MORNING CALL
03/07/2023

Shinhan Securities

"Morning call- The market declined, short-term uptrend is challenged"

- World stocks: US stocks recover on falling inflation data
- Vietnam stocks: Liquidity is decreasing, short-term uptrend is challenged
- Business News #HBC #PLC #DPR #PHR #KBC
- Technical perspective and recommendation update
- Event calendar
- Q&A

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Mở tài khoản

Global Market Review - Week 03 - 07/07/2023

Shinhan Securities

Major stocks market

- Wall Street rallied on the last day of the second quarter of 2023, as falling inflation eased investors' worries about further rate hikes. The Dow closed 280 points higher (+0.84%), while the S&P and Nasdaq gained 1.2% and 1.4%, respectively.
- PCE inflation, the Fed's preferred inflation reference, rose 0.3% month-on-month, in line with forecasts, and was below 0.4% in April, hitting its lowest level in nearly two years. Besides, the annual core inflation rate dropped to 4.6%. In the second quarter, the Dow Jones gained 2.5%, the S&P gained 7%, the Nasdaq gained 13.3%, the recovery was supported by AI-related stocks and confidence that the Fed has completed most of its rate hikes.
- European shares closed higher in the final session of June, with Germany's DAX 40 up 1.3% and Europe's STOXX 600 up around 1.2%. Sentiment was supported by data indicating that inflationary pressures in the Euro Area cooled in June. The latest CPI report showed that overall inflation fell more than expected, reaching 5.5% - the lowest level since January 2022. However, the core rate remained high, which makes the ECB likely to continue increase interest rates in the coming months.
- Asian markets ended with mixed movements appearing in countries, in which the Shanghai Composite index increased 0.62%, the Nikkei 225 gained 1.35% , while the Hang Seng index fell 0.09%, respectively.
- Ending the session on Friday, Brent oil price increased 0.8% to 74.90 USD/barrel. WTI oil price increased 1.1% to 70.64 USD/barrel. Strong US economic activity data and a drop in US oil inventories last week supported oil prices. However, oil prices remain under pressure from interest rate hikes in key economies and a slow recovery in Chinese production and consumption.

