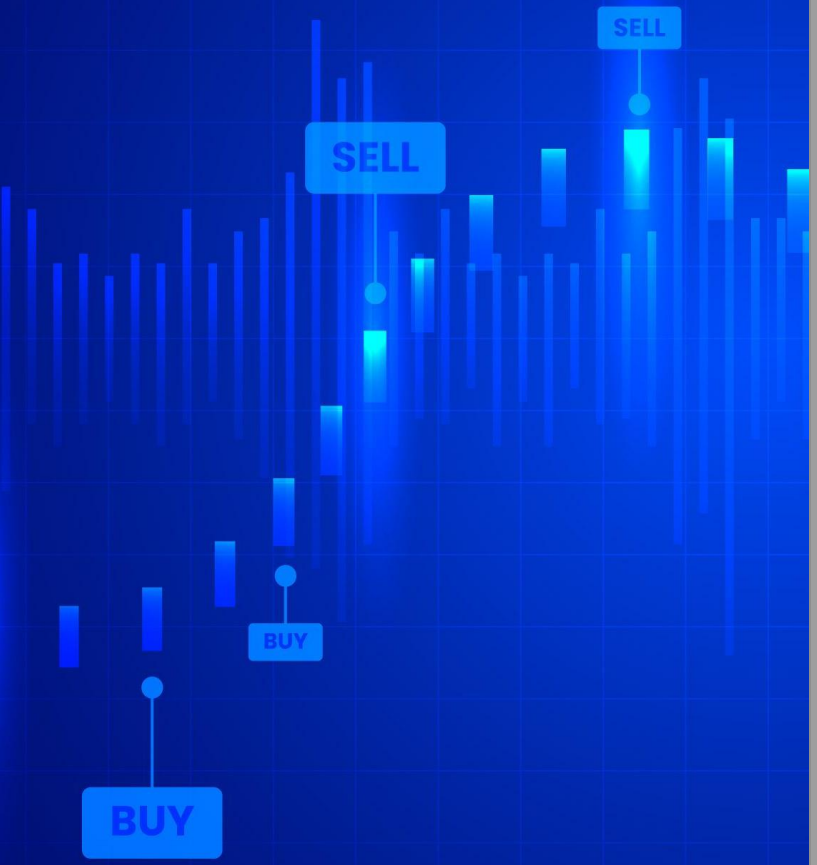
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MORNING CALL

03/05/2024

"Power stocks shine"

- ❑ World stocks: Mr. Powell ruled out the possibility of raising interest rates
- ❑ Vietnamese stocks: Power stocks shine
- ❑ Macro news
- ❑ Business news: #DGW, #NLG, #MWG, #BRS, #KBC, #VCI
- ❑ Technical perspective and updated recommendations #DCM
- ❑ Event calendar
- ❑ Q&A

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Following SSV's Zalo,
Catching the latest report



Please click or scan

Shinhan Securities

Global Market Review 29/04 – 03/05/2024

Major stocks market

- In trading session on Thursday, the Dow rose 0.85%, the S&P 500 gained 0.91% and the Nasdaq Composite rallied 1.51%. Nine out of the 11 S&P sectors finished higher, led by technology, consumer discretionary and real estate. Those moves came a day after the Federal Reserve held rates steady and Fed Chair Powell ruled out another rate hike from the central bank. Investors now await Friday's highly anticipated jobs report for clues on the strength of the labor market.
- European equities closed firmly lower on Thursday as markets assessed corporate earnings for the March quarter and the Federal Reserve's interest rate decision. The Stoxx 50 dropped 0.5% to 4,895, and the Stoxx 600 lot 0.2% to 503.
- The Nikkei 225 Index fell 0.1% to close at 38,236 while the broader Topix Index inched down 0.03% to 2,729 on Thursday, with Japanese shares sliding for the second straight session as market sentiment remained fragile. Those moves came as US stocks ended mixed overnight after the US Federal Reserve held interest rates steady and Fed Chair Powell ruled out the possibility of another rate hike.
- WTI crude futures stabilized above $79 per barrel on Thursday amid speculation that the US government may move to replenish its strategic petroleum reserves as it aims to buy back oil at $79 a barrel or less.

