MORNING CALL
24/01/2024

“Uptrend challenged, liquidity declines”

- World stocks: U.S. stocks trade mixed after earnings reports
- Vietnam stocks: Uptrend challenged, liquidity declines
- Business news: #VCG, #PDR, #TCM, #EIB, #LPB, #VHC
- Technical perspective and updated recommendations
- Event calendar
- Q&A

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Global Market Review 22/01 - 26/01/2024

Major stocks market

- In regular trading on Tuesday, the Dow fell 0.25%, while the S&P 500 and Nasdaq Composite gained 0.29% and 0.43%, respectively. Consumer staples, communication services and technology stocks outperformed the market, while real estate, consumer discretionary and industrial stocks were the biggest laggards. Those moves came as disappointing earnings reports from several blue-chip companies weighed on the Dow, while the S&P 500 notched a new record high.
- European stocks edged down on Tuesday, with the STOXX 50 and STOXX 600 both down 0.3%. Investors are awaiting key central bank meetings in the Eurozone this week, following an unexpected dip in consumer morale in January.
- The Nikkei 225 Index fell 0.3% to around 36,400 while the broader Topix Index dropped 0.6% to 2,526 on Wednesday, sliding for the second straight session a day after the Bank of Japan left its monetary policy unchanged, but Governor Kazuo Ueda's latest remarks on inflation signaled a hawkish tilt.
- The Shanghai Composite rose 0.53% to close at 2,771 while the Shenzhen Component gained 1.38% to 8,596 on Tuesday, with mainland stocks recovering slightly from multi-year lows following a renewed pledge by China's cabinet to stabilize the capital markets. Premier Li Qiang chaired a cabinet meeting on. Policymakers are reportedly seeking to deploy about 2 trillion yuan, mainly from offshore accounts of Chinese state-owned enterprises, as part of a fund to buy mainland shares.
- WTI crude futures steadied near $75 per barrel on Tuesday, following a 2% rise on Monday as investors continued to assess supplies. The Middle East witnessed an escalation in tensions as US and British forces conducted a second round of strikes on Houthi positions in Yemen.

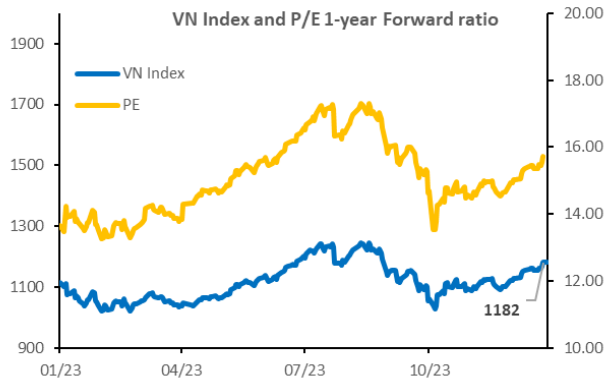
Market

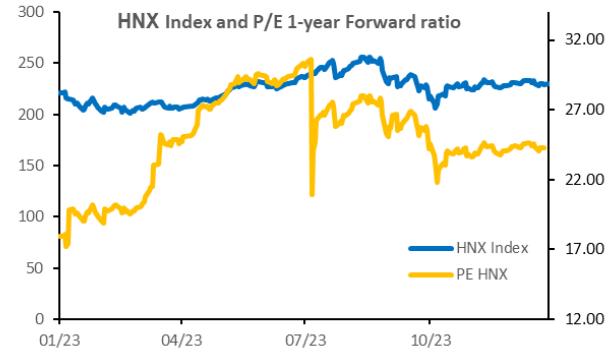
	Close	%1D	%1M	%1Y
VN-Index	1,178	-0.45%	6.75%	6.26%
S&P 500 Index	4,865	0.29%	2.31%	21.02%
Dow Jones Index	37,905	-0.25%	1.39%	12.71%
GP 100	7,486	-0.03%	-2.75%	-3.50%
Nikkei 225	36,326	-0.52%	9.52%	33.07%
SHCOMP Index	2,771	0.53%	-4.93%	-15.13%
STOXX 600	472	-0.28%	-1.27%	4.00%
KOSPI Index	2,464	-0.60%	-5.23%	2.86%
Hang Seng	15,354	2.63%	-6.04%	-30.35%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.49	-0.13%	1.76%	1.54%
USD/VND	24,575.00	-0.05%	-1.34%	-4.58%
EUR/USD	1.09	0.00%	-1.40%	-0.30%
USD/CNY	7.17	0.27%	-0.49%	-5.40%
Brent	79.55	-0.64%	0.61%	-9.80%
WTI	74.40	0.04%	1.14%	-7.15%
Natural gas	2.51	2.29%	-3.98%	-23.08%
Coal	127.30	-0.12%	-12.51%	-64.64%
Gold	2,027.35	-0.10%	-1.25%	4.65%

