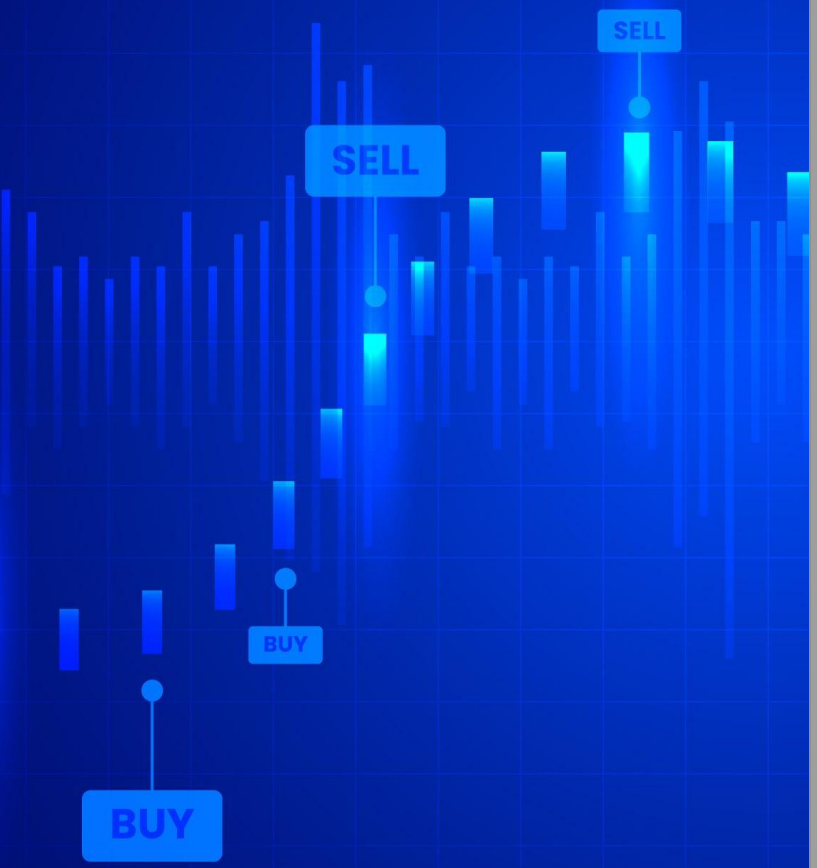
Shinhan Securities



MORNING CALL

19/08/2024

"The VN-index has restored investor confidence"

- ❑ World stocks: Stable developments, awaiting the FOMC meeting this week
- ❑ Vietnamese stocks: The VN-index has restored investor confidence
- ❑ Macro news
- ❑ Business news: #FPT, #POW, #TCB, #PPC, #LDG, #HBC
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

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Following SSV's Zalo,
Catching the latest report



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Shinhan Securities

Global Market Review 19/08 – 23/08/2024

Major stocks market

- Last week, the Dow rose 2.94%, the S&P 500 gained 3.93% and the Nasdaq Composite rallied 5.29%. Those moves came as the market recovered quickly from a sharp selloff earlier this month amid easing recession fears and an imminent Federal Reserve rate cut. Investors now look ahead to Fed Chair Jerome Powell's speech in Jackson Hole, Wyoming and the latest FOMC minutes later this week for further guidance on the monetary policy path. Earnings are also set to come from Palo Alto Networks and Estee Lauder on Monday.
- European stocks rose on Friday, set for their second week of gains driven by optimism that the US economy will avoid a recession. The Stoxx 50 is up by over 3% this week, the highest since January, while the Stoxx 600 is up more than 3%, the most since May. Positive US data on inflation, jobless claims, and retail sales have reassured investors, suggesting the economy is on track for stable growth without high inflation
- The Nikkei 225 Index fell 0.15% to around 38,000 while the broader Topix Index inched down 0.02% to 2,678 on Monday as investors booked some profits following a dramatic recovery rally from the selloff at the start of the month. Investors also digested data showing machinery orders in Japan, an indicator of capital expenditure, rose 2.1% month-on-month in June, exceeding forecasts for a 1.1% rise.
- WTI crude oil futures dropped over 2% to below $76.5 per barrel on Friday, as reports surfaced that Qatar urged Iran to avoid attacking Israel while cease-fire talks regarding Gaza are ongoing.