Market	Close	%1D	%1M	%1Y
VN-Index	1,216	0.57%	-4.33%	15.94%
S&P 500 Index	5,064	0.91%	-2.83%	23.80%
Dow Jones Index	38,226	0.85%	-2.30%	14.40%
GP 100	8,172	0.63%	2.96%	4.93%
Nikkei 225	38,236	-0.10%	-3.08%	31.13%
SHCOMP Index	3,105	-0.26%	0.89%	-6.57%
STOXX 600	503	-0.22%	-1.34%	8.80%
KOSPI Index	2,694	0.39%	-0.47%	7.71%
Hang Seng	18,207	2.50%	8.86%	-7.57%

Commodity	Close	%1D	%1M	%1Y
Brent	84	0.45%	-5.93%	16.20%
WTI	79	0.48%	-7.14%	15.64%
Gasoline	261	0.35%	-5.62%	12.21%
Natural gas	2	-0.34%	10.16%	-6.54%
Coal	148	0.51%	11.72%	-21.22%
Gold	2,305	0.03%	0.20%	13.03%
China HRC	3,817	0.00%	2.17%	-3.81%
Steel rebar	3,524	-0.96%	5.41%	-3.13%
BDI index	1,774	5.09%	3.68%	13.86%

Currency	Close	%1D	%1M	%1Y
Dollar Index	105	-0.01%	0.99%	3.89%
USD/VND	25,383	0.00%	-1.52%	-7.58%
EUR/USD	1	0.07%	-0.96%	-2.98%
USD/JPY	153	0.33%	-0.94%	-12.03%
USD/CNY	7	-0.17%	-0.14%	-4.54%
USD/GPB	1	-0.08%	0.86%	0.16%
USD/KRW	1,368	0.58%	-1.39%	-2.17%
USD/AUD	2	-0.18%	-0.18%	1.43%
USD/CAD	1	0.08%	-1.00%	-0.35%

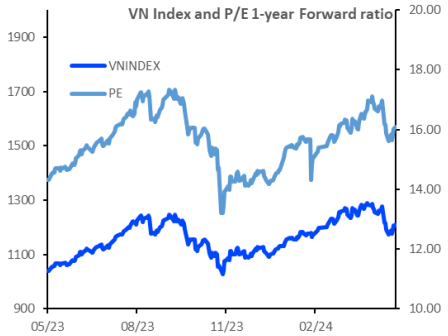
Source: Bloomberg. Shinhan Securities Vietnam

Vietnam Market Snapshot 02/05/2024

Market data

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,216.36	15.09	6.84	0.57	466	12,469
HNX INDEX	227.49	23.09	0.67	0.30	49	973





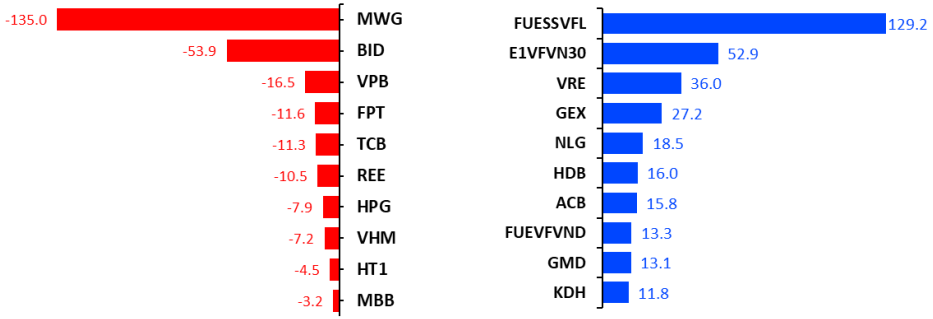
Money flow and sector rotation (VND bn)

Sector	%1D	5/2/2024	4/26/2024	20-session Average
Insurance	86.65	36	19	18
Media	63.02	4	3	6
Utilities	40.21	213	152	168
Automobiles & Parts	31.27	275	209	264
Retail	30.16	1,435	1,102	726
Construction & Materials	16.11	639	550	654
Technology	11.07	510	459	371
Travel & Leisure	3.26	115	111	103
Real Estate	2.08	2,531	2,479	3,099
Health Care	-9.1	18	20	20
Oil & Gas	-10.6	96	108	167
Food and Beverage	-11.1	829	932	1,044
Chemicals	-13.0	675	776	567
Personal & Household Goods	-16.4	192	230	199
Financial Services	-19.8	1,421	1,771	2,089
Banks	-24.4	2,095	2,771	3,061
Industrial Goods & Services	-28.5	895	1,252	860
Basic Resources	-41.7	449	770	799

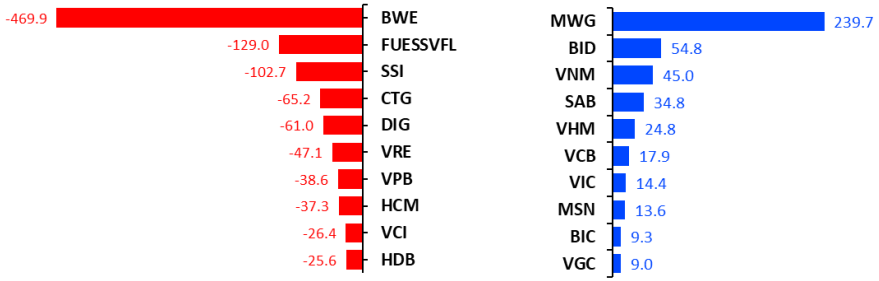
Source: Bloomberg. Shinhan Securities Vietnam

