MORNING CALL
17/01/2024

Shinhan Securities

"The market is recovering, consolidating around the 1160 level"

- World stocks: Correction after the announcements of the Fed and ECB
- Vietnam stocks: The market is recovering, consolidating around the 1160 level
- Business news: #TDM, #FPT, #VBB, #NVL, #FRT, #KBC
- Technical perspective and updated recommendations
- Event calendar
- Q&A

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

Major stocks market

- In regular trading on Tuesday, the Dow fell 0.62%, the S&P 500 lost 0.37% and the Nasdaq Composite shed 0.19%, with ten out of the 11 S&P sectors ending lower led to the downside by energy, materials and utilities. Those losses came as the benchmark 10-year US yield climbed back above 4% after Federal Reserve Governor Christopher Waller suggested the central bank may not cut interest rates as aggressively as initially expected.
- European equity markets fell on Tuesday, with both the STOXX 50 and broader STOXX 600 losing around 0.3%, after European Central Bank policymakers pushed back on expectations regarding the timing of interest rate cuts. Speaking at the World Economic Forum in Davos, ECB policymaker Joachim Nagel stated that it was premature to discuss cuts, emphasizing that inflation levels remain too high.
- The Nikkei 225 Index rose 1.2% to above 36,000 while the broader Topix Index gained 1.1% to 2,530 on Wednesday, resuming a rally that brought the benchmark indexes to their highest levels in nearly 34 years as a sharply weakening yen and a dovish outlook on Bank of Japan monetary policy lifted the market.
- WTI crude futures edged down to $72 per barrel on Tuesday, after rising to as high as $73.5 earlier in the session as investors weighed escalating tensions in the Middle East against a highly uncertain global demand outlook. Houthi militants hit a US-owned commercial vessel with an anti-ship ballistic missile on Monday, highlighting navigational risks that continued to disrupt global trade.

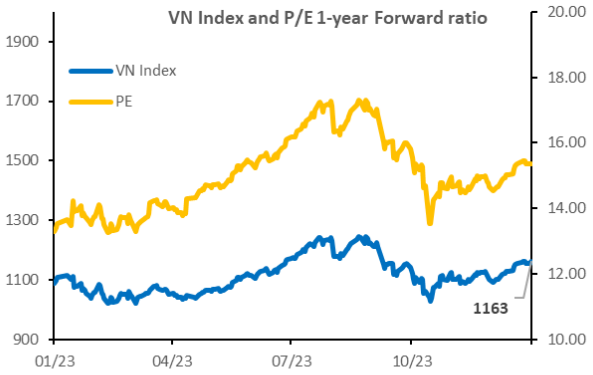
Market

	Close	%1D	%1M	%1Y
VN-Index	1,163	0.78%	5.52%	9.04%
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	7,563	-0.42%	-0.18%	-3.78%
Nikkei 225	35,619	-0.79%	8.03%	37.94%
SHCOMP Index	2,894	0.27%	-1.65%	-10.34%
STOXX 600	472	-0.42%	-0.92%	3.87%
KOSPI Index	2,498	-1.12%	-2.57%	4.07%
Hang Seng	15,866	-2.16%	-5.52%	-27.04%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.11	0.69%	0.55%	0.89%
USD/VND	24,523.00	-0.15%	-0.83%	-4.40%
EUR/USD	1.09	-0.50%	-0.27%	0.67%
USD/CNY	7.19	-0.30%	-0.86%	-6.32%
Brent	78.36	0.27%	2.36%	-7.22%
WTI	72.58	-0.14%	1.61%	-9.12%
Natural gas	3.04	-8.21%	22.08%	-11.06%
Coal	129.00	-0.65%	-11.19%	-65.02%
Gold	2,041.37	-0.82%	0.70%	6.54%

Vietnam Market Snapshot 16/01/2024



Money flow and sector rotation (VND bn)

