MORNING CALL
26/05/2023

Shinhan Securities

“Stock drops , liquidity increases“

- World stocks: chip stocks positive after Nvidia business results forecast
- Vietnam Securities: The meeting to discuss reducing lending interest rates on the morning of May 26 affects the reduction of NIM of banks
- Business News #CMX #MIG #CTG #HBC
- Technical perspective and recommendation update
- Event calendar
- Q&A

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Mở tài khoản

Global Market Review - Week 22 - 26/05/2023

Major stocks market

- U.S. stocks rallied on Thursday after an Nvidia earnings forecast sent shares of the chipmaker soaring and fueled growth in AI-related companies, while investors monitor progress in negotiations on the US debt ceiling. Fitch Ratings has placed the US AAA credit rating on watch.
- The Stoxx 600 fell 0.32% on worries about the US debt ceiling, the global recession and overshadowed initial optimism from corporate earnings, while luxury stocks stabilized after a data sell-off. bouncing.
- The Nikkei 225 gained 0.76% after two losing sessions, helped by chip-related companies on earnings optimism and strong capital inflows from foreign investors. China's blue chip index wiped out all of its gains in 2023 while the key benchmark Hong Kong index fell to a near 6-month low, due to the US-China trade and technology dispute. Country.
- Brent fell 2.7% to $76.25 a barrel on Thursday after Russian Deputy Prime Minister Alexander Novak downplayed the prospect of OPEC+'s next production cut at next week's meeting.

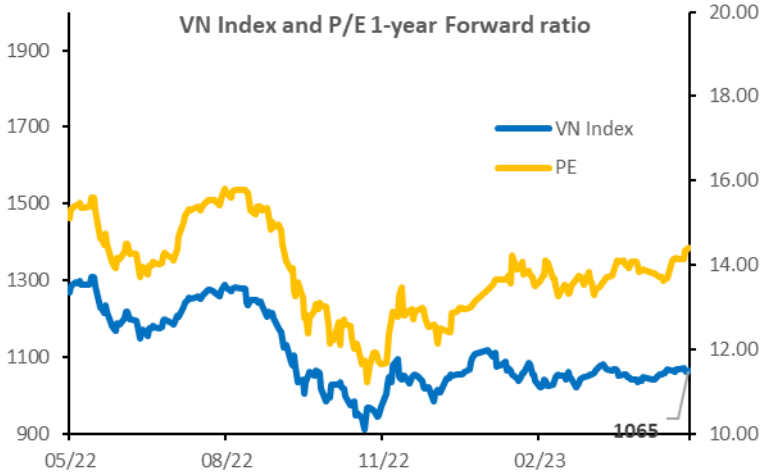
Market

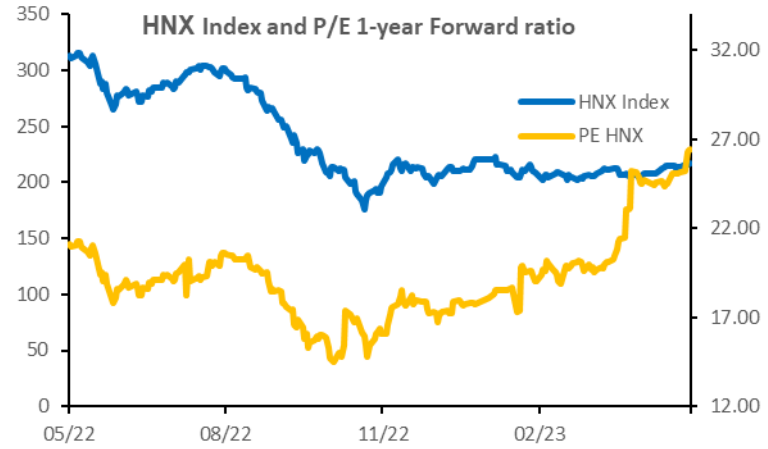
	Close	%1D	%1M	%1Y
VN-Index	1,065	0.27%	2.29%	-16.08%
S&P 500 Index	4,151	0.88%	2.35%	2.30%
Dow Jones Index	32,765	-0.11%	-1.61%	0.39%
GP 100	7,571	-0.74%	-3.59%	0.08%
Nikkei 225	31,035	0.76%	9.21%	16.65%
SHCOMP Index	3,201	-0.11%	-1.93%	2.50%
STOXX 600	456	-0.32%	-1.52%	4.22%
KOSPI Index	2,558	0.11%	2.93%	-2.10%
Hang Seng	18,747	-1.93%	-5.11%	-6.81%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.22	-0.03%	2.71%	2.35%
USD/VND	23,478.00	-0.01%	0.00%	-1.19%
EUR/USD	1.07	-0.03%	-2.89%	-0.03%
USD/CNY	7.08	-0.26%	-2.07%	-5.45%
Brent	76.20	-0.08%	-1.92%	-35.09%
WTI	71.93	0.14%	-3.19%	-36.95%
Natural gas	2.29	-0.82%	8.08%	-74.32%
Coal	160.00	-0.16%	-15.37%	-60.46%
Gold	1,938.21	-0.16%	-2.56%	4.73%