Vietnam Market Snapshot 23/01/2024





Money flow and sector rotation (VND bn)

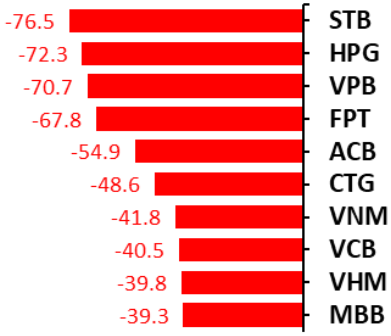
Sector	%1D	1/23/2024	1/22/2024	20-session Average
Oil & Gas	165.93	206	77	136
Insurance	77.13	32	18	26
Technology	46.99	220	150	226
Personal & Household Goods	44.97	188	130	169
Chemicals	35.01	599	443	502
Industrial Goods & Services	15.43	566	490	861
Construction & Materials	10.92	1,085	978	969
Utilities	5.97	150	142	173
Health Care	1.69	13	13	18
Food and Beverage	0.80	979	971	1,089
Banks	-5.3	3,487	3,681	3,608
Travel & Leisure	-7.9	84	91	110
Retail	-8.7	459	503	555
Financial Services	-13.6	1,757	2,034	2,394
Media	-27.5	6	8	13
Automobiles & Parts	-30.4	86	124	154
Real Estate	-38.2	1,974	3,196	2,729
Basic Resources	-67.1	958	2,915	1,335

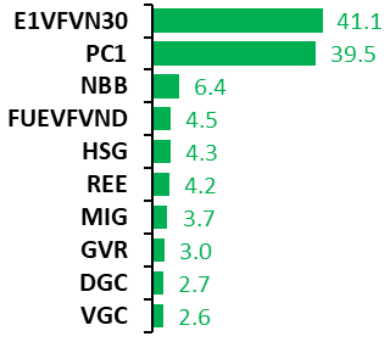
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,177.50	15.67	-5.36	-0.45	545	12,889
HNX INDEX	229.26	24.26	-0.51	-0.22	67	1,126

Source: Bloomberg, Shinhan Securities Vietnam

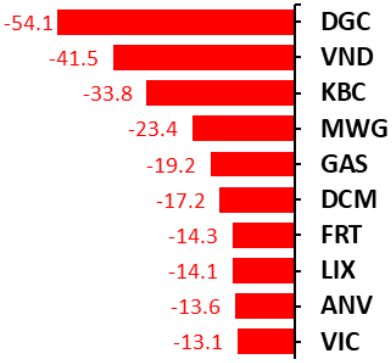
Vietnam Market Snapshot 23/01/2024

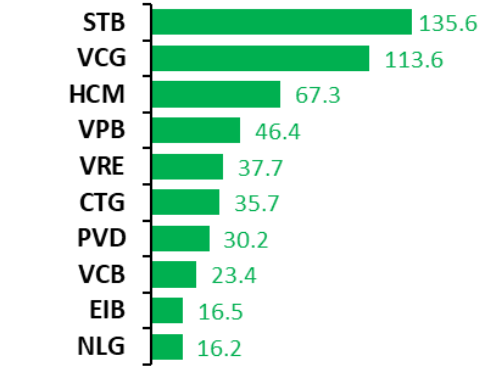
Top net buying & selling of proprietary trading (VND billion)





