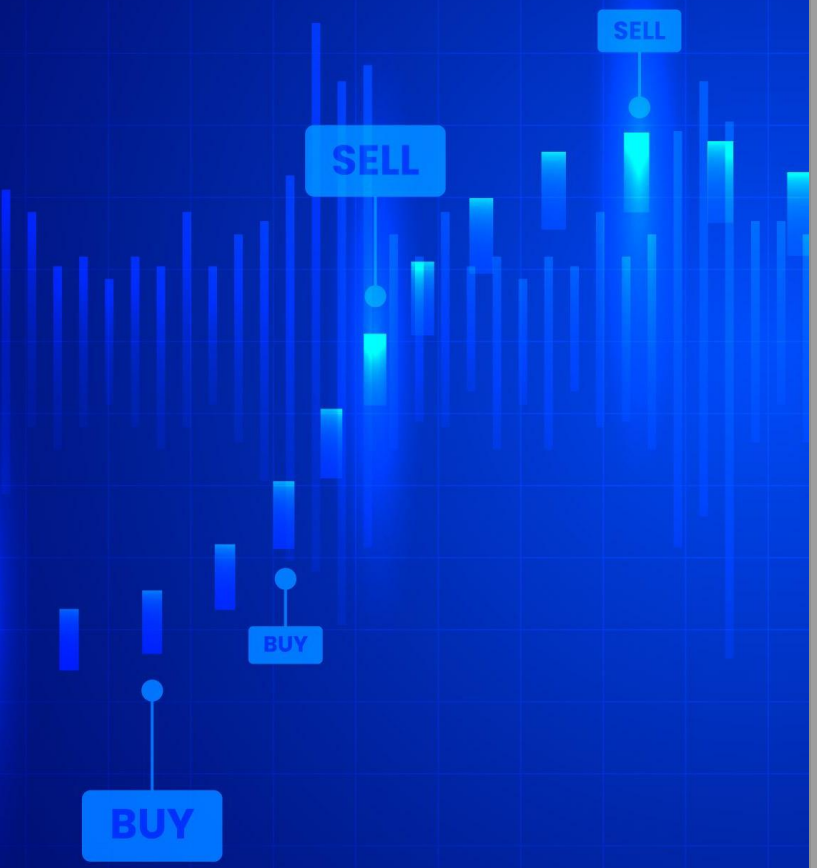



# MORNING CALL

09/05/2024

# “Roughness”

- ❑ World stocks: Mixed performance of indices
- ❑ Vietnamese stocks: Roughness
- ❑ Macro news
- ❑ Business news: #NVL, #POW, #ACV, #VGT, #BWE, #DBC
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

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# Global Market Review 06/05 - 10/05/2024

## Major stocks market

- In regular trading on Wednesday, the Dow rose 0.44%, extending its winning streak to a sixth day. Meanwhile, the S&P 500 ended flat and the Nasdaq Composite shed 0.18%, weighed down losses in heavyweight tech names. Investors remained focused on corporate earnings reports and the Federal Reserve's policy outlook, especially after receiving mixed comments from several central bank officials.
- European stocks closed firmly higher for a fourth consecutive session on Wednesday amid continued support from expectations of looser monetary policy by the ECB and the Fed, and a batch of favorable corporate earnings reports. The Eurozone's Stoxx 50 added 0.5% to close at a fresh 23-year high of 5,040, and the pan-European Stoxx 600 jumped 0.3% for a new record high of 516.
- The Nikkei 225 Index fell 1.63% to close at 38,202 while the broader Topix Index lost 1.45% to 2,706 on Wednesday, with Japanese shares retreating from three-week highs as disappointing earnings reports from major firms dampened market sentiment.
- Oil prices rebounded on Wednesday, with WTI crude futures climbing back to $79 per barrel after dropping below $77 earlier in the session as EIA data showed a draw in US crude oil stocks. Crude oil inventories in the US fell by 1.361 million barrels last week, slightly less than market expectations of a 1.43 million barrel decline

