MORNING CALL
10/01/2024

“Market goes sideway, liquidity remains high"

- ❑ World stocks: World markets ease, awaiting inflation data from the US
- ❑ Vietnam stocks: Market goes sideway, liquidity remains high
- ❑ Business news: #DXG, #NVL, #FCN, #POM, #SKG, #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 08/01 – 12/01/2024

Major stocks market

- In regular trading on Tuesday, the Dow and S&P 500 fell 0.42% and 0.15%, respectively, while the Nasdaq Composite rose 0.09%. Those moves came as investors braced for US inflation data this week that could offer clues on the path for Federal Reserve monetary policy.
- European equity markets edged down on Tuesday as investors kept an eye on upcoming US inflation data due Thursday.
- The Nikkei 225 Index rallied 1.16% to close at 33,763 while the broader Topix Index jumped 0.82% to 2,413 in post-holiday trade on Tuesday. 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.
- The Shanghai Composite rose 0.2% to close at 2,893 while the Shenzhen Component climbed 0.27% to 8,972 on Tuesday. Investors also look forward to Chinese trade and inflation figures this week. Meanwhile, mainland stocks sank to multi-year lows in recent sessions as a lack of aggressive policy support to bolster economic growth disappointed markets.
- WTI crude futures rose more than 2% to above $72.5 per barrel on Tuesday. The market grappled with tensions in the Middle East, concerns about demand, and increasing OPEC supply. Geopolitical tensions persist in the region, compounded by an ongoing supply disruption in Libya. The closure of Libya's largest oilfield has impacted daily oil production by approximately 0.3 million barrels.

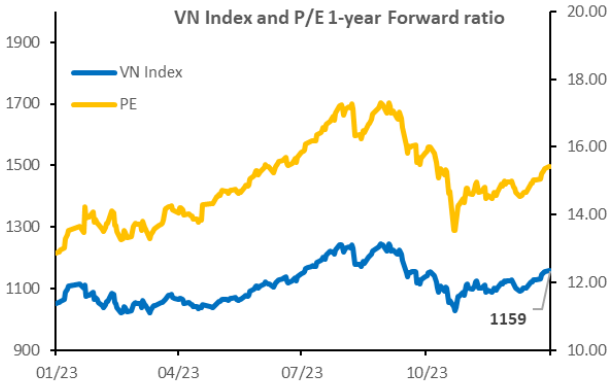
Market

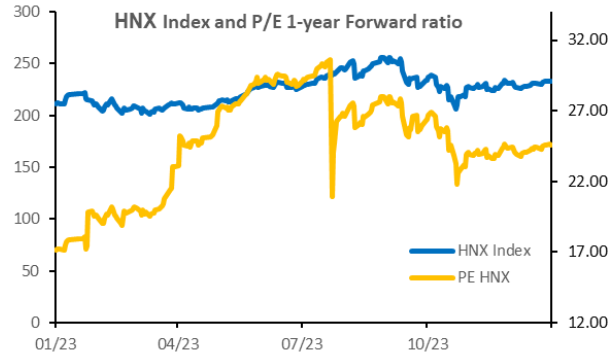
	Close	%1D	%1M	%1Y
VN-Index	1,159	-0.14%	3.04%	9.99%
S&P 500 Index	4,757	-0.15%	3.30%	22.21%
Dow Jones Index	37,525	-0.42%	3.52%	11.96%
GP 100	7,684	-0.13%	1.71%	-0.14%
Nikkei 225	34,157	1.17%	5.72%	30.49%
SHCOMP Index	2,893	0.20%	-2.57%	-8.72%
STOXX 600	477	-0.19%	1.06%	7.08%
KOSPI Index	2,550	-0.42%	1.30%	8.47%
Hang Seng	16,190	-0.21%	-0.88%	-24.10%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.57	0.35%	-1.38%	-0.42%
USD/VND	24,354.00	0.01%	-0.39%	-3.71%
EUR/USD	1.09	0.02%	1.56%	1.86%
USD/CNY	7.17	-0.24%	0.08%	-5.54%
Brent	77.59	1.93%	2.31%	-2.59%
WTI	72.20	-0.06%	1.36%	-3.89%
Natural gas	3.16	-0.85%	22.55%	-13.08%
Coal	135.65	2.77%	-10.17%	-65.56%
Gold	2,030.85	0.03%	2.47%	8.19%

Vietnam Market Snapshot 09/01/2024





Money flow and sector rotation (VND bn)

