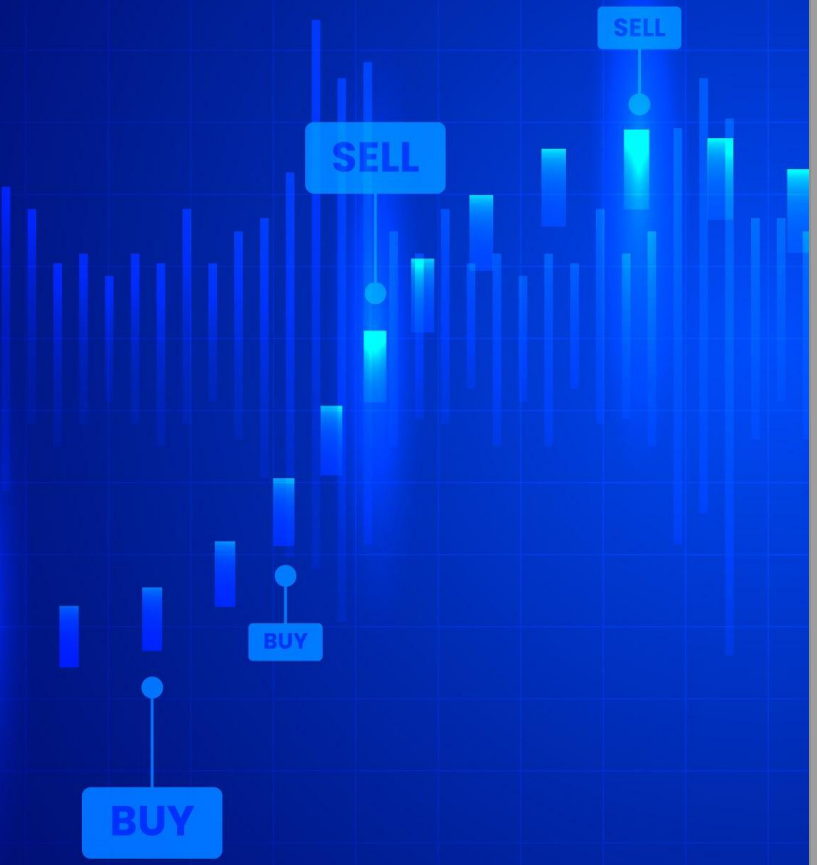
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MORNING CALL

26/07/2024

"Liquidity decreased sharply"

- ❑ World stocks: The US economy grew stronger than expected
- ❑ Vietnamese stocks: Liquidity decreased sharply
- ❑ Macro news
- ❑ Business news: #VHM, #VCI, #TCD, #LDG, #SAB, #NVL
- ❑ Technical perspective and updated recommendations #HAH, #ACB
- ❑ 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 22/07 – 26/07/2024

Major stocks market

- In regular trading on Thursday, the S&P 500 and Nasdaq Composite tumbled 0.51% and 0.93%, respectively, extending their losing streak to a third day. Meanwhile, the Dow rose 0.2% to buck the trend, although it gave back most of its intraday gains. On the other hand, energy, industrial and financial stocks mostly advanced. The US economy expanded an annualized 2.8% in Q2, up from 1.4% in Q1, and above forecasts of 2%, the advance estimate showed. The number of people claiming unemployment benefits in the US fell by 10,000 to 235,000 on the period ending July 20th, below market expectations of 238,000.
- European stocks closed sharply lower on Thursday, extending the selloff from the prior session amid a batch of poor corporate results. The Eurozone's Stoxx 50 sank 1% to close at 4,812, the lowest since February, and the pan-European Stoxx 600 lost 0.7% to close at 509, the lowest since May. The CAC 40 dropped 1.1% to close at 7,427 on Thursday.
- The Nikkei 225 Index rose 0.5% to above 38,000 while the broader Topix Index gained 0.3% to 2,718 on Friday, with Japanese shares rebounding slightly from multi-month lows as investors reacted to the latest inflation figures from Tokyo. Data showed that Tokyo's core inflation rate accelerated for a third month in July, keeping the door open to another interest rate hike when the Bank of Japan meets next week.
- WTI crude oil futures recovered from earlier losses to settle at $78.28 per barrel on Thursday, supported by stronger-than-expected US economic growth and decline in crude inventories.