| Market | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| VN-Index | 1,250 | 0.15% | -0.98% | 18.67% |
| S&P 500 Index | 5,188 | 0.00% | -0.43% | 25.94% |
| Dow Jones Index | 39,056 | 0.44% | 0.44% | 16.37% |
| GP 100 | 8,354 | 0.49% | 5.28% | 7.60% |
| Nikkei 225 | 38,271 | 0.18% | -3.78% | 30.87% |
| SHCOMP Index | 3,128 | -0.61% | 2.62% | -6.83% |
| STOXX 600 | 516 | 0.34% | 1.97% | 10.82% |
| KOSPI Index | 2,744 | -0.03% | 1.45% | 9.33% |
| Hang Seng | 18,314 | -0.90% | 8.83% | -7.82% |

| Commodity | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| Brent | 84 | 0.37% | -6.18% | 8.33% |
| WTI | 79 | 0.48% | -6.88% | 7.68% |
| Gasoline | 254 | 0.38% | -7.78% | 2.48% |
| Natural gas | 2 | -0.23% | 16.56% | -3.75% |
| Coal | 145 | -0.79% | 13.30% | -14.38% |
| Gold | 2,310 | 0.05% | -1.82% | 13.54% |
| China HRC | 3,839 | -0.31% | 3.14% | -1.16% |
| Steel rebar | 3,506 | -0.48% | 4.66% | -2.72% |
| BDI index | 2,203 | 5.76% | 40.32% | 37.86% |

| Currency | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| Dollar Index | 106 | 0.02% | 1.37% | 3.90% |
| USD/VND | 25,430 | 0.01% | -1.81% | -7.74% |
| EUR/USD | 1 | -0.04% | -1.04% | -1.99% |
| USD/JPY | 156 | -0.04% | -2.46% | -13.09% |
| USD/CNY | 7 | -0.08% | 0.09% | -4.30% |
| USD/GPB | 1 | 0.06% | 1.50% | 1.03% |
| USD/KRW | 1,368 | -0.40% | -0.97% | -3.23% |
| USD/AUD | 2 | 0.09% | 0.84% | 2.87% |
| USD/CAD | 1 | -0.08% | -1.18% | -2.54% |

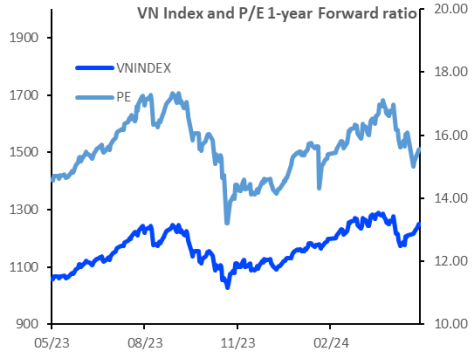
Source: Bloomberg. Shinhan Securities Vietnam

# Vietnam Market Snapshot 08/05/2024

## Market data

| | Close | PE | Change | %1D | Trading volume (mn stocks) | Trading value (VND bn) |
|---|---|---|---|---|---|---|
| VNI NDEX | 1,250.46 | 15.57 | 1.83 | 0.15 | 766 | 19,092 |
| HNX INDEX | 234.52 | 19.25 | 1.56 | 0.67 | 109 | 2,265 |



