MORNING CALL
11/01/2024

"The market is green outside, but the stock is red inside"

- World stocks: US stocks are positive as they await inflation data
- Vietnam stocks: The market is green outside, but the stock is red inside
- Business news: #CRE, #CII, #VCA, #DBC, #HSG, #HAG
- Technical perspective and updated recommendations
- Event calendar
- Q&A

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Global Market Review 08/01 - 12/01/2024

Shinhan Securities

Major stocks market

- In regular trading on Wednesday, the Dow rose 0.45%, the S&P 500 gained 0.57% and the Nasdaq Composite climbed 0.75%. Markets expect the headline inflation to rise to 3.1% in December, while the core inflation rate is anticipated to fall to 3.8%, the lowest since May 2021.
- European shares failed to maintain their early rebound to close moderately lower on Wednesday as investors continued to assess the policy outlook for the ECB and the Fed. Frankfurt's DAX 40 added 0.2% to reach about 16,720 points on Wednesday, driven by interest-rate sensitive real estate stocks ahead of a key US inflation print scheduled for Thursday. The CAC 40 index closed 0.04% lower at 7,423 level on Wednesday and marginally extended previous session losses, as attention remained fixed on upcoming US inflation data scheduled for tomorrow, seen as pivotal in providing insights into the potential direction of interest rates.
- The Nikkei 225 Index jumped 1.3% to above 34,800 while the broader Topix Index rallied 1.5% to 2,481 on Thursday, scaling their highest levels in nearly 34 years as a weakening yen boosted the outlook on Japan's export-heavy industries and made domestic assets cheaper for foreign investors.
- WTI crude futures pared gains to trade below $72 per barrel, after US government data showed an unexpected increase in crude stocks. The EIA report showed crude oil inventories in the US rose by 1.338 million barrels last week, defying expectations of a 675 thousand-barrel decrease.

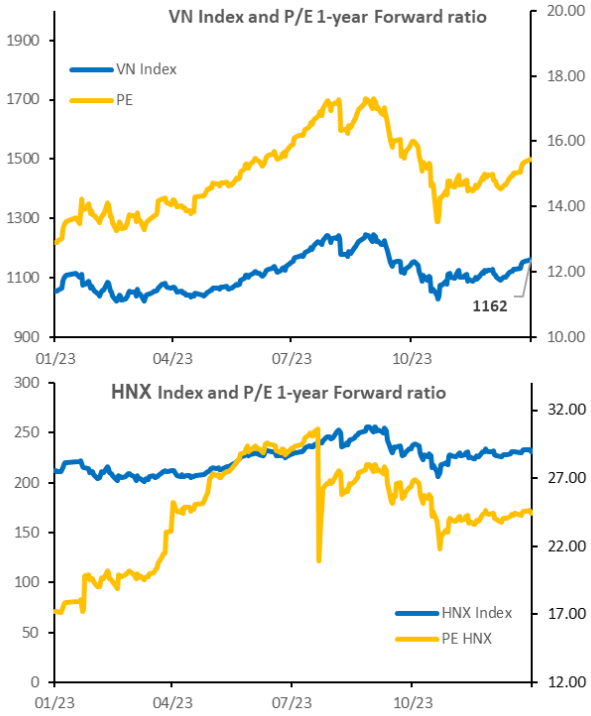
Market

	Close	%1D	%1M	%1Y
VN-Index	1,162	0.25%	3.20%	10.02%
S&P 500 Index	4,783	0.57%	3.48%	20.50%
Dow Jones Index	37,696	0.45%	3.99%	11.84%
GP 100	7,652	-0.42%	1.42%	-0.95%
Nikkei 225	34,927	1.41%	6.51%	32.07%
SHCOMP Index	2,878	-0.54%	-3.80%	-8.99%
STOXX 600	476	-0.18%	0.57%	6.48%
KOSPI Index	2,546	0.16%	0.82%	7.90%
Hang Seng	16,154	0.35%	-0.29%	-24.64%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.28	-0.08%	-1.74%	-0.88%
USD/VND	24,381.00	-0.01%	-0.50%	-3.83%
EUR/USD	1.10	0.03%	1.96%	2.04%
USD/CNY	7.17	0.09%	0.11%	-5.59%
Brent	77.07	0.35%	1.37%	-6.77%
WTI	71.63	0.36%	0.43%	-7.47%
Natural gas	3.04	-0.10%	24.89%	-17.30%
Coal	133.50	-1.58%	-11.59%	-65.81%
Gold	2,028.43	0.20%	2.35%	8.14%

Vietnam Market Snapshot 10/01/2024



Money flow and sector rotation (VND bn)

