MORNING CALL
16/01/2024

“The banking sector rose slowly, VNINDEX went sideways”

- World stocks: Correction
- Vietnam stocks: The banking sector rose slowly, VNINDEX went sideways
- Business news: #HAG, #VCB, #DP3, #KDH, #TNG, #MWG #KBC
- 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

- US stock futures eased on Tuesday as investors look ahead to more data and corporate earnings this week to gauge the health of the American economy. Markets await December retail sales data on Wednesday which is expected to show that consumer spending slightly cooled last month.
- European stocks closed lower on Monday, with both the STOXX 50 and STOXX 600 down more than 0.5% as investors prepare for the World Economic Forum in Davos. The CAC 40 index dropped by 0.72% to close at 7,411 on Monday, reflecting a general cautious sentiment in Europe. The FTSE 100 index extended its mid-afternoon decline to close 0.5% lower at 7,589 on Monday, adding to losses from the previous week as markets continued to gauge the economic backdrop for hints on the extent of rate cuts likely to be delivered by major central banks this year.
- The Nikkei 225 Index rose 0.91% to close at 35,902 while the broader Topix Index gained 1.22% to 2,525 on Monday, with both benchmarks hitting their highest levels in almost 34 years as a weak yen, ultra-loose monetary settings and strong corporate earnings drove Japanese markets to a record-breaking rally. Producer prices in Japan unexpectedly showed no growth year-on-year in December 2023, beating market forecasts of a 0.3% drop and after a 0.3% growth in the previous month.
- WTI crude futures fell toward $72 per barrel as investors monitor disruptions in the Middle East after US and British forces launched strikes to prevent Houthi militia in Yemen from attacking Red Sea ships

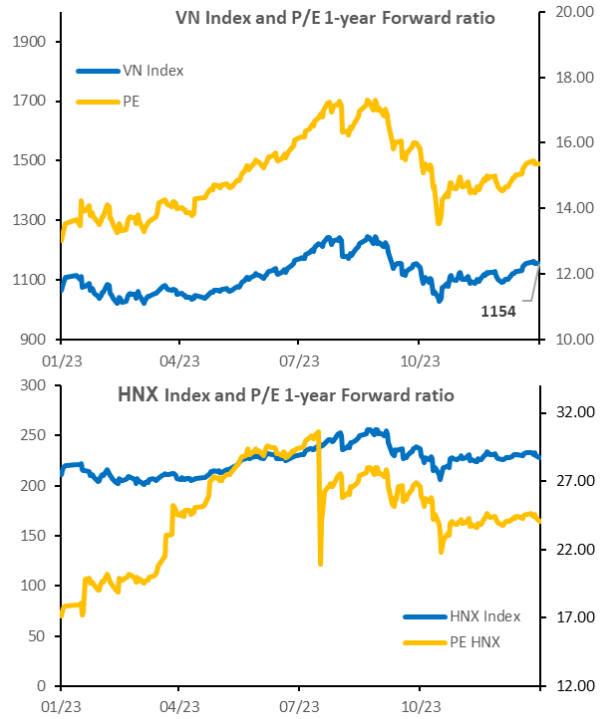
Market

	Close	%1D	%1M	%1Y
VN-Index	1,154	-0.05%	4.70%	8.20%
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	7,595	-0.39%	0.24%	-3.37%
Nikkei 225	35,745	-0.44%	8.41%	38.43%
SHCOMP Index	2,886	0.15%	-1.91%	-10.57%
STOXX 600	474	-0.54%	-0.51%	4.30%
KOSPI Index	2,507	-0.76%	-2.22%	4.45%
Hang Seng	16,216	-0.17%	-3.43%	-25.43%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.40	0.00%	-0.14%	0.20%
USD/VND	24,493.00	-0.02%	-0.71%	-4.29%
EUR/USD	1.09	-0.17%	0.06%	1.01%
USD/CNY	7.17	-0.06%	-0.70%	-6.04%
Brent	78.15	-0.18%	2.09%	-8.36%
WTI	72.81	0.18%	1.93%	-8.83%
Natural gas	3.05	-7.88%	22.52%	-10.73%
Coal	129.85	-0.76%	-10.60%	-64.93%
Gold	2,051.99	-0.30%	1.22%	7.10%

