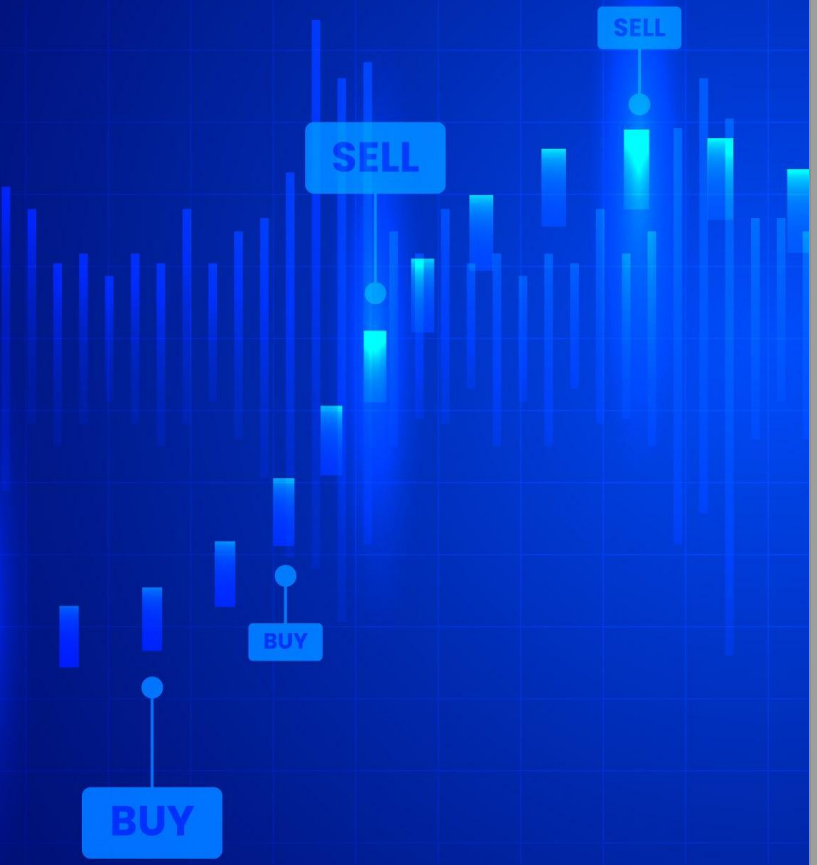
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MORNING CALL

13/08/2024

"The recovery continues"

- ❑ World stocks: The S&P 500 is in a holding pattern as investors brace for key US inflation data
- ❑ Vietnamese stocks: The recovery continues
- ❑ Macro news
- ❑ Business news: #DPM, #MSB, #GEX, #HBC, #PAT, #TNH
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

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Shinhan Securities

Global Market Review 12/08 – 16/08/2024

Major stocks market

- Stocks in the US struggled to carry forward the momentum on Monday, following last week's turbulent sessions, as investors geared up for a busy week of crucial economic releases. The S&P 500 closed muted, the Nasdaq added 0.2% while the Dow Jones lost 140 points. This week, the focus will be on key indicators like the Consumer Price Index, Producer Price Index, retail sales, and industrial production, which are expected to shed light on the strength of the U.S. economy and ongoing inflation challenges
- European stocks closed a choppy session close to the flatline on Monday, enough to loosely hold the rebound from the selloff that bottomed last week as investors continued to assess the magnitude of growth concerns in Europe and how it may impact the guidances for corporate giants. The Stoxx 50 and the Stoxx 600 closed flat at 4,669 and 499, respectively.
- The Nikkei 225 Index jumped 2.2% to around 35,800 while the broader Topix Index gained 1.7% to 2,525 in post-holiday trade on Tuesday, building on a comeback from last week's selloff as sentiment in Japan's financial markets stabilized. A Bank of Japan official also recently stated that they will not raise interest rates when the market is unstable.
- Brent crude oil futures rose by 3.3% to close at $82.3 per barrel on Monday, climbing for the fifth straight day, driven by escalating conflict in the Middle East that threatens to tighten global crude supplies. The Pentagon is bolstering its military presence in the region, with Defense Secretary Lloyd Austin ordering the deployment of a carrier strike group and additional forces in response to potential Iranian aggression toward Israel.