Market

	Close	%1D	%1M	%1Y
VN-Index	1,233	-0.43%	-2.22%	2.69%
S&P 500 Index	5,399	-0.51%	-1.44%	18.23%
Dow Jones Index	39,935	0.20%	2.06%	12.43%
GP 100	8,186	0.40%	-0.47%	6.64%
Nikkei 225	37,921	0.14%	-4.40%	16.08%
SHCOMP Index	2,893	0.22%	-2.67%	-10.23%
STOXX 600	509	-0.72%	-1.20%	9.27%
KOSPI Index	2,730	0.71%	-2.23%	5.30%
Hang Seng	17,193	1.11%	-4.96%	-11.22%

Commodity

	Close	%1D	%1M	%1Y
Brent	83	0.27%	-3.12%	-0.40%
WTI	79	0.28%	-2.97%	-0.36%
Gasoline	248	0.44%	-2.60%	-14.75%
Natural gas	2	1.62%	-21.08%	-22.18%
Coal	135	0.00%	0.48%	0.56%
Gold	2,374	0.38%	3.28%	20.36%
China HRC	3,512	-1.29%	-5.23%	-11.91%
Steel rebar	3,132	-0.48%	-7.09%	-16.30%
BDI index	1,834	-1.61%	-6.62%	71.88%

Currency

	Close	%1D	%1M	%1Y
Dollar Index	104	-0.08%	-1.68%	3.36%
USD/VND	25,331	-0.08%	0.52%	-6.55%
EUR/USD	1	0.11%	1.66%	-2.06%
USD/JPY	154	0.23%	4.70%	-8.69%
USD/CNY	7	0.24%	0.52%	-1.19%
USD/GPB	1	-0.09%	-1.87%	0.62%
USD/KRW	1,384	-0.05%	0.35%	-7.91%
USD/AUD	2	-0.24%	1.43%	3.11%
USD/CAD	1	0.10%	-0.79%	-4.37%

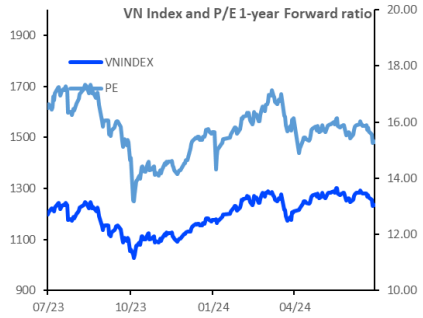
Source: Bloomberg. Shinhan Securities Vietnam

Vietnam Market Snapshot 25/07/2024

Market data

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,233.19	15.28	-5.28	-0.43	380	9,580
HNX INDEX	235.25	16.80	-0.92	-0.39	37	692





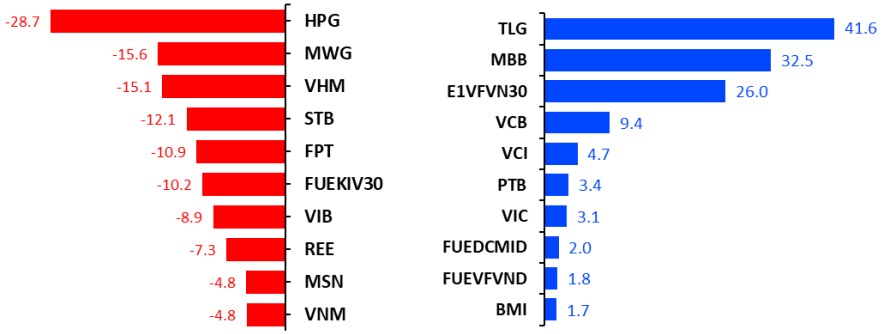
Money flow and sector rotation (VND bn)

Sector	%1D	7/25/2024	7/24/2024	20-session Average
Real Estate	-15.2	1,741	2,053	2,295
Health Care	-21.5	44	56	82
Utilities	-31.6	218	319	381
Basic Resources	-33.6	622	937	1,082
Banks	-34.2	2,303	3,498	3,364
Travel & Leisure	-36.6	266	419	263
Technology	-37.6	374	599	957
Industrial Goods & Services	-38.4	637	1,035	1,166
Financial Services	-44.6	1,138	2,056	1,385
Food and Beverage	-44.9	583	1,058	1,196
Chemicals	-48.7	462	900	1,080
Construction & Materials	-52.9	307	652	666
Automobiles & Parts	-54.1	125	273	308
Personal & Household Goods	-55.2	151	338	326
Insurance	-56.2	41	93	69
Oil & Gas	-63.9	90	251	194
Retail	-67.5	452	1,393	892
Media	-72.7	9	34	21

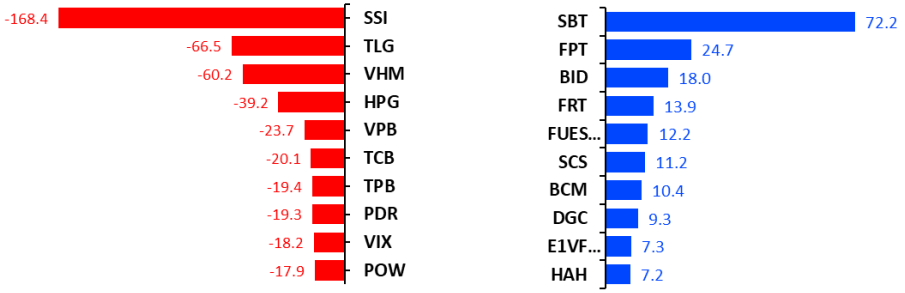
Source: Bloomberg. Shinhan Securities Vietnam

