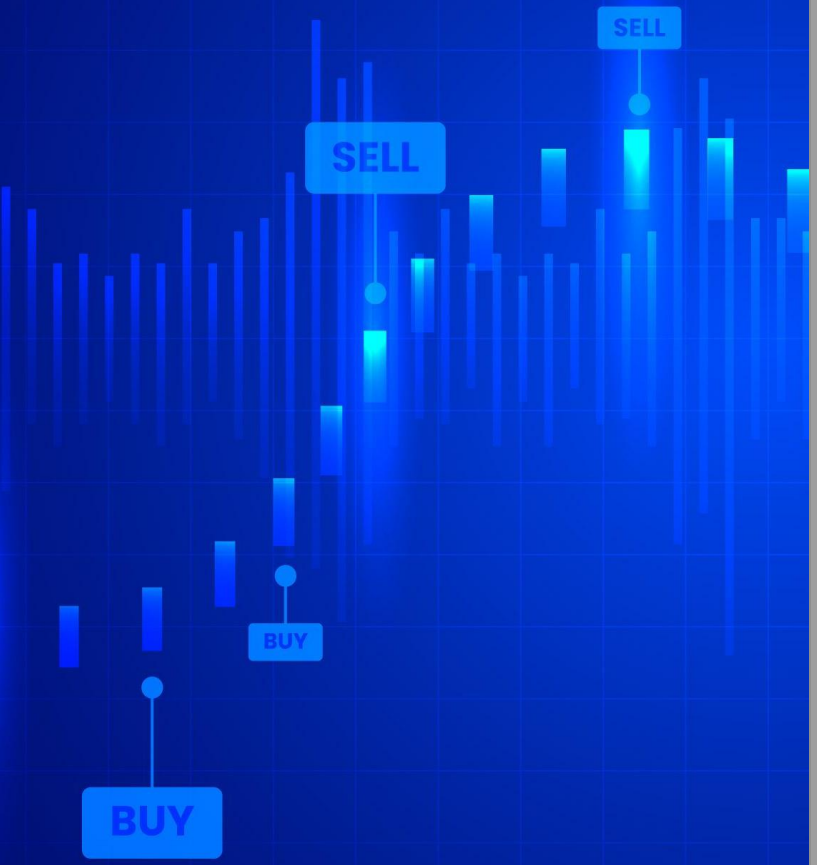
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MORNING CALL

01/08/2024

"VN-Index goes on a 'roller coaster' when entering the resistance zone"

- ❑ World stocks: The Fed's decision to maintain interest rates is as expected
- ❑ Vietnamese stocks: VN-Index goes on a 'roller coaster' when entering the resistance zone.
- ❑ Macro news
- ❑ Business news: #KBC, #HPG, #BAF, #AAA, #BSR, #DGW
- ❑ Technical perspective and updated recommendations
- ❑ 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 29/07 - 02/08/2024

Major stocks market

- In regular trading on Wednesday, the Dow rose 0.24%, the S&P 500 gained 1.58% and the Nasdaq Composite rallied 2.64%. The market also rallied as the Federal Reserve held its funds rate unchanged, but noted that it may be ready to cut its interest rate in September should inflation continue to improve. Investors now turn their focus to the highly-anticipated monthly jobs report on Friday.
- European stocks sustained early gains and closed sharply higher on Wednesday, extending the strong momentum from the previous session as markets continued to assess the latest corporate results while digesting key inflation data for the Euro Area ahead of the Fed's policy decision. The Eurozone's Stoxx 50 added 0.7% to close at 4,874 and the pan-European Stoxx 600 advanced 0.8% to 518. Inflation in the Eurozone unexpectedly edged up to 2.6% in July from 2.5% in June, compared to forecasts it would slow to 2.4%, but services inflation eased for the first time in three months.
- The Nikkei 225 Index jumped 1.49% to close at 39,102 while the broader Topix Index gained 1.45% to 2,794 on Wednesday, reversing losses from earlier in the session as the market rallied in relief after the Bank of Japan raised its policy rate to around 0.25%, confirming market rumors.
- WTI crude futures soared more than 4% to $78 per barrel on Wednesday, amid lingering concerns about potential supply disruptions as tensions in the Middle East mount.

