MORNING CALL

May 08th, 2023

" Vietnam market struggled, world markets prospered after a series of declines "

- World stocks: US stocks rose on Friday after 4 losing sessions
- Vietnam stocks: Electricity stocks, public investment and some real estate stocks rose in reverse
- Update Business Results #QNS #PVT #ACV #VIB #FMC
- Technical perspective and recommendation update
- Event calendar
- Q&A

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Open Account

Global Market Review - Week 08 - 12/05/2023

Shinhan Securities

Major stocks market

- US stocks edged higher on Friday (May 5, 2023) as regional bank shares bounced off lows and Apple shares rose 4% after posting better-than-expected quarterly earnings. Despite Friday's rally, the Dow Jones and S&P 500 posted their biggest weekly losses since March. The Dow of 30 stocks lost 1.24%, while the S&P 500 fell 0.8%. Nasdaq posted a small weekly gain of 0.07%. The rally in regional banking stocks was boosted by a note from JPMorgan, which upgraded Western Alliance, Zions Bancorp and Comerica and knew the three banks appeared to be "fundamentally mispriced. “partially due to short selling. The SPDR S&P Regional Banking ETF (KRE) is up more than 6%.
- The pan-European Stoxx 600 closed up 1.08%, with banking and oil stocks leading the gains as most sectors and major exchanges ended the session in positive territory.
- Asia-Pacific markets are trading mixed on Monday after Wall Street dropped a four-day losing streak on Friday. Au Jibun Bank is expected to release its own surveys of its services purchasing managers index for Japan late Monday Japan's Nikkei 225 index fell 0.46% in morning trade, while Topix gained 0.15%.
- WTI crude was up 4.05% on Friday at $71.34; this is the highest level since 02/05/2023

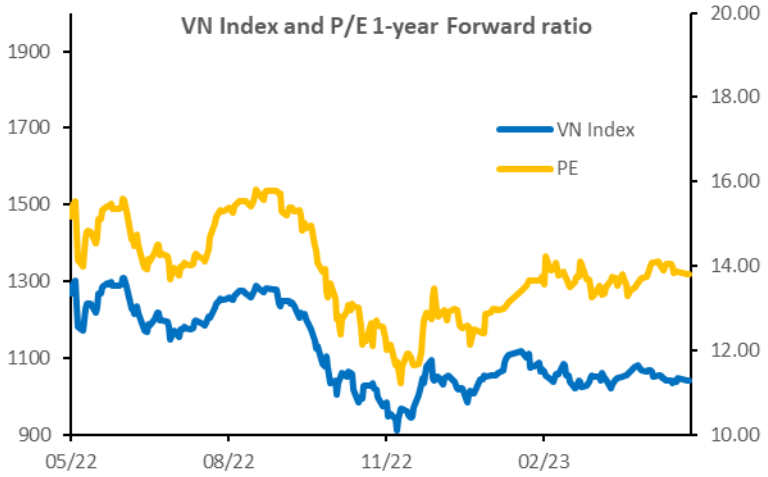
Market

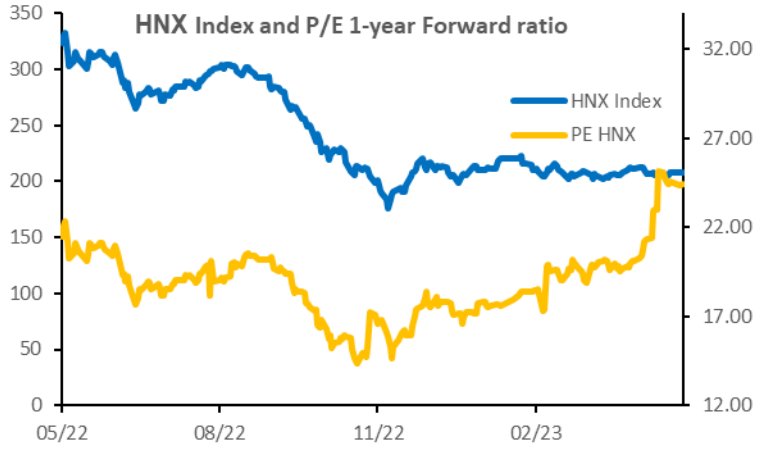
	Close	%1D	%1M	%1Y
VN-Index	1,040	-0.03%	-2.75%	-21.74%
S&P 500 Index	4,136	1.85%	0.76%	0.31%
Dow Jones Index	33,674	1.65%	0.56%	2.36%
GP 100	7,778	0.98%	0.48%	5.28%
Nikkei 225	29,054	-0.36%	3.07%	8.34%
SHCOMP Index	3,335	-0.48%	0.21%	11.09%
STOXX 600	465	1.08%	1.39%	8.23%
KOSPI Index	2,519	0.73%	0.96%	-5.91%
Hang Seng	20,049	0.50%	-1.39%	0.24%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.27	0.06%	-0.54%	-2.30%
USD/VND	23,450.00	0.03%	0.09%	-2.10%
EUR/USD	1.10	0.03%	1.50%	4.37%
USD/CNY	6.91	0.03%	-0.44%	-3.67%
Brent	75.35	0.07%	-11.48%	-32.96%
WTI	71.40	0.08%	-11.52%	-34.95%
Natural gas	2.18	2.06%	8.45%	-72.88%
Coal	169.65	-0.59%	-14.32%	-54.68%
Gold	2,017.67	0.04%	1.32%	8.82%