Market

	Close	%1D	%1M	%1Y
VN-Index	1,230	0.54%	-3.94%	-0.16%
S&P 500 Index	5,344	0.00%	-4.83%	19.72%
Dow Jones Index	39,357	-0.36%	-1.61%	11.55%
GP 100	8,210	0.52%	-0.52%	9.12%
Nikkei 225	35,992	2.76%	-12.62%	10.83%
SHCOMP Index	2,858	-0.14%	-3.81%	-10.38%
STOXX 600	499	-0.02%	-4.77%	8.69%
KOSPI Index	2,613	-0.22%	-8.56%	0.82%
Hang Seng	17,112	0.13%	-6.46%	-10.29%

Commodity

	Close	%1D	%1M	%1Y
Brent	82	-0.45%	-3.65%	-5.62%
WTI	80	-0.45%	-3.05%	-4.20%
Gasoline	244	-0.27%	-3.14%	-17.83%
Natural gas	2	-1.01%	-6.96%	-21.77%
Coal	147	0.51%	9.64%	1.91%
Gold	2,464	-0.37%	1.71%	29.18%
China HRC	3,329	-1.97%	-9.19%	-15.85%
Steel rebar	2,950	-1.47%	-10.58%	-18.06%
BDI index	1,655	-0.90%	-17.13%	46.59%

Currency

	Close	%1D	%1M	%1Y
Dollar Index	103	0.02%	-0.90%	0.30%
USD/VND	25,126	0.00%	0.97%	-5.18%
EUR/USD	1	-0.01%	0.33%	0.22%
USD/JPY	147	-0.13%	7.23%	-1.25%
USD/CNY	7	-0.09%	1.06%	1.15%
USD/GPB	1	0.01%	1.56%	-0.67%
USD/KRW	1,370	-0.01%	0.96%	-2.90%
USD/AUD	2	-0.01%	2.62%	-1.51%
USD/CAD	1	-0.01%	-0.45%	-2.07%

Source: Bloomberg. Shinhan Securities Vietnam

Vietnam Market Snapshot 12/08/2024

Market data

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,230.28	14.83	6.64	0.54	447	11,991
HNX INDEX	230.77	15.41	1.39	0.60	45	832





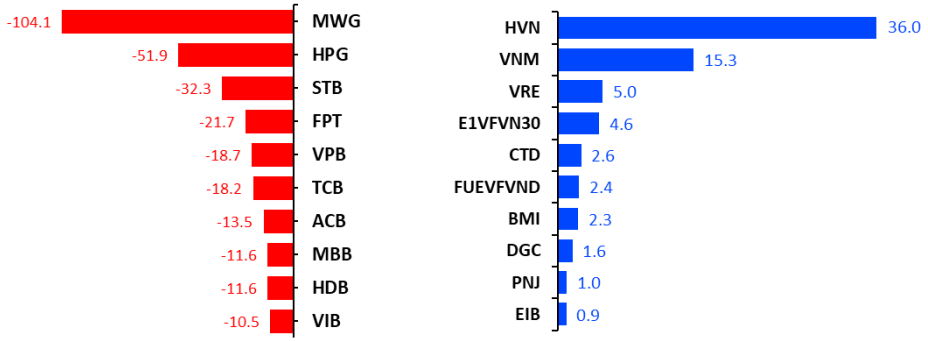
Money flow and sector rotation (VND bn)

Sector	%1D	8/12/2024	8/9/2024	20-session Average
Personal & Household Goods	61.11	203	126	271
Health Care	58.12	43	27	65
Oil & Gas	51.33	248	164	210
Industrial Goods & Services	47.15	827	562	973
Utilities	29.63	312	241	365
Real Estate	28.93	1,943	1,507	2,204
Construction & Materials	22.58	525	428	620
Chemicals	14.82	814	709	887
Technology	13.13	857	757	792
Food and Beverage	3.70	1,108	1,069	1,427
Banks	-7.8	2,103	2,280	3,469
Basic Resources	-8.7	509	558	963
Travel & Leisure	-18.2	176	215	247
Insurance	-25.4	23	31	47
Retail	-35.2	905	1,395	830
Media	-37.1	2	4	17
Financial Services	-41.9	1,130	1,944	1,568
Automobiles & Parts	-61.5	248	644	305