Vietnam Market Snapshot 15/01/2024



Money flow and sector rotation (VND bn)

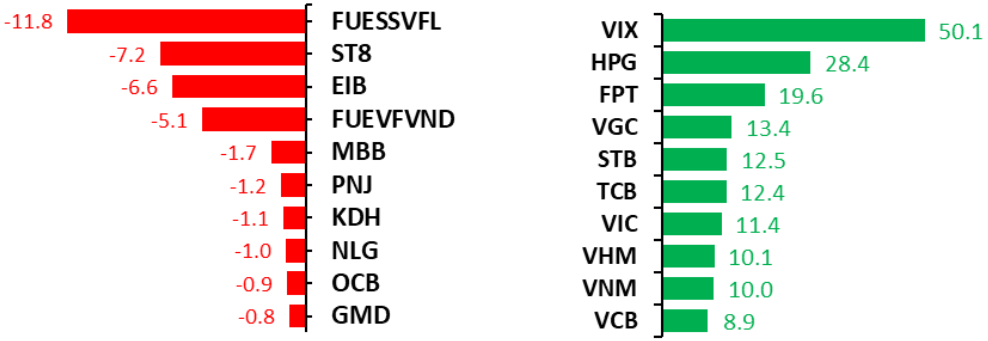
Sector	%1D	1/15/2024	1/12/2024	20-session Average
Oil & Gas	2.72	185	180	124
Retail	-1.8	538	548	496
Travel & Leisure	-16.8	73	87	114
Personal & Household Goods	-17.4	123	148	162
Food and Beverage	-32.7	786	1,169	1,168
Financial Services	-34.9	1,837	2,822	2,268
Insurance	-35.1	26	39	22
Media	-37.3	10	15	14
Technology	-38.7	221	361	221
Construction & Materials	-40.7	772	1,302	884
Utilities	-44.2	126	226	169
Banks	-49.8	3,453	6,885	3,112
Automobiles & Parts	-51.9	112	233	185
Chemicals	-53.2	300	641	472
Basic Resources	-53.8	651	1,411	1,176
Industrial Goods & Services	-53.9	584	1,266	895
Health Care	-58.6	9	23	21
Real Estate	-59.0	1,636	3,993	2,581

Source: Bloomberg, Shinhan Securities Vietnam

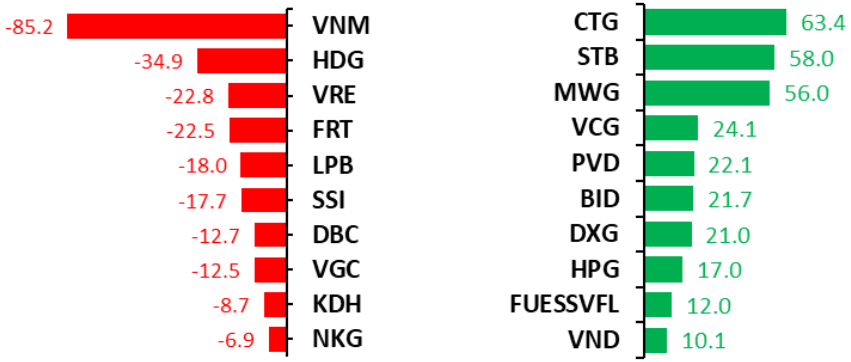
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,154.12	15.35	-0.58	-0.05	513	11,486
HNX INDEX	227.55	24.04	-2.76	-1.20	65	1,165