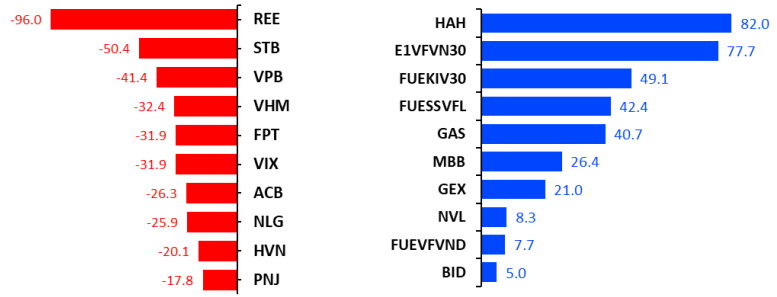

## Money flow and sector rotation (VND bn)

| Sector | %1D | 5/8/2024 | 5/7/2024 | 20-session Average |
|---|---|---|---|---|
| Oil & Gas | 85.43 | 423 | 228 | 157 |
| Health Care | 75.38 | 39 | 22 | 21 |
| Real Estate | 61.20 | 3,703 | 2,297 | 2,745 |
| Banks | 58.63 | 3,741 | 2,358 | 2,972 |
| Financial Services | 42.23 | 2,132 | 1,499 | 1,948 |
| Chemicals | 26.54 | 1,084 | 857 | 585 |
| Basic Resources | 25.25 | 1,598 | 1,276 | 870 |
| Utilities | 16.91 | 273 | 234 | 169 |
| Construction & Materials | 16.69 | 742 | 635 | 606 |
| Automobiles & Parts | 9.68 | 480 | 438 | 278 |
| Industrial Goods & Services | 8.37 | 1,416 | 1,306 | 878 |
| Technology | 1.98 | 520 | 510 | 407 |
| Food and Beverage | 0.42 | 1,607 | 1,601 | 1,044 |
| Retail | -4.7 | 753 | 790 | 773 |
| Personal & Household Goods | -20.7 | 272 | 343 | 203 |
| Insurance | -45.5 | 20 | 36 | 19 |
| Travel & Leisure | -49.3 | 260 | 513 | 176 |
| Media | -64.7 | 7 | 20 | 5 |

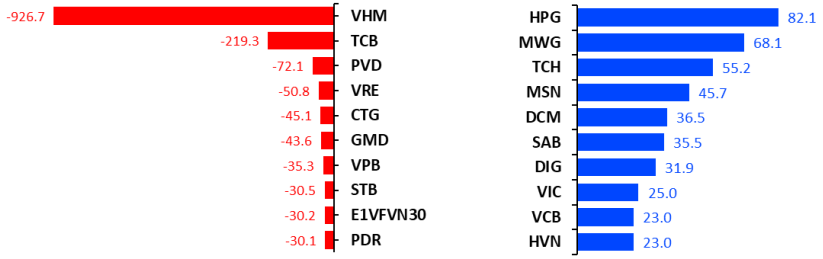
Source: Bloomberg. Shinhan Securities Vietnam

# Vietnam Market Snapshot 08/05/2024

### 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) | (940) | 982 | (41) |
| Basic Resources | (7) | 66 | (75) | 9 |
| Media | - | 0 | (0) | 0 |
| Industrial Goods & Services | (4) | (43) | 176 | (133) |
| Health care | - | 0 | 0 | (1) |
| Chemicals | (4) | 41 | (65) | 24 |
| Financial Services | 69 | (82) | 66 | 15 |
| Travel & Leisure | (23) | 30 | (2) | (28) |
| Banks | (185) | (403) | 754 | (351) |
| Construction & Materials | (0) | (33) | 23 | 10 |
| Food and Beverage | (20) | 45 | 1 | (46) |
| Retail | (7) | 39 | (24) | (16) |
| Utilities | 40 | (12) | 1 | 12 |
| Personal & Household Goods | (18) | 4 | 23 | (27) |
| Technology | (32) | 2 | (4) | 3 |
| Automobiles & Parts | 1 | 63 | (59) | (5) |
| Insurance | (0) | 2 | (1) | (0) |
| Oil & Gas | (3) | (71) | 78 | (7) |
| **Total** | **(265)** | **(1,292)** | **1,874** | **(581)** |

Source: Fiinpro. Shinhan Securities Vietnam

# Breaking News



## Macro

- On May 8, the US Department of Commerce is reviewing whether to upgrade Vietnam to "market economy" status. This move has been met with opposition from US steelmakers and Gulf shrimp farmers, but has been supported by US retailers and other businesses. Once Vietnam is recognized as a market economy by the United States, Vietnamese goods will be subject to lower anti-dumping taxes by the United States.
- The Prime Minister has requested that the Strategy for the Development of the Semiconductor Industry be submitted in May 2024.The Ministry of Information and Communications will soon finalize and submit to the Prime Minister for approval in May 2024 the Strategy for the Development of Vietnam's Semiconductor Industry to 2030. Accordingly, by 2045, Vietnam aims to become a country with a developed semiconductor industry, an important link in the global semiconductor supply chain.
- Proposal to allow all customers to purchase renewable energy directly from generators, bypassing EVNThe Ministry of Industry and Trade (MOIT) has finalized a draft Government Decree on the mechanism for direct power purchase between power generators and large electricity consumers (DPPA). The draft decree would allow wind and solar power plants to sell electricity directly to customers through private lines or the national grid.