Vietnam Market Snapshot 05/05/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,040.31	14.15	-0.30	-0.03	576	11,431
HNX INDEX	207.80	25.53	-0.35	-0.17	67	954

Money flow and sector rotation (VND bn)

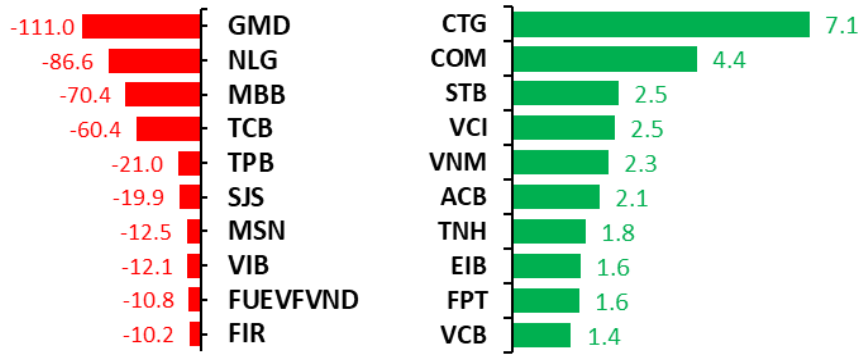
Sector	%1D	5/5/2023	5/4/2023	20-session Average
Media	71.86	0	0	1
Health Care	14.44	46	40	26
Travel & Leisure	5.37	66	62	58
Industrial Goods & Services	2.42	562	549	407
Technology	-5.2	49	52	55
Banks	-11.1	1,027	1,155	1,774
Oil & Gas	-12.3	76	87	93
Insurance	-16.6	22	26	26
Basic Resources	-17.1	525	633	711
Food and Beverage	-20.3	603	756	722
Construction & Materials	-22.7	472	611	670
Automobiles & Parts	-26.2	91	123	107
Chemicals	-26.6	252	344	368
Retail	-27.2	151	207	281
Real Estate	-32.0	1,761	2,590	2,278
Personal & Household Goods	-34.2	75	114	122
Utilities	-38.8	137	225	182
Financial Services	-40.3	953	1,596	1,424

Source: Bloomberg, Shinhan Securities Vietnam

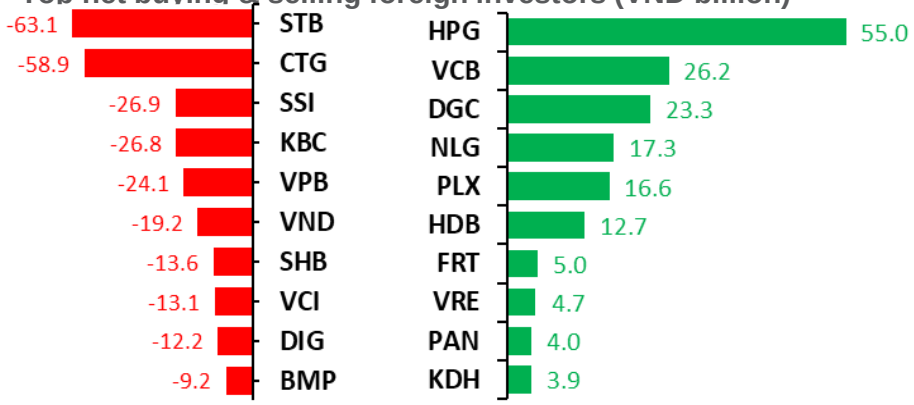
Vietnam Market Snapshot 05/05/2023

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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	(124)	(34)	74	(41)
Basic Resources	1	52	(45)	(7)
Media	-	0	(0)	0
Industrial Goods & Services	(112)	(6)	(8)	14
Health care	2	(3)	9	(7)
Chemicals	(3)	17	(19)	2
Financial Services	(18)	(77)	73	4
Travel & Leisure	1	(1)	192	(191)
Banks	(150)	(127)	64	63
Construction & Materials	(0)	(12)	36	(25)
Food and Beverage	(10)	(5)	25	(20)
Retail	(3)	5	(8)	2
Utilities	(7)	4	7	(11)
Personal & Household Goods	0	4	(3)	(1)
Technology	1	0	(3)	3
Automobiles & Parts	-	(2)	2	(0)
Insurance	0	(8)	6	2
Oil & Gas	0	17	(15)	(1)