Vietnam Market Snapshot 25/05/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,064.63	14.50	2.84	0.27	601	10,475
HNX INDEX	216.78	26.92	0.82	0.38	94	1,511

Money flow and sector rotation (VND bn)

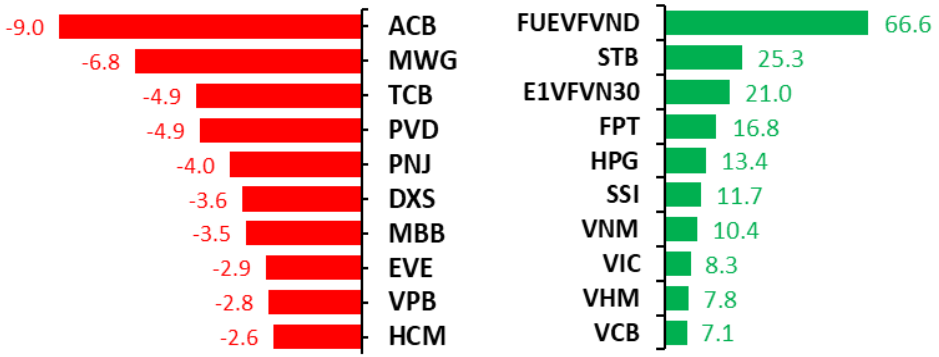
Sector	%1D	5/25/2023	5/24/2023	20-session Average
Technology	104.91	135	66	80
Oil & Gas	104.47	250	122	143
Health Care	89.42	44	23	29
Chemicals	49.66	469	314	378
Utilities	20.41	189	157	201
Retail	18.96	211	178	234
Industrial Goods & Services	16.21	457	394	491
Banks	8.57	2,305	2,123	1,750
Travel & Leisure	7.14	114	106	89
Construction & Materials	-0.9	1,257	1,268	827
Personal & Household Goods	-3.1	103	107	111
Automobiles & Parts	-5.3	92	97	115
Media	-12.0	1	1	1
Real Estate	-13.6	1,967	2,278	2,252
Food and Beverage	-17.3	566	685	690
Basic Resources	-27.8	716	991	806
Financial Services	-33.5	1,570	2,359	1,593
Insurance	-37.5	25	40	36