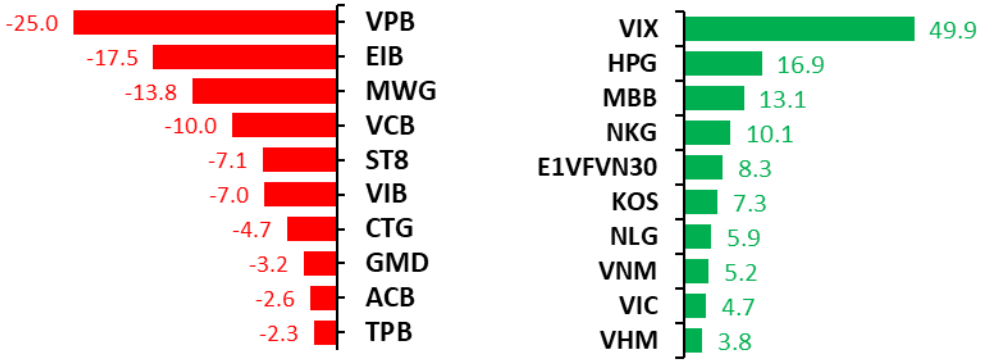
Sector	%1D	1/16/2024	1/15/2024	20-session Average
Basic Resources	142.56	1,580	651	1,219
Retail	77.49	956	538	523
Insurance	27.19	32	26	23
Health Care	20.43	11	9	21
Personal & Household Goods	17.91	144	123	165
Travel & Leisure	16.69	85	73	114
Real Estate	1.89	1,665	1,634	2,571
Industrial Goods & Services	0.97	590	584	896
Chemicals	0.13	300	300	469
Food and Beverage	-2.8	805	829	1,168
Financial Services	-8.5	1,681	1,837	2,285
Banks	-9.0	3,142	3,453	3,149
Construction & Materials	-12.1	716	815	900
Technology	-15.9	186	221	219
Utilities	-22.1	98	126	166
Automobiles & Parts	-27.8	81	112	176
Media	-50.4	5	10	14
Oil & Gas	-58.4	77	185	125

Source: Bloomberg, Shinhan Securities Vietnam

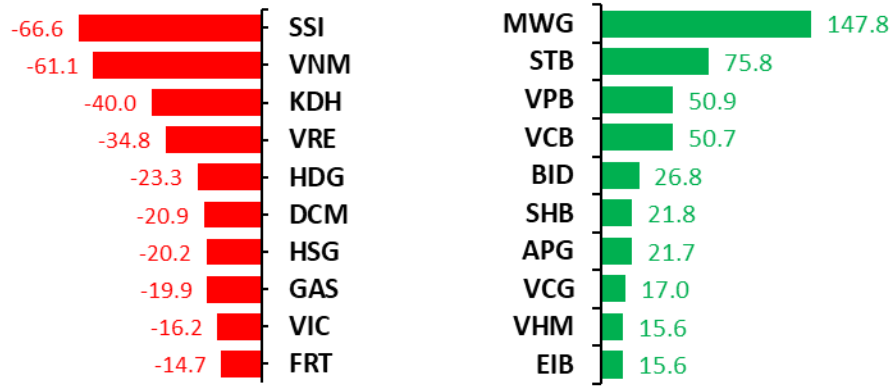
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,163.12	15.35	9.00	0.78	513	11,486
HNX INDEX	229.50	24.04	1.95	0.86	65	1,165

Vietnam Market Snapshot 16/01/2024

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	20	(92)	71	21
Basic Resources	30	(12)	(47)	59
Media	-	(0)	0	-
Industrial Goods & Services	(2)	(32)	31	1
Health care	-	(0)	(0)	1
Chemicals	3	(5)	(8)	13
Financial Services	62	(36)	(31)	66
Travel & Leisure	(1)	(2)	2	(0)
Banks	(53)	273	(188)	(84)
Construction & Materials	5	17	40	(57)
Food and Beverage	5	(78)	96	(18)
Retail	(14)	135	(146)	11
Utilities	(1)	(19)	13	6
Personal & Household Goods	(1)	4	(3)	(1)
Technology	(6)	0	5	(5)
Automobiles & Parts	-	1	(2)	1
Insurance	0	1	9	(9)
Oil & Gas	3	(3)	(11)	14

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- December 2023 saw a surge in the number of people searching for land on online real estate platforms in Ho Chi Minh City, Hanoi, Khanh Hoa, Long An, and Dong Nai. This information was just released by the online real estate trading platform Batdongsan. Specifically, land and landed property (houses, townhouses, and villas) saw an increase in interest in some central provinces. For example, Khanh Hoa saw a 2-3.5% increase in the number of people looking to buy residential land and detached houses, and a 6% increase in the number of people looking to buy land in projects. Danang also saw a 2.5% increase in demand for land in projects, and a 10.2% increase in demand for townhouses. In the two major cities of Ho Chi Minh City and Hanoi, the number of people looking to buy land in projects also increased by 6% and 0.4%, respectively.

