# MORNING CALL
# 15/01/2024

## “Market shaking, unpredictable geopolitical risks in the Red Sea”

- ❑ World stocks: Mixed movements before PPI data
- ❑ Vietnam stocks: The market is shaking
- ❑ Business news: #POW, #SHG, #VET, #KDH, #VGC, #BCG
- ❑ Highlight: Unpredictable geopolitical risks in the Red Sea
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A


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# Global Market Review 15/01 – 19/01/2024

Shinhan Securities

## Major stocks market

- The Dow Jones closed 115 points lower on Friday, while the S&P 500 and the Nasdaq finished mostly muted, as investors weighed the first batch of corporate quarterly results and softer-than-expected PPI data. Producer prices in the US unexpectedly declined 0.1% month-over-month in December 2023, the same as in November, and compared to forecasts of a 0.1% rise.
- European stocks closed sharply higher on Friday, supported by expectations of looser monetary policy amid evidence of softening US inflation and dovish rhetoric from the ECB. The Eurozone's Stoxx 50 added 0.7% to 4,475, translating to a 0.3% increase on the week, while the pan-European Stoxx 600 added 0.8% to notch a flat weekly close. The CAC 40 closed 0.7% higher at the 7,465 level on Friday, aligning with regional peers as investors welcomed the prospect of looser monetary conditions from the ECB. In London, the FTSE 100 Index gained 48 points or 0.64 percent on Friday.
- The Nikkei 225 Index jumped 1.15 to close at 35,577 while the broader Topix Index climbed 0.46% to 2,494 on Friday, hitting their highest levels in almost 34 years as a weak yen and a dovish view on Bank of Japan monetary policy continued to push the market higher.
- WTI crude futures climbed over 1%, settling at $72.68 per barrel on Friday. Concerns over potential supply disruptions escalated following U.S. and British air and sea strikes on Houthi targets in Yemen.

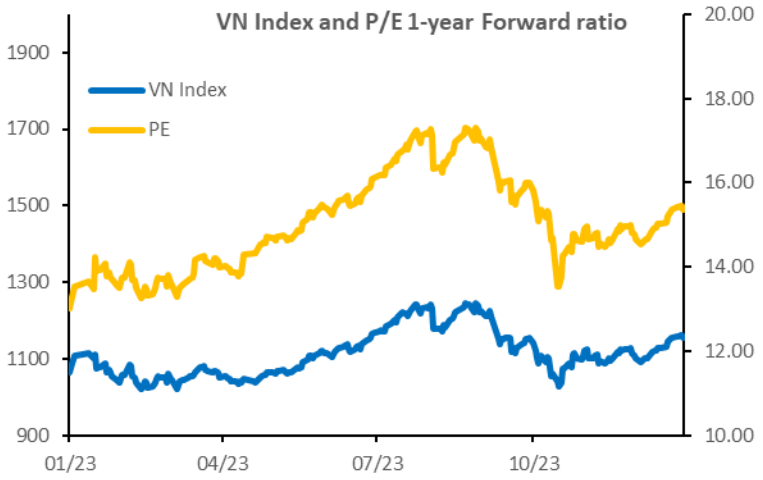
## Market

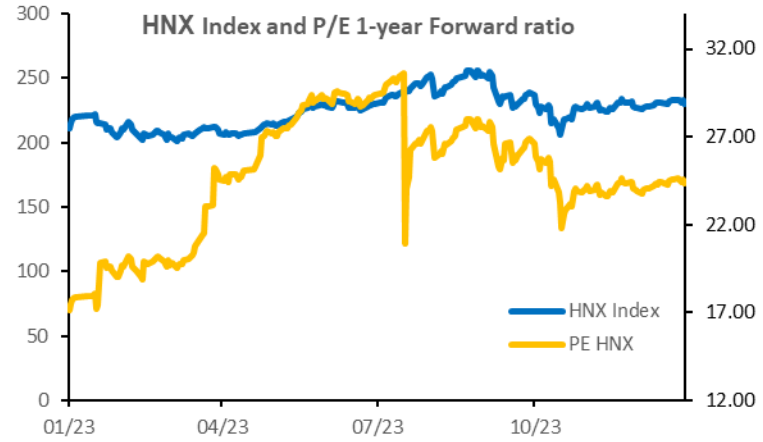
| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| VN-Index | 1,155 | -0.65% | 4.75% | 8.92% |
| S&P 500 Index | 4,784 | 0.08% | 1.37% | 19.62% |
| Dow Jones Index | 37,593 | -0.31% | 0.77% | 9.59% |
| GP 100 | 7,625 | 0.64% | 0.64% | -2.79% |
| Nikkei 225 | 35,702 | 0.35% | 8.27% | 36.67% |
| SHCOMP Index | 2,882 | -0.16% | -2.06% | -9.81% |
| STOXX 600 | 477 | 0.84% | 0.03% | 5.35% |
| KOSPI Index | 2,530 | 0.18% | -1.32% | 6.03% |
| Hang Seng | 16,245 | -0.35% | -3.26% | -25.27% |

