MORNING CALL
02/06/2023

Shinhan Securities

“Cash flow concentrates on small-cap stocks“

- World stocks: US House of Representatives passes public debt ceiling bill
- Vietnam Securities: Smallcap shares continue to attract money
- Business News #MSR #TNG #KBC # GMD # GAS
- Technical perspective and recommendation update
- Event calendar
- Q&A

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Mở tài khoản

Global Market Review - Week 29/05 - 02/06/2023

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Major stocks market

- U.S. stocks ended lower on Wednesday ahead of a House vote on a federal debt ceiling deal Wednesday night to stave off a possible default, while unexpectedly strong labor market data sent Investors fear the Federal Reserve could raise interest rates again in June.
- Stoxx600 closed 1.07% lower, having hit its lowest level since March 30, on concerns about a global slowdown on weak Chinese economic data and uncertainty around the debt ceiling. The U.S. outlook outweighed optimism from signs of softening inflation in several major eurozone economies.
- Nikkei225 edged up -0.44%, investors profited after the benchmark rose to a 33-year high earlier this week, while a stronger yen and disappointing China data also weighed on market. Hangseng fell -1.94% influenced by disappointing Chinese factory data and the US-China dispute, which also sent the yuan to its lowest level since November.
- WTI continues to fall and is currently trading at $67.70 a barrel as weak economic data from top oil importer China put pressure on oil prices.

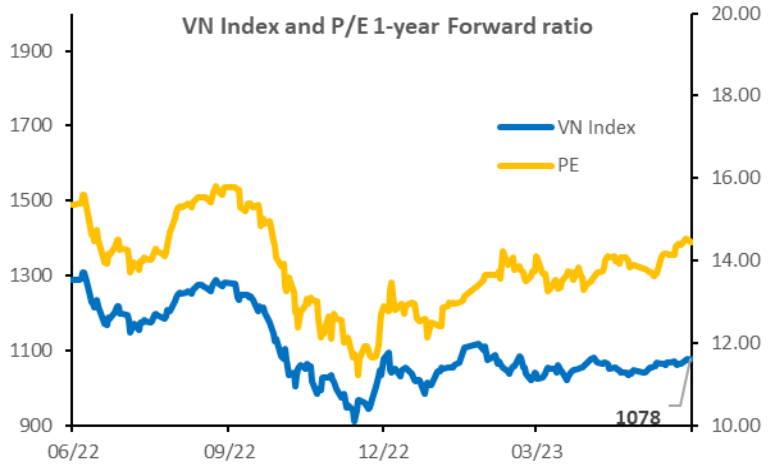
Market

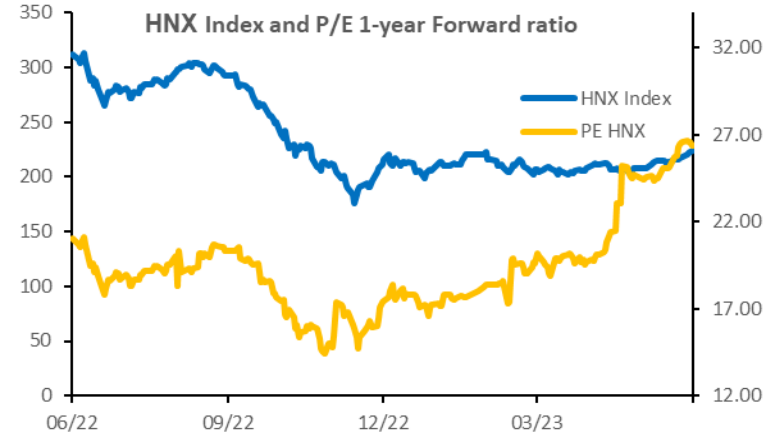
	Close	%1D	%1M	%1Y
VN-Index	1,078	0.30%	2.79%	-16.31%
S&P 500 Index	4,221	0.99%	2.46%	1.06%
Dow Jones Index	33,062	0.47%	-1.85%	-0.56%
GP 100	7,490	0.59%	-3.64%	-0.57%
Nikkei 225	31,424	0.88%	7.77%	14.63%
SHCOMP Index	3,205	0.00%	-3.57%	0.29%
STOXX 600	455	0.78%	-1.26%	3.18%
KOSPI Index	2,588	0.73%	2.52%	-2.67%
Hang Seng	18,217	-0.10%	-8.61%	-13.59%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.56	0.00%	1.57%	1.71%
USD/VND	23,485.00	0.02%	-0.09%	-1.20%
EUR/USD	1.08	-0.01%	-2.16%	0.13%
USD/CNY	7.10	0.15%	-2.61%	-5.80%
Brent	74.25	-0.04%	-1.42%	-36.87%
WTI	70.08	-0.03%	-2.20%	-40.04%
Natural gas	2.17	0.37%	-2.17%	-74.47%
Coal	130.15	-3.59%	-29.71%	-68.41%
Gold	1,976.00	-0.08%	-2.02%	5.75%

Vietnam Market Snapshot 01/06/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,078.39	14.69	3.22	0.30	800	12,868
HNX INDEX	223.97	27.83	1.16	0.52	120	1,628

