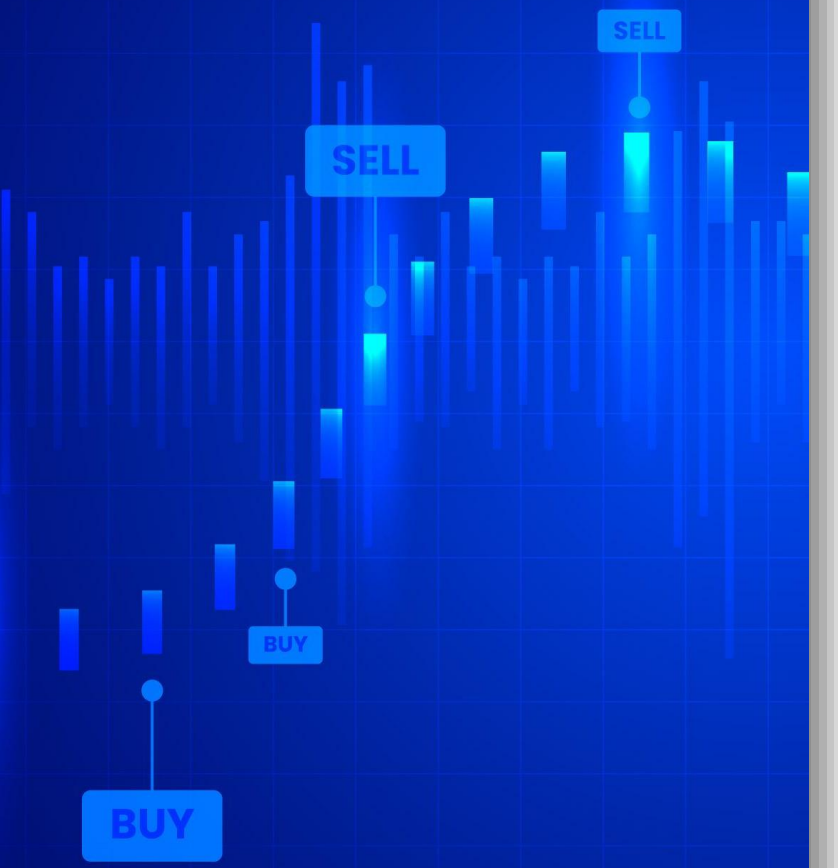


MORNING CALL

02/04/2024

“Selling pressure from the banking sector”

- ❑ World stocks: US stocks fall as US bond yields rise.
- ❑ Vietnamese stocks: Selling pressure from the banking sector
- ❑ Macro news
- ❑ Business news: #VTP, #WSB, #TTF, #MSN, #VND, #VIC
- ❑ Breaking News - Update AGM of Refrigeration Electrical Engineering Corporation JSC (REE)
- ❑ Technical perspective and updated recommendations #PC1
- ❑ Event calendar
- ❑ Q&A

Thao Nguyen ☎ (84-28) 6299 8004 ✉ thao.np@shinhan.com

Nam Hoang ☎ (84-28) 6299 7603 ✉ nam.h@shinhan.com

Following SSV's Zalo,
Catching the latest report



Please click or scan

Shinhan Securities

Global Market Review 01/04 – 05/04/2024

Major stocks market

- The S&P 500 lost 0.2%, the Dow Jones fell 240 points pulling back from its historic 40,000 level. Meanwhile, the Nasdaq added 0.1%. In addition to the stronger-than-expected Manufacturing PMI, which indicated the first expansion in the manufacturing sector in 18 months, investors were awaiting more data this week, including the jobs report, JOLTS, and the ISM Services PMI, for further insights into the economy's health.
- The Eurozone's Stoxx 50 closed marginally above the flatline to mark a new 23-year high of 5,085, while the pan-European Stoxx 600 gained 0.2% to book a new record high of 513. Despite the closure of markets, investors awaited key inflation data for European economies to be released tomorrow, including Italy and France, ahead of German and Euroze rates to be released next week.
- The Nikkei 225 Index fell 1.4% to close at 39,803 while the broader Topix Index dropped 1.71% to 2,721 on Monday, with Japanese shares extending losses from last week as weak economic data dampened investors' mood.
- WTI crude futures rose to around $83.5 per barrel on Monday, hitting the highest levels in five months as investors look forward to OPEC+'s joint ministerial meeting this week. The group is expected to review market fundamentals and member's conformity to production targets, and is widely anticipated to retain current output policies