# Breaking News



## Business news

- **NVL:** Novaland's market capitalization evaporates nearly VND 2,000 billion following negative news related to the Aqua City project. In response to negative media reports, Novaland (NVL) representatives have responded to the allegations.Novaland's receipt of requests to verify information and provide project documents, along with its active cooperation with the Ho Chi Minh City Police Investigation Agency to clarify the matter, demonstrates the company's commitment to complying with and cooperating with the authorities.

- **POW:** POW to conduct test run of Nhon Trach 3 power plant this month, strive for commercial operation in November 2024Simultaneously, commercial operation of Nhon Trach 4 plant will be in mid-2025. The Nhon Trach 3 & 4 Power Plant Project is the first and most modern imported LNG-fueled power plant project in Vietnam at present. The project uses a 1:1:1 configuration (turbine - boiler - generator) for the first time in the country. It is also one of the few power projects with the largest turbine capacity (over 500 MW) and the highest gas efficiency (over 60%) in the world.

- **ACV**: ACV to borrow $1.8 billion to invest in Long Thanh airport projectIn a recently released resolution, ACV has announced that it has signed credit agreements with Vietcombank as the lead bank and security agent, and VietinBank and BIDV (co-lending banks) to finance the above project. Accordingly, ACV plans to borrow a total of $1.8 billion over a 20-year period. The security for the loan is the project's assets (mortgageable assets), whether these assets are currently existing or will be formed in the future. Long Thanh International Airport is expected to be operational in 2026. In the second phase, the airport will be expanded with an additional open-configuration runway and terminal to reach a capacity of 50 million passengers per year.

# Breaking News



## Business news

- **VGT:** In the first quarter of 2024, VGT recorded a 6% decrease in net revenue compared to the same period last year, to under 4 trillion dong. Due to a reduction in cost of goods sold, the company's gross profit was over 345 billion dong, an increase of 5%; gross profit margin improved by 1 percentage point to 9%.Vinatex said that although the textile and garment industry showed signs of recovery in terms of orders in the first quarter of the year, unit prices were low, there was not much room for price increases, and the cost base in 2024 was higher due to geopolitical instability and tensions in the Red Sea. In the first quarter, Vinatex's exchange rate difference profit decreased from 59 billion dong to nearly 44 billion dong, while exchange rate difference loss nearly doubled compared to the same period last year to 46 billion dong.

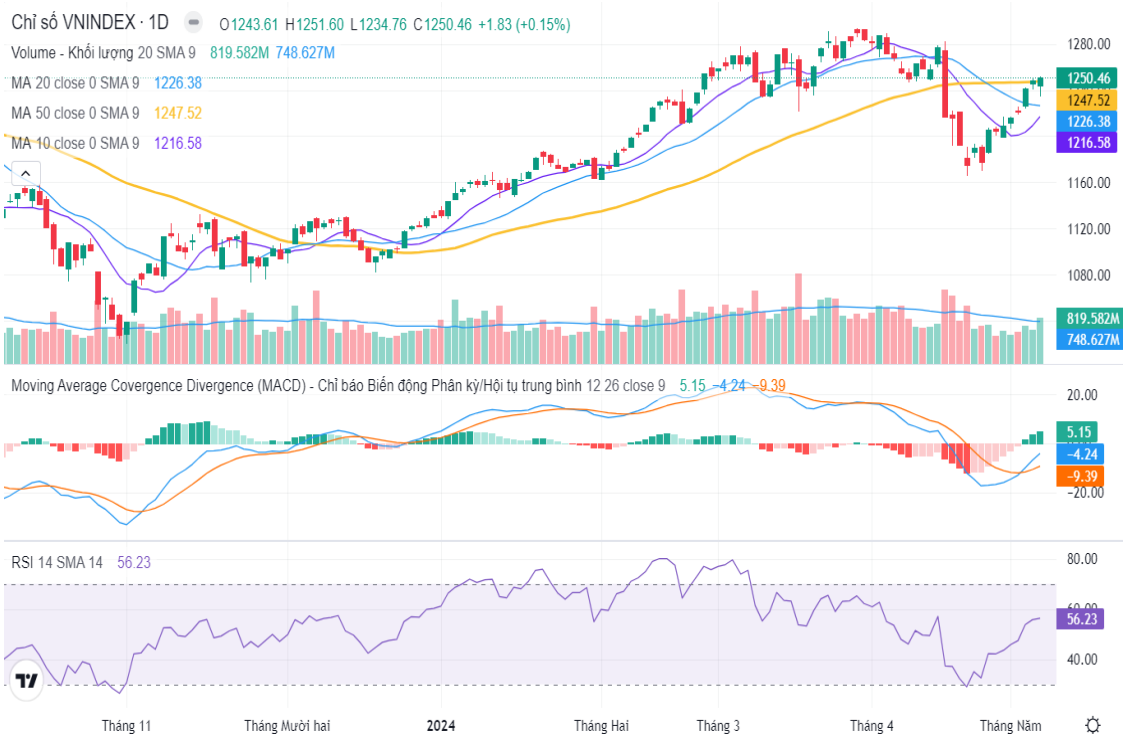
- **BWE:** Ecorbit Co., Ltd., a major shareholder of Binh Duong Water - Environment Joint Stock Company (HOSE - BWE), has sold all 12 million BWE shares it owns, equivalent to a 6.22% stake in the company, on May 2.Ecorbit, formerly known as Taeyoung Environment Corporation, was established in 2004. The company specializes in providing wastewater system services throughout Korea (wastewater treatment plants, incinerators, landfills and other services).