Source: Fiinpro, Shinhan Securities Vietnam

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Import and export situation in Vietnam





- According to the Import-Export Department (Ministry of Industry and Trade), in the first quarter of 2023, Vietnam's exports of meat and meat products increased by 70.3% in volume and 81.2% in value over the same period in 2022. According to the Import and Export Department, Vietnam's meat and meat products are mainly exported to Asian countries. Among them, exports to Hong Kong (China) market accounted for 44.04% in volume and 64.84% in value of the country's total exports of meat and meat products, with nearly 2.57 thousand tons, worth 16.61 million USD, up 79.8% in volume and 102% in value compared to the first quarter of 2022.
- The Ministry of Agriculture and Rural Development said that the total export and import turnover of agriculture, forestry and fishery in the first four months of the year was estimated at 28.81 billion USD; the agricultural sector still had a trade surplus of 2.51 billion USD, down 37.7%. In April 2023, rice exports were estimated at 1.1 million tons with a value of USD 573.9 million, bringing the total volume and value of rice exports in the first 4 months of the year to 2.95 million tons with USD 1.56 billion, up 43.6% in value. volume and 54.5% increase in value over the same period in 2022. This is the highest growth rate among key agricultural product groups.
- In the first 3 months of 2023, rubber exports to most markets decreased compared to the same period last year, however, exports to one market still grew well in both volume and value compared to the same period in 2022. : Russian market.
- In the first quarter of 2023, Thailand was one of Vietnam's positive growth export markets. Specifically, in the first quarter of 2023, Vietnam exported 1.86 billion USD of goods to the Thai market, up 3% over the same period in 2022. Coffee was the commodity that witnessed the strongest increase over the same period. period in 2022. an increase of 255% over the same period in 2022.

Breaking News

Macro

Positive

- During the peak of the holiday season from April 30 to May 1, the air transport market gained many positive signals. Notably, Vietnamese airlines in international transport increased by nearly 500% over the same period, reaching 260,000 passengers.
- For the first time, the Department of Natural Resources and Environment of Ho Chi Minh City has just announced the list of legal status of nearly 400 real estate projects in the area, of which 355 projects with more than 81,000 apartments are eligible for pink books. . Other projects that are not yet eligible for a book because they are still entangled in some stages are also mentioned clearly by this agency.
- Total inventory (including provision for devaluation) of steel companies on the stock exchange at the end of the first quarter was estimated at about VND 68,000 billion, an increase of VND 2,000 billion compared to the end of last year.

Less positive

- The Vietnam Association of Seafood Exporters and Producers (Vasep) said that seafood exports in April 2023 continued to decline by 28% compared to the same period in 2022, reaching only 810 million USD. In which, exports to the US decreased by 51% and China decreased by 37%.

Business news

- **PVT:** In the first quarter, PetroVietnam Transport reported that parent company's profit after tax reached VND 182 billion, up 19% over the same period last year. The company said the upturn was due to the increase in fleet efficiency and financial performance. Consolidated net revenue in the first quarter reached VND 2,037 billion, up 1% over the same period but COGS decreased 1% to VND 1,711 billion. Gross profit margin improved
- **VIB:** Realized first quarter profit increased by 18% despite a sharp increase in provisions and a decrease in non-interest income. Credit and deposit growth negative, along with bad debt to 3.6% Q1/2023, Vietnam International Commercial Joint Stock Bank (VIB) recorded the main source of revenue as net interest income, which increased quite 22% over the same period, to a high level. 4,304 billion VND. Foreign exchange business continued to sink in losses with nearly 28 billion dong; Buying and selling investment securities was also pessimistic when it changed from a profit of the same period to a loss of 10 billion dong; Net profit from other activities decreased 12% to VND 45 billion.
- **ACV:** In the first quarter of 2023, Vietnam's airport giant achieved net revenue of VND 4.7 trillion and gross profit of VND 2.9 trillion, up 124% and 349% respectively. According to ACV, the good results came from the recovery of the aviation market. However, the strong growth also came from the comparison with the low base level of the same period - the period when COVID was still clinging.
- **DVN:** Vietnam Pharmaceutical Corporation reported a 16% increase in revenue, reaching nearly VND 1.23 trillion. Deducting cost of goods, gross profit reached nearly 137 billion dong. Gross profit margin also increased from 10% to 11% in the first quarter of this year. Financial income in the period increased strongly by 84%, reaching nearly 47 billion dong, while financial expenses were only half of the same period (nearly 7 billion dong). Profits from joint ventures and associates also increased by 42%, reaching more than 24 billion dong.
- **QNS**: The first quarter recorded net revenue of nearly VND 2,130 billion, up 17% over the same period. The rate of increase in cost of capital was lower than revenue, so gross profit increased by 23%, earning nearly 596 billion dong. Accordingly, gross profit margin improved from 26.7% to 28%.