Vietnam Market Snapshot 25/07/2024

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	(16)	(132)	145	(13)
Basic Resources	(26)	(61)	101	(40)
Media	-	(1)	1	(0)
Industrial Goods & Services	(7)	(7)	(55)	62
Health care	-	(2)	2	0
Chemicals	(1)	5	(3)	(2)
Financial Services	31	(213)	195	17
Travel & Leisure	(3)	6	0	(6)
Banks	10	(32)	37	(5)
Construction & Materials	0	(20)	29	(9)
Food and Beverage	(10)	55	25	(80)
Retail	(16)	(6)	25	(18)
Utilities	(3)	(18)	18	0
Personal & Household Goods	41	(72)	35	37
Technology	(11)	17	6	(23)
Automobiles & Parts	(0)	(22)	21	0
Insurance	2	7	(9)	2
Oil & Gas	(0)	4	(2)	(2)
Total	**(9)**	**(493)**	**572**	**(79)**

Source: Fiinpro. Shinhan Securities Vietnam

Breaking News



Macro

- According to FiinGroup data, about 62% of the total financial needs of small and medium enterprises remain unmet, equivalent to a financial gap of about 24 billion USD. "SMEs are distributed throughout urban and rural areas, concentrated in large cities such as Hanoi, Ho Chi Minh City, Da Nang and provinces with many industrial parks such as Binh Duong, Dong Nai and Hai Phong. More than 40% of Vietnamese SMEs participate in wholesale and retail activities. This is considered an important business sector, acting as an intermediary between manufacturers, agents and consumers"
- Cheap imported steel is still on the rise from 2023 to the first half of 2024. Imported steel output is always higher than domestically produced steel output, causing many steel enterprises to reduce their competitiveness in the market. If there are no timely intervention and defense measures, it is likely that the domestic steel market share will be completely dominated by imported steel. Imported steel is 1.7 times higher than domestic production. Currently, the demand for hot rolled steel (HRC) in Vietnam is about 12-13 million tons/year, the capacity of domestic factories is currently about 9 million tons/year. However, according to statistics from the Vietnam Steel Association (VSA), there are times when imported HRC steel is nearly 200% higher than domestic production. For example, the HRC sales market share of Hoa Phat and Formosa has decreased from 42% in 2021 to 30% in 2023 and is continuing to decline. This makes steel enterprises unable to fully exploit their design capacity and have to compete with cheap imported products of the same type.
- The Ministry of Industry and Trade solicits comments on the Draft Circular regulating the rules of origin of goods in AANZFTA. According to the Import-Export Department - Ministry of Industry and Trade, on January 5, 2024, the Government issued Resolution No. 07/NQ-CP on signing the Second Protocol amending the Agreement establishing the ASEAN - Australia - New Zealand Free Trade Area (AANZFTA). On January 25, 2024, the Minister of Industry and Trade signed the Second Protocol on behalf of the Government on a rotating basis.

Breaking News



Business news

- **VHM**: Vietcap Securities Company announced the business results report of Vinhomes Joint Stock Company (code: VHM). Accordingly, high sales in the second quarter of 2024 were thanks to continued improvement in retail sales and new large-lot sales at Royal Island. VHM's sales contract value in the second quarter of 2024 reached VND 35,500 billion, up 120% over the previous quarter and up 43% over the same period, with retail sales (accounting for 53%) increasing 17% over the previous quarter due to the recent launch of the Royal Island project.
- **VCI:** Deputy General Director of Vietcap Securities registered to sell nearly 3 million VCI shares. The transaction is expected to be carried out from July 30 to August 28, by order matching on the floor and/or negotiation. At the end of the trading session on July 25, VCI's share price decreased by 0.45% to VND 44,600/share. With this price, it is estimated that Mr. Bao can earn about VND 124 billion after selling the registered shares. At the end of the second quarter of 2024, VCI achieved a profit after tax of nearly VND 280 billion, equivalent to an increase of nearly 140% over the same period. Revenue from lending activities reached VND 234 billion, an increase of 38%. Revenue from brokerage activities reached nearly VND 181 billion, an increase of 29% over the same period.
- **TCD**: Tracodi uses assets of its member company BCG Land to borrow capital from VPBank. Industrial and Transport Development Investment Joint Stock Company (Tracodi, HoSE: TCD) has just announced the Board of Directors' Resolution on approving the plan to receive credit and issues related to receiving credit from Vietnam Prosperity Joint Stock Commercial Bank (VPBank). Accordingly, the company receives credit from VPBank in the form of loans. The purpose of the loan is to provide additional working capital for the entire business activities of the company, issue and pay payment guarantees for construction activities, and other production and business activities.

