit management in 2024, when it immediately gave credit limits from January 1 for all credit institutions of 15%. He also noted that banks must understand and share the difficulties with businesses and people more.

- VND only depreciated by 2.9% in 2023. At the conference on the implementation of banking tasks in 2024, the Governor of the State Bank of Vietnam said that in 2023, despite facing many uncertainties from the global financial market and the decline in domestic aggregate demand, the foreign exchange market was basically stable; interest rates have returned to pre-Covid-19 levels; VND is one of the most stable currencies in the region and the world, depreciating by only about 2.9%.

Business news

NT2: Nhon Trach 2 Power Joint Stock Company (NT2). Production: The company's commercial electricity production in 2023 is estimated to reach 2.99 billion kWh, achieving 73% of the annual plan, but after-tax profit is estimated to reach VND 474 billion, achieving 100% of the annual plan.

PSH: Nam Song Hau Oil and Gas (PSH). Tax enforcement: The Nam Sông Hậu Oil and Gas Trading and Investment Joint Stock Company (PSH) recently sent a written explanation to the State Securities Commission, the Ho Chi Minh City Stock Exchange, and investors regarding its VND 1.252 trillion tax debt. The company said that on December 18, 2023, it received a letter from the Hậu Giang Provincial Tax Department about the enforcement of the administrative decision on tax management by suspending the use of invoices from December 18, 2023 to December 17, 2024.

STB: Sacombank. As of the end of 2023, the total assets of Sacombank are estimated to reach nearly VND 664,000 billion, of which earning assets account for 90.3%. Total mobilized capital is estimated to reach over VND 574,000 billion; loans are estimated to reach over VND 487,000 billion. Sacombank's consolidated pre-tax profit for 2023 is estimated to reach over VND 9,500 billion, up 50% from the previous year and reaching 100% of the target set by the Annual General Meeting of Shareholders.

DRH: The State Securities Commission of Vietnam (SSC) has just issued a decision to impose administrative penalties on DRH Holdings for "withholding information" with a total fine of VND 145 million. On January 5, 2024, the SSC's Inspection Board issued Decision No. 06/QĐ-XPHC on the administrative penalty for violations in the securities and securities market against DRH Holdings Joint Stock Company (DRH Holdings; stock code: DRH). The company's head office is located at 67 Ham Nghi Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City.

Breaking News



Business news

Vinfast: VinFast signs MoU to invest $500 million to build electric vehicle and battery production facility in India. Under the agreement, VinFast and the state government will work actively towards the goal of investing up to $2 billion. Of this, $500 million for the first phase will be implemented over a period of 5 years. The event marks a significant milestone for VinFast in its strategy to enter the world's third-largest automotive market. The plan to expand to India is being implemented to capture the development opportunity in the world's most populous market and the fastest-growing electric vehicle industry. This is part of the plan to establish a strong presence for VinFast in key markets, as well as to complete the electric vehicle supply chain for its global development strategy.

PVN: PetroVietnam: Revenue sets new record. Mr. Le Manh Hung, Chairman of the Board of Directors of PetroVietnam (PVN), said that in 2023, in addition to the common difficulties similar to the business community throughout the country, PVN also had to bear unfavorable impacts from 3 factors associated with the specific characteristics of PVN's operations, namely: the complex development of the international geopolitical situation and the East Sea; the rapid pace of energy transition, major fluctuations in supply and demand, and a sharp decline in the prices of energy products compared to 2022 (crude oil prices fell by 17-38%, fertilizer prices fell by 25-30%; refining and petrochemical profit margins fell by 24-26% compared to 2022); natural gas and electricity mobilization was lower than PVN's production capacity.

CII: Thu Thiem land auction restarts, many real estate giants called. Ho Chi Minh City Infrastructure Investment Corporation (HOSE: CII). Currently, CII is the investor of the Thủ Thiêm River Park project right in the Thủ Thiêm New Urban Area with an investment of 400 million USD in cooperation with HongKong Land. At the end of December 2017, CII and HongKong Land officially signed a joint investment contract for the Thủ Thiêm River Park project on a large land fund in the Thu Thiem peninsula that the city assigned to the form of long-term stability and lease for 50 years.

Technical view



Trend: Return to the uptrend

- VNINDEX closed at 1,154.68 (+3.96 points, +0.34%) with liquidity still being maintained at a high level. The market had 221 green codes and 267 red codes. The groups of stocks that contributed the most to the market's rise were BID, CTG VCB, MBB. On the other hand, the groups of stocks that contributed to the market's decline were VPB VHM. The industry groups had a mixed increase and decrease, but the banking sector is still the leading group in the market's rise for the past week.
- Technical analysis: In terms of the index, VNINDEX has officially broken through the resistance zone of 1,130 after nearly 2 months of sideways trading. The market has changed the wave structure to a medium-term uptrend, however, the market may move sideways or make a slight adjustment around the 1,130-1,140 zone when the STOCH RSI indicator shows signs of about to cut down the signal line.
- Strategy: The appropriate strategy for investors who tend to hold more is when the banking sector has risen quite hot. The release of new purchases or increases in weight will appear when the stock has a tendency to rebound from the base.

Scenario:

- Positive (50%): The market will maintain its upward trend to the 1180-1200 zone
- Negative (50%): The market will adjust to the 1130 zone to test again.

Recommended stocks

9/1/2024

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
KDH	Buy	31.20	33.9	30.3	8.7%	-2.9%	31.2	Bounce off the EMA 20

Trading portfolio

Ticker	Recommendation	Buying price	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
TV2	Hold	38.2	43.2	36.6	13%	-4%	39.0	10	2.09%	26/12/2023	
KBC	Hold	31.7	35.1	30.1	11%	-5%	32.3	10	1.89%	26/12/2023	
VHC	Hold	62.0	70.6	59.1	14%	-5%	66.9	7	7.90%	29/12/2023	
DCM	Hold	32.3	36.0	31.4	11%	-3%	32.3	5	-0.15%	02/01/2024	
SSI	Hold	32.95	36	31.7	9.3%	-3.8%	34.1	3	3.49%	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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