Vietnam Market Snapshot 15/01/2024

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	22	(47)	71	(24)
Basic Resources	30	23	(56)	33
Media	-	(0)	0	(0)
Industrial Goods & Services	1	(9)	16	(8)
Health care	-	1	(1)	0
Chemicals	2	3	(36)	34
Financial Services	43	8	(29)	21
Travel & Leisure	5	(4)	0	4
Banks	49	123	(342)	219
Construction & Materials	20	1	0	(1)
Food and Beverage	17	(99)	120	(22)
Retail	3	34	(46)	12
Utilities	2	(7)	(2)	10
Personal & Household Goods	(1)	(1)	9	(8)
Technology	12	3	(52)	49
Automobiles & Parts	(0)	8	(1)	(7)
Insurance	0	1	1	(2)
Oil & Gas	(0)	20	(40)	20

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- Vietnamese bond market "heating up"? Data from the Vietnam Bond Market Association (VBMA) compiled from the Hanoi Stock Exchange (HNX) and the State Securities Commission (SSC) show that in December 2023, there were 55 private bond issuances with a total value of 42.806 billion VND. This figure increased 19% from the previous month but increased by 300% from 2022, reflecting the market's revival. In 2024, it is estimated that there will be about 280,000 billion VND of corporate bonds maturing, with the biggest pressure still coming from the real estate market. Ms. Tran Thi Khanh Hien, Director of the Analysis Department of MB Securities Company (MBS), said that the prolonged sluggish real estate market will put pressure on the bond market as well as the bad debts of the banking system. The estimated value of maturing real estate bonds in the fourth quarter of 2023 and 2024 is VND 12.172 billion and VND 125.305 billion, respectively, down 29% and 5% from before the buyback.

- Chinese textile giant to invest another $200 million to build sixth factory in Vietnam: Production for Uniqlo, Victoria Secret, 40,000 workers, export $1 billion. Crystal Group (Hong Kong, China) recently had a meeting with the leaders of the Nam Dinh Provincial People's Committee to propose an investment project for the production of yarn, fabric, and garments in the Rang Dong textile and garment industrial park (Nghĩa Hưng). At the meeting, the leaders of Crystal Group said that the company has researched and has a need to invest in its sixth project in Vietnam. This project will produce yarn, fabric, and garments. According to the plan, the project will be phased in two stages, with a total capital of nearly 200 million USD.

- Proposal for the Law on Credit Institutions (amended) to take effect from January 1, 2025, extending the resolution on debt resolution. Instead of the Law on Credit Institutions (amended) taking effect on July 1, 2024 as proposed in the draft submitted to the National Assembly at the 6th session, the Standing Committee of the National Assembly proposed to postpone it to January 1, 2025. At the same time, it proposed to extend the application of Resolution No. 42/2017/QH14 on debt resolution from January 1, 2024.

Business news

HAG: Share capital from 6,663 billion to 1,950 billion: The journey of Gia Lai Livestock after the second time of debt conversion into equity with HAGL Hoang Anh Gia Lai Corporation (HAGL, HAG) has just approved the registration to purchase shares offered to existing shareholders of Gia Lai Livestock Joint Stock Company - a subsidiary of HAGL with a 88.03% stake. The number of shares to be purchased is over 77.7 million shares. The HAGL Board of Directors also approved the review of data based on the financial statements of HAGL and Gia Lai Livestock to convert the outstanding loan balance, interest receivable and other receivables of Gia Lai Livestock into equity contributions.

DP3: Wife of the General Director of Central 3 Pharmaceutical (DP3) wants to buy nearly 10% of the company's capital at the market price, it is expected that this individual will have to spend nearly 144 billion dong to complete the transaction. In the latest announcement, Central 3 Pharmaceutical Joint Stock Company (code DP3) has announced information about Mrs. Le Thanh Thuy registering to buy nearly 2.1 million DP3 shares, equivalent to nearly 9.7% of capital.

VCB: Vietcombank (VCB) said that the pre-tax profit of this bank in 2023 increased by 10.2% over 2022. The leader of Vietcombank did not disclose the specific figure, but the bank recorded a consolidated pre-tax profit of 37,368 billion dong and more than 36,702 billion dong in 2022. Estimated on these data, the consolidated pre-tax profit of Vietcombank in 2023 could be around 41,200 billion dong and the standalone profit could exceed 40,400 billion dong.