Market

	Close	%1D	%1M	%1Y
VN-Index	1,282	-0.20%	1.85%	20.37%
S&P 500 Index	5,244	-0.20%	2.08%	27.61%
Dow Jones Index	39,567	-0.60%	1.23%	18.91%
GP 100	7,953	0.26%	4.23%	5.13%
Nikkei 225	39,999	0.49%	0.22%	42.64%
SHCOMP Index	3,077	1.19%	1.66%	-5.97%
STOXX 600	513	0.18%	3.65%	13.87%
KOSPI Index	2,751	0.10%	4.10%	11.05%
Hang Seng	16,541	0.91%	0.18%	-18.08%

Commodity

	Close	%1D	%1M	%1Y
Brent	88	0.34%	4.99%	9.97%
WTI	84	0.30%	4.99%	10.96%
Gasoline	271	0.07%	3.73%	0.42%
Natural gas	2	-0.22%	-0.11%	-17.28%
Coal	132	0.00%	0.00%	-25.53%
Gold	2,249	-0.13%	6.34%	13.30%
China HRC	3,683	-1.42%	-8.22%	-16.09%
Steel rebar	3,375	2.37%	-11.39%	-18.46%
BDI index	1,821	-1.30%	-13.74%	29.42%

Currency

	Close	%1D	%1M	%1Y
Dollar Index	105	0.03%	1.14%	2.48%
USD/VND	24,799	0.00%	-0.50%	-5.31%
EUR/USD	1	-0.07%	-1.11%	-1.50%
USD/JPY	152	-0.02%	-0.76%	-12.67%
USD/CNY	7	-0.12%	-0.47%	-4.88%
USD/GPB	1	0.05%	1.17%	-1.04%
USD/KRW	1,352	-0.23%	-1.56%	-2.66%
USD/AUD	2	-0.05%	0.26%	4.51%
USD/CAD	1	-0.02%	0.01%	-1.00%

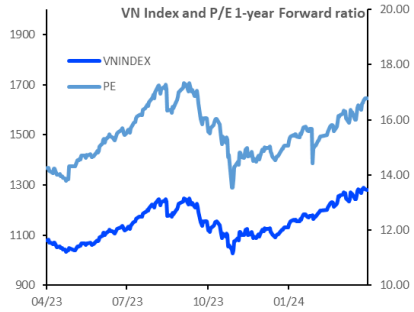
Source: Bloomberg. Shinhan Securities Vietnam

Vietnam Market Snapshot 01/04/2024

Market data

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,281.52	16.77	-2.57	-0.20	836	21,404
HNX INDEX	242.90	23.92	0.31	0.13	100	2,174





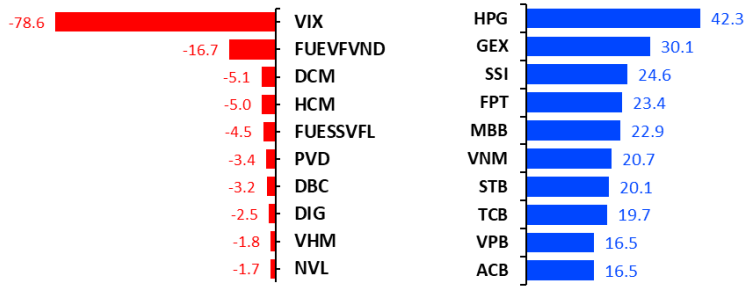
Money flow and sector rotation (VND bn)

Sector	%1D	4/1/2024	3/29/2024	20-session Average
Technology	63.09	302	185	422
Health Care	38.88	17	12	30
Real Estate	27.97	5,287	4,131	5,060
Basic Resources	27.06	1,285	1,011	1,635
Financial Services	25.03	3,688	2,950	4,247
Construction & Materials	24.08	1,326	1,069	1,564
Travel & Leisure	22.06	121	99	91
Chemicals	8.11	875	810	1,139
Utilities	7.64	182	169	283
Industrial Goods & Services	2.91	1,267	1,232	1,502
Media	2.21	11	11	20
Food and Beverage	1.72	1,732	1,703	1,966
Retail	-6.4	916	978	1,028
Banks	-6.8	3,629	3,895	4,249
Oil & Gas	-7.3	240	259	290
Insurance	-30.2	22	32	43
Automobiles & Parts	-32.6	253	375	291
Personal & Household Goods	-45.1	206	375	336

