MORNING CALL

May 18th, 2023

'' Market cautious ahead of derivatives expiration date "

- World stocks: More optimistic about the public debt ceiling in the US
- Vietnam stocks: VN30's decline puts pressure on the whole market
- Business News #HDG #HAG #PVS #DXG
- Technical perspective and recommendation update
- Event calendar
- Q&A

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Open Account

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

Major stocks market

- U.S. stocks edged higher on Wednesday, boosted by optimism about a potential debt ceiling deal and a rebound in regional bank shares easing concerns about recent events in the financial sector. this area. President Joe Biden and top US Republican congressman Kevin McCarthy on Wednesday reiterated their determination to reach an agreement soon to raise the federal debt ceiling to $31.4 trillion and avoid a default.
- The Stoxx 600 fell 0.15% with defensive sectors such as food and beverage, utilities and real estate companies leading the decline. The market is still concerned about the US public debt ceiling.
- Chinese stocks fell on Wednesday, extending losses from the previous session after disappointing economic data for April prompted some economists to lower their growth forecasts for the country. The Nikkei 225 closed above the key psychological 30,000 level for the first time since September 2021 on Wednesday, helped by a weaker yen and momentum from the domestic earnings season.
- WTI oil price is currently trading around 72.66 USD/barrel, down slightly by 0.23% as optimism about oil demand and negotiations on the US public debt ceiling overwhelm worries about supply.

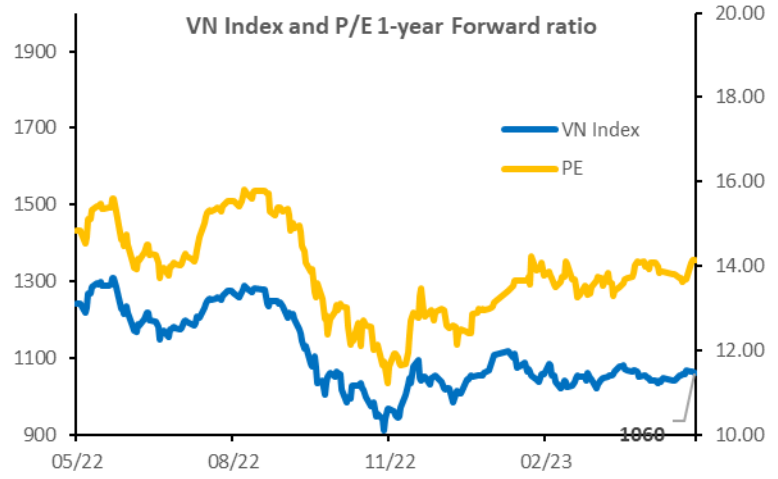
Market

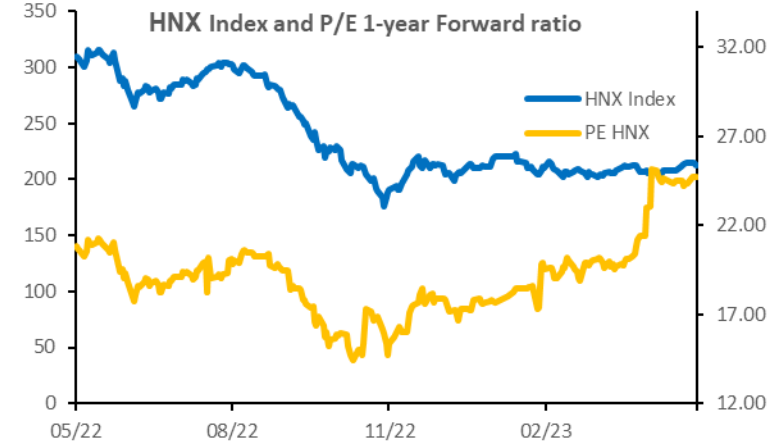
	Close	%1D	%1M	%1Y
VN-Index	1,060	-0.51%	0.51%	-14.53%
S&P 500 Index	4,159	1.19%	0.18%	1.71%
Dow Jones Index	33,421	1.24%	-1.64%	6.13%
GP 100	7,723	-0.36%	-2.35%	3.83%
Nikkei 225	30,636	1.80%	6.90%	13.84%
SHCOMP Index	3,284	-0.21%	-3.22%	6.42%
STOXX 600	464	-0.15%	-0.99%	6.92%
KOSPI Index	2,504	0.39%	-2.60%	-4.63%
Hang Seng	19,561	-2.09%	-5.28%	-5.25%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.89	0.00%	1.12%	-0.89%
USD/VND	23,456.00	0.00%	0.10%	-1.46%
EUR/USD	1.08	-0.02%	-1.22%	3.57%
USD/CNY	7.00	-0.27%	-1.67%	-3.70%
Brent	76.78	-0.23%	-9.43%	-29.63%
WTI	72.66	-0.23%	-10.14%	-33.70%
Natural gas	2.37	0.04%	0.00%	-71.73%
Coal	165.25	0.89%	-11.63%	-60.05%
Gold	1,982.47	0.03%	-1.15%	9.13%