Breaking News



Business news

- **LDG:** LDG Investment was ordered by the People's Court of Dong Nai Province to open bankruptcy proceedings at the request of Phuc Thuan Phat Trading and Construction Joint Stock Company. It is known that in 2018, both companies signed many construction contracts. Recently, the People's Court of Dong Nai Province has decided to open bankruptcy proceedings against LDG Investment Joint Stock Company (Stock code: LDG, HoSE floor) at the request of Phuc Thuan Phat Trading and Construction Joint Stock Company sent from May 2024.

- **SAB:** Sabeco's net profit was over VND 1,248 billion in the second quarter, up 8% year-on-year. This is also the highest level in the past 7 quarters since the fourth quarter of 2022 of Sabeco. The consolidated financial report for the second quarter of 2024 of Saigon Beer - Alcohol - Beverage Corporation (Sabeco, HoSE: SAB) recorded net revenue of over VND 8,086 billion, down 3% year-on-year. The cost of goods sold also decreased accordingly, resulting in gross profit of VND 2,440 billion, down 2%. The gross profit margin continued to remain at 30%.

- **NVL:** No Va Real Estate Investment Group Joint Stock Company (Novaland, HoSE: NVL) has just announced a series of official dispatches informing about the delay in paying principal and interest on bonds. Specifically, on July 24, 2024, the company continues to pay interest on 3 bond lots NVL2020-01-480, NVL2020-01-500, NVL2020-01-400 with the amounts of VND 26.3 billion; VND 27.4 billion and VND 21.9 billion, respectively. Novaland has not been able to pay any of the above bond interest for objective reasons. The company said it will pay 2 days late and will pay the bondholders on July 24, 2024.

Technical view

Trend: Heading towards the next support zone

- VNINDEX closed at 1,233.19 (-5.28 points, -0.43%), liquidity dropped sharply below the 20-session average. The market had 131 green stocks and 294 red stocks. The group of stocks contributing to the market's increase included VIC BCM GVR, while CTG HVN and HPG contributed to the market's decline. Most industry groups showed recovery in the afternoon session. Foreign investors net sold about VND 491.92 billion.
- **Technical view:** The sharp decrease in liquidity with a narrow spread near the EMA200 shows that the selling force has weakened significantly, but buyers are still observing to wait for a clearer signal. In the coming sessions, if liquidity continues to remain at a low level with a small spread and is followed by a session with a large amplitude, this could be a relatively reliable reversal signal for the market. The RSI momentum index is close to the oversold level and unless the VN-Index loses the EMA200, we do not consider the possibility of a sharp decline of the VN-Index to be high.
- **Strategy**: Investors continue to observe market developments at the support zone of 1,220-1,230 points, and may consider disbursing when a reversal signal appears and VN-Index returns above EMA50. With stocks that still maintain an uptrend and have a good fundamental foundation, investors can continue to hold. Investors should reduce the proportion of stocks that violate technical signals and have poor business fundamentals in the near future.



Scenarios:

- Positive: The market is expected to trade in the 1,300 - 1,340 area.
- Base: The market is expected to trade 1,250-1,280
- Negative: The market continues to trade in the 1,200-1,220 range

Recommended stocks

26/07/2024 9:00 AM

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals	Note
HAH	Prepare to buy	42.5	46.8	41.4	10%	-2.6%	43.0	Increase from EMA 50	
ACB	Prepare to buy	23.9	25.3	23.5	6%	-1.7%	24.1	Strong accumulation at EMA 50	

Trading portfolio

Ticker	Recommendation	Buying price	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
NLG	Hold	41.5	44.4	40.4	7%	-2.7%	41.6	1	0.12%	25/07/2024	

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Economic calendar

July 2024

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
30	1 US ISM Manufacturing PMI JUN	2 _ Fed Chair Powell Speech _ US JOLTs Job Openings MAY	3 US ISM Services PMI JUN	4 FOMC Minutes	5 US Non Farm Payrolls JUN US Unemployment Rate JUN	6
7	8	9 Fed Chair Powell Testimony	10	11 _ US Core Inflation Rate MoM YoY JUN _ US Inflation Rate MoM YoY JUN	12	13
14	15 China GDP Growth Rate YoY Q2	16 US Retail Sales MoM JUN	17	18	19	20
21	22 Announcement of stock composition in VN30	23	24	25 _ VN Futures contract maturity in July (VN30) _ US Durable Goods Orders MoM JUN	26 US Core PCE Price Index MoM JUN	27
28	29 Announcement of Vietnam's economic data for July	30 US JOLTs Job Openings JUN	31	1	2	3

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Q&A

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