Breaking News



Business news

- **SBT:** At the end of the third quarter of fiscal year (ND) 2022-2023, Thanh Thanh Cong Bien Hoa Joint Stock Company has accumulated 996 thousand tons of sugar, an increase of more than 30% over the same period, recording accumulated net revenue. reached VND 17,946 billion, up 40% over the same period, exceeding 5% of the plan for the whole year. Sales volume of sales channels recorded a significant growth over the same period, in which, export channel grew significantly when sales volume increased by 91%, B2B industry channel increased by 22.5% over the same period. .
- **FMC:** In April, Sao Ta Food JSC recorded a revenue of 14 million USD, 26% lower than the same period last year. FMC's decline occurred in the context that Vietnam's seafood exports were not very bright in the first months of 2023.
- **TRA:** In Q1, COGS was well saved, down 7.66% y/y to VND274.4 billion, thereby helping gross profit margin increase by 5.47% to VND344.7 billion.
- **DPG:** Consolidated financial statements for the first quarter of 2023, net revenue of DPG reached VND 390 billion, down 28% compared to the same period last year. The revenue structure recorded the growth of the construction segment, reaching VND 201 billion, up 43% and the sale of goods and materials, up 20 times, reaching VND 3.5 billion. Meanwhile, the real estate business only reached 12 billion dong, down 95%; commercial electricity sales reached VND 167 billion, down 4.5%.
- **HUT:** At the end of the first quarter, Tasco's total debt was about VND 4,788 billion, 1.2 times higher than equity, accounting for 41% of total capital. Net revenue reached 295 billion dong, up 23% over the same period. In which, toll collection is still the largest revenue-generating segment with VND 253 billion, followed by real estate business with VND 25 billion. Cost of goods sold increased 40% to 197 billion dong, causing gross profit margin to decrease from 41% to 33%.

Technical view



Trend: Retest support level

- VNINDEX closed with a Doji candle showing the hesitation of both buyers and sellers with relatively low volume. Electricity stocks benefited from the increase in EVN's average electricity price by 3%
- Technically: The price momentum from the MACD indicates a gradual decrease in selling pressure from mid-April 25. However, the RSI still gives a bearish signal in the oversold zone
- Strategy: The market has not identified a clear trend yet, investors should still consider lowering the weight; Prioritize keeping cash during this period.

Scenario:

- Positive (50%): The index maintained support around 1,040 – 1,050 points and created a recovery pace to 1,060 points, more optimistic than 1,100 points.
- Less positive (50%): After failing to test the resistance at 1,060 , the index is heading to the next bottom at 1,020, even psychological level of 1,000 if there is less positive information.

Recommended stocks

8/5/2023

Unit: VND thousand

Today's watchlist

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

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date
VCI	Buy	31.95	35.5	30.5	11%	-5%	31.9	1	-0.16%	05/05/2023
IDC	Buy	38.5	45	36	17%	-6%	39.1	1	1.56%	05/05/2023
HPG	Hold	21.5	23.5	20	9%	-7%	21.45	23	-0.23%	05/04/2023
NT2	Hold	30.5	33.95	29	11%	-5%	31.15	22	2.13%	06/04/2023
TCB	Hold	30	32.5	28.5	8%	-5%	28.7	22	-4.33%	06/04/2023
CTR	Hold	64.2	70	62	9%	-3%	64	22	-0.31%	06/04/2023
GVR	Hold	15.5	17	14.5	10%	-6%	15.5	21	0.00%	07/04/2023

Economic calendar

May 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
30	1	2	3 EA Unemployment rate	4 US Fed Rate Decision	5	6 US Unemployment rate US Nonfarm Payroll
7	8	9	10 US Inflation Rate	11 China Inflation Rate US PPI Bank of England Interest Rate Decision	12 GB GDP	13
14	15	16 GB Unemployment rate CA Inflation Rate US Retail Sales	17 JP GDP	18	19 JP Inflation rate	20
21	22	23	24 GB Inflation Rate	25 US FOMC Minutes	26 US Core PCE Price Index	27
28	29 VN CPI	30	31 DE Inflation rate	1	2	3
4	5					

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Q&A

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