# MORNING CALL
# 25/01/2024

Shinhan Securities

## "The light continues to shine from the foreign investors"

- World stocks: Mixed movements
- Vietnam stocks: The light continues to shine from the foreign investors
- Business news: #VNC, #ITA, #MPC, #MSB, #BCG, #NTL
- 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 Wednesday, the Dow fell 0.26%, while the S&P 500 and Nasdaq Composite rose 0.08% and 0.36%, respectively. The S&P Global US Composite PMI surged to 52.3 in January 2024, marking a notable increase from the previous month's 50.9 and indicating the most rapid rise in business activity since June 2023. Investors now look ahead to the fourth quarter GDP report to gauge the health of the economy, as well as more earnings reports from Wall Street.
- The FTSE 100 rose 0.6% to 7,528 on Wednesday, its highest level in a week as China's central bank's intervention to support the economy boosted China-exposed stocks. The CAC 40 rose by 0.91% to close at 7,455 on Wednesday, in line with European peers, supported by strong corporate results and China's stimulus announcement.
- The Nikkei 225 Index fell 0.2% to around 36,150 while the broader Topix shed 0.05% to 2,528 on Thursday, with Japanese shares sliding for the third straight session as speculation about a possible shift in Bank of Japan monetary policy continued to weigh on market sentiment. Investors now look ahead to Tokyo inflation data on Friday, a leading indicator for nationwide price trends, for further clues on the path for interest rates.
- WTI crude futures rose to over $75 per barrel, nearing their highest level in a month driven by a larger-than-expected decline in US crude stockpiles, China's economic stimulus measures, and escalating geopolitical tensions.

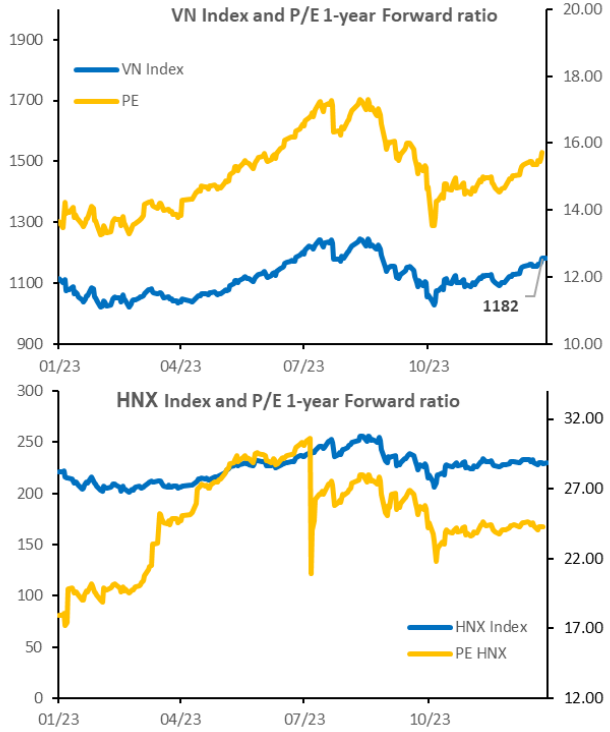
## Market

| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| VN-Index | 1,173 | -0.38% | 4.95% | 5.86% |
| S&P 500 Index | 4,869 | 0.08% | 2.40% | 21.20% |
| Dow Jones Index | 37,806 | -0.26% | 1.12% | 12.07% |
| GP 100 | 7,528 | 0.56% | -2.21% | -2.80% |
| Nikkei 225 | 36,145 | -0.22% | 8.69% | 31.94% |
| SHCOMP Index | 2,821 | 1.80% | -3.36% | -13.60% |
| STOXX 600 | 477 | 1.18% | -0.11% | 5.53% |
| KOSPI Index | 2,466 | -0.16% | -5.15% | 1.53% |
| Hang Seng | 15,900 | 3.56% | -2.70% | -27.87% |

## 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 24/01/2024




| | Close | PE | Change | %1D | Trading volume (mn stocks) | Trading value (VND bn) |
|---|---|---|---|---|---|---|
| VNI NDEX | 1,172.97 | 15.61 | -4.53 | -0.38 | 584 | 13,283 |
| HNX INDEX | 228.53 | 24.11 | -0.73 | -0.32 | 62 | 994 |

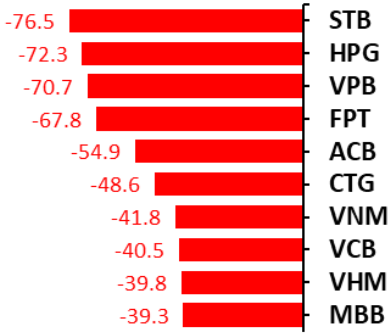
Money flow and sector rotation (VND bn)