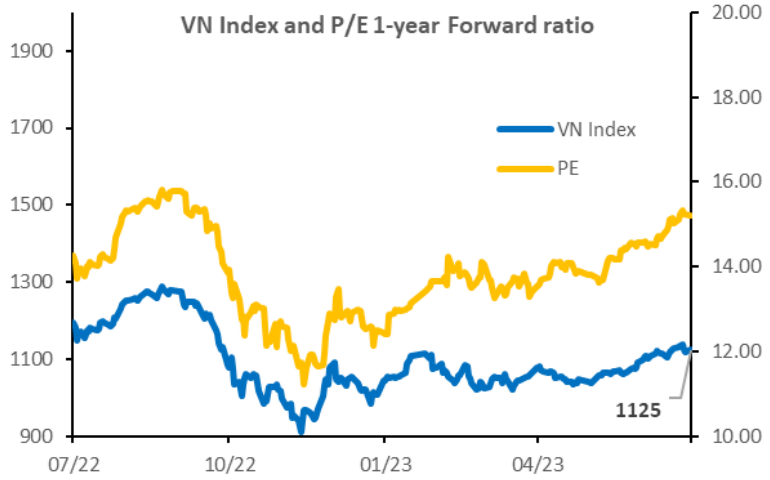
Market

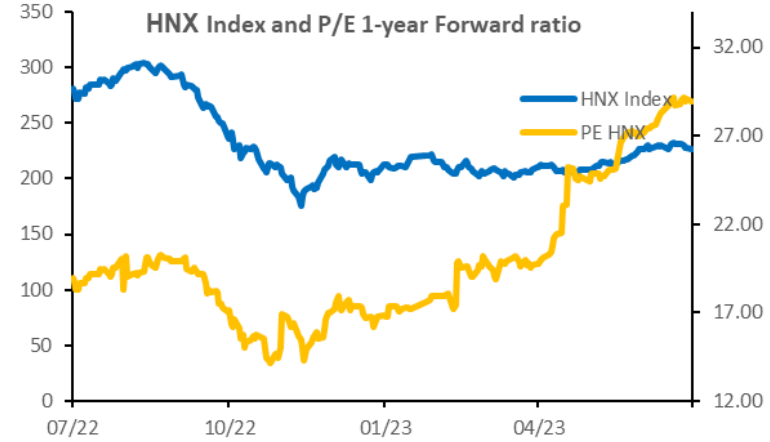
	Close	%1D	%1M	%1Y
VN-Index	1,125	0.43%	3.13%	-6.57%
S&P 500 Index	4,450	1.23%	3.92%	16.34%
Dow Jones Index	34,408	0.84%	1.91%	10.65%
GP 100	7,532	0.80%	-1.00%	5.06%
Nikkei 225	33,705	1.55%	6.92%	29.96%
SHCOMP Index	3,232	0.95%	0.07%	-4.58%
STOXX 600	462	1.16%	-0.05%	13.46%
KOSPI Index	2,599	1.34%	-0.10%	12.72%
Hang Seng	19,193	1.46%	1.28%	-12.20%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.96	0.05%	-1.01%	-2.07%
USD/VND	23,598.00	-0.06%	-0.42%	-1.22%
EUR/USD	1.09	0.00%	1.83%	4.67%
USD/CNY	7.25	0.10%	-1.99%	-7.53%
Brent	75.43	0.03%	-0.92%	-32.43%
WTI	70.63	-0.01%	-1.55%	-34.86%
Natural gas	2.71	-3.04%	24.91%	-52.65%
Coal	149.70	2.32%	10.89%	-61.21%
Gold	1,915.45	-0.20%	-2.37%	5.93%

Vietnam Market Snapshot 30/06/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,120.18	15.29	-5.21	-0.46	520	10,363
HNX INDEX	227.32	28.77	-0.16	-0.07	70	1,077

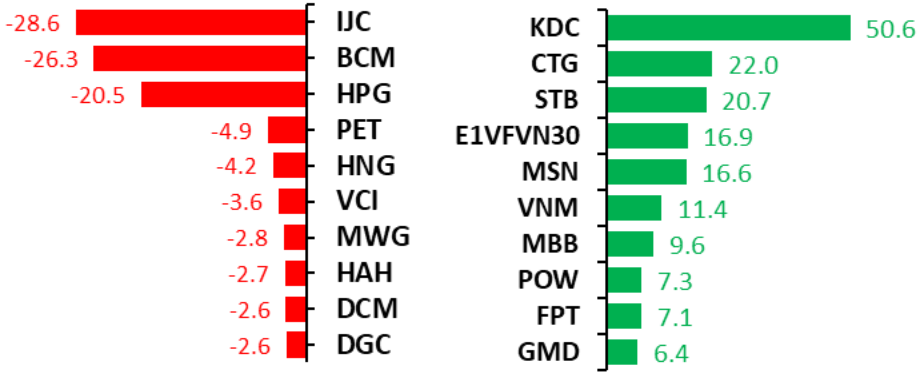
Money flow and sector rotation (VND bn)

Sector	%1D	6/30/2023	6/29/2023	20-session Average
Media	51.14	1	0	2
Retail	35.87	526	387	438
Utilities	19.90	231	193	238
Technology	4.19	73	70	98
Health Care	-4.9	18	19	34
Personal & Household Goods	-8.8	171	188	179
Automobiles & Parts	-9.3	91	100	120
Travel & Leisure	-16.5	109	131	140
Industrial Goods & Services	-20.7	691	871	942
Financial Services	-29.4	1,382	1,957	2,198
Real Estate	-35.4	2,299	3,559	3,191
Banks	-35.5	1,659	2,574	2,709
Insurance	-38.3	52	84	70
Basic Resources	-44.2	936	1,679	1,351
Food and Beverage	-45.7	876	1,612	1,231
Construction & Materials	-47.3	722	1,371	1,293
Chemicals	-49.5	434	860	736
Oil & Gas	-50.5	84	169	158