## Currency & Commodity

| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| Dollar Index | 102.44 | 0.04% | -0.11% | 0.23% |
| USD/VND | 24,502.00 | 0.01% | -0.96% | -4.32% |
| EUR/USD | 1.10 | 0.01% | 0.52% | 1.20% |
| USD/CNY | 7.17 | -0.01% | 0.14% | -6.11% |
| Brent | 78.33 | 0.03% | 2.30% | -8.15% |
| WTI | 72.67 | -0.01% | 1.72% | -9.02% |
| Natural gas | 3.13 | -5.61% | 25.53% | -8.57% |
| Coal | 130.85 | 0.08% | -10.53% | -65.34% |
| Gold | 2,047.74 | -0.06% | 1.39% | 6.88% |

# Vietnam Market Snapshot 12/01/2024




| | Close | PE | Change | %1D | Trading volume (mn stocks) | Trading value (VND bn) |
|---|---|---|---|---|---|---|
| VNI NDEX | 1,154.70 | 15.36 | -7.52 | -0.65 | 969 | 21,404 |
| HNX INDEX | 230.31 | 24.33 | -2.39 | -1.03 | 103 | 1,898 |

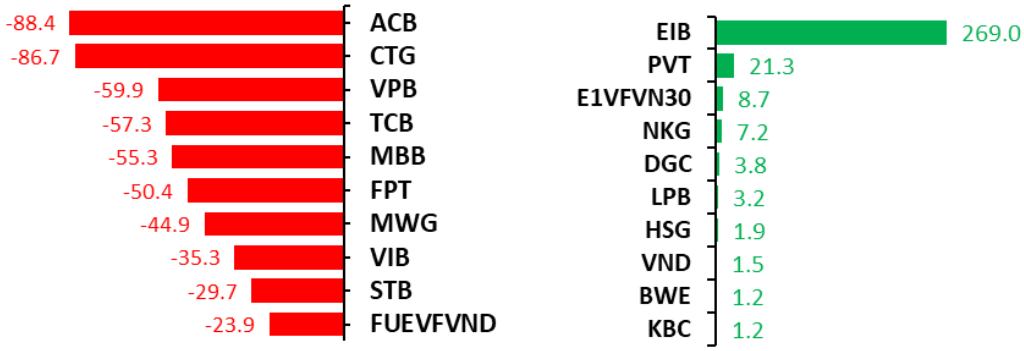
## Money flow and sector rotation (VND bn)

| Sector | %1D | 1/12/2024 | 1/11/2024 | 20-session Average |
|---|---|---|---|---|
| Media | 102.18 | 15 | 8 | 14 |
| Technology | 72.23 | 361 | 210 | 218 |
| Real Estate | 68.26 | 3,992 | 2,373 | 2,666 |
| Automobiles & Parts | 63.36 | 233 | 142 | 186 |
| Industrial Goods & Services | 59.99 | 1,266 | 791 | 897 |
| Basic Resources | 58.71 | 1,411 | 889 | 1,165 |
| Chemicals | 54.73 | 641 | 414 | 480 |
| Retail | 54.27 | 548 | 355 | 494 |
| Banks | 40.95 | 6,885 | 4,884 | 3,013 |
| Health Care | 39.83 | 23 | 16 | 22 |
| Construction & Materials | 37.14 | 1,302 | 950 | 880 |
| Oil & Gas | 24.53 | 180 | 145 | 120 |
| Travel & Leisure | 14.74 | 87 | 76 | 116 |
| Financial Services | 6.18 | 2,822 | 2,658 | 2,301 |
| Personal & Household Goods | -1.3 | 148 | 150 | 160 |
| Food and Beverage | -5.3 | 1,169 | 1,235 | 1,185 |
| Utilities | -8.6 | 225 | 247 | 170 |
| Insurance | -47.0 | 39 | 74 | 22 |