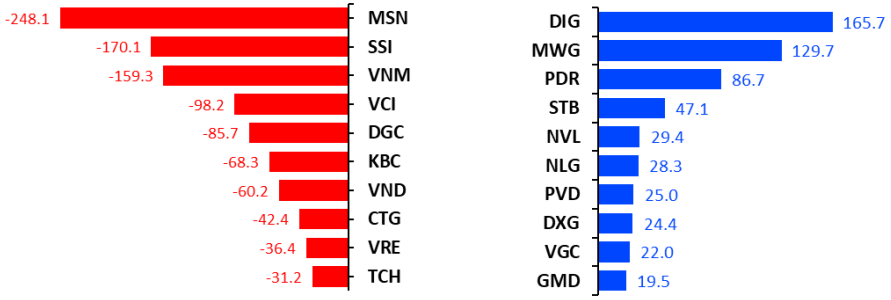
Source: Bloomberg. Shinhan Securities Vietnam

Vietnam Market Snapshot 01/04/2024

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	8	168	6	(174)
Basic Resources	47	(67)	11	56
Media	-	(0)	(9)	9
Industrial Goods & Services	43	(27)	(8)	35
Health care	4	(2)	(2)	4
Chemicals	(5)	(72)	150	(78)
Financial Services	(67)	(325)	411	(86)
Travel & Leisure	3	(3)	(17)	20
Banks	145	(93)	(10)	103
Construction & Materials	(2)	17	(109)	92
Food and Beverage	18	(422)	412	10
Retail	16	125	(89)	(36)
Utilities	2	(1)	(7)	7
Personal & Household Goods	8	(15)	(4)	18
Technology	23	11	(93)	82
Automobiles & Parts	(1)	(38)	17	21
Insurance	2	(3)	1	2
Oil & Gas	(3)	24	(22)	(2)
Total	**240**	**(722)**	**639**	**83**

Source: Fiinpro. Shinhan Securities Vietnam

Breaking News



Macro

- Vietnam's PMI in March 2024 fell slightly to 49.9 points, after reaching 50.4 points in February. Accordingly, both output and new orders declined, causing input costs to rise more slowly and selling prices to fall. However, S&P Global experts said the positive point is that confidence in production prospects over the next year is at an 18-month high, and manufacturers are hiring at a faster pace.

- Seafood exports in the first quarter of 2024 reached nearly 2 billion USD, up more than 8% compared to the same period last year. The US, Japan and China are the top 3 largest import markets for Vietnamese seafood; of which, exports to the US increased significantly, with a growth rate of 16% to reach 330 million USD. In March alone, seafood exports are estimated to reach over 770 million USD, up slightly by 1% compared to the same period in 2023. While pangasious exports in March earned 168 million USD, the total for the first quarter reached nearly 424 million USD, up 0.4% compared to the same period.

- Iron ore prices hit a 10-month low because of the Chinese real estate crisis. According to information from Bloomberg, iron ore futures contracts on the Singapore exchange fell nearly 4% and reached less than 100 USD/ton early on April 1. The real estate crisis that has lasted for many years in China continues to negatively affect iron ore demand, while supply has increased sharply. Sluggish steel demand also occurred at the same time as a period of relatively abundant supply, thereby putting further pressure on iron ore prices. Australia, one of the leading exporters, saw iron ore exports increase sharply in the week ending March 15. Iron ore reserves in Chinese ports have reached their highest level in more than a year, at 142 million tons.

Breaking News



Business news

- **VTP**: In 2023, Viettel Post recorded the highest and most stable revenue growth rate in the postal sector in the past 5 years with a growth rate of 29%, four times higher than the market. Viettel Post's delivery market share increased by more than 3%, becoming the leading delivery company in Vietnam. In 2024, Viettel Post will focus on promoting business of key service groups in the field of delivery and logistics, with the revenue target of this service group reaching VND 9,147 billion, an increase of 33.3%.