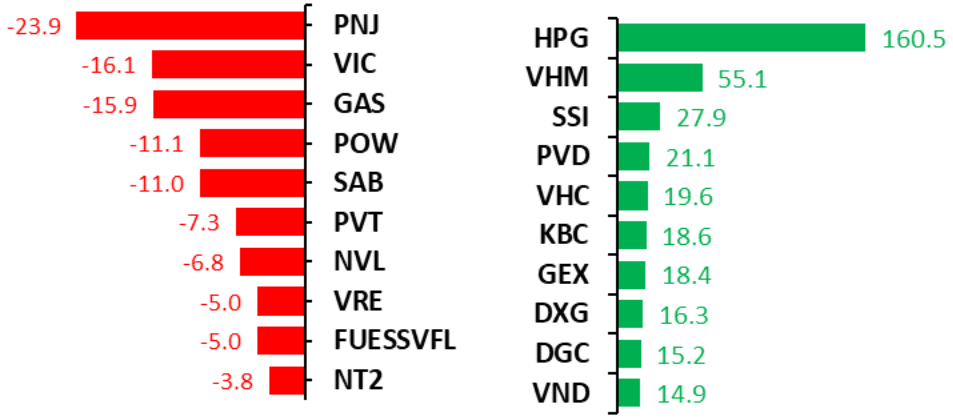
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 30/06/2023

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	(53)	93	(48)	(45)
Basic Resources	(20)	169	(187)	18
Media	-	0	(0)	-
Industrial Goods & Services	2	13	87	(101)
Health care	-	0	(0)	0
Chemicals	(6)	18	3	(21)
Financial Services	18	62	(72)	10
Travel & Leisure	(1)	(4)	(1)	5
Banks	77	4	43	(47)
Construction & Materials	(1)	9	(38)	29
Food and Beverage	74	9	(52)	43
Retail	(8)	24	(1)	(23)
Utilities	11	(30)	32	(2)
Personal & Household Goods	-	(13)	23	(10)
Technology	7	0	(8)	8
Automobiles & Parts	-	2	(2)	(0)
Insurance	0	5	1	(6)
Oil & Gas	0	19	(7)	(12)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- Average CPI in Q2/2023 increased by 2.41% YoY. On average, in the first 6 months of 2023, CPI increased by 3.29% YoY; core inflation increased by 4.74% YoY.
- The State Bank prohibited banks from lending money to customers to deposit money.
- The government increased pensions, social insurance benefits and monthly allowances from July 1.
- According to the Government's Decree No. 24/2023/ND-CP dated May 14, 2023 stipulating the base salary for cadres, civil servants, public employees and the armed forces, from July 1, 2023, apply a base salary of 1.8 million VND/month.
- According to data from Investing, urea futures prices jumped 11.75% overnight to $319, their highest in more than a month.

Less positive

- According to the GSO, GDP in Q2/2023 was estimated to increase by 4.14% YoY. Generally in the first 6 months of 2023, GDP increased by 3.72%, just higher than the 1.74% growth rate of the first 6 months of 2020.
- According to the GSO, in the first 6 months of 2023, the total export and import turnover of goods reached 316.65 billion USD, down 15.2% YoY. In which, exports decreased by 12.1%, imports decreased by 18.2%.
- Quarter 2/2023: More than 240,000 workers are underemployed.

Business news

- **HBC**: Hoa Binh Construction Group has just released its 2022 audit report with many issues. Accordingly, Hoa Binh's revenue in 2022 recorded nearly VND 14,149 billion, up 24% YoY. The financial expenses skyrocketed to VND 520 billion, mainly due to interest expenses, and at the same time, administrative expenses also increased by 5.4 times to VND 2,246 billion. Therefore, Hoa Binh had a net loss of VND 2,566 billion in 2022, while the previous year still has a profit of VND 103 billion. Hoa Binh Group incurred a net loss in 2022 of VND 2,570 billion and accumulated loss of VND 2,101 billion.
- **PLC**: Petrolimex Petrochemical Corporation has researched and successfully produced POWERSYN high-grade synthetic engine lubricants with viscosity 0W-30...
- **THD**, **DIC**: Thaiholdings Joint Stock Company (HNX: THD) has sent an open letter to Construction Development Investment Corporation (DIC Corp, HoSE: DIG) with the desire to cooperate in investment in the Urban Area project, Dai Phuoc, Dong Nai. Dai Phuoc ecological urban area project in Dong Nai has a scale of 465 hectares with a total investment of VND 7,506 billion. In the open letter, Thaiholdings said that it is known that DIC Corp is currently the investor of Dai Phuoc ecological urban area project in Dai Phuoc, Dong Nai province. THD is looking for partners for the project of high-class riverside villas in PK8 and Dai Phuoc eco-tourism urban area in PK2,3 of the project.
- **DPR**: Dong Phu Rubber Joint Stock Company sets a revenue target of VND 819.6 billion, down 4% compared to 2022, net profit of more than VND 220 billion, up 7.8%. This company also completed the process of contributing capital to Bac Dong Phu Binh Phuoc Industrial Park.
- **PHR**: Phuoc Hoa Rubber Joint Stock Company approved the plan to distribute dividends in 2023 at the minimum rate of 30%/par value at the 2023 Annual General Meeting of Shareholders.