Vietnam Market Snapshot 02/05/2024

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	70	(100)	3	97
Basic Resources	(10)	(24)	52	(28)
Media	-	1	(1)	0
Industrial Goods & Services	40	(21)	(81)	101
Health care	-	1	(1)	0
Chemicals	(3)	(29)	12	17
Financial Services	197	(374)	260	114
Travel & Leisure	(1)	1	(7)	7
Banks	(55)	(110)	268	(158)
Construction & Materials	(4)	(12)	18	(6)
Food and Beverage	(3)	83	(82)	(1)
Retail	(136)	232	307	(539)
Utilities	(0)	(484)	161	323
Personal & Household Goods	(0)	(4)	(21)	24
Technology	(12)	(5)	46	(40)
Automobiles & Parts	(1)	(12)	0	12
Insurance	(0)	5	(5)	(0)
Oil & Gas	6	(16)	(0)	16
Total	**89**	**(867)**	**930**	**(63)**

Source: Fiinpro. Shinhan Securities Vietnam

Breaking News



Macro

- Equitization stalls, state capital divestment in the first 4 months of the year reaches only 150 billion dong.As of April 2024, 85 state-owned enterprises have been approved by competent authorities to implement enterprise restructuring plans. However, the equitization process remains stagnant, while the divestment of 4 enterprises has only yielded 149.2 billion dong. Previously, in 2023, state capital was divested in 5 enterprises, including 4 enterprises under Decision No. 1479/QĐ-TTg and 1 enterprise under Notice No. 281/TB-VPCP, with a value of 11.7 billion dong and proceeds of 24.02 billion dong.

- Interbank VND rates surge, the USD price on the free market remain heated. In the last week of April, interbank VND rates increased sharply across all key maturities; overnight rates stood at 4.78%, 1-week rates at 4.82%. The interbank exchange rate also depreciated by 116 dong in the last week of April. However, the "black market" exchange rate remains heated.

- Vietnam's manufacturing Purchasing Managers' Index (PMI) rose back above the 50-point threshold in April, reaching 50.3 from 49.9 in March. The index reading indicates a slight improvement in the health of the manufacturing sector, and this is the third improvement in the past four months. There were three notable highlights: output growth resumed on the back of a rise in new orders; prices fell for the second consecutive month; and employment contracted for the first time in three months.

- On average, during the entire holiday period, the highest power consumption of the national power system was around 40,459 MW, and the power consumption was around 860.5 million kWh/day. Thus, compared to the same period in 2023, the average daily power consumption during the 30/4-1/5 holiday this year increased by 37.2%, and the peak power consumption of the entire system during the holiday also increased by 30.6%.

Breaking News



Business news

- **DGW:** DGW has announced a resolution to increase its ownership stake in B2X Vietnam Joint Stock Corporation from 49.1% to 100%, by acquiring shares from B2X Care Solutions GmbH. The transfer value will not exceed VND 30 billion. As of the end of January 2024, B2X Vietnam is an associate of Digiworld with a 49.1% ownership stake. Meanwhile, B2X Care Solutions GmbH, a world-renowned customer care service provider based in Munich, Germany, specializing in smartphones and internet-connected devices (IoT), currently owns over 50% of B2X Vietnam's shares.

- **NLG:** Quarter 1/2024 lost 65 billion VND even though sales were 5 times higher than the same period. Negative first quarter profit according to NLG due to the timing of the real estate industry: The first quarter is always the time when revenue, profit and pre-sale are the lowest of the year. Not to mention, this year because the Lunar New Year 2024 is close to the New Year, the motivation to hand over the house at the beginning of the year is not high. Therefore, the Company expects this year's profit point to fall in the third - fourth quarter of 2024.

- **MWG**: The company reported strong growth across all segments, with net revenue reaching VND 31.4 trillion (USD 1.3 billion), up 16% year-on-year, and net profit after minority interests (NPAT-MI) soaring to VND 902 billion (USD 36 million), a remarkable 42x increase compared to the same period last year. According to the business update report for the first 3 months of the year published by MWG not long ago, the Mobile World chain including TopZone (TGDD) and Dien May Xanh (DMX) brought in a total of 21.3 trillion VND in revenue. revenue, increased by 7%, with the main driving force being the electronics industry with double-digit growth, notably with air conditioning products growing by nearly 50%. Bach Hoa Xanh chain (BHX) even grew by 44% to more than 9.1 trillion VND, equivalent to an average of 1.8 billion VND/store/month, the driving force comes from both the fresh food industry and FMCGs. Based on core business activities, BHX still maintains the break-even point after all costs corresponding to actual operations.