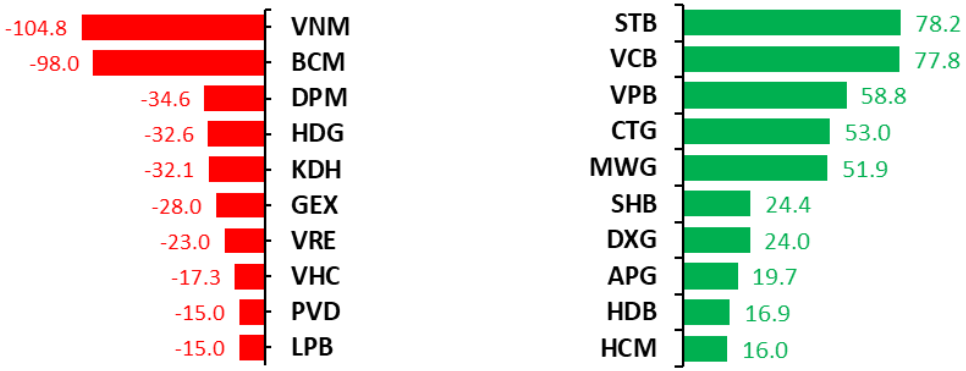
Source: Bloomberg, Shinhan Securities Vietnam

# Vietnam Market Snapshot 12/01/2024

## 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 | (67) | (165) | 208 | (43) |
| Basic Resources | 1 | (16) | 44 | (28) |
| Media | - | (1) | 1 | 0 |
| Industrial Goods & Services | (12) | (9) | 38 | (29) |
| Health care | - | 1 | (1) | 1 |
| Chemicals | 5 | (36) | 8 | 29 |
| Financial Services | (32) | 73 | (46) | (27) |
| Travel & Leisure | (12) | (4) | 15 | (12) |
| Banks | (232) | 299 | 137 | (437) |
| Construction & Materials | 1 | (10) | 14 | (4) |
| Food and Beverage | (39) | (126) | 197 | (71) |
| Retail | (45) | 41 | 3 | (44) |
| Utilities | (5) | (20) | 30 | (9) |
| Personal & Household Goods | (16) | (1) | 35 | (34) |
| Technology | (52) | 4 | 44 | (48) |
| Automobiles & Parts | 0 | 2 | 2 | (4) |
| Insurance | (0) | 0 | 3 | (3) |
| Oil & Gas | (6) | (15) | 12 | 3 |

Source: Fiinpro, Shinhan Securities Vietnam

# Breaking News

## Macro

- The 20 biggest global risks in 2024, economic recession and extreme weather are at the top. In 2024, record increases in global temperature are forecast to continue to cause negative impacts. The cost of living crisis is making life increasingly difficult for people around the world. Meanwhile, escalating tensions in the Middle East threaten to increase conflict in the region. Not to mention the major geopolitical risks as this year will witness elections in 60 countries around the world.

- Along with the draft Land Law (amended); Draft Law on Credit Institutions (amended), at the Extraordinary Session of the 15th National Assembly, the National Assembly will consider and approve a draft Resolution on a number of specific mechanisms and policies to overcome difficulties, obstacles, and speeding up the implementation of National Target Programs. Supplementing the Medium-term Public Investment Plan with central budget capital for the period 2021-2025 from the general reserve source corresponding to the increase in central budget revenue in 2022 for public investment tasks and projects. Supplementing the Plan medium-term public investment plan for Vietnam Electricity Group from the reserve source of the medium-term public investment plan.