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	(88)	(1)	81	(80)
Basic Resources	(68)	4	(186)	181
Media	-	0	0	(0)
Industrial Goods & Services	(3)	(7)	26	(19)
Health care	(0)	(0)	(2)	2
Chemicals	3	(84)	93	(9)
Financial Services	20	22	36	(58)
Travel & Leisure	(22)	(8)	30	(22)
Banks	(473)	268	223	(491)
Construction & Materials	5	121	356	(477)
Food and Beverage	(75)	(28)	85	(57)
Retail	(37)	(39)	71	(32)
Utilities	(6)	(25)	34	(10)
Personal & Household Goods	(5)	(14)	(11)	25
Technology	(68)	1	62	(63)
Automobiles & Parts	1	(0)	2	(1)
Insurance	3	(3)	1	3
Oil & Gas	(1)	31	(30)	(0)
Total	**(814)**	**239**	**872**	**(1,111)**

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- The recovery of the VN-Index has significantly improved investor sentiment, and margin debt growth has therefore soared far higher than in previous quarters. According to statistics, the outstanding loan balance at securities companies as of the end of 2023 was nearly 180,000 billion dong. This is the highest outstanding loan balance in the past 7 quarters since the second quarter of 2022. Of this, margin debt is estimated at around 172,000 billion dong, up 13,000 billion from the end of the third quarter.

- In the context of strong container demand in China ahead of the Lunar New Year and the ongoing tensions in the Red Sea, container freight rates from the country to Europe have nearly quadrupled in just one week. According to data from the Container xChange logistics data platform (Germany), in the second week of January 2024, the average freight rate for a container (40 feet) from China to Europe was around 5,400 USD, up from 1,500 USD a week earlier. Hoe Ee Khor, chief economist at the ASEAN+3 Macroeconomic Research Office, said the crisis in the Red Sea has not yet had an impact on inflation. However, if the crisis continues to escalate, supply chains will be disrupted more seriously.

- With the trend of total demand continuing to decline, the State Bank of Vietnam has set the targeted credit growth rate for 2024 at 15%. Based on the current outstanding loan balance of around 13.56 trillion dong, this means that nearly 2 trillion dong of credit will be added in 2024. In particular, the State Bank of Vietnam has proactively allocated credit quotas to each commercial bank at the beginning of the year so that credit institutions can make their own decisions and take the initiative in their business plans, without the need for a request-grant mechanism. This is a difference in the way the State Bank of Vietnam manages credit compared to the past (where it was divided into multiple phases and banks were required to submit proposals for consideration for room adjustment).

Business news

VCG: Recently, the Hanoi Department of Transport, the Pacific Construction Group of China (CPCG), and the Vietnam Export Import and Construction Corporation (Vinaconex, VCG) signed a memorandum of understanding on cooperation in researching and investing in the construction of a number of key projects in the city. According to the memorandum of understanding, the relevant parties agreed to cooperate and share experiences in implementing the research on key Hanoi infrastructure projects, with a focus on the Thuy Lien Bridge project (total investment of approximately VND 20,000 billion) and the No. 5 urban railway project, Van Cao - Hoa Lac section (preliminary total investment of approximately VND 65,000 billion).

PDR: Phat Dat Real Estate Development Investment Joint Stock Company recently announced its financial statements for the fourth quarter of 2023 with revenue of VND 68 billion, up 4.6 times from the same period last year. However, the real estate company still recorded a net profit of VND 282.5 billion, while it lost VND 266 billion in the same period last year. The main reason for the "big boss" of real estate in the south to make a big profit in the last quarter came from the revenue from financial activities of more than VND 421 billion. The above income of Phát Đạt came from the company's implementation of the transfer of its subsidiary. In November 2023, Phat Dat announced the transfer of all shares in Phatt Dạt Industrial Park Development and Investment Joint Stock Company (PDI).