- **DBC:** Dabaco Group's Q2/2024 profit may triple from Q1/2024 results thanks to recovering pork prices and record-high herd productivity.Amidst the tense situation of animal diseases, Dabaco Group made a bold decision to import 10,000 breeding pigs in 2023 at a price of around USD 8,000 per pig.The Group's Chairman said that the Group is striving to have a concentrated farm with a scale of 58,000 - 60,000 sows by 2025, at the latest by 2026.

# Technical view

## Trend: Short-term recovery

- The VNINDEX closed at 1,250.46 points (+1.83 points, +0.15%) with higher liquidity compared to the previous session. The market had 204 gaining stocks and 233 losing stocks. The group of stocks contributing to the market's decline included VPB, NVL, and HVN. On the other hand, the group of stocks contributing to the market's increase included HPG, GAS, and MSN. Foreigners net sold around 1,280 billion VN.
- **Technical view**: VNINDEX opened lower in the morning but gained in the afternoon. This tug-of-war suggests that the market's upward momentum will slow down as more consolidation sessions are needed. However, a positive note in the session was that liquidity improved significantly, showing that individual investors are actively returning to the market. Overall, the recent recovery has helped the market regain its medium-term uptrend. The market is expected to trade in a narrow range of 1,230 - 1,280 in the near future.
- **Strategy**: Investors are pausing new purchases as the market has been heating up continuously. They are prioritizing holding their existing holdings and waiting to take profits when they reach their profit targets.




## Scenarios:

- Positive (60%): The market will rebound and move towards the 1,230 – 1,28 0 area.
- Less positive (40%): The market corrected to the 1,180 area.

# Recommended stocks

09/05/2024 9:00 AM

Unit: VND thousand

## Today's watchlist

| Recommendation | Buying price (+/- 1%) | Target | Cut loss | Upside | Downside | Current price | Signals | Note |
|---|---|---|---|---|---|---|---|---|

## Trading portfolio

| Ticker | Recommendation | Buying price | Target | Cut loss | Upside | Downside | Current price | T+ | Profit/Loss | Date | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ACB | Hold | 26.7 | 28.2 | 26.3 | 6% | -1% | 27.6 | 12 | 3.18% | 23/04/2024 | |
| DCM | Sell | 32.0 | 34.1 | 30.7 | 7% | -4% | 34.2 | 4 | 6.72% | 03/05/2024 | Take Profit |
| MSN | Hold | 69.8 | 74.2 | 67.2 | 6% | -4% | 72.3 | 3 | 3.58% | 06/05/2024 | |
| NLG | Hold | 40.1 | 43.7 | 38.7 | 9% | -3% | 41.0 | 3 | 2.24% | 06/05/2024 | |
| GVR | Hold | 30.8 | 33.4 | 29.4 | 8% | -5% | 31.7 | 2 | 2.92% | 07/05/2024 | |
| DGW | Hold | 60.9 | 65.1 | 58.9 | 7% | -3% | 61.5 | 2 | 0.99% | 07/05/2024 | |

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# Economic calendar

## May 2024

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

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# Q&A

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