Source: Bloomberg, Shinhan Securities Vietnam

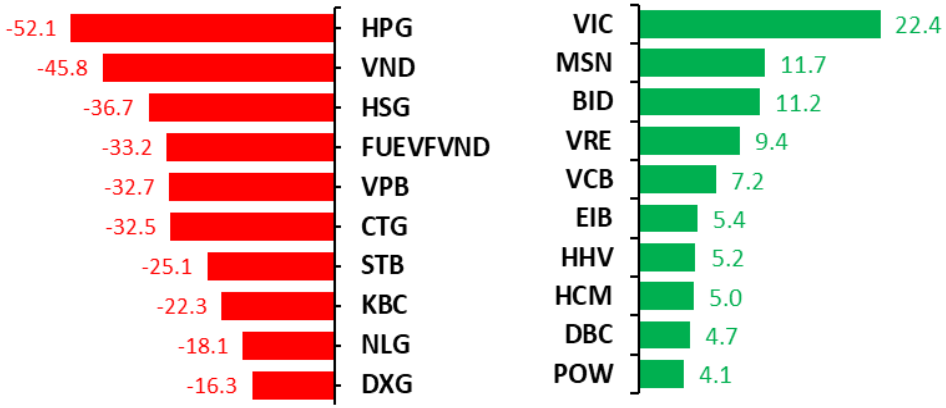
Vietnam Market Snapshot 24/05/2023

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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	17	(49)	(40)	90
Basic Resources	13	(90)	79	11
Media	-	0	(0)	0
Industrial Goods & Services	(6)	(6)	8	(2)
Health care	-	(12)	12	1
Chemicals	9	(25)	38	(13)
Financial Services	95	(98)	25	73
Travel & Leisure	4	(11)	7	5
Banks	21	(80)	20	61
Construction & Materials	4	(6)	19	(13)
Food and Beverage	17	(7)	(0)	7
Retail	(7)	(10)	23	(13)
Utilities	(0)	4	8	(13)
Personal & Household Goods	(7)	(3)	21	(18)
Technology	17	0	(17)	17
Automobiles & Parts	-	2	(3)	1
Insurance	0	1	(1)	(0)
Oil & Gas	(4)	(7)	22	(15)

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- EVN has received an offer to apply temporary prices for 24 renewable power projects and the two sides have fixed the temporary price equal to 50% of the regulated electricity generation price bracket.
- According to the General Department of Customs, the total import turnover of the country in the first period of May reached 12.44 billion USD, up 1.7% MoM (equivalent to 212 million USD).
- The Finance and Budget Committee proposes to extend the disbursement period for the recovery program to 2024-2025

Less positive

- In 4M2023, the Vietnamese auto market witnessed a sharp drop in demand for cars.

Business news

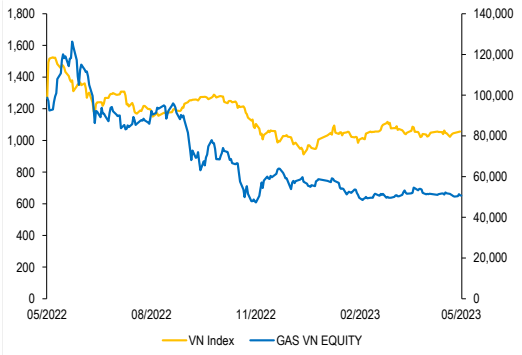
- **CMX**: The target in 2023, total revenue is 3,053 billion dong, profit after tax is 103 billion dong; Increase 5% and 13% respectively compared to 2022. In addition, Camimex Group also expects export turnover in 2023 to reach 100 million USD, export volume to reach 10,000 tons of finished products.
- **MIG**: Announces the plan to pay dividends in 2022 at the rate of 10%. Of which, 5% in cash and 5% in shares. The main reason is that the insurance market in 2022 is still volatile and difficult when the cost of claims increases after Covid-19. This caused Military Insurance to record a 29% decrease in profit before tax and after tax, reaching VND 200.2 billion and VND 159.4 billion, respectively. Issuing shares to pay a dividend of 5% will help the company raise its charter capital to nearly 1,727 billion dong, equivalent to an increase of 82.2 billion dong.
- **IDJ**: In I/2023, IDJ recorded net revenue of up to 245 billion VND, nearly 3 times higher than the same period in 2022. Profit after tax also more than doubled, increasing to more than 30 billion VND. Approving the plan to offer shares to existing shareholders at the ratio of 1:1. The company plans to issue more than 173 million shares with the selling price to shareholders not less than 10,000 dong.
- **CTG:** Vietnam Joint Stock Commercial Bank for Industry and Trade will auction the debt of about 5,800 billion VND of Nosco Shipyard JSC. VietinBank offers a starting price for the above debt of only VND2,895 billion, equivalent to 49% of the total debt value. There are 7 collateral for this debt including land use rights and property, all machinery and equipment attached to 1,024,902 m2 of leased land in Hamlet 4, Tien Phong commune, Quang Yen town, Quang province. Ninh belongs to the Nosco Vinalines Ship Repair Factory project.