Market	Close	%1D	%1M	%1Y
VN-Index	1,252	2.34%	-0.99%	6.30%
S&P 500 Index	5,554	0.20%	0.89%	27.11%
Dow Jones Index	40,660	0.24%	0.92%	17.85%
GP 100	8,311	-0.43%	1.91%	14.44%
Nikkei 225	38,042	-0.05%	-5.05%	20.96%
SHCOMP Index	2,879	0.07%	-3.45%	-8.06%
STOXX 600	511	0.31%	0.28%	14.05%
KOSPI Index	2,686	-0.43%	-3.93%	7.23%
Hang Seng	17,430	1.88%	0.07%	-2.90%

Commodity	Close	%1D	%1M	%1Y
Brent	79	-0.33%	-3.88%	-6.34%
WTI	76	-0.43%	-4.75%	-6.07%
Gasoline	230	-0.23%	-5.94%	-18.36%
Natural gas	2	-0.47%	-0.70%	-17.17%
Coal	147	-2.17%	9.19%	-0.51%
Gold	2,501	-0.28%	4.17%	31.99%
China HRC	3,142	-0.66%	-14.62%	-20.42%
Steel rebar	2,927	0.27%	-9.88%	-19.41%
BDI index	1,691	-0.06%	-11.09%	36.70%

Currency	Close	%1D	%1M	%1Y
Dollar Index	102	-0.07%	-1.92%	-0.95%
USD/VND	25,065	-0.01%	1.07%	-4.98%
EUR/USD	1	0.03%	1.36%	1.23%
USD/JPY	148	-0.03%	6.64%	-0.99%
USD/CNY	7	0.22%	1.53%	1.95%
USD/GPB	1	-0.01%	-0.25%	-1.45%
USD/KRW	1,343	0.66%	3.55%	-0.01%
USD/AUD	1	-0.15%	0.09%	-3.96%
USD/CAD	1	0.07%	0.44%	-0.92%

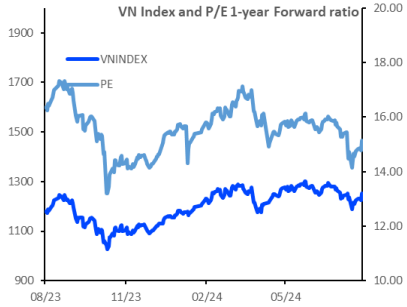
Source: Bloomberg. Shinhan Securities Vietnam

Vietnam Market Snapshot 16/08/2024

Market data

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,252.23	15.13	28.67	2.34	855	21,366
HNX INDEX	235.15	15.76	6.61	2.89	93	1,718





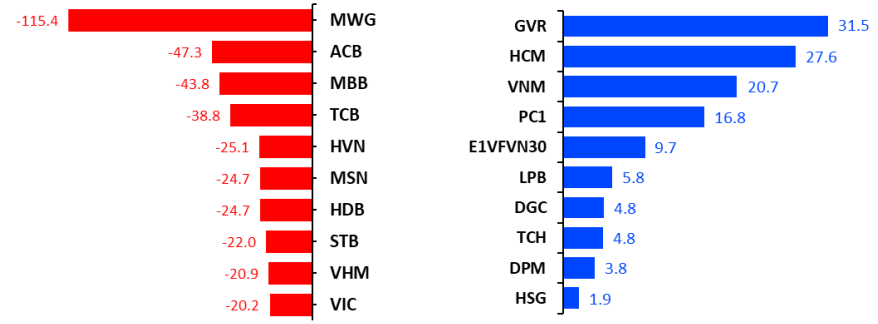
Money flow and sector rotation (VND bn)