Market	Close	%1D	%1M	%1Y
VN-Index	1,252	0.52%	-0.24%	2.79%
S&P 500 Index	5,522	1.58%	0.86%	20.66%
Dow Jones Index	40,843	0.24%	4.27%	14.63%
GP 100	8,368	1.13%	2.46%	9.15%
Nikkei 225	38,113	-2.53%	-3.83%	13.85%
SHCOMP Index	2,939	2.06%	-1.87%	-10.70%
STOXX 600	518	0.80%	1.00%	10.92%
KOSPI Index	2,774	0.10%	-1.10%	3.99%
Hang Seng	17,345	2.01%	-2.11%	-13.33%

Commodity	Close	%1D	%1M	%1Y
Brent	81	0.78%	-5.92%	-4.05%
WTI	79	0.92%	-5.70%	-3.37%
Gasoline	246	0.77%	-4.54%	-14.33%
Natural gas	2	0.79%	-17.19%	-19.84%
Coal	140	0.61%	4.98%	2.04%
Gold	2,455	0.31%	5.29%	26.28%
China HRC	3,452	-0.55%	-6.90%	-15.08%
Steel rebar	2,994	0.71%	-10.20%	-20.86%
BDI index	1,708	-3.06%	-20.85%	48.52%

Currency	Close	%1D	%1M	%1Y
Dollar Index	104	-0.12%	-1.83%	1.63%
USD/VND	25,261	0.01%	0.77%	-6.22%
EUR/USD	1	0.04%	0.84%	-1.40%
USD/JPY	149	0.61%	8.31%	-3.84%
USD/CNY	7	0.20%	0.58%	-1.16%
USD/GPB	1	-0.01%	-1.61%	-0.63%
USD/KRW	1,368	0.24%	1.16%	-6.15%
USD/AUD	2	0.04%	1.85%	1.14%
USD/CAD	1	-0.03%	-0.55%	-3.84%

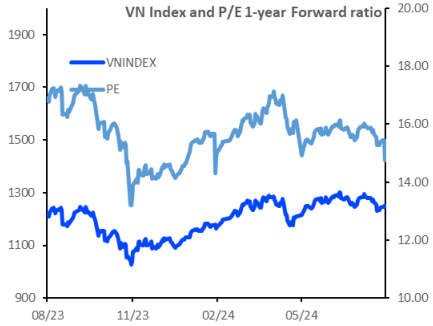
Source: Bloomberg. Shinhan Securities Vietnam

Vietnam Market Snapshot 31/07/2024

Market data

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,251.51	14.74	6.45	0.52	626	15,262
HNX INDEX	235.36	16.81	-0.51	-0.22	53	927





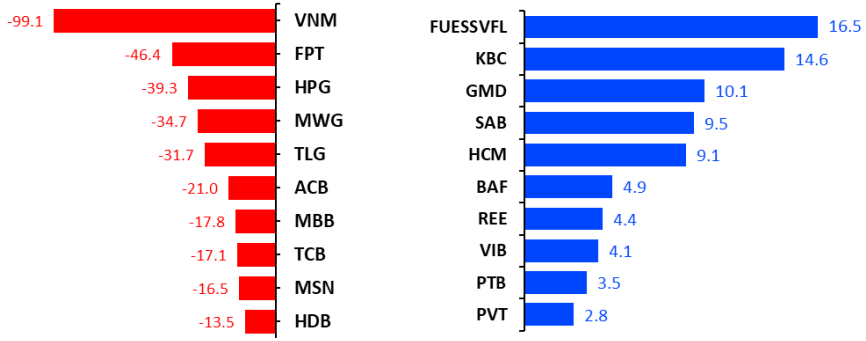
Money flow and sector rotation (VND bn)

Sector	%1D	7/31/2024	7/30/2024	20-session Average
Basic Resources	105.32	1,578	769	1,051
Retail	67.43	832	497	819
Oil & Gas	62.97	212	130	205
Banks	60.93	3,578	2,223	3,311
Utilities	56.67	414	264	378
Food and Beverage	38.11	2,221	1,608	1,334
Insurance	37.75	39	28	61
Construction & Materials	36.98	637	465	647
Health Care	34.08	59	44	81
Personal & Household Goods	29.52	295	228	313
Technology	12.35	437	389	856
Financial Services	-4.5	1,168	1,224	1,375
Real Estate	-9.8	1,825	2,022	2,284
Chemicals	-16.1	649	774	1,044
Automobiles & Parts	-19.1	171	211	288
Industrial Goods & Services	-27.2	934	1,284	1,131
Media	-32.5	8	12	21
Travel & Leisure	-39.3	189	311	269

