MORNING CALL
12/01/2024

“The banking sector experiences a correction, the market fluctuates”

- World stocks: Mixed movements ahead of higher-than-expected US inflation data
- Vietnam stocks: The banking sector experiences a correction, the market fluctuates
- Business news: #TNG, #CTS, #FRT, #MWG, #HPG, #MBS
- Technical perspective and updated recommendations #PET
- Event calendar
- Q&A

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Catching the latest report



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

Shinhan Securities

Major stocks market

- In regular trading on Thursday, the Dow inched up 0.04%, the S&P 500 shed 0.07% and the Nasdaq Composite was unchanged. Those moves came as the latest CPI report showed that the headline inflation exceeded expectations, rising to 3.4%, while the core rate fell less than anticipated to 3.9%. This led investors to slightly lower their expectations for a rate cut by the Federal Reserve in March to around 65% from the previous 70%.
- European equity markets extended their afternoon downturn to close firmly lower on Thursday after a hotter-than-expected inflation print in the US trimmed bets that the Federal Reserve will cut interest rates in the first quarter, pressuring bonds and equities in the Eurozone. The currency bloc's Stoxx 50 dropped by 0.6% to 4,442, while the pan-European Stoxx 600 slid a sharper 0.8% to 473. The FTSE 100 Index decreased 75 points or 0.98 percent on Thursday. The CAC 40 index closed 0.5% lower at 7,387 level on Thursday as traders digested fresh US inflation.
- The Nikkei 225 Index jumped 1.77% to close at 35,049 while the broader Topix Index rallied 1.57% to 2,483 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. Sentiment was also lifted by growing expectations that the Bank of Japan will maintain its massive stimulus and keep ultra-low interest rates amid signs of cooling inflation.
- WTI crude futures rose more than 2% toward $73 per barrel on Thursday driven by concerns over shipping security after an armed group attacked an oil tanker in Oman.

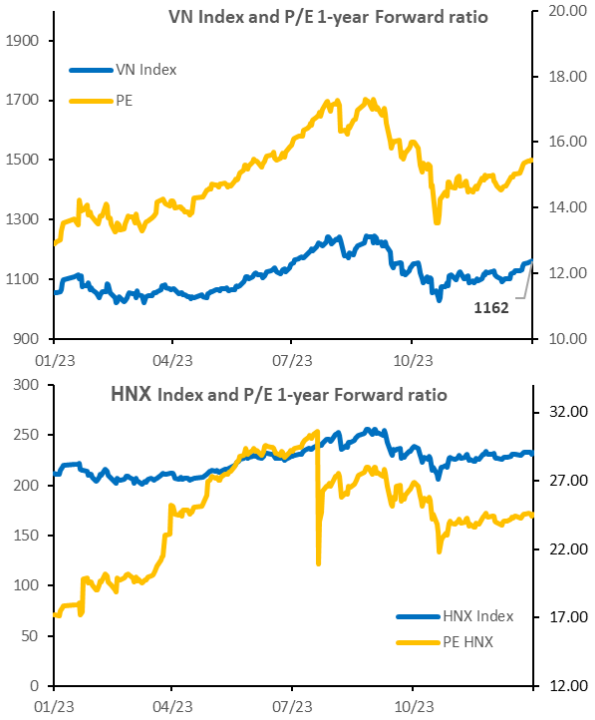
Market

	Close	%1D	%1M	%1Y
VN-Index	1,162	0.06%	3.07%	10.02%
S&P 500 Index	4,780	-0.07%	3.48%	20.42%
Dow Jones Index	37,711	0.04%	3.59%	11.00%
GP 100	7,577	-0.98%	0.45%	-2.79%
Nikkei 225	35,481	1.23%	6.89%	34.15%
SHCOMP Index	2,887	0.31%	-3.50%	-8.75%
STOXX 600	473	-0.77%	0.57%	5.01%
KOSPI Index	2,527	-0.52%	0.59%	6.85%
Hang Seng	16,302	1.27%	0.77%	-24.23%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.20	-0.02%	-1.53%	0.03%
USD/VND	24,473.00	-0.13%	-0.83%	-4.21%
EUR/USD	1.10	0.02%	1.67%	1.11%
USD/CNY	7.17	0.08%	0.10%	-5.61%
Brent	77.41	0.79%	1.82%	-6.36%
WTI	71.95	1.83%	6.89%	-6.44%
Natural gas	3.01	1.87%	36.52%	-14.61%
Coal	133.50	-2.06%	-14.26%	-64.66%
Gold	2,034.17	0.10%	2.60%	7.06%

Vietnam Market Snapshot 11/01/2024



Money flow and sector rotation (VND bn)