- In 2023 and 2024, in the context of Vietnamese government bond yields continuously decreasing, many people believe that the State Treasury needs to promote capital mobilization during this period for restructuring. "The years 2023 and 2024 are the peak period of debt repayment for the Government, meaning that the previous debt due is very large. In the context of a budget deficit, the entire loan debt must be paid is stressful. The borrowing level to pay off due debt of the central budget last year was about VND 600,000 billion, so borrowing more to roll over the debt is really not feasible. That is the reason why in 2023, the State Treasury has not roll over debt even though interest rates are very low

## Business news

POW: PetroVietnam Power Corporation has just announced preliminary business results for 2023 with an estimated electricity output of 14,443 million kWH, completing 93% of the year's plan. The largest contribution continues to be Ca Mau 1&2 Plant with an estimated electricity generation output of 5.277 million kWh, followed by Vung Ang 1 Plant with 4.337 million kWh; Nhon Trach 2 factory is estimated to reach 2,896 million kWh. Pre-tax profit reached VND 1,327 billion, exceeding 4% of the plan. Profit after tax reached VND 1,194 billion, exceeding 7% of the plan, but is estimated to decrease by 53% compared to implementation in 2022. The parent company's profit after tax alone is estimated at VND 1,194 billion, completing 134% of the year's plan. Entering 2024, the target electricity output reaches 16,703 million kWh, the total revenue plan of the Company is at VND 31,736 billion, the target profit after tax is VND 824 billion. As for the parent company, PV Power targets total revenue of VND 23,960 billion and profit after tax of VND 929 billion.

SHG: Song Hong Joint Stock Corporation has just had official information about the Police Investigation Agency prosecuting the defendant and executing an arrest for Mr. La Tuan Hung, former General Director of the Corporation. Song Hong Joint Stock Company.

VET: Vietnamese enterprise that owns the world's first commercial African swine fever vaccine reports the lowest profit in 10 years. Navetco Central Veterinary Medicine Joint Stock Company has announced its financial statements for the fourth quarter as well as accumulated for the whole year 2023. Particularly in Q34/2023, net revenue reached VND 134 billion, down 31% YoY. A slower decrease in cost of capital helped gross profit reach VND 66 billion, the corresponding profit margin reached 49%, a sharp improvement compared to the fourth quarter of 2022.

# Breaking News



## Business news

KDH: Dragon Capital continuously divests capital in Khang Dien and Ha Do houses. On January 8 and 9, foreign fund group Dragon Capital continuously withdrew capital from Khang Dien House and Ha Do Group. Foreign fund group Dragon Capital has just reported the results of stock trading at Khang Dien Housing Investment and Trading Joint Stock Company. Specifically, Dragon Capital fund group net sold a total of 592,800 KDH shares in the January 8 session. Of which, Vietnam Enterprise Investments Limited fund sold 550,000 shares; Amersham Industries Limited fund sold 200,000 shares; KB Vietnam Focus Balanced Fund sold 50,000 shares. Hanoi Investments Holdings Limited fund bought 207,200 KDH shares.

VGC: Viglacera Corporation – JSC has just announced information about being sanctioned for administrative tax violations. According to a document from the General Department of Taxation dated December 28, 2023, Viglacera made false declarations leading to a lack of tax payable. Therefore, Viglacera was fined 20% of the tax deficiency for incorrect declaration, leading to a lack of tax payment of more than VND 1.4 billion. At the same time, the company is forced to pay the full tax deficiency of more than VND 7 billion and late tax payment interest of nearly VND 2.5 billion, for the years from 2018 to 2022.

BCG: Bamboo Capital and BCG Land sold shares in two real estate companies, focusing their efforts on implementing existing projects. Bamboo Capital Group has just announced a resolution to divest 51% of capital contribution at Helios Village Company Limited. Previously, BCG Land also announced that it would transfer 49% of capital contribution at the King Crown Riverside Residence affiliated company. This share transfer move will help Bamboo Capital and BCG Land have more financial revenue to supplement capital and speed up the progress of real estate projects under construction.