- On January 16, the Government submitted to the National Assembly a proposal to use 63.725 billion dong from the general reserve of the medium-term investment plan and allocate it to five industries and sectors, including defense, security, public administration, science and technology, and transportation. Of this amount, 57.735 billion dong was allocated to 32 transportation projects, accounting for 90% of the total capital. Accordingly, Minister of Finance Ho Duc Phoc, acting on behalf of the Prime Minister, presented a report on the addition of the medium-term investment plan for central budget capital for the period 2021-2025 from the general reserve.

- According to the forecast of market research units, the supply of apartments in Ho Chi Minh City in 2024 will continue to be scarce. Many bottlenecks in the approval process for project implementation have not yet been resolved, affecting the new supply to the market. Therefore, the average price of apartments in Ho Chi Minh City is expected to continue to rise in the future. Forecasting the transaction of the market in 2024, the Vietnam Real Estate Brokers Association said that the mid-range apartment segment will lead in terms of the number of transactions, accounting for 43%. Following is the high-end apartment segment, accounting for 27%, and the affordable apartment segment will continue to disappear from the market.

Business news

TDM: Thu Dau Mot Water Corporation (TDM) has just announced preliminary business results for 2023. According to the report, TDM's total revenue in 2023 is estimated to be nearly VND657 billion and its net profit is estimated to be around VND283.8 billion, up 30% and 29% respectively from 2022. Compared to the plan, TDM has exceeded its total revenue target by 2% and achieved 95% of its profit target. In 2023, the company recorded water consumption of over 68.3 million cubic meters, down slightly by 1% from 2022 and achieved 90% of the annual target. Water loss ratio decreased from 0.93% to 0.46%. TDM said that the increase in net profit in 2023 compared to the previous year was mainly due to TDM's recognition of financial revenue from dividends in 2022 of Binh Duong Water and Environment Joint Stock Company (BWE).

FPT: After reaching a revenue milestone of US$1 billion from foreign markets, on January 11, FPT announced its long-term goal for its globalization strategy, which is to "step up to a higher level in the group of billion-dollar IT service companies" and achieve US$5 billion in IT service revenue for foreign markets by 2030. In the first 9 months of 2023, potential revenue from large contracts over US$5 million increased by 66%, showing a trend of shifting in FPT's value chain towards contracts worth tens or hundreds of millions of dollars instead of a few million dollars as before.

VBB: On January 10, Mr. Duong Nhat Nguyen, Chairman of the Board of Directors of Vietbank (VBB), successfully purchased 7 million VBB shares previously registered. After the transaction, the Chairman of the Board of Directors of Vietbank increased his ownership stake in the bank from 3.36% (over 16 million shares) to 4.83% (over 23 million shares). On January 10, 16.5 million VBB shares were traded through negotiation with a value of VND188.1 billion, equivalent to VND11,400/share. Thus, if the number of shares purchased by Mr. Duong Nhat Nguyen is included in these shares, the Chairman needs to spend nearly VND80 billion to complete the transaction.

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: Accumulation

- VNINDEX closed 1,163.12 (+9.00 points, +0.78%) with liquidity equivalent to the previous session (lower than the 20 session average). The market has 318 green tickers and 163 red tickers. The group of stocks that contributed the most to the market's increase were VHM, HPG and MSN. On the contrary, the groups of stocks contributing to the market's decline were SSB, TCB and OCB. The trading session recorded widespread growth in most industries, in which steel, retail and securities sectors increased the most. Foreign countries continued to net buy with a value of VND 148 billion.
- Technical: The market recorded a good recovery when the VNINDEX index rebounded after touching the MA10 line. The market close with the Marubozu candle showed that strong buying pressure was maintained during the session. In the short term, the market is undergoing an accumulation process in the area from 1,155 – 1,160. The decrease in liquidity in recent sessions shows that the short-term uptrend has slowed down and turned to an sideway trend.
- Strategy: Investors prioritize holding and taking profits on short-term positions, only taking action when signs of an uptrend return.

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

17/01/2024 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%	31.0	16	-2.37%	26/12/2023	
VHC	Hold	62.0	69.9	59.1	13%	-5%	64.5	13	4.03%	29/12/2023	
SSI	Hold	33.0	36.0	31.7	9%	-4%	33.5	9	1.67%	04/01/2024	
PET	Hold	26.7	30.3	25.5	13.5%	-4.5%	27.2	3	1.87%	12/01/2024	

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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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