Money flow and sector rotation (VND bn)

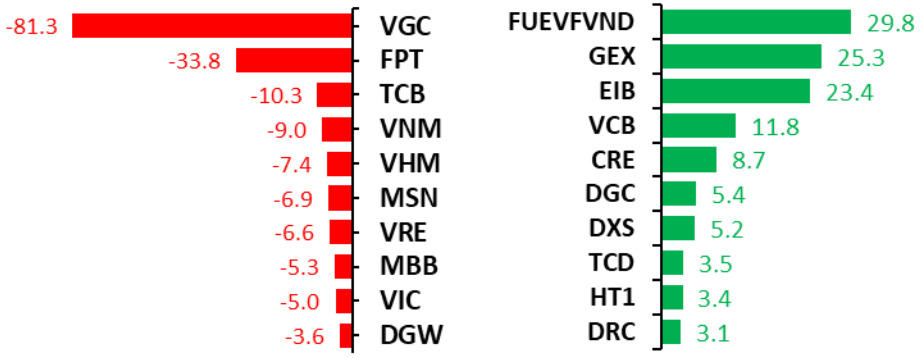
Sector	%1D	6/1/2023	5/31/2023	20-session Average
Industrial Goods & Services	60.34	1,007	628	567
Health Care	23.63	45	37	31
Retail	15.95	350	302	263
Chemicals	5.03	672	640	452
Real Estate	0.0	2,910	2,911	2,361
Financial Services	-5.2	1,924	2,030	1,737
Construction & Materials	-7.2	1,213	1,308	1,019
Travel & Leisure	-12.3	117	133	110
Banks	-16.3	2,322	2,775	1,941
Insurance	-19.3	34	42	39
Media	-19.8	1	2	2
Food and Beverage	-23.0	781	1,015	712
Personal & Household Goods	-25.3	145	194	115
Technology	-25.4	74	99	93
Automobiles & Parts	-27.8	115	159	126
Basic Resources	-31.8	861	1,263	868
Oil & Gas	-42.5	112	194	162
Utilities	-46.8	180	338	212

Source: Bloomberg, Shinhan Securities Vietnam

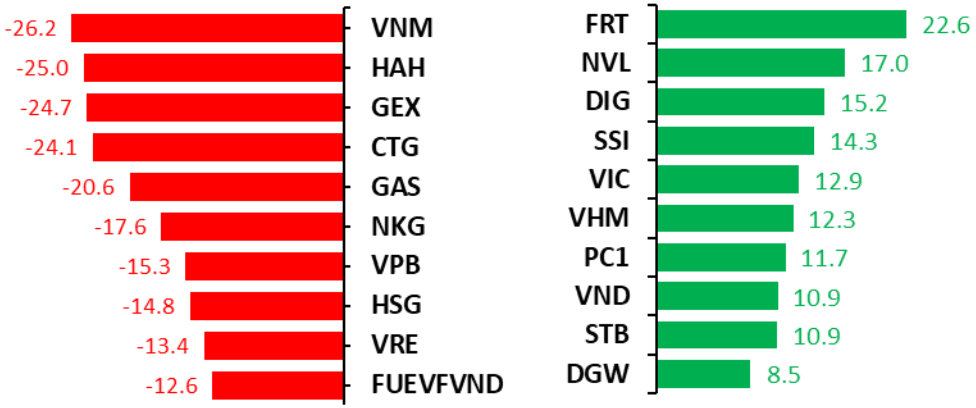
Vietnam Market Snapshot 30/05/2023

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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	(11)	21	(12)	(9)
Basic Resources	3	(40)	32	8
Media	-	0	(0)	0
Industrial Goods & Services	25	(41)	42	(1)
Health care	-	2	(2)	0
Chemicals	7	(5)	(5)	10
Financial Services	28	16	(60)	44
Travel & Leisure	(2)	(2)	1	1
Banks	14	(33)	21	11
Construction & Materials	(75)	1	85	(86)
Food and Beverage	(15)	(39)	55	(16)
Retail	(7)	30	(9)	(20)
Utilities	(1)	(16)	35	(19)
Personal & Household Goods	(1)	(1)	10	(9)
Technology	(34)	1	9	(10)
Automobiles & Parts	3	(2)	1	1
Insurance	0	(2)	10	(8)
Oil & Gas	(0)	(3)	7	(4)

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- It is proposed to transfer VND 24,000 billion of the 2% interest rate support package to reduce VAT

Less positive

- The peak of 35,500 billion dong of corporate bonds matured in June.
- Ministry of Finance: 50% reduction in registration fee is still difficult to stimulate demand
- In May, Vietnam PMI continued to drop to 45.3 points