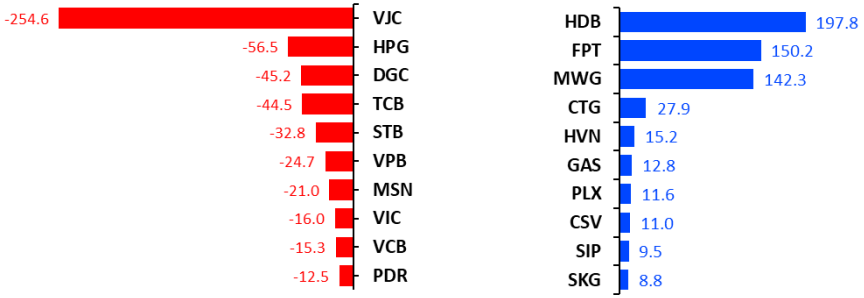
Source: Bloomberg. Shinhan Securities Vietnam

Vietnam Market Snapshot 12/08/2024

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	(18)	(42)	62	(20)
Basic Resources	(51)	(58)	164	(106)
Media	-	(0)	0	-
Industrial Goods & Services	(5)	3	(24)	21
Health care	0	(0)	0	0
Chemicals	1	(44)	23	21
Financial Services	0	7	(24)	17
Travel & Leisure	29	(232)	177	55
Banks	(141)	119	(30)	(89)
Construction & Materials	2	5	(38)	33
Food and Beverage	8	(16)	(47)	64
Retail	(109)	123	(36)	(87)
Utilities	(2)	10	(11)	1
Personal & Household Goods	1	(0)	(5)	5
Technology	(25)	139	(139)	(1)
Automobiles & Parts	(1)	(3)	(28)	31
Insurance	2	(3)	1	2
Oil & Gas	(1)	16	1	(17)
Total	**(309)**	**25**	**46**	**(71)**

Source: Fiinpro. Shinhan Securities Vietnam

Breaking News



Macro

- Wood and Forest Product Exports Surge. According to the Forestry Department, in the past 7 months, wood and forest product exports reached nearly $9.4 billion, a 20.5% increase compared to the same period last year. This information was revealed at the third-quarter meeting of the wood processing and export industry. Notably, some export products saw significant growth, such as wood chips, which increased nearly 38%, and wood and wood products, which increased over 20% compared to the same period last year. Specifically, wood and wood product exports to the US reached $5 billion, China over $1.2 billion, Japan $949 million, Europe $555 million, and South Korea $472 million. Conversely, imports of wood and wood products reached $1.5 billion, an increase of 22.3%. Overall, the industry's trade surplus exceeded $7.8 billion.
- Investigation into Wind Power Plants. On August 12th, a source from Tien Phong reported that the Investigation Security Agency, Ministry of Public Security, has requested Vietnam Electricity (EVN) to provide information and documents on 32 wind power plants to serve the investigation into the case of "Abuse of position and power while on duty" occurring at the Ministry of Industry and Trade and other provinces and cities. This case is under the supervision and direction of the Central Steering Committee for Anti-Corruption. To serve the investigation, the Investigation Security Agency has requested EVN to provide all negotiation records, electricity purchase contracts, inspection and acceptance records, commercial operation dates, calibration records, periodic inspections, random inspections of the electricity metering system, and actual installed capacity at the above power plants.
- Proposal for Thu Thiem 4 Bridge. In an urgent document sent to the Ministry of Transport for consultation, Ho Chi Minh City has proposed an option for the Thu Thiem 4 bridge crossing the Saigon River with a clearance height of 15 meters, instead of the previous options of 10 meters or 45 meters with a movable central span. The project to invest in the construction of the Thu Thiem 4 bridge connecting District 2 and District 9 (now Thu Duc City) to District 7, Ho Chi Minh City, was previously proposed with options for clearance heights of 10 meters, 15 meters, and 45 meters, corresponding to investment levels of 4,360 billion dong, 4,840 billion dong, and nearly 6,000 billion dong, respectively.

Breaking News



Business news

- **DPM:** DPM has announced that August 22, 2024, will be the record date for its 2023 cash dividend payment at a rate of 20% (equivalent to 2,000 dong per share). With over 391 million shares outstanding, the company will disburse approximately 783 billion dong for this dividend payment. This announcement signifies the completion of the 2023 dividend plan as approved by shareholders at the Annual General Meeting. The dividend rate for 2024 has been set at 15%. The dividend will be paid out on September 24, 2024.
- **MSB** (Maritime Bank) has declared August 29, 2024, as the record date for its 2023 stock dividend payment at a rate of 30%. MSB will increase its capital by issuing new shares as a dividend from retained earnings as of December 31, 2023, after deducting statutory reserves. The issuance ratio is 30% of the total outstanding shares (shareholders will receive 30 shares for every 100 shares held), equivalent to an additional 600 million shares. With this ratio, MSB becomes the bank with the highest dividend payout this year.
- **GEX:** GELEX has acquired an additional 89 million shares of Eximbank (EIB) over two days, August 7th and 8th, 2024, through transactions on the Ho Chi Minh Stock Exchange. After completing these transactions, GELEX's ownership in EIB has increased from 85.5 million shares (4.9% of the total shares) to 174.6 million shares (10% of the total shares). Consequently, GELEX is now the largest shareholder of Eximbank.