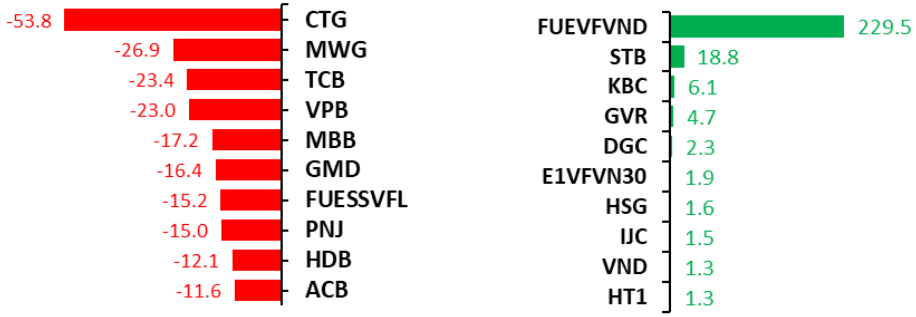
Sector	%1D	1/10/2024	1/9/2024	20-session Average
Technology	129.78	330	144	211
Insurance	126.25	48	21	19
Banks	62.70	5,743	3,530	2,660
Media	62.20	21	13	13
Personal & Household Goods	22.17	198	162	153
Utilities	16.11	220	189	159
Health Care	14.92	21	18	22
Construction & Materials	14.31	1,261	1,103	844
Financial Services	9.83	2,569	2,339	2,237
Basic Resources	7.28	1,704	1,589	1,230
Travel & Leisure	7.22	84	78	119
Retail	3.30	622	602	500
Chemicals	2.88	723	702	458
Industrial Goods & Services	1.04	1,123	1,112	868
Real Estate	-2.9	3,230	3,327	2,638
Food and Beverage	-9.9	1,036	1,150	1,185
Automobiles & Parts	-26.8	195	266	184
Oil & Gas	-50.3	142	285	119

Source: Bloomberg, Shinhan Securities Vietnam

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,161.54	15.45	2.95	0.25	858	19,273
HNX INDEX	231.41	24.45	-1.09	-0.47	102	1,795

Vietnam Market Snapshot 10/01/2024

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	(18)	(157)	145	11
Basic Resources	3	11	129	(140)
Media	-	0	(0)	0
Industrial Goods & Services	(30)	2	34	(36)
Health care	0	(2)	(0)	2
Chemicals	6	(82)	106	(24)
Financial Services	219	(78)	85	(7)
Travel & Leisure	(7)	(7)	18	(11)
Banks	(176)	202	10	(212)
Construction & Materials	2	(16)	39	(23)
Food and Beverage	(17)	(69)	18	51
Retail	(27)	9	17	(26)
Utilities	(2)	(23)	30	(6)
Personal & Household Goods	(15)	3	0	(3)
Technology	(7)	(0)	14	(14)
Automobiles & Parts	0	(7)	8	(1)
Insurance	(1)	0	2	(3)
Oil & Gas	(0)	(5)	2	3

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Year 2024 is expected to be a year of many risks and challenges for both the world and Vietnam. However, with the recovery momentum in recent times and greater efforts and determination, Vietnam has the potential to grow by 6-6.5%. In a speech at the closing ceremony of the Vietnamese textile and garment industry, Dr. Can Van Luc said that the world's economic growth is forecast to increase by 2.4-2.9% in 2024 (down from about 3% in 2023); global inflation will continue to decline; financial, monetary, and debt risks in the world remain high; energy security, food security, and supply chain risks are still present. These factors all have a negative impact on Vietnam. However, according to Dr. Luc, with the recovery momentum in recent times and greater efforts and determination, it is possible for Vietnam to grow by 6-6.5% and inflation to rise by 3.5-4% in 2024, even though the growth rate of the Asia-Pacific region is forecast to be lower (4.5%) due to slower growth in China.

- Lax management led to the embezzlement and misuse of billions of dong from the gasoline stabilization fund. The conclusion of the Government Inspectorate clearly stated that 7 out of 15 major gasoline traders have used the Stabilization Fund for the wrong purpose of stabilizing prices, not transferring it to the Stabilization Fund account but leaving it in the company's payment account, with a total of 7.927 billion dong.

- 44,000 billion dong poured into 5 'giant' transport projects: A breakthrough for the super metropolis of nearly 10 million people. According to the Plan for the implementation of investment in 5 projects to upgrade, expand, and modernize existing road works applied to BOT contracts in Ho Chi Minh City, which was just issued, the city plans to implement 5 BOT projects on major roads in 2024. The 5 projects to be implemented are expected to have a total investment of about 44.592 billion dong, all located at the gateways to the city, playing a particularly important role in the development of Ho Chi Minh City but are often congested.