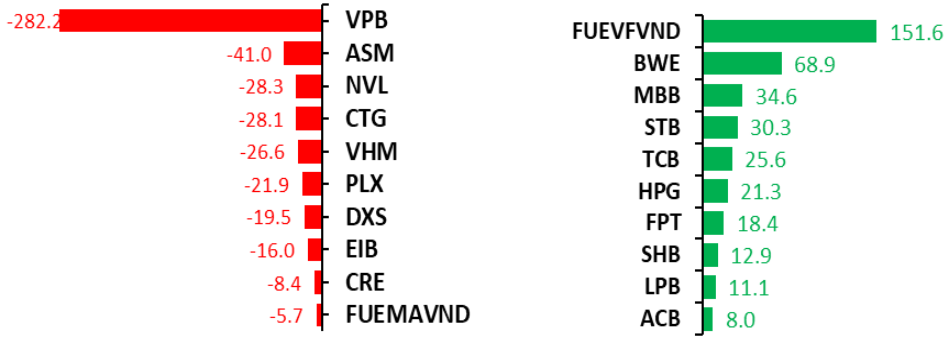
Sector	%1D	1/11/2024	1/10/2024	20-session Average
Insurance	55.59	74	48	21
Food and Bev	27.96	1,281	1,001	1,199
Utilities	12.65	247	219	166
Financial Serv	3.48	2,658	2,569	2,260
Oil & Gas	2.17	145	142	115
Travel & Leisu	-9.2	76	84	116
Banks	-15.0	4,884	5,743	2,796
Construction &	-21.0	996	1,261	866
Health Care	-23.6	16	21	22
Personal & Hc	-24.2	150	198	158
Real Estate	-26.5	2,373	3,230	2,608
Automobiles &	-26.9	142	195	182
Industrial Goo	-29.5	791	1,123	871
Technology	-36.5	210	330	209
Chemicals	-42.7	414	723	467
Retail	-42.9	355	622	488
Basic Resour	-47.8	889	1,704	1,210
Media	-64.4	8	21	13

Source: Bloomberg, Shinhan Securities Vietnam

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,162.22	15.46	0.68	0.06	716	15,667
HNX INDEX	232.71	24.59	1.30	0.56	83	1,545

Vietnam Market Snapshot 11/01/2024

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	(74)	(60)	133	(73)
Basic Resources	21	96	(67)	(29)
Media	-	(0)	0	0
Industrial Goods & Services	(3)	(22)	38	(16)
Health care	-	(3)	2	1
Chemicals	5	(33)	27	6
Financial Services	154	(16)	(19)	35
Travel & Leisure	2	(3)	0	2
Banks	(181)	232	(473)	241
Construction & Materials	(3)	24	(22)	(3)
Food and Beverage	(35)	(2)	101	(98)
Retail	6	(59)	83	(24)
Utilities	67	(0)	(70)	70
Personal & Household Goods	-	1	4	(4)
Technology	16	(2)	(3)	5
Automobiles & Parts	1	0	0	(1)
Insurance	(1)	14	(12)	(3)
Oil & Gas	(22)	(6)	29	(23)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Four policy highlights to promote internal strength, towards the goal of growth in 2024. First, on the direction of promoting socio-economic development in 2024, the resolutions of the National Assembly and the Government all emphasize the priority of promoting growth and stabilizing the macroeconomy. In this regard, the Government emphasizes 16 golden words with 4 action messages: Discipline, Responsibility, Proactive and Timely, Accelerate Innovation, and Sustainable Efficiency.

- Prime Minister: The Ministry of Planning and Investment has made silent but significant and far-reaching contributions in 2023. Sharing at the nationwide online conference to summarize the work in 2023 and deploy the tasks for 2024 of the Ministry of Planning and Investment on January 11 at the National Innovation Center National base in Hoa Lac, the Prime Minister evaluated that in 2023, the Ministry of Planning and Investment has successfully completed a large amount of work that is quite comprehensive in all areas according to its functions, tasks, and powers, and has coordinated closely and effectively with all levels, sectors, agencies, units, and related international partners.

- Prime Minister: "2023 is the year of planning; while 2024 needs to break through in terms of human resources, including training 100,000 high-quality semiconductor engineers." On the morning of January 11, the Ministry of Planning and Investment held a conference to summarize the work in 2023 and deploy the tasks for 2024. Prime Minister of the Government attended and directed the Conference. 2023 was a year full of "emotion and impression, but not a few worries, worries, and anxieties," according to the words of the head of government. The world economy with many fluctuations, when inflation is high, growth is down, the Gaza Strip war, attacks in the Red Sea, etc. Concluding the Conference, Prime Minister Phạm Minh Chính emphasized: "In 2024, it is necessary to identify breakthrough, in which the Ministry of Planning and Investment needs to focus on leading in innovation; especially breakthrough in human resources, including 100,000 high-quality engineers in semiconductors."