- **WSB:** Sabeco's subsidiary to pay out the remaining 2023 dividend, at a rate of 30%.With a payout ratio of 30% (equivalent to VND 3,000/share) and 14.5 million shares outstanding, WSB is estimated to need to spend about VND 44 billion to complete this dividend payment. The payment date is expected to be on April 26, 2024. Despite the strong dividend payment for 2023, the Company is cautious about its 2024 plan. The WSB leadership team expects that this year will still be difficult due to high input costs and raw material prices, and slow recovery of market demand. Faced with these fluctuations, the Company proposes a plan to achieve total revenue of over VND 990 billion, an increase of 13% compared to 2023; but net profit will decrease by 21% to nearly VND 66 billion.

- **TTF**: After audit, Truong Thanh Wood swings from profit to net loss of VND134 billion in 2023. After the audit, many indicators on the TTF's business result report recorded significant changes. Cost of goods sold, general management expenses and selling expenses all increased compared to the self-made report, causing the company to lose a net loss of VND41 billion from operating activities. Other profits of VND18 billion in the self-made report turned into a loss of VND70 billion after the audit due to a sharp increase in tax penalty expenses and losses from asset write-off and liquidation.

Breaking News



Business news

- **MSN:** Masan and Bain Capital's $250 million deal is about to close. The $250 million investment from Bain Capital will strengthen Masan's resources, increase liquidity to meet all financial obligations, and provide the Company with the flexibility to implement strategic initiatives. The capital from Bain Capital is in line with Masan's strategy of strengthening its financial position, helping the Company better capitalize on growth opportunities to serve the needs of 100 million Vietnamese consumers, including necessities, financial services, and other daily essentials.

- **VND**: CEO Nguyen Vu Long: The core trading system has been stabilized, confident to ensure maximum security for investors after the incident. On the morning of April 1, 2024, VNDIRECT officially reopened the trading system after a period of fixing the attack incident. VNDIRECT said that it has completed the restoration and reconnection phase, officially switching to the recovery phase (phase 2) in the four-phase roadmap, and will continue to carefully review to reopen all features and services of the system, following the roadmap announced to customers.

- **VIC**: Vingroup wants to contribute more capital to electric taxi company GSM. GSM currently has a charter capital of VND 9,666 billion. In 2023, Vingroup earned VND 20,163.5 billion from selling goods and providing services to GSM. Vingroup said that the group will contribute more capital to GSM with an ownership ratio not exceeding 5% of GSM's charter capital at each time of capital contribution. Recently, according to a report by Mordor Intelligence on the Vietnamese ride-hailing market in 2023, GSM currently holds 18.17% market share, ranking second in the industry, behind Grab. Accordingly, GSM's market share is double that of Be Group in third place (9.21%), and more than three times that of Gojek in fourth place (5.87%). This is a signal showing the potential of this business segment of billionaire Pham Nhat Vuong.

Breaking News - Update AGM of Refrigeration Electrical Engineering Corporation JSC (REE)

REE sets business plan for 2024 with revenue of VND 10,588 billion (+24% YoY) and profit after tax of VND 2,409 billion (+10% YoY). The main drivers of profit after tax growth come from the M&E segment (profit of VND 166 billion compared to a loss in 2023) and the real estate segment (+15 times YoY), offsetting lower profits from the power segment (-7% YoY) and the office leasing segment (-14% YoY).

M&E segment:

2024 target: Revenue of VND 3,245 billion (+22.3% YoY), NPAT of VND 166 billion (+1.9% YoY). The M&E segment in 2024 aims to maintain market share, and expects to grow stronger in 2025.

Power segment:

2024 target: Revenue of VND 5,061 billion (+5.4% YoY), profit after tax of VND 1,220 billion (-7.1% YoY). The management believes that 2024 will be a challenging year for the power segment. In the long term, the company plans to double its capacity in the next 3-5 years.

- **Hydropower:** The alpha ratio (the proportion of electricity mobilized through PPA contracts) for hydropower plants increased from 90% to 98%, the FMP 2024 ceiling price decreased by 11.5% YoY, so although hydropower output improved significantly, business results still declined.
- **Wind power:** The company believes that wind power will be the spearhead, focusing on developing and expanding capacity after the new pricing mechanism is in place.