Sector	%1D	8/16/2024	8/15/2024	20-session Average
Financial Services	223.51	3,485	1,077	1,572
Oil & Gas	180.46	366	131	211
Retail	142.67	1,531	631	799
Technology	126.07	755	334	686
Industrial Goods & Services	121.16	1,045	472	844
Automobiles & Parts	107.98	393	189	285
Construction & Materials	105.84	938	456	578
Media	103.83	13	6	12
Real Estate	103.72	3,977	1,952	2,116
Banks	103.44	3,302	1,623	2,912
Personal & Household Goods	101.26	364	181	255
Travel & Leisure	100.85	198	99	202
Insurance	93.97	52	27	40
Basic Resources	85.33	1,455	785	927
Utilities	81.58	408	225	326
Chemicals	74.28	1,326	761	844
Food and Beverage	69.18	1,667	985	1,457
Health Care	31.20	57	44	46

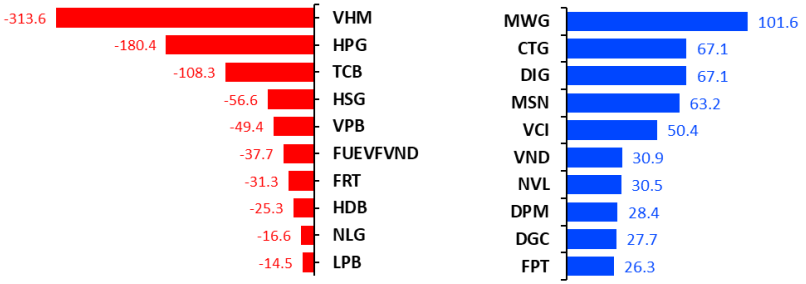
Source: Bloomberg. Shinhan Securities Vietnam

Vietnam Market Snapshot 16/08/2024

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	(59)	(204)	149	55
Basic Resources	(19)	(223)	297	(74)
Media	-	(1)	1	0
Industrial Goods & Services	(18)	59	(59)	1
Health care	-	3	(3)	0
Chemicals	39	67	(166)	99
Financial Services	26	47	(108)	61
Travel & Leisure	(36)	29	25	(55)
Banks	(232)	(121)	349	(228)
Construction & Materials	15	64	(75)	11
Food and Beverage	(6)	102	(140)	39
Retail	(117)	70	70	(140)
Utilities	(8)	20	(16)	(4)
Personal & Household Goods	(11)	4	7	(11)
Technology	(16)	38	(21)	(17)
Automobiles & Parts	6	(10)	(0)	10
Insurance	(1)	1	1	(2)
Oil & Gas	(1)	(18)	8	10
Total	**(438)**	**(74)**	**318**	**(245)**

Source: Fiinpro. Shinhan Securities Vietnam

Breaking News



Macro

- The State Bank of Vietnam's draft circular requires commercial banks to review their list of shareholders who hold shares exceeding the prescribed ratio by June 30, 2024. The State Bank of Vietnam has just announced the solicitation of comments from organizations and individuals on the draft circular stipulating the ownership of shares by commercial banks, their shareholders, and related parties that exceeds the prescribed ratio to ensure compliance with the provisions of the 2024 Law on Credit Institutions.Regarding the necessity of developing the draft circular, the State Bank of Vietnam stated that the 2024 Law on Credit Institutions has changed the ownership ratio of a shareholder, a shareholder and related parties, changed the way to identify related parties, and indirect shareholding. At the same time, there are still many difficulties in regulating the deadline, procedures, and procedures for the transition in cases where share ownership exceeds the prescribed limit previously.
- Due to weak demand and fierce competition both domestically and internationally, the cement industry is expected to face numerous challenges. According to the Vietnam Cement Association, in the first six months of 2024, only 44,600 tons of cement and clinker were exported to China, bringing in less than 1.57 million USD, compared to over 24 million USD in the same period of 2023. Last year, China, which was once a major export market for the cement industry, reduced its imports by up to 90% due to weak demand resulting from difficulties in the country's real estate sector.
- According to the Vietnam Maritime Administration, as of mid-August, shipping freight rates have decreased by an additional 3-4% compared to the previous week. Meanwhile, the volume of goods imported and exported through seaports has seen a sharp increase, reaching the highest record in the past 5 years. Specifically, the volume of goods through Vietnamese seaports in the first 7 months of 2024 is estimated at 501.117 million tons, a 16% increase compared to the same period in 2023, of which containerized cargo is estimated at 16.902 million TEUs, an increase of 21% compared to the same period.