PetroVietnam Gas Joint Stock Corporation (HOSE: GAS)

TARGET PRICE (VND)	
n/a	
CURRENT PRICE (VND)	UP/DOWNSIDE
94,700	

VNINDEX	1,060
Market P/E (x)	10.5
Market Cap. (bn VND)	181,251
Outstanding Shares (mn)	1,914
Free Floating Shares (mn)	81
Free Floating (%)	4.2
52-Wk High (VND)	134,000
52-Wk Low (VND)	91,600
3M Avg. Trading Vol. (mn)	0.26
3M Avg. T/O (bn VND)	26
Beta (12M)	0.9

	3M	6M	12M
Absolute	-11.1	-9.6	-12.6
Rel. to VNINDEX	-13.0	-18.8	3.8



Source: Bloomberg

Annual General Meeting Summary

1. Business results in 2022:

- In 2022, GAS recorded revenue of VND 9,047 bn (+27.5% y.o.y) and profit after tax of VND 1,456 bn (+70.2% y.o.y), due to a massive increase in demand for gas and fertilizer.
- Besides, GAS proposes to pay a dividend of 36% par value.

2. Outlook in 2023

- Plan for 2023: GAS's revenue is expected to drop 24% over 2022 to VND 76,441 bn, while its profit before tax would plunge by half over the year-ago figure to VND 6,539 bn.
- Q1/2023: net profit reached VND 3,416 bn (-2.2% q.o.q).
- GAS will receive the first batch of LNG to test run its Thi Vai LNG terminal in June. On May 5, GAS received the first license in Vietnam to import and export LNG from the Ministry of Industry and Trade. LNG segment will be a growth driver in mid-term and long-term.
- Some important projects will be accelerated to keep up with the schedule such as LNG Thi Vai, Block B - O Mon, Su Tu Trang phase 2b,...),... We believe that numerous key gas projects will expand GAS's capacity.
- GAS plans 20% dividend payment in 2023

3. Risks: (1) volatile oil price and (2) external factors: economy, politics,...

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	75,005	64,135	78,992	100,724	100,285
OP (bn VND)	13,649	8,694	10,374	17,799	14,257
OP margin (%)	18.2	13.6	13.1	17.7	14.2
NP (bn VND)	11,902	7,855	8,673	14,798	11,871
NP margin (%)	15.9	12.2	11.0	14.7	11.8
EPS (VND)	6,142	4,028	4,356	7,649	5,996
ROE (%)	25.1	15.9	16.8	26.4	17.8
P/E (x)	15.3	21.5	22.1	13.3	15.8
P/B (x)	3.7	3.4	3.6	3.2	1.3

Source: Bloomberg, Shinhan Securities, Data as of 25/05/23

Technical view



Trend:

- VNINDEX closed up 2.84 points (0.27%), foreign investors net sold nearly 400 billion for the 4th day in a row. The meeting to discuss lending interest rate reduction this morning had an impact on banks' NIM reduction, causing stocks of this group to drop with significantly increased liquidity.

- Technically: The market is still struggling between the price above 1,060 points and above the 20 MA which is a positive point. MACD gives price momentum signal on descending momentum when selling pressure is high. The RSI has not yet given a remarkable signal as it fluctuates between the overbought and oversold areas.

Scenario:

- Positive (50%): The index surpassed resistance at 1,070 points and continued to trade above this level, more optimistic than 1,100 points.
- Less positive (50%): After failing to test the resistance at 1,070, the index returns to the next support zone of 1,050, even psychological level of 1,020 if there is less positive information.

Recommended stocks

26/5/2023

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
VPB	Buy	19.7	21.4	18.5	9%	-6%	19.2	3	-2.54%	23/05/2023	
TCB	Buy	30.15	33	28.5	9%	-5%	29.8	3	-1.16%	23/05/2023	
EIB	Hold	19.55	21.85	18	12%	-8%	19.35	11	-1.02%	11/05/2023	
DGW	Hold	34.5	40	31	16%	-10%	32.85	11	-4.78%	11/05/2023	
CII	Sell	14.6	15.7	13.8	8%	-5%	16.75	13	14.73%	09/05/2023	
SSI	Hold	21.9	25	20.9	14%	-5%	22.5	13	2.74%	09/05/2023	
VND	Sell	14.9	16.8	14.3	13%	-4%	15.85	13	6.38%	09/05/2023	
VCI	Hold	31.95	35.5	30.5	11%	-5%	34	15	6.42%	05/05/2023	
IDC	Sell	38.5	45	36	17%	-6%	39.3	15	2.08%	05/05/2023	
NT2	Sell	30.5	33.95	29	11%	-5%	32.9	36	7.87%	06/04/2023	

Economic calendar

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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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