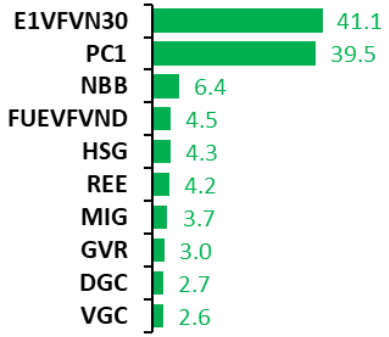
| Sector | %1D | 1/24/2024 | 1/23/2024 | 20-session Average |
|---|---|---|---|---|
| Financial Services | 72.68 | 3,035 | 1,757 | 2,421 |
| Retail | 38.26 | 634 | 459 | 556 |
| Media | 23.08 | 7 | 6 | 13 |
| Technology | 20.36 | 265 | 220 | 221 |
| Health Care | 8.20 | 14 | 13 | 18 |
| Industrial Goods & Services | 6.54 | 603 | 566 | 840 |
| Real Estate | 2.88 | 2,031 | 1,974 | 2,701 |
| Basic Resources | -2.3 | 936 | 958 | 1,293 |
| Banks | -3.4 | 3,370 | 3,487 | 3,695 |
| Travel & Leisure | -3.5 | 81 | 84 | 100 |
| Food and Beverage | -12.0 | 887 | 1,007 | 1,087 |
| Utilities | -12.6 | 131 | 150 | 170 |
| Automobiles & Parts | -18.3 | 70 | 86 | 151 |
| Insurance | -32.0 | 22 | 32 | 27 |
| Construction & Materials | -38.8 | 681 | 1,113 | 962 |
| Chemicals | -43.8 | 337 | 599 | 487 |
| Personal & Household Goods | -49.3 | 95 | 188 | 163 |
| Oil & Gas | -71.0 | 60 | 206 | 135 |

Source: Bloomberg, Shinhan Securities Vietnam

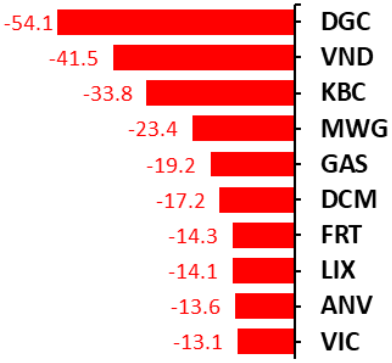
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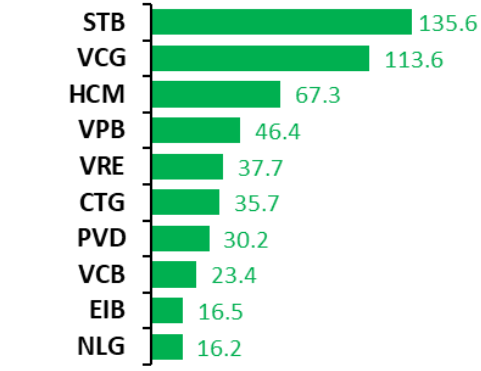
## Top net buying & selling of proprietary trading (VND billion)




## 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

- According to experts, the use and development of LNG-fired power in Vietnam still has many opportunities for the country's energy sector, but there are still many difficulties and obstacles to make this a reality. Speaking at the "Vietnam LNG Development Forum: Opportunities and Challenges" on January 24, Dr. Mai Duy Thiện, Chairman of the Vietnam Clean Energy Association, said that the VIII Power Plan sets a target of converting 18 GW of coal-fired power to 14 GW of LNG-fired power and 12-15 GW of renewable energy by 2030. The transition to the development of clean and green energy, including the development of liquefied natural gas-fired power, is not easy and cannot be done overnight. LNG-fired power projects often require large amounts of capital...

- The Ministry of Finance proposes to open a mechanism to help state capital divest when a subsidiary is operating at a loss. The Ministry of Finance is proposing to amend many regulations to resolve difficulties for enterprises with state ownership of more than 50% of the charter capital. Accordingly, the remaining profit is distributed to shareholders in two ways, in cash or in shares. In addition, state-owned enterprises are allowed to divest their capital in loss-making enterprises... The Ministry of Finance cited the case of Vietnam Airlines as an example of the mechanism's difficulties.

- The target for 2030 is for the contribution of the logistics service industry to GDP to reach 6-8%, the outsourcing rate of logistics services to reach 60-70%; logistics costs to be reduced to 16-18% of GDP; ranking according to the LPI index in the world to reach 45th or higher. On January 24, 2024, the Ministry of Industry and Trade held a workshop in Hanoi to seek opinions on the draft Strategy for the development of logistics services in Vietnam by 2030, with a vision to 2050.