Breaking News



Business news

- **BSR:** In the first quarter, BSR recorded nearly 30.7 trillion dong in net revenue, down 10% from the same period last year. After deducting cost of goods sold, gross profit was nearly 1.3 trillion VND, down 39% from the same period last year. BSR's net profit reached over 1.1 trillion VND, down 30% from the same period last year. According to BSR's explanation, the refinery had temporarily suspended production for the 5th overall maintenance (TA5) from March 15, 2024. This maintenance was originally scheduled to take place in 2023, but was postponed to 2024 by decision of the 2023 AGM. The maintenance lasted less than 48 days, so part of the impact will be reflected in the second quarter of 2024. In addition, BSR said that although the price of crude oil in the first quarter increased compared to the same period last year, the gap between crude oil and product prices (cracking spread) was lower than the previous year, so profits also decreased.
- **KBC:** Not recording revenue from land leasing and industrial park infrastructure, Kinh Bac Urban Development Corporation - JSC (HOSE: KBC) had a net loss of nearly 86 billion VND in the first quarter of 2024. However, businesses still have a sudden increase in bank deposits. Notably, bank deposits soared to nearly 6,229 billion VND, 7.4 times higher than at the beginning of the period and accounting for 16% of total assets; Of which, the majority are deposits with terms from 4-12 months at commercial banks with interest rates from 3.5-6%/year (more than 5,658 billion VND).
- **VCI:** VCI's Q1 after-tax profit reaches nearly VND 200 billion, up 171% YoY. VCI's strong Q1 results were driven by growth across its core business segments. Both brokerage and lending activities saw significant increases in the first quarter. Brokerage revenue doubled year-on-year to VND 182 billion, while interest on loans and receivables grew by 16% to VND 180 billion. The proprietary trading segment also performed well, with revenue from financial asset gains recognized through fair value through profit or loss (FVTPL) increasing by nearly 130% to VND 352 billion. Excluding FVTPL financial asset losses and proprietary trading expenses, VCI's proprietary trading segment recorded a profit of VND 171 billion, nearly 4 times higher than the same period last year.

Technical view

Trend: Downtrend

- VNINDEX closed at 1,216.36 points (+6.84 points, +0.57%), with liquidity slightly lower than the previous session. The market had 268 gainers and 194 losers. The groups of stocks that contributed to the market's decline were CTG, VPB, and STB. On the other hand, the groups of stocks that contributed to the market's gain were FPT, VCB, and SAB. Foreigners continued to net sell around VND 910 billion.
- **Technical view**: The VN-Index continued to trade sideways with low liquidity, indicating caution from buyers. The market closed in the green with significant contributions from the VN30 group. There was strong divergence in capital flows after companies released their Q1/2024 financial reports. The market is trying to recover from a downtrend and there is no confirmation of a reversal yet. We believe that the VN-Index will experience fluctuations in the coming time when it meets the next resistance at 1230, corresponding to the MA20.
- **Strategy**: Investors prioritize structuring stocks with weak positions, complying with discipline as well as prioritizing capital preservation.



Scenarios:

- Positive (60%): The market will rebound and move towards the 1,190 – 1,230 area.
- Less positive (40%): The market corrected to the 1,180 area.

Recommended stocks

03/05/2024 9:00 AM

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals	Note
DCM	Buy	32.0	33.8	30.7	6%	-4%	32.1	Surpass EMA 200 with improved liquidity	Prepare to buy

Trading portfolio

Ticker	Recommendation	Buying price	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
ACB	Hold	26.7	28.5	26.3	7%	-1%	27.0	8	1.12%	23/04/2024	
REE	Hold	61.2	66.5	59.2	9%	-3%	64.2	1	4.90%	02/05/2024	

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Economic calendar

May 2024

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
28	29	30	1 _ US ISM Manufacturing PMI APR _ US JOLTs Job Openings MAR	2 US Fed Rate Decision	3 US Non Farm Payrolls APR US Unemployment Rate APR	4
5	6	7	8	9	10 Michigan Consumer Sentiment Prel MAY	11
12	13	14 US PPI MoM APR	15 _ US Core Inflation Rate MoM APR _ US Retail Sales MoM APR	16 VN30F1M Future contract maturity	17	18
19	20	21	22	23 FOMC Minutes	24 _ US Durable Goods Orders MoM APR _ ETF Ishare MSCI restructure portfolio	25
26	27	28	29 VN Macroeconomics in MAY	30 US GDP Growth Rate QoQ 2nd Est Q1	31 _ US Personal Income MoM APR _ US Personal Spending MoM APR	1

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Q&A

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