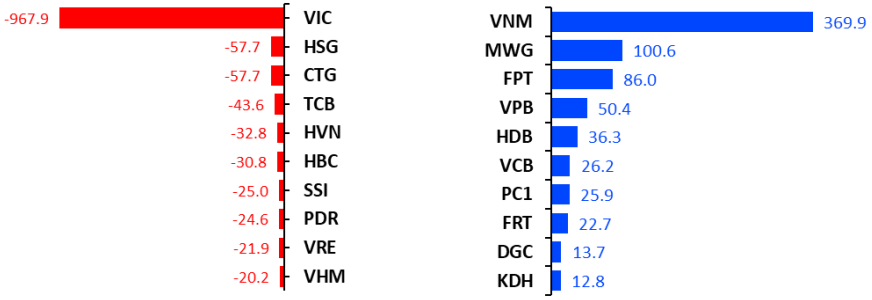
Source: Bloomberg. Shinhan Securities Vietnam

Vietnam Market Snapshot 31/07/2024

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	2	(1,000)	1,008	(8)
Basic Resources	(39)	(75)	101	(26)
Media	-	(0)	0	-
Industrial Goods & Services	22	(23)	(78)	101
Health care	-	(2)	(0)	2
Chemicals	3	3	(20)	18
Financial Services	19	(32)	(34)	65
Travel & Leisure	(8)	(38)	45	(7)
Banks	(109)	(6)	19	(12)
Construction & Materials	2	(25)	90	(65)
Food and Beverage	(115)	367	(225)	(141)
Retail	(34)	117	(125)	7
Utilities	(3)	(9)	5	4
Personal & Household Goods	(30)	(15)	37	(21)
Technology	(46)	77	(36)	(41)
Automobiles & Parts	(4)	(7)	12	(5)
Insurance	(1)	(1)	0	1
Oil & Gas	(0)	(1)	7	(6)
Total	**(343)**	**(672)**	**806**	**(134)**

Source: Fiinpro. Shinhan Securities Vietnam

Breaking News



Macro

- How will alcohol and beer consumption behavior change if special consumption tax is increased? According to experts, in Vietnam, alcohol and beer are popular consumer products with high consumption volumes, so there is a need for measures to limit their consumption. However, the drafting agency of the amended Special Consumption Tax Law needs to measure the price elasticity of demand for alcohol and beer products in order to have the most optimal taxation plan.
- Indian pharmaceutical conglomerate plans to invest US$4-5 billion in Vietnam over the next 10 years. Established in 1990, SMS Pharmaceuticals is one of the largest pharmaceutical manufacturers in India. The group currently has 4 manufacturing facilities and 2 research centers with 1,000 employees. Sri Avantika, founded in 1992, operates in various sectors including mining, pharmaceuticals, infrastructure, and commerce. SMS Pharmaceuticals and Sri Avantika Contractors have formed a joint venture with a Vietnamese company to propose the development of a high-tech pharmaceutical industrial park in Nghi Son Economic Zone (Thanh Hoa) with an initial investment of approximately US$200 million in the first phase. This is expected to drive and attract a total investment of around US$4-5 billion over the next 10 years
- Encouraging the development of self-produced and self-consumed rooftop solar power is a very important policy to mobilize social resources to promote the development of renewable energy, meet the expectations of people and businesses, and contribute to reducing energy consumption. Pressure to invest in developing power sources for the state. The Government Office has just issued Notice No. 356/TB-VPCP dated July 30, 2024, concluding the conclusion of Deputy Prime Minister Tran Hong Ha on the development and promulgation of a Decree stipulating incentive mechanisms and policies. Developing self-produced and self-consumed rooftop solar power and pilot project to develop offshore wind power.