Vietnam Market Snapshot 17/05/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,060.44	14.44	-5.47	-0.51	742	11,609
HNX INDEX	212.86	26.29	-1.76	-0.82	120	1,628

Money flow and sector rotation (VND bn)

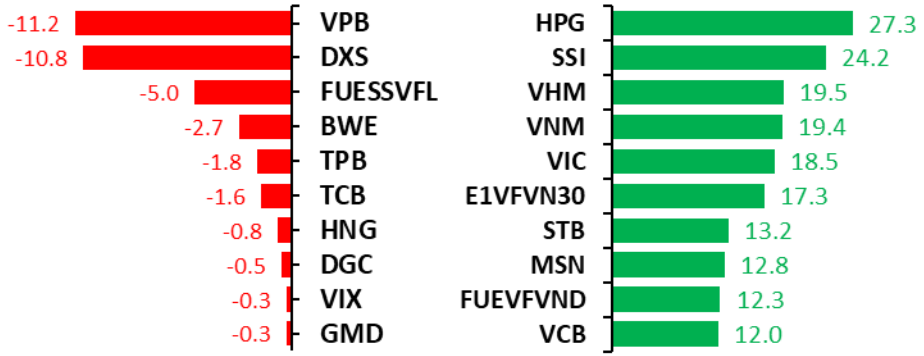
Sector	%1D	5/17/2023	5/16/2023	20-session Average
Automobiles & Parts	184.01	289	102	110
Basic Resources	42.51	1,073	753	714
Banks	37.40	2,099	1,527	1,539
Food and Beverage	33.01	932	701	713
Real Estate	27.21	2,675	2,103	2,148
Insurance	19.53	50	42	29
Health Care	18.61	24	20	30
Financial Services	15.09	1,650	1,434	1,335
Technology	13.44	95	84	63
Chemicals	5.79	423	399	345
Construction & Materials	1.00	979	969	649
Personal & Household Goods	-0.2	87	87	109
Industrial Goods & Services	-0.5	528	531	438
Travel & Leisure	-1.5	141	143	67
Retail	-5.3	271	286	257
Oil & Gas	-24.6	121	160	105
Media	-26.2	1	2	1
Utilities	-39.0	168	275	174

Source: Bloomberg, Shinhan Securities Vietnam

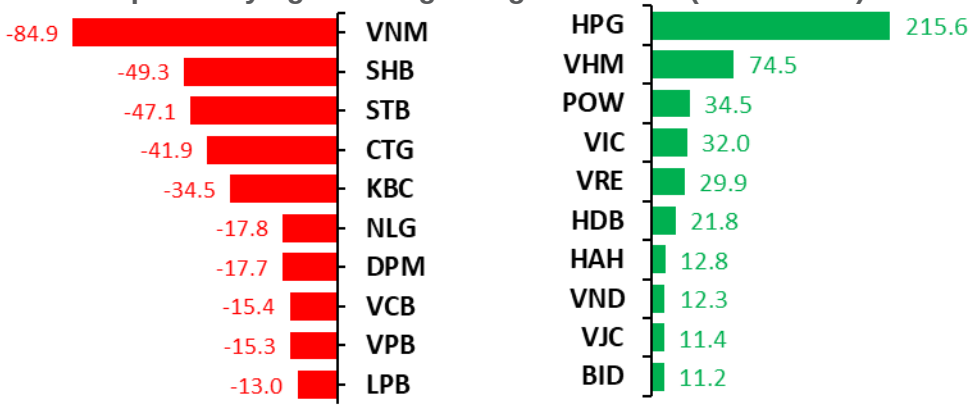
Vietnam Market Snapshot 17/05/2023

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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	43	89	(131)	43
Basic Resources	28	211	(277)	66
Media	-	0	(0)	0
Industrial Goods & Services	(0)	15	(4)	(11)
Health care	2	0	(2)	2
Chemicals	1	(18)	20	(2)
Financial Services	49	7	(35)	28
Travel & Leisure	10	12	23	(36)
Banks	43	(156)	508	(351)
Construction & Materials	9	2	(8)	6
Food and Beverage	34	(91)	55	36
Retail	0	(10)	8	3
Utilities	7	40	(18)	(22)
Personal & Household Goods	2	(1)	(0)	1
Technology	7	1	(20)	19
Automobiles & Parts	-	3	(6)	3
Insurance	2	(7)	5	2
Oil & Gas	4	6	(27)	21

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- Ho Chi Minh City disbursed public investment capital skyrocketed due to compensation and site clearance expenses for Ring Road 3 project.