Breaking News



Business news

- **BHN**: Hanoi Beer - Alcohol - Beverage Corporation - Habeco (Code BHN - HOSE) held the Annual General Meeting of Shareholders in 2023, approved the revenue plan of VND 7,367 billion (-14% YoY) and profit after tax of VND 222 billion (- 56% YoY). Expected dividend payout ratio is 8%. The company also announced the payment of cash dividend in 2022 at the rate of 15%.
- **VND**: With the new credit limit, VNDIRECT Securities can borrow up to VND 13,697 billion from Vietcombank, equivalent to 24.5% of the bank's charter capital.
- **L14**: Specifically, Licogi Corporation - Joint Stock Company (LIC - UPCoM) has just sold 721,000 L14 shares out of the total registration of 880,000 shares, the successful rate of selling is 81.9% of the total registration, reducing ownership from 22.2% returned to 19.9% of charter capital, transactions were carried out from June 5 to June 28. In addition, from July 3 to July 31, Licogi Corporation - JSC continued to register to sell 880,000 L14 shares to reduce ownership from 19.9% to 17% of charter capital.
- **GEX**: GELEX has a policy to restructure the list of power projects through the divestment of maximum or all shares/contributions in these power project companies to foreign investors. Currently, GELEX is in the process of working and negotiating to reach an agreement and complete the transaction with foreign investors.
- **KBC**: Wants to buy more 11.88 million shares of Trang Due Industrial Park in Hai Phong. The total value of this deal is VND 1,188 billion, equal to the debt from SHP of Kinh Bac. Kinh Bac Board of Directors also approved the conversion of this debt into the total amount of SHP's share purchase.

Technical view



Trend:

- The market fell 5.21 points (0.46%) to close at 1,120.18 points due to the appearance of macro data in the second quarter of 2023. Experts expressed concern about the ability to maintain growth in the context of many related indicators such as import and export, domestic consumption, and weak credit growth.
- Technically: The sharp dropped in liquidity compared to previous sessions was a remarkable point. The MACD indicator showed that the MACD line cross down the signal line. The RSI indicator showed a strong bearish momentum. The index is expected to corrected soon .
- Strategy: Investors should not be too optimistic, disburse only stocks with good fundamentals and with reasonable buying points during the market's correction. If stocks continue to fall, the investor can use cost averaging strategy. Investor should only disbursed strongly if the market has more positive signals.

Scenario:

- Positive (50%): The index surpassed the strong resistance level of 1,125 points and moved to the next resistance level at 1,200 points.
- Less positive (60%): After failing to test 1.125 zone, the index returned to the next support zone of 1.100; even 1,060 if there is less positive information.

Recommended stocks

3/7/2023

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
CMX	Buy	10	12.1	9.4	21%	-6%	9.55	5	-4.50%	25/06/2023	
TAR	Buy	16.1	19.3	15.2	20%	-6%	15.8	5	-1.86%	26/06/2023	
CEO	Buy	26	30.7	24.5	18%	-6%	23.8	5	-8.46%	26/06/2023	
KDH	Buy	31.2	34.95	30	12%	-4%	30.8	5	-1.28%	26/06/2023	
PET	Buy	27.3	30	26	10%	-5%	27.5	7	0.73%	22/06/2023	
REE	Buy	62.8	68.6	60.5	9%	-4%	65.2	13	3.82%	14/06/2023	
VHC	Hold	14.95	17.8	14.4	19%	-4%	65	15.6	334.78%	31/05/2023	

Economic calendar

July 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
25	26	27	28	29	30	1
2	3	4 Australia interest rate hike	5	6 FOMC Minute	7 Unemployed rate of US and Canada	8
9	10 China Inflation rate	11 England Unemployement rate	12 England Unemployement rate	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

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Q&A

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