Breaking News



Business news

- **KBC**: Kinh Bắc City Development JSC (HOSE: KBC) reports a significant decline in net profit in the first half of 2024, primarily due to an 88% decrease in revenue from land and infrastructure leasing. The northern industrial zone giant reported a consolidated revenue of nearly VND 892 billion and a net profit of VND 237 billion in the second quarter of 2024, marking a 62% and 76% decrease, respectively, compared to the same period last year.KBC attributed the decline in profit to a decrease in revenue from industrial zone operations during the period. Additionally, financial income also dropped by 20% to over VND 109 billion.
- **HPG:** In the latest financial report, Hoa Phat Group achieved a net revenue of VND 39,556 billion, a 34% increase compared to the same period last year. Net profit reached nearly VND 3,320 billion, a surge of 127% year-on-year. The positive results were mainly driven by significant revenue growth, improved profit margin (from 11% to 13%), and a decrease in financial expenses. Among these, the steel group contributed the most, accounting for 96% and 91% of the Group's consolidated revenue and after-tax profit, respectively. Agriculture ranked second in terms of revenue and after-tax profit, with a proportion of 4% and 7%, respectively. Real estate came in third with 0.3% of revenue and 2% of after-tax profit
- **BAF**: BAF Vietnam Agriculture Joint Stock Company (HOSE: BAF) reports significant increases in both revenue and pork sales volume in the first six months of the year, with profits doubling.In the second quarter, BAF achieved a net revenue of over 1.2 trillion VND, down 23% compared to the same period last year. However, the cost of goods sold decreased by as much as 30%, reaching over 1 trillion VND. After deductions, gross profit stood at 174 billion VND, an increase of 89%.Although overall revenue declined, the pork farming segment of BAF actually experienced strong growth, with revenue reaching 806 billion VND, a 4.7-fold increase compared to the same period. The overall revenue decrease was primarily due to the decline in the agricultural products segment.Meanwhile, the company's proactive sourcing of feed from two vegetarian feed mills, as well as the sale of pigs in the second quarter with the benefit of "cheaper" feed prices in the second half of 2023, helped to reduce the cost of goods sold. The gross profit margin improved from 5.8% to 14.2%.

Breaking News



Business news

- **AAA:** Stable resin prices help An Phat Bioplastics triple profits. Continuing the strong momentum from the first quarter, net profit in the second quarter of An Phat Bioplastics Joint Stock Company (HOSE: AAA) increased by 182% compared to the same period, reaching nearly VND 120 billion. Accordingly, six-month net profit reached a five-year high."According to AAA, stable resin prices have created favorable conditions for both production and trading activities, contributing to an increase in gross profit compared to the same period. The overall gross profit margin reached 12.9%, a significant increase from 8.4% in the second quarter of 2023 and the highest in 21 quarters - only 14.3% lower than the first quarter of 2019. The gross profit margin for the trading and semi-finished products segments was 7.4% and 19%, respectively, compared to only 2.7% and 16% in the same period."

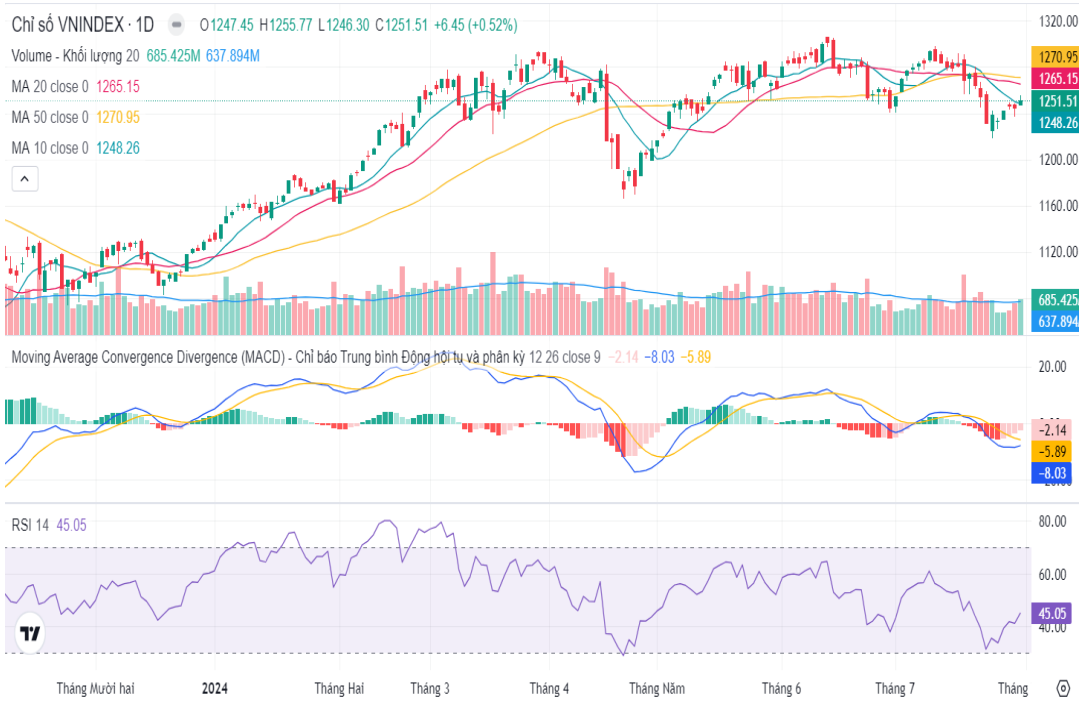
- **BSR:** The fifth major maintenance overhaul (TA5) at the Dung Quat Refinery caused a decline in the business performance of Binh Son Refining and Petrochemistry Joint Stock Company (UPCoM: BSR). Nevertheless, the company exceeded its post-tax profit plan approved by the 2024 General Meeting of Shareholders.In the second quarter of 2024, BSR's revenue reached more than 24.4 trillion VND, down 27% compared to the same period last year. After deducting the cost of goods sold, gross profit was only 498 billion VND, a decrease of 58%. The company explained that in March and April 2024, the Dung Quat Refinery was temporarily shut down for the fifth major maintenance overhaul, affecting production and consumption. In addition, crude oil prices fluctuated, with the average price decreasing from 90.15 USD/barrel in April to 82.61 USD/barrel in June. The cracking spread also decreased compared to the same period, leading to a decline in business results