Breaking News



Business news

- **HBC:** The Gloomy Real Estate Sector Pushes Hoa Binh Corporation into a Difficult Situation. The gloomy state of the real estate sector has inadvertently pushed Hoa Binh Corporation (HoSE: HBC) into an extremely difficult situation, even leading to its mandatory delisting from the HoSE on September 5th. HBC has been on a downward trend since 2022, coinciding with the gloomy period of the real estate market. Specifically, pre-tax profit in 2022 was a negative 2,333 billion dong, and in 2023, it was a negative 1,080 billion dong. The accumulated losses in 2022 and 2023 have significantly eroded HBC's equity. As of the end of the first quarter of 2024, HBC's equity had dwindled to only 149 billion dong, a decrease of 93%. Although debt has shown a downward trend, it still remains at a relatively high level, making HBC's current capital structure quite fragile. The debt-to-equity ratio in the first quarter reached 30.1 times.

- **PAT:** The Golden Age of Vietnam Phosphate Fertilizer Joint Stock Company (PAT) Has Passed. The golden age of Vietnam Phosphate Fertilizer Joint Stock Company (stock code PAT) has passed as its business results have continuously declined since the second quarter of 2022. Vietnam Phosphate Fertilizer Joint Stock Company listed its PAT shares on UPCoM on June 17, 2022, with a reference price of 120,000 dong/share. After reaching a peak of 155,970 dong/share on June 23, 2022 (adjusted for dividends), PAT shares have continuously declined and then traded sideways for many months, currently fluctuating around 86,000 dong/share.

- **TNH:** TNH Hospital Group Joint Stock Company Extends Loan from Board Members. TNH Hospital Group Joint Stock Company (HOSE: TNH) has recently announced a Board of Directors resolution to extend the loan period from its board members under the signed loan agreement. Specifically, the TNH Board of Directors has approved the signing of a supplementary agreement to extend the loan period from board members to repay bonds issued in 2020. The loan amount is 92.02 billion dong, according to the Board of Directors' resolution dated August 29, 2022. The extension period is until March 31, 2025. According to TNH, both parties have extended the loan agreement to allow the company to complete the procedures for issuing shares according to the 2023 Annual General Meeting of Shareholders resolution and arrange capital to repay debts under the signed contract.

Technical view

Trend: Technical recovery

- VNINDEX closed at 1,230.2 points, up 6.64 points or 0.54%, with lower-than-average turnover over the past 20 sessions. The market saw 168 declining stocks and 238 advancing stocks. Notable gainers included FPT, HVN, and GVR, while VIC, VHM, and HPG contributed to the decline. All industry groups closed in the green. Foreign investors were net buyers.
- **Technical view:** VN-Index continues to maintain a recovery trend. Market sentiment has stabilized with positive developments. However, this rally may still be a technical rebound as the 1,240-1,260 range is a strong resistance level. Therefore, we expect the market to consolidate before breaking through 1,260, confirming a resumption of the uptrend. Current reference support and resistance levels are 1,200 and 1,250, respectively. Under the base case scenario, the market could retest the 1,200 level.
- **Strategy**: Investors should continue to monitor market developments and wait for the market to establish a new equilibrium price range. Investors should only participate with a low proportion as the 1,250 level is a relatively strong resistance level.



Scenarios:

- Positive: The market is expected to recover to the 1,250 area.
- Base: The market is expected to retest the 1,200 area.
- Negative: The market breaks the support zone to the 1,100-1,120 range.

Recommended stocks

13/08/2024 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
MSN	Hold	74.5	79.7	70.7	7%	-5%	75.2	2	0.94%	09/08/2024	
DHC	Hold	37.4	40.8	35.8	9%	-4%	37.95	1	1.47%	12/08/2024	
REE	Hold	66.9	74	64.6	11%	-3%	68.9	1	2.99%	12/08/2024	

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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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