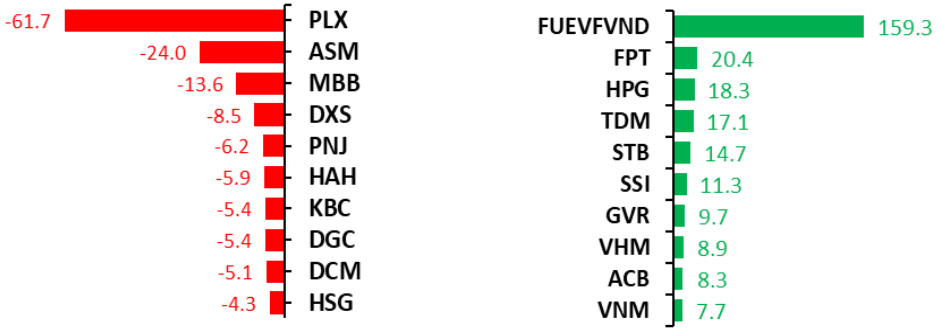
Sector	%1D	1/9/2024	1/8/2024	20-session Average
Automobiles & Parts	74.50	266	153	182
Oil & Gas	47.29	285	194	116
Industrial Goods & Services	40.16	1,112	793	851
Media	34.25	13	10	14
Chemicals	28.11	702	548	454
Insurance	16.88	21	18	18
Retail	12.33	602	536	490
Personal & Household Goods	8.99	162	149	156
Basic Resources	4.10	1,589	1,526	1,227
Food and Beverage	1.32	1,150	1,135	1,212
Banks	0.27	3,530	3,520	2,465
Utilities	-1.4	189	192	157
Travel & Leisure	-4.3	78	82	119
Financial Services	-6.8	2,339	2,510	2,197
Health Care	-13.7	18	21	22
Real Estate	-14.4	3,327	3,885	2,626
Construction & Materials	-15.2	1,103	1,301	831
Technology	-25.7	144	193	215

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,158.59	15.41	-1.60	-0.14	737	16,734
HNX INDEX	232.50	24.57	-0.83	-0.35	80	1,661

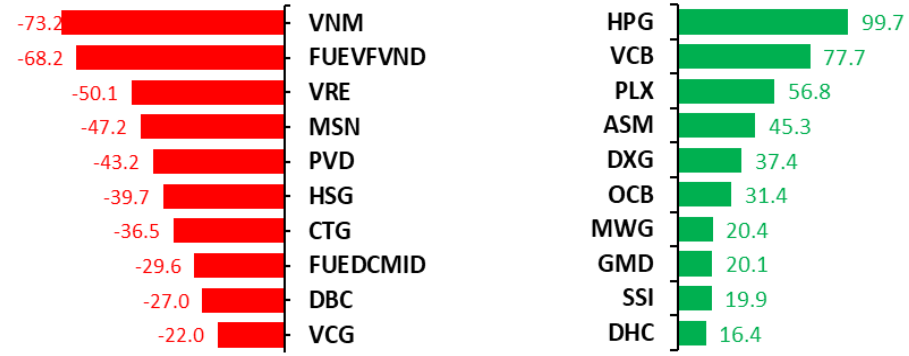
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 09/01/2024

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	(2)	(74)	14	60
Basic Resources	14	72	(44)	(29)
Media	-	(0)	0	0
Industrial Goods & Services	(3)	(13)	49	(36)
Health care	0	(1)	0	1
Chemicals	(1)	2	19	(21)
Financial Services	172	(22)	(57)	79
Travel & Leisure	3	(0)	2	(2)
Banks	23	39	44	(84)
Construction & Materials	(1)	(32)	14	19
Food and Beverage	(10)	(87)	132	(45)
Retail	(2)	20	(39)	19
Utilities	21	(15)	(9)	24
Personal & Household Goods	(6)	6	3	(9)
Technology	20	0	2	(2)
Automobiles & Parts	(1)	5	(2)	(3)
Insurance	0	(1)	1	0
Oil & Gas	(60)	14	54	(68)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Government requires the construction of 130,000 social housing units for low-income people and industrial workers in 2024. From 2021 to June 2023, the whole country completed 46 projects, with a scale of over 20,200 units. 110 projects with a scale of over 100,200 units have been licensed and are under construction. 309 projects with over 292,400 units have been approved for investment. In March 2023, the Prime Minister approved a project to build at least one million social housing units by 2030, of which 428,000 units are to be completed by 2025, with a total estimated capital of 849,000 billion VND, mainly from socialized capital.

- The Ministry of Finance proposes to apply a tax rate of 5% on fertilizers instead of being tax-exempt as it is now, when amending the Value Added Tax (VAT) Law. Currently, businesses are not allowed to declare or deduct VAT costs incurred during the production process (input VAT), including investment and purchase of fixed assets, because fertilizers are subject to this tax-exempt status. These costs are then included in the cost of production, causing prices to rise and profits to fall. In the draft VAT Law (VAT) being consulted, the Ministry of Finance proposes to apply a tax rate of 5% on fertilizers instead of being tax-exempt as it is now.

- Domestic steel prices have had their first jump in the new year, with increases ranging from 150,000 to 370,000 VND/ton. This is the fifth time prices have risen in the past two months. Forecasting the steel market in 2024, many experts believe that in the near future, if the Government and ministries and agencies do not have more breakthrough policies for the real estate market, the steel market will still not be able to break through immediately, the possibility of difficulties is still prolonged because the demand for steel is still weak.