TCM: Accumulated in 2023, TCM's net revenue was over VND 3.3 trillion and net profit was nearly VND 132 billion, down 23% and 53% respectively from 2022. This is the lowest profit level in the past 7 years of the Enterprise, since 2017. Compared to the plan set out, the Company achieved 85% of the revenue target (VND 3,927 billion) and 55% of the annual profit target (VND 245 billion). According to the forecast of the Vietnamese textile and garment export situation in 2024 and the current order receiving situation of the Company, it is hoped that in 2024, the export order situation of the Company will be better than in 2023.

Breaking News



Business news

EIB:: In 2023, Eximbank's pre-tax profit was VND 2,720 billion, down nearly 27% from 2022. As of December 31, 2023, the bank's total assets reached VND 201,399 billion, up 9% from the beginning of the year. Deposits and outstanding loans reached VND 158,329 billion and VND 140,524 billion, respectively. The non-performing loan (NPL) ratio was 2.7%. Eximbank set a target for 2024 with a pre-tax profit of VND 5,180 billion, an increase of up to 90% from the results achieved in 2023. The target is to increase total assets by 11% to VND 22,102 billion by the end of 2024. Deposits and outstanding loans are expected to increase by 10.5% and 14.6%, respectively, to VND 16,670 billion and VND 20,476 billion. The NPL ratio is expected to decline to 1.8%.

LPB: Lienviet Post Bank (LPB) has just announced its consolidated financial statements for the fourth quarter of 2023, recording a record high after-tax profit of VND 2,627 billion, up nearly four times from the same period in 2022 (VND 677 billion). According to the report, net interest income, the core business segment, brought in VND 3,346 billion for LPB, up 20.72% from the same period in 2022. In the quarter, service activities brought in VND 2,926 billion, up more than 3.3 times from the same period (VND 882 billion); Foreign exchange and gold trading activities brought in VND 65.7 billion, while the figure in the same period was a loss of VND 14.7 billion; Other activities brought in VND 135.8 billion, while the same period reported a loss of VND 12.1 billion. Thanks to favorable business results, LPB's total pre-tax profit in the fourth quarter of 2023 reached VND 3,352 billion, up nearly 3.9 times from the same period in 2022 (VND 867 billion).

VHC: Vinh Hoan Corporation (VHC) has announced its consolidated financial statements for the fourth quarter of 2023 with net revenue of VND 2,395 billion, down slightly 3% from the same period in 2022. In addition, the cost of goods sold reached VND 2,200 billion, up 10%, so gross profit was only VND 195 billion, down 59% from the same period. The corresponding gross profit margin was only 8.1%, down from 19.1% in the same period.

Technical view



Trend: Uptrend

- VNINDEX closed at 1,177.5 (-5.36 points, -0.45%) with liquidity slightly reduced compared to the previous session. The market has 164 green tickers and 313 red tickers. The group of stocks that contributed the most to the market's increase were TCB, BCM and PNJ. On the contrary, the groups of stocks contributing to the market's decline were VHM, VCB and CTG. Foreign countries continued to buy net with VND 234 billion. Most industries had a slight decline during the trading session.
- Technical: The market continued to close with a red candle combined with the hanging man candlestick pattern of the previous trading session, showing a bad sign of the weakening of the uptrend, besides the liquidity remained at a low level. A Lower liquidity level also signaled a decline in trend's strength. The %K line has crossed the %D line of the stochastic indicator and the RSI line has a tendency to reverse, showing a negative signal.
- Strategy: Investors should be cautious in the current period and should proactively take profits on stocks that have achieved short-term goals, limiting buying in the current period.

Scenario:

- Positive (50%): The market will maintain its upward momentum to the 1,220 area
- Less positive (50%): The market corrected to the 1,160 area

Recommended stocks

24/01/2024 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%	30.4	21	-4.26%	26/12/2023	
VHC	Hold	62.0	69.9	59.1	13%	-5%	63.5	18	2.42%	29/12/2023	
SSI	Hold	33.0	36.0	31.7	9%	-4%	33.8	14	2.58%	04/01/2024	
PET	Sell	26.7	30.3	25.5	13%	-4%	25.5	8	-4.49%	12/01/2024	
VPB	Hold	19.4	21.4	18.7	10%	-4%	19.7	3	1.55%	19/01/2024	

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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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