## Business news

**VNC:** How is Vinacontrol doing? In recent years, Vinacontrol Corporation (VNC) has generally maintained stability in both revenue and profit. Specifically, in the period 2017-2023, Vinacontrol's revenue has always exceeded 500 billion VND and has grown steadily each year. In particular, in 2023, the company's revenue reached a peak of 709.8 billion VND, up nearly 12% from the previous year. In terms of profit, in the period 2017-2023, the company consistently earned over 30 billion VND in after-tax profit each year. And profit also reached a peak in 2023 with 37.9 billion VND in after-tax profit, although it was only slightly higher than the previous year by more than 300 million VND.

**ITA:** An individual fined over VND 1 billion for "secret" trading of ITA shares. The State Securities Commission of Vietnam (SSC) has just imposed a fine of over VND 1 billion on Ms. Nguyen Thi My Hanh (residing in Ho Chi Minh City) for "secret" trading of ITA shares. Accordingly, a fine of VND 1,014,160,000 was imposed for the act of "Not reporting on the planned transaction".

**MPC:** Daughter of "shrimp king" Minh Phu buys nearly 1.8 million MPC shares. On January 22, 2024, Ms. Le Thi Minh Ngoc, daughter of Mr. Le Van Quang, CEO of Minh Phu Seafood Group (MCK: MPC), and Ms. Chu Thi Binh, Chairman of the Board of Directors of Minh Phu, bought nearly 1.8 million shares in the session on January 19 through the negotiation method. The total value of the agreement in this session was approximately VND 89 billion. After the transaction, Ms. Ngoc increased her ownership in Minh Phu Seafood Group from 9.22 million shares (equivalent to 2.31%) to 11.02 million shares (equivalent to 2.76%).

# Breaking News



## Business news

**MSB**: Profit in 2023 reached VND 5,830 billion, all indicators grew well, CASA ratio was in the top 4 of the industry. In the key business segments, service revenue at MSB grew the best at 44%. Strong digitization not only helped this bank attract a large number of customers but also reduced operating costs. At the end of 2023, MSB's total revenue grew by 15%, higher than the 9% of operating costs, bringing the Bank's cost/revenue (CIR) ratio down to 39.16%, lower than 2.23 percentage points compared to the end of 2022. This is also the result of the digitization projects that MSB has invested in recent years.

**BCG**: Prior to the capital increase, in the middle of December 2023, BCG Energy bought back VND 2,500 billion worth of bonds of the EBCCH2124002 and EBCCH2124003 codes before maturity. According to the announcement of changes in the contents of the business registration of CTCP BCG Energy, on January 5, 2024, BCG Energy increased its charter capital from VND 4,500 billion to VND 7,300 billion, the detailed ownership structure was not attached to the announcement. Previously in 2022, BCG Energy had 3 times done this, increasing capital from VND 2,175 billion to VND 4,500 billion.

**NTL:** Lideco reported record profit in 2023 after more than a decade thanks to the Bai Muoi Quang Ninh project. Tu Liem Urban Development Joint Stock Company (Lideco, stock code: NTL) has just announced its financial statements for the fourth quarter of 2023 with a net revenue of VND 747 billion, up sharply from VND 68.3 billion in the same quarter of 2022. Gross profit margin in the quarter was 65.3%, also up sharply from the 13.3% in the same period. After deducting costs for cost of goods sold, sales, administration and taxes, net profit reached VND 363 billion, while in the same period it was only VND 1.3 billion.

# Technical view




## Trend: Correction

- VNINDEX closed at 1,172.97 (-4.53 points, -0.38%) with relatively low liquidity. The market had 167 green stocks and 297 red stocks. The groups of stocks that contributed the most to the market's rise were VHM, HCM, and STB. On the other hand, the groups of stocks that contributed to the market's decline were BID, VCB, and MSN. Foreigners continued to buy net. Most industries fell, with the strongest decline in the retail and telecommunications sectors.
- Technical analysis: The market continued to adjust and closed at the lowest price of the session. Signs of profit-taking were evident in the banking sector. The RSI index, after entering the overbought zone, has cooled down, indicating that short-term price momentum is weakening. The support and resistance zones are 1,160 (corresponding to the 20-day EMA) and 1,220. VNINDEX still shows no signs of negativity, but investors should be cautious and limit new purchases.
- Strategy: The appropriate strategy is to prioritize holding and not chasing into the banking sector because the pressure to reverse and decline could occur at any time.

## 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

25/01/2024 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 | 22 | -3.79% | 26/12/2023 | |
| VHC | Hold | 62.0 | 69.9 | 59.1 | 13% | -5% | 62.6 | 19 | 0.97% | 29/12/2023 | |
| SSI | Hold | 33.0 | 36.0 | 31.7 | 9% | -4% | 34.0 | 15 | 3.19% | 04/01/2024 | |
| VPB | Hold | 19.4 | 21.4 | 18.7 | 10% | -4% | 19.7 | 4 | 1.29% | 19/01/2024 | |

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# 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 | | | | |

Shinhan Securities

# Q&A

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