Business news

- **MSR:** Nui Phao Mining Company Limited (Nuiphao Mining) has just issued 4 lots of bonds with a total par value of VND 2,600 billion. These 4 lots of bonds have a term of 5 years (60 months), paying interest every 6 months. In which, the first two periods apply a fixed interest rate of 9%/year and the following periods are calculated using the total reference interest rate plus 4.1%/year. The bonds are issued for the purpose of restructuring the debt of the bond batches due on May 29.
- **TNG**: In the May 2023 revenue report, TNG Trading and Investment Joint Stock Company recorded VND 669 billion, up 2% over the same period and up 6.5% compared to April 2023. Accumulated in the first 5 months of the year, TNG's revenue reached VND 2,630 billion, an increase of VND 159 billion, equivalent to an increase of 6.5% over the same period in 2022. In which, exports still played a key role, accounting for 98% of total revenue. . The US and France are TNG's two largest markets, accounting for 47% and 16% market share, respectively.
- **KBC**: Approved this year's business plan with an expected total consolidated revenue of VND9,000 billion and an expected consolidated profit after tax of VND4,000 billion. At the end of the first quarter of 2023, Kinh Bac's industrial park revenue increased sharply with a gross profit margin of over 70%, thereby pulling the profit after tax to VND 1,056 billion, up 102% over the same period last year. This result is equivalent to implementing 26.4% of the profit plan approved by the Board of Directors.
- **VIC**: VinFast has just withdrawn its application for an initial public offering (IPO) previously submitted in December 2022 in the US. Instead, Vinfast intends to file a new application to list shares in the US after merging with Black Spade - a previously listed special purpose acquisition company (SPAC). After the consolidation, VinFast is valued at about $27 billion, equity of $23 billion, and excluding cash from a trust of about $169 million from Black Spade.

Breaking News



Business news

- **GAS:** At the beginning of May 2023, the Ministry of Industry and Trade issued a decision certifying that Vietnam Gas Corporation - JSC (PV GAS) is eligible to be an LNG importer and exporter, marking a new development step. of PV GAS in the gas business. With this decision, PV GAS is proud to be the first unit that is qualified to carry out import and export activities and LNG trading and distribution on the Vietnamese market.
- **GMD:** On May 31, Gemadept JSC said it had divested all 84.66% of capital in Nam Hai Dinh Vu Port Joint Stock Company (NHDV). Thus, NHDV port is no longer a subsidiary of Gemadept. According to research, NHDV port opened in 2014, is Gemadept's second port in Hai Phong. NHDV port accounts for 50% of the total handling capacity of Gemadept ports in Hai Phong and 10% of the market share in the Hai Phong port cluster.
- **GEX:** Gelex Group Joint Stock Company has just announced the results of payment of principal and interest of maturing bonds. Specifically, on May 29, 2023, two bond codes matured. In which, the bond code GEX_BOND_A_2020 with a par value of 500 billion dong, the Company pays the entire principal of 500 billion dong and a profit of 16.1 billion dong; bond code GEX_BOND_B_2020 with par value of VND 200 billion, According to reports, GEX has paid the whole principal of VND 200 billion and profit of VND 8.9 billion. Thus, two bond codes with a total par value of 700 billion VND were settled by Gelex on time.

Technical view



Trend:

- Vietnam market increased 3.22 points (0.30%), in general, foreign investors are still in the trend of net selling. Cash flow is showing signals to probe banking stocks; a series of small stocks on HNX increased strongly.
- Technically: The index is still trying to hold above the 1.075 zone, the candles closed with long tails. MACD shows bullish momentum but not too strong. The RSI shows price strength moving closer to the oversold zone. In general, the market trend has not yet determined the trend.
- Strategy: Investors should limit chasing when the market has not yet confirmed the trend. If yes, only disburse with low proportion, do not use margin.

• 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

2/6/2023

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
AAA	Hold	11.2	13	10.5	16%	-6%	11.4	1	1.79%	01/06/2023	
GEG	Hold	17	19.2	15.8	13%	-7%	17.2	1	1.18%	01/06/2023	
SBT	Hold	16.45	17.8	15.6	8%	-5%	16.55	2	0.61%	31/05/2023	
VPB	Hold	19.7	21.4	18.5	9%	-6%	19.4	8	-1.52%	23/05/2023	
TCB	Hold	30.15	33	28.5	9%	-5%	30.3	8	0.50%	23/05/2023	
EIB	Hold	19.55	21.85	18	12%	-8%	20.85	16	6.65%	11/05/2023	
DGW	Hold	34.5	40	31	16%	-10%	36.2	16	4.93%	11/05/2023	
SSI	Hold	21.9	25	20.9	14%	-5%	23.45	18	7.08%	09/05/2023	
VCI	Sell	31.95	35.5	30.5	11%	-5%	34.85	20	9.08%	05/05/2023	

Economic calendar

June 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
28	29	30	31	1 EA Inflation Rate EA Unemplyment Rate	2 US Unemplyment Rate US Non Farm Payroll	3
4	5	6	7 AU GDP Growth Rate CN Balance of Trade US Balance of Trade	8	9 CN Inflation Rate	10
11	12	13 GB Unemployment Rate US Inflation Rate	14	15 US FED Interest Rate Descision ECB FED Interest Rate Descision	16 BOJ Interest Rate Descision	17
18	19	20	21 GB Inflation Rate	22 BoE Interest Rate Decision	23 JP inflation Rate GB Retail Sales	24
25	26	27	28	29 DE Inflation Rate	30 EA Unemployment Rate	1
2	3	NOTES				

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Q&A

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