Breaking News



Business news

- **FPT:** According to the 7-month financial report of 2024, FPT Corporation (HOSE: FPT) recorded a pre-tax profit of 6,075 billion VND, an increase of nearly 20% compared to the same period last year and achieving 56% of the annual profit target. In the first seven months, FPT's revenue reached 34,243 billion VND and pre-tax profit reached 6,075 billion VND, increasing by 20.5% and nearly 20% year-on-year, respectively. Net profit increased by nearly 23% to 4,285 billion VND, with EPS equivalent to 2,934 VND/share.
- **POW:** July's estimated electricity sales revenue reached 2,064 billion VND, of which Ca Mau 1&2 Power Plants contributed 1,012 billion VND, accounting for 49% of the revenue; Vung Ang 1 Power Plant generated nearly 600 billion VND, representing 29% of the revenue. Regarding the plan for August, the company sets a target output for the plants at 1.012 million kWh, corresponding to a revenue of 2,193 billion VND. In a recent related development, POW announced that the enterprise is researching and investing in the construction of the first pilot electric vehicle charging station. Accordingly, the enterprise has signed a memorandum of cooperation with EN Technologies Inc. to research and develop a charging station system in Vietnam.
- **TCB:** Techcombank is slightly increasing its foreign ownership limit to accommodate the sale of ESOP shares to its foreign employees. This move, which raises the foreign ownership cap from 21.12% to 22.51%, will allow more non-Vietnamese staff to participate in the bank's employee stock ownership plan. Since initiating its ESOP program in 2018, Techcombank has issued a total of 11.6 million shares to its employees in 2022 and 2023