TNG: TNG Investment and Trading Joint Stock Company (TNG Garment, stock code: TNG) has just announced a correction of the results of internal stock trading. Accordingly, Mr. Nguyen Manh Linh - TNG Board of Director member, has registered to sell 3.3 million TNG shares in the period from November 29, 2023 to December 28, 2023 through the matching method.

Breaking News



Business news

BWE: Leading Vietnamese water and waste treatment company expects 2023 profit to fall 12%. Biwase Water and Environment Joint Stock Company (BWE) has summarized the results of its 2023 business activities. Specifically, BWE expects total capacity to reach 822,000 cubic meters per day, up 8% from the previous year. Water consumption of nearly 184 million cubic meters, up 1% from the same period and completing 99% of the annual plan, with the successful water loss rate remaining at 5%. Total revenue in 2023 is expected to reach VND 3,977 billion and net profit is expected to reach VND 601 billion, up 2% and down 12% respectively from the same period in 2022. The reason for the decline in profit is due to the high increase in financial costs (interest costs and exchange rate differences). Thus, compared to the plan, the unit exceeded the revenue plan by 2% but only completed 83% of the profit plan.

MWG: Nguyen Duc Tai, chairman of Mobile World Investment Corporation, buys 200,000 shares of MWG. Nguyen Duc Tai, chairman of Mobile World Investment Corporation, has just bought 200,000 shares out of a total of 500,000 shares he registered to buy. The reason given by Mr. Tai is that the market conditions are not suitable. This week, 19 companies announced record dates to pay dividends. Of these, 15 companies pay dividends in cash, 3 companies exercise the right to buy shares, and 1 company pays combined dividends.

KBC: Dragon Capital sells nearly 7.5 million shares of Kinh Bac. In the period from November 23, 2023 to January 11, 2024, the Dragon Capital fund group sold a net total of approximately 7.45 million KBC shares, reducing its ownership ratio from 6.04% to 5.07%. According to the Ho Chi Minh City Stock Exchange (HOSE), the Dragon Capital fund group continued to buy and sell KBC shares of Kinh Bac Urban Development Corporation - JSC in two consecutive sessions on January 10-11. Specifically, the fund group reported net buying of 750,000 units in the session on January 11 through the member fund Norges Bank (buying 1 million units) and Vietnam Enterprise Investments Limited (selling 250,000 units).

Technical view



Trend: Correction

- VNINDEX closes at 1,154.12 (-0.58 points, -0.05%) with liquidity down nearly 50% from the previous session. The market had 181 green codes and 311 red codes. The groups of stocks that contributed the most to the market's rise were VCB, BID, and MWG. On the contrary, the groups of stocks that contributed to the market's decline were VPB, ACB, and SSI. The groups of stocks that rose and fell were strongly differentiated, with the financial services group falling the most, and the banking sector only rising slightly. Foreign investors continued to buy net slightly.
- Technical view: The market was almost flat compared to the previous session, but closed at the lowest price of the session. The main trend of the market is still an upward trend, but profit-taking pressure has appeared clearly in recent sessions. The banking sector has weakened slightly, causing VNINDEX to stagnate, as shown by price momentum indicators such as STOCH RSI crossing down the signal line. The market's support and resistance levels are 1130 and 1180.
- Strategy: Investors should prioritize holding and profit-taking, and limit buying with stocks that have risen sharply

Scenario:

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

Recommended stocks

16/01/2024 9:00 AM

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
KBC	Hold	31.7	35.1	30.1	11%	-5%	30.5	15	-3.94%	26/12/2023	
VHC	Hold	62.0	69.9	59.1	13%	-5%	64.0	12	3.23%	29/12/2023	
SSI	Hold	33.0	36.0	31.7	9%	-4%	33.0	8	0.15%	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 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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