Investment expansion:

_ Expected to develop 3 projects Tra Vinh V1_3 phase 2, V1_5, and V1_6 (130 MW, about VND 5,000 billion)

_ Tra Khuc 2 hydropower project (30MW, VND 1,000 billion) to build 2 in the year.

Real estate and leasing segment

- **Real estate:** Target revenue of VND 1,055 billion and NPAT of VND 389 billion, from recognizing the entire project of 45 villas in Bo Xuyen, Thai Binh province, committed to complete handover by the end of 3/2024.
- **Office leasing:** Target revenue of VND 1,082 billion (+3.1% YoY) and NPAT of VND 463 billion (-13.7% YoY). 2023 was a difficult year when the occupancy rate for the first time decreased from 98% to 95%. In 2024, REE strives to increase the occupancy rate. E town 6 (leasing area of 36,000 m2) is currently accepting fire protection, expected to be put into operation at the end of April, currently leased about 6,000 m2, expected to be filled by the end of 2024 about 70%. REE also has another land plot (5,400 m2, capex of about VND 1,000 billion) in District 9; office leasing area of about 35,000 m2. Expected to complete procedures this year, start construction in mid-2025, complete in 2026 and operate in 2028.

Water segment:

2024's target revenue of VND 145 billion (+116.4% YoY), NPAT of VND 240 billion (-25.9% YoY) because Song Da Corporation may record a loss in 2024 due to high depreciation costs of new capacity.

Technical view

Trend: Sideway up

- VNINDEX closed at 1,281.52 (-2.57 points, -2.88%) with relatively low liquidity. The market had 144 green stocks and 327 red stocks. The stocks that contributed to the market's increase were HVN, VCB, and GAS. On the other hand, the stocks that contributed to the market's decline were CTG, MBB, and VNM. The oil and gas and technology sectors performed well. Foreigners continued to net sell strongly, about 723 billion VND.
- Technical view: The VN-Index fluctuated and ended the session with a slight decrease, but is still in an upward trend as it is still trading above MA 20. In today's session, the market was under pressure to adjust from the banking stock group - which has been the leading group of VN-Index in the recent period. The MACD indicator showed a negative divergence signal since the beginning of March, indicating that short-term buying power is gradually weakening and the risk of a reversal is increasing. Investors should note the short-term support zone of 1,265 - corresponding to EMA 20.
- Strategy: Investors can take partial profits when the stock has reached expectations and the portfolio of stocks has violated the trend.



Scenarios:

- Positive (40%): The market will rebound and move towards the 1,300 area.
- Less positive (60%): The market corrected to the 1,250 area.

Recommended stocks

02/04/2024 9:00 AM

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals	Note
PC1	Buy	28.3	30.9	27.3	9.4%	-3.4%	28.3	Strong accumulation	

Trading portfolio

Ticker	Recommendation	Buying price	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
MWG	Sell	46.4	51.3	43.7	10.6%	-5.8%	51.4	23	10.8%	29/02/2024	Already took profit in session
STB	Hold	30.7	33.0	29.2	7.5%	-4.9%	31.4	40	2.3%	06/02/2024	
REE	Hold	62.1	67.5	60.5	8.7%	-2.6%	63.3	8	1.9%	21/03/2024	
HAH	Hold	42.9	46.0	41.6	7.2%	-3.0%	42.7	8	-0.5%	21/03/2024	
HDG	Hold	29.2	31.6	28.4	8.2%	-2.4%	29.5	4	1.2%	27/03/2024	

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Economic calendar

April 2024

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
31	1 ISM Manufacturing PMI MAR	2 JOLTs Job Openings FEB	3 ISM Services PMI MAR Fed Chair Powell Speech	4	5 Non-farm payroll, unemployment rate	6
7	8	9 JP Consumer Confidence MAR	10 Inflation and core inflation MoM YoY (US)	11 FOMC Minutes PPI MoM	12	13
14	15 Wholesale inventories in US	16 GDP Growth China IIP YoY China	17	18 VN Futures contract maturity	19	20
21	22	23	24 Durable goods order MoM March US	25 GPD Growth US Adv Q1	26 PCE MoM Personal Spending MoM US	27
28	29	30	1	2	3	4

Shinhan Securities

Q&A

Shinhan Investment Network

SEOUL

Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HCM

Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, HCM City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000



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