Breaking News



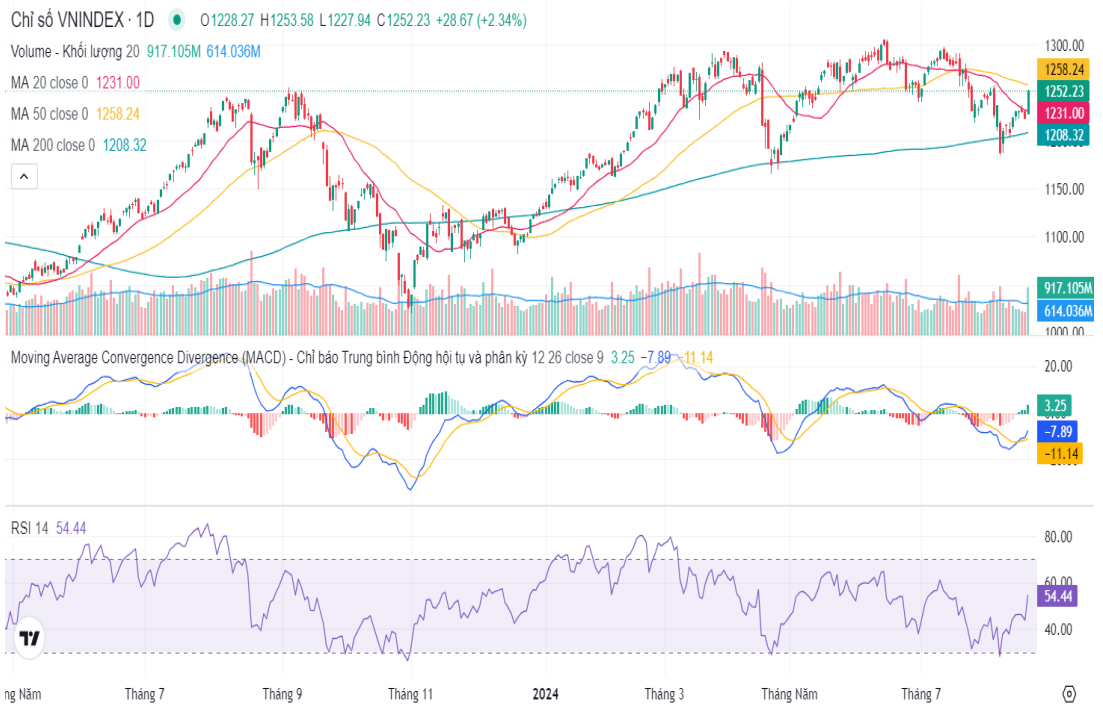
Business news

- **PPC:** Deloitte Vietnam Co., Ltd., an auditing firm, has recently completed an audit of Pha Lai Thermal Power Plant's semi-annual financial report for 2024 and has highlighted a significant issue. The auditing firm noted that in 2023, Pha Lai Thermal Power Plant was subject to an administrative fine for environmental violations, along with an additional penalty of a 12-month suspension of operations. This suspension will begin on the date when the Ministry of Industry and Trade, and Vietnam Electricity, assign, tender, designate, or select another contractor to supply electricity as a replacement for the electricity sourced from Pha Lai Thermal Power Plant
- **LDG:** LDG shares hit the ceiling after bankruptcy proceedings were canceled.According to information from LDG Investment Corporation (HOSE: LDG), the People's High Court of Ho Chi Minh City on August 13, 2024, issued a decision to annul the bankruptcy proceedings against LDG, which had been previously ordered by the People's Court of Dong Nai Province on July 22, 2024.The decision of the People's High Court also clarified that LDG's debt to Phu Thuan Phat Trading and Construction Company is a debt with an undetermined value and payment method, and does not indicate that LDG is insolvent. The company's operations are said to be normal and stable
- **HBC:** According to the announcement from HBC, the transfer of its listing to a new exchange is expected to be completed in August 2024. Prior to this, HBC had received a mandatory delisting notice from HoSE, effective from September 6th. The last trading day was September 5th. The reason for the delisting is that Xay Dung Hoa Binh (HBC) has accumulated losses that exceed its registered capital, as reflected in its audited financial statements for 2023

Technical view

Trend: Technical recovery

- VNINDEX closed at 1,252.2 points (+28.6 points, +2.34%) with trading volume higher than the 20-day average. The market had 41 declining stocks and 413 advancing stocks. Stocks contributing to the market's gain included GVR, BID, and MWG, while VSH, TMS, and TBC contributed to the decline. All industry groups gained strongly. Foreign investors continued to net sell over 75 billion dong.
- **Technical view:** The market surged significantly with a wide range, with over 70% of stocks gaining and liquidity hitting a 3-month high. Thus, after two sessions of consolidation near the resistance zone of 1230-1240, a positive cash flow has emerged. Today's trading session indicates a confirmed reversal of the downtrend. However, for the market to resume its upward trajectory, it needs additional time to consolidate around the new support level of 1230 or lower, to absorb selling pressure and strengthen the subsequent phase.
- **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

19/08/2024 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%	77.3	6	3.76%	09/08/2024	
DHC	Hold	37.4	40.8	35.8	9%	-4%	38.45	5	2.81%	12/08/2024	
REE	Hold	66.9	73.8	64.6	10%	-3%	69.9	5	4.48%	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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