Business news

CRE: Cen Land of "Shark Hung" delays paying interest on bonds to VNDirect. At the end of last year, just before the old maturity date, Cen Land passed a resolution to extend the CRE202001 bond code for an additional 13 months to January 31, 2025. Century Real Estate Joint Stock Company (Cen Land - code CRE) has just announced unusual information about the delay in paying interest on the CRE202001 bond. Accordingly, the interest to be paid on January 3, 2024 is more than VND25.92 billion, but the company has only paid more than VND500 million. Previously, Cen Land had paid the entire more than VND96.45 billion in principal due for this bond code.

CII: CII uses cash gifts to encourage shareholders to attend the General Assembly of Shareholders. Ho Chi Minh City Infrastructure Investment Joint Stock Company (code CII) has just announced an open letter to encourage shareholders to attend the Annual General Meeting of Shareholders (AGM) in 2023. Accordingly, shareholders who directly attend or authorize to attend will receive a cash gift in the form of a transfer depending on the number of shares held.

VCA: Vicasa - VNSteel Joint Stock Company (stock code: VCA) has just announced the financial statements for the third quarter of 2023 with revenue of VND470 billion, down slightly by 6% from the same period last year. The company's gross profit was VND13.3 billion, down 37.2% from the fourth quarter of 2022. The company had almost no financial revenue. Selling and administrative expenses decreased significantly from the previous year to VND1.3 and VND3.4 billion, respectively. Meanwhile, selling expenses increased by nearly 10% to VND3.9 billion. As a result, Vicasa - VNSteel earned VND4.5 billion in pre-tax profit, down 35.7% from the same period last year. Net profit reached VND3.6 billion, down 45%. EPS decreased from VND423 to VND238. Thus, the company has returned to profit after the third quarter of 2023.

Breaking News



Business news

DBC: Daughter of "pork giant" Nguyen Nhu So wants to sell 1 million DBC shares after the stock price soared 40% in a few months. In the latest announcement, Ms. Nguyen Thi Tan Hoa has registered to sell 1 million DBC shares of Dabaco Vietnam Joint Stock Company. If successful, Ms. Hoa will reduce her ownership to nearly 4.4 million shares, accounting for 1.8% of the charter capital. The planned trading period is from January 11 to February 7, 2024. The purpose is to meet personal financial needs.

HSG: Hoa Sen (HSG) plans to IPO a subsidiary. Hoa Sen Group Joint Stock Company (HSG) has just announced the annual report for the 2022-2023 fiscal year and revealed some business plans for the new fiscal year. Specifically, for the distribution business of 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 Construction Materials - Furniture Distribution Joint Stock Company, and at the same time plan to transfer the distribution business of building materials - furniture to Hoa Sen Home Joint Stock Company at an appropriate time, expected from 2024 to 2026.

HAG: HAGL has reduced 22,000 billion dong from its peak debt, Bau Duc is confident "With new people, new resources, HAGL will have bigger new dreams" after partnering with LPBank. According to the data shared recently by Chairman Doan Nguyen Duc of Hoang Anh Gia Lai (HAGL), as of mid-December, HAGL still owes about 6,000 billion dong, down 22,000 billion from the peak in 2016.

Technical view



Trend: Return to the uptrend

- VNINDEX closed at 1,161.54 (2.95 points, +0.25%) with continued increases in trading volume. The market had 195 green and 309 red codes. The stock groups that contributed the most to the market's rise were VCB, BID, and CTG. On the other hand, the stock groups that contributed to the market's decline were FPT HPG VHM. The banking sector continued to be the main leading sector with the strongest increase. Conversely, the technology and financial services sectors were the sectors with the strongest decline. The market traded in a narrow range, with foreign investors continuing to sell net.
- Technical view: The market's upward momentum has narrowed and is showing signs of stalling as banking stocks are showing signs of profit-taking. Although the market is up, the fact that there are fewer green codes than red codes shows that the money flow is only going into a few large-cap banking codes, causing the index to rise. The market trend is still good and the stalling of VNINDEX is also normal as it has been rising continuously for the past time.
- Strategy: Investors may consider partially taking profits for those stocks that show signs of topping and reversal. Investors should limit new purchases and maintain a state of observation when the market is in a 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

11/1/2024

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%	37.8	12	-1.18%	26/12/2023	
KBC	Hold	31.7	35.1	30.1	11%	-5%	31.7	12	-0.16%	26/12/2023	
VHC	Hold	62.0	70.6	59.1	14%	-5%	65.0	9	4.84%	29/12/2023	
DCM	Hold	32.3	36.0	31.4	11%	-3%	32.3	7	0.00%	02/01/2024	
SSI	Hold	33.0	36.0	31.7	9%	-4%	33.7	5	2.28%	04/01/2024	
KDH	Hold	31.2	33.9	30.3	9%	-3%	30.1	2	-3.69%	09/01/2024	

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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