# Highlight: Unpredictable geopolitical risks in the Red Sea



CNN politics SCOTUS Congress Facts First 2024 Elections

## US and UK carry out strikes against Iran-backed Houthis in Yemen



By Oren Liebermann, Haley Britzky, Natasha Bertrand, Kevin Liptak, Alex Marquardt, MJ Lee and Jennifer Hansler, CNN

11 minute read · Updated 3:36 PM EST, Fri January 12, 2024

**Paying more attention**

BlackRock Geopolitical Risk Dashboard, 2018-2023

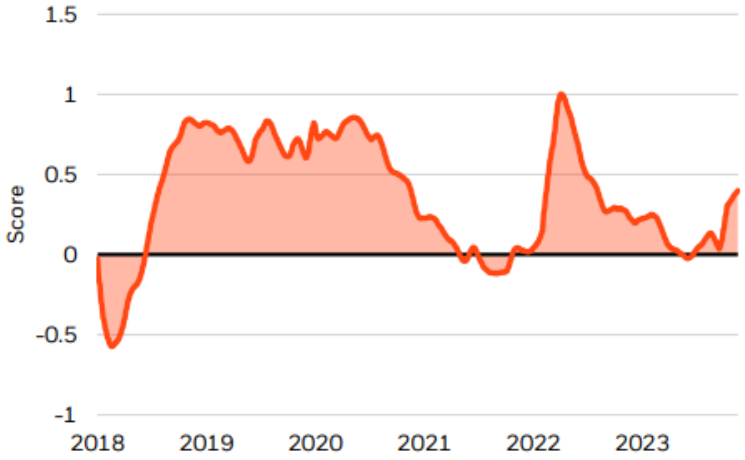



**Chart takeaway:** *Market attention to geopolitics has hit its highest this year, according to our BlackRock Geopolitical Risk Indicator.*

THE IMPACT EVALUATION OF THE DISRUPTION IN THE RED SEA ON THE EXPORT & IMPORT AND OIL & GAS SECTORS

Shinhan Securities

January 4th, 2024

### A new blow to the global supply chain

**Pressures mount on the maritime transport industry**

Since December 15, 2023, the Houthi movement in Yemen has launched over 100 missile and drone attacks on ships in the Red Sea. Some major shipping companies such as Hapag-Lloyd, MSC, CMA CGM,... have temporarily suspended operations on the shipping route through the Red Sea. These attacks have posed a threat to maritime security and global trade.

# Technical view




## Trend: Return to the uptrend

- VNINDEX closed 1,154.7 (-7.52 points, -0.65%) with liquidity continuing to increase. The market has 132 green codes and 380 red codes. The group of stocks contributing the most to the market's increase is MBB CTG ACB TCB. On the contrary, the groups of stocks contributing to the market's decline were VCB and GVR. Most industry groups decreased, but the banking group maintained its upward momentum over the past 2 weeks.
- Technical: The market is shaking as only the banking group maintains its upward momentum, while most other industry groups decline. Currently, the market is still in a good uptrend, and there are still no negative signs appearing. The STOCH RSI indicator has clearly crossed the signal line, showing a corrective trend. Going on. The corresponding support threshold is 1,130, short-term resistance is 1,180 and medium-term resistance is 1,220.
- Strategy: The appropriate strategy is still to prioritize holding and not chasing the banking group because the pressure to turn down can happen at any time.

## 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

15/1/2024

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 | Sell | 38.2 | 43.2 | 36.6 | 13% | -4% | 37.0 | 14 | -3.14% | 26/12/2023 | |
| KBC | Hold | 31.7 | 35.1 | 30.1 | 11% | -5% | 30.9 | 14 | -2.52% | 26/12/2023 | |
| VHC | Hold | 62.0 | 69.9 | 59.1 | 13% | -5% | 65.4 | 11 | 5.48% | 29/12/2023 | |
| DCM | Sell | 32.3 | 36.0 | 31.4 | 11% | -3% | 31.5 | 9 | -2.48% | 02/01/2024 | |
| SSI | Hold | 33.0 | 36.0 | 31.7 | 9% | -4% | 33.9 | 7 | 2.73% | 04/01/2024 | |
| PET | Hold | 26.7 | 30.3 | 25.5 | 13.5% | -4.5% | 0.0 | 0 | -2.06% | 12/01/2024 | |

# Economic calendar

## January 2024

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

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# Q&A

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