- **DGW:** In the second quarter of 2024, Digiworld Joint Stock Company (Digiworld, HOSE: DGW) recorded net revenue and net profit of VND 5,008 billion and over VND 89 billion, respectively, up 9% and 8% year-on-year. The growth in the second quarter was supported by positive results from the laptop and tablet segments, despite being in the off-peak season. In addition, the home appliance segment also recorded growth.Accumulated in the first six months of 2024, DGW brought in VND 9,993 billion in net revenue and nearly VND 182 billion in net profit, increasing 17% and 12% year-on-year, respectively. For the whole of 2024, DGW sets a target of VND 23,000 billion in net revenue and VND 490 billion in net profit. After the first six months of the year, the company has achieved 43% of its revenue target and 37% of its profit target for the year

Technical view

Trend: Slow recovery

- VNINDEX closed at 1,251 points (+6.46 points, +0.52%) with improved liquidity to the 20-day average. The market had 206 gainers and 224 decliners. Stocks contributing to the market's increase included VCB, VNM, and GAS, while HPG, HVN, and PLX contributed to the decline. Banking and consumer goods stocks performed well during the session. Foreign investors net sold about 674 billion dong, focusing on VIC and HSG.
- **Technical view:** The VN-Index has been gradually increasing but faces resistance as it approaches the EMA20 and EMA50. Selling pressure in this region has limited the index's gains to a mere 6 points for the session. Recent trading sessions have exhibited narrow price ranges and low to moderate trading volume, indicating market indecision. In the short term, the VN-Index remains in a consolidation phase within the 1,220-1,260 point range. Buyers are still awaiting a clearer signal to enter the market in the near future
- **Strategy**: Investors should continue to monitor market movements around the support zone of 1,220-1,230 points and consider gradually entering the market with a small position. If the VN-Index rises above the 50-day Exponential Moving Average (EMA50) with average trading volume (indicating weak selling pressure), this would be a positive signal for investors to increase their positions



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

01/08/2024 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
NLG	Hold	41.5	44.4	40.4	7%	-2.7%	41.2	5	-0.84%	25/07/2024	
HAH	Hold	42.7	46.8	41.4	10%	-3.0%	42.5	4	-0.59%	26/07/2024	
ACB	Hold	23.9	25.3	23.5	6%	-1.7%	24.6	4	2.72%	26/07/2024	
CTG	Hold	32	33.9	31.1	6%	-2.9%	32.0	3	0.00%	26/07/2024	

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Economic calendar

August 2024

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
28	29 Announcement of Vietnam's economic data for July	30 US JOLTs Job Openings JUN	31	1 _ Fed Interest Rate Decision _ US ISM Manufacturing PMI JUL _ PMI VN	2 _ US Non Farm Payrolls JUL _ US Unemployment Rate JUL	3
4	5 _ ISM Services PMI JUL	6	7	8 US Initial Jobless Claims	9	10
11	12 MSCI's restructure portfolio announcement	13	14 _ US Core Inflation& Inflation Rate MoM JUL	15 _ Expiration date of future contract VN30F2408 _ US Retail Sales MoM JUL	16 _ Michigan Consumer Sentiment Prel AUG	17
18	19	20	21	22 _ FOMC Minutes	23 ETF Share MSCI restructure the portfolio	24
25	26	27	28	29 _ US GDP Growth Rate QoQ 2nd Est Q2 _ Vietnam macroeconomic data in August	30	31

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Q&A

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