Business news

TNG: TNG Textiles to pay over VND45 billion in interim dividend for 2023. TNG Investment and Trading JSC (TNG Textiles, stock code: TNG) has announced the record date to establish the list of shareholders eligible for the interim dividend for 2023. Specifically, the record date is January 22, 2024 and the expected payment date is February 2, 2024. The implementation ratio is 4%/par value, corresponding to each share receiving VND400. With over 113.5 million shares in circulation, it is estimated that TNG will need to pay about VND45 billion to complete this payment.

CTS: Industrial park real estate enterprise is the creditor of a series of securities companies: VCBS borrows over VND700 billion, "pumps" up to VND2,500 billion for CTS. As of the end of the third quarter of 2023, the enterprise is lending money to two securities companies. In addition, this enterprise continues to grant a maximum loan limit of VND2,500 billion to Vietinbank Securities. In the latest announcement, the Board of Directors of Vietinbank Securities (CTS) has approved a resolution to approve the implementation of borrowing from Saigon VRG Investment JSC (SIP).

FRT: FPT Retail officially launches FPT Mobile Virtual Network, joining the new game with "big guys" Masan, VNPay... FPT Retail JSC (FPT Retail, FRT) has just announced the official information on the provision of FPT Mobile - MVNO (Mobile Virtual Network Operator). Specifically, from today, January 11, 2024, FPT Mobile - MVNO will be launched nationwide with the 0775 number. In this launch, FRT also offers a special FLEX package with a monthly fee of VND88,000, including 5GB of high-speed data per day, 150 minutes of calls to FPT and MobiFone (calls under 10 minutes), and 30 minutes of calls to other networks...

Breaking News



Business news

MWG: Chairman Nguyen Duc Tai buys back 200,000 shares of MWG. Mobile World Investment Corporation (MWG) has announced that its chairman Nguyen Duc Tai has completed the purchase of 200,000 MWG shares out of a total of 500,000 shares that he had registered to buy. The trading period was from December 12, 2023 to January 10, 2024. The reason for not completing the entire registered amount was due to the unfavorable market conditions, according to the chairman. After the transaction, Mr.Tai increased his stake in MWG to over 35.4 million shares, equivalent to a 2.422% stake.

HPG: Analysts forecast strong recovery for steel industry in 2024. SSI Research expects the profits of steel companies to grow significantly in 2024 from the low base of 2023, thanks to improved sales volume, especially for Hòa Phát and Hoa Sen. 2023 was a difficult year for the steel industry as domestic consumption of finished steel fell due to the impact of the macroeconomic and the real estate market. However, according to a recent report by SSI Research, the domestic channel has shown early signs of recovery in late 2023, with sales from September to November increasing by 13% year-on-year after falling by 20% year-on-year in the first 8 months of the year.

MBS: MB Securities reports strong Q4 2023 results. MB Securities (MBS) has released its standalone financial statements for Q4 2023, becoming the first company in the group to disclose its financial and business data for Q4 and 2023 in total. In Q4 2023, MBS recorded growth in almost all major business areas, with operating revenue reaching nearly VND540 billion, up 33% from the same period last year. Pre-tax profit reached over VND201 billion, up 91% from the same period in 2022. Net profit reached nearly VND173 billion, up 139% from Q4 2022.

Technical view



Trend: Return to the uptrend

- VNINDEX closed at 1,162.22 (+0.68 points, +0.06%), with liquidity declining from the previous session. The market had 250 green and 221 red stocks. The groups of stocks that contributed the most to the market's rise were EIB, BCM, and BVH. On the other hand, the groups of stocks that contributed to the market's decline were BID, GVR, and VHM. Foreign investors in today's session unexpectedly turned to net buying of 151 billion VND.
- Technical view: The market closed with a Doji candlestick pattern, which shows market volatility. Combined with recent trading sessions, we see that VNINDEX is trading in a narrow range after breaking through the resistance zone of 1,155 points. This shows that the strength of the short-term uptrend has weakened. In addition, the current RSI index is in the overbought area, indicating an increased risk of a reversal.
- Strategy: Investors may consider taking partial profits for stocks that show signs of forming a peak 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

12/1/2024

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
PET	Buy	26.7	30.3	25.5	13.5%	-4.5%	26.7	Rise up from the EMA 50

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%	37.6	13	-1.57%	26/12/2023	
KBC	Hold	31.7	35.1	30.1	11%	-5%	31.7	13	0.00%	26/12/2023	
VHC	Hold	62.0	70.6	59.1	14%	-5%	64.7	10	4.35%	29/12/2023	
DCM	Hold	32.3	36.0	31.4	11%	-3%	32.4	8	0.15%	02/01/2024	
SSI	Hold	33.0	36.0	31.7	9%	-4%	33.9	6	2.88%	04/01/2024	
KDH	Sell	31.2	33.9	30.3	9%	-3%	30.3	3	-3.04%	09/01/2024	

Economic calendar

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
4	5	NOTES				

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Q&A

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