Less positive

- Many large companies in the livestock and fishery industry continuously report losses.

Business news

- **DXG:** Wants to stop issuing $300 million in international bonds. The company sets a target in 2023 that net revenue and net profit will reach VND 5,500 billion and VND 158 billion respectively, of which the revenue target is the same as the previous year but the profit target is reduced by more than 26%. DXG forecasts is expected to pay the 2023 dividend at the rate of 20% after deciding not to pay the 2022 dividend
- **PVS:** In the first quarter of 2023, PVS has net revenue of more than VND 3,705 billion, slightly down from more than VND 3,770 billion in the same period last year. However, revenue from financial activities of PVS reached nearly VND 147 billion, an increase of more than 70% compared to the same period last year. The company won the bid to construct 33 bases for Orsted's offshore wind power project in Taiwan
- **HDG:** Expected to issue more than 61 million dividend paying shares. Issuance rate 25%In the financial statement of the first quarter of 2023 of Ha Do Group Joint Stock Company recorded revenue of nearly 956 billion dong while the same period reached 685 billion dong, equivalent to an increase of 36%. Specifically, revenue from the real estate and energy segments simultaneously increased sharply - reaching 312 billion and 543 billion dong, respectively.
- **HAG:** Announcement of business situation in April 2023. The company recorded revenue of 563 billion dong, down 13.7% compared to the previous month and profit after tax recorded at 32 billion dong, down 68.3% compared to March 2023. Business results in April came mainly from banana revenue. Meanwhile, pork prices in the domestic market continued to remain low, affecting the overall business results.

Breaking News



Business news

- **CNG:** It is expected to issue nearly 8.1 million bonus shares to existing shareholders, the issuance rate is 30%. Business results, in 2022 CNG Vietnam achieved VND 4,185 billion in revenue, up 36.9% compared to 2021. Profit after tax increased by 43% to nearly VND 118 billion.
- **HBC:** Moved from a control to a restricted transaction from May 23. The reason according to HoSE is that HBC has been late to submit its audited 2022 financial statements more than 45 days after the prescribed time limit, in the case that the securities are subject to restricted trading as prescribed at point a, clause 1. Article 39 Regulations on listing and trading of listed securities.
- **DXG:** Dat Xanh wants to offer another 168 million shares to pay debts to its subsidiary. In 2023, the company plans to achieve revenue of VND 5,500 billion (insignificant decrease compared to the same period) and VND 158 billion in profit after tax of the parent company - a decrease of nearly 26.5% compared to the implementation in 2022; expected to submit dividend payment rate of 20%
- **SZL:** Sonadezi's business is about to pay a cash dividend of 30%. With nearly 18.2 million shares outstanding, it is estimated that SZL needs to spend nearly 55 billion dong to pay dividends.
- **MCM:** Moc Chau Milk pays 10% dividend, Vinamilk group is expected to collect 75 billion dong. The company's net revenue in the first quarter of 2023 reached VND 734 billion, a slight increase over the same period. Despite the increasing trend of COGS, Moc Chau's gross profit was still 11% higher than the same period last year, at the level 237 billion dong.

Technical view



Trend:

- VNIDEX edged up cautiously ahead of the derivatives expiration date but the momentum faded and closed down 5.47 points. The reason was that the decline of VN30 stocks put pressure on the whole market, in which banking stocks sold strongly.
- Technically: The MACD shows increasing bearish momentum, weak buying compared to selling pressure for the first time in nearly a month. RSI returns to the balance between the oversold and overbought areas. The index will trade around 1,060 until there are more positive signals.
- Strategy: Investors temporarily stop disbursing until there are more positive signals.

Scenario:

- Positive (50%): The index surpassed resistance at 1,060 points and continued to trade above this level, 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

17/5/2023

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	Note
EIB	Hold	19.55	21.85	18	12%	-8%	19.3	4	-1.28%	11/05/2023	
DGW	Hold	34.5	40	31	16%	-10%	32.9	4	-4.64%	11/05/2023	
CII	Hold	14.6	15.7	13.8	8%	-5%	15	6	2.74%	09/05/2023	
SSI	Hold	21.9	25	20.9	14%	-5%	22.9	6	4.57%	09/05/2023	
VND	Hold	14.9	16.8	14.3	13%	-4%	15.6	6	4.70%	09/05/2023	
VCI	Hold	31.95	35.5	30.5	11%	-5%	32.4	8	1.41%	05/05/2023	
IDC	Hold	38.5	45	36	17%	-6%	39.1	8	1.56%	05/05/2023	
NT2	Hold	30.5	33.95	29	11%	-5%	31	29	1.64%	06/04/2023	

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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