Business news

DXG: DXG Investment and Services Corporation of Southern Vietnam (DXG) recently announced that it would be delaying the payment of interest and principal on its MNRCH2123001 bond due to cash flow constraints. As a result, DXG will be delaying the payment of the 12th installment of interest, which has a total value of approximately VND 19 billion, and the principal of VND 150 billion on the MNRCH2123001 bond. The original payment date for the principal of this bond was January 2, but DXG plans to extend the payment deadline for both principal and interest until the end of 2024.

NVL: According to information from the Ho Chi Minh City Stock Exchange (HOSE), NovaGroup sold more than 2.2 million NVL shares of No Va Real Estate Investment Group (Novaland) from December 28, 2023 to January 2, 2024. As a result, NovaGroup's ownership of NVL shares decreased from 382.25 million units (19.6%) to 380.04 million units (19.48%). At the same time, NovaGroup was forced to sell 36,874 NVL shares through a securities company from December 27, 2023 to January 2, 2024. The transaction was executed on the exchange floor using the matching method.

FCN: Mr. Tran Trong Thang, the permanent vice chairman of Fecon Corporation (FCN), announced that he would be selling 350,000 FCN shares to meet his personal financial needs. The transaction will be executed from January 11, 2024 to February 9, 2024 using the matching or negotiated method. If the transaction is completed, Mr. Thang will reduce his ownership at Fecon from 631,461 shares to only 281,461 shares.

Breaking News



Business news

POM: The father and son of Pomina Steel Vice President register to sell a total of nearly 1.7 million POM shares, estimated total value of transactions over 9 billion dong. According to information from the Ho Chi Minh City Stock Exchange (HOSE), Mr. Do Van Khanh, Vice President of Pomina Steel and also the younger brother of Mr. Do Duy Thai, Chairman of the Board of Directors, registered to sell all 825,240 POM shares (equivalent to a ratio of 0.3%). At the same time and method of trading, Mr. Do Ngoc Sang, the son of Mr. Do Van Khanh, registered to sell all 869,929 POM shares (ratio of 0.31%) for investment.

SKG: According to information from the Ho Chi Minh City Stock Exchange (HOSE), Mr. Puan Kwong Siing, CEO of Superdong Kien Giang High Speed Ferry, registered to sell 2 million SKG shares to reduce ownership. The transaction is scheduled to be carried out from January 11 to February 7, according to the method of matching orders on the floor or negotiation. If the transaction is successful, Mr. Puan Kwong Siing's ownership will decrease from 9.89 million shares (ratio of 15.62%) to 7.89 million shares (ratio of 12.46%). Temporarily calculated based on the current trading price, it is estimated that Mr. Puan Kwong Siing could earn about 30 billion dong after selling shares.

HSG: Hoa Sen Group Joint Stock Company (HoSE: HSG) recently announced the Annual Report for the 2022-2023 fiscal year with the following policies: large investment in real estate, IPO of the plastic segment and restructuring of the building materials and furniture block. Specifically, for the business of distributing building materials and furniture, the company continues to consolidate and improve the business efficiency of the Hoa Sen Home system, prepare sufficient resources to establish Hoa Sen Building Materials - Furniture Distribution Joint Stock Company, and at the same time plan to transfer the building materials and furniture distribution segment to Hoa Sen Home Joint Stock Company at an appropriate time, planned for 2024 to 2026.

Technical view



Trend: Return to the uptrend

- VNINDEX closed at 1,158.59 (-1.6 points, -0.14%) with liquidity at a similar level to the previous session. The market had 157 green codes and 340 red codes. The groups of stocks that contributed the most to the market's rise were VCB, TCB, and CTG. On the other hand, the groups of stocks that contributed to the market's decline were GAS, BID, and VIC. The market traded in a narrow range, with foreign investors reducing their net sell-off to VND115 billion.
- Technical view: The market showed signs of stalling after breaking through the 1,150 resistance level. Currently, VNINDEX is trading in the upper band of the Bollinger Band, besides, the RSI index is in the overbought zone, which indicates that the market is showing signs of accumulation after a period of 7 consecutive increases in the recent period.
- Strategy: Investors can consider taking partial profits for those stocks that show signs of topping and reversing. Investors should limit new purchases and maintain a state of observation when the market is in the resistance zone.

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

10/1/2024

Unit: VND thousand

Today's watchlist

Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals

Trading portfolio

Ticker	Recommendation	Buying price	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
TV2	Hold	38.2	43.2	36.6	13%	-4%	38.5	11	0.79%	26/12/2023	
KBC	Hold	31.7	35.1	30.1	11%	-5%	32.3	11	1.74%	26/12/2023	
VHC	Hold	62.0	70.6	59.1	14%	-5%	66.1	8	6.61%	29/12/2023	
DCM	Hold	32.3	36.0	31.4	11%	-3%	32.6	6	0.93%	02/01/2024	
SSI	Hold	33.0	36.0	31.7	9%	-4%	34.0	4	3.19%	04/01/2024	
KDH	Hold	31.2	33.9	30.3	9%	-3%	30.8	4	-1.44%	04/01/2024	

Economic calendar

Shinhan Securities

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

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