MORNING CALL
04/07/2023

Shinhan Securities

"The market continued to approach the resistance zone of 1,125 points and the volume dropped down"

- World stocks: US stocks moved sideway
- Vietnam stocks: The market continued to approach the resistance zone of 1,125 points and the volume dropped down
- Business News #FMC #CTR #POW #NAF #VGC #MVN
- Technical perspective and recommendation update
- Event calendar
- Q&A

[Analysts]

Tri Vo
☎ (84-28) 90 992 6972
✉ tri.vm@shinhan.com

Tien Le
☎ (84-28) 037 639 1443
✉ tien.lds@shinhan.com

Mở tài khoản

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

Major stocks market

- US stocks closed with marginal gains on a shortened Monday session, setting the stage for caution in the second half of the year as markets continued to assess the economy's resilience to further monetary tightening from the Federal Reserve. The Dow added 10 points, while the S&P 500 and the Nasdaq edged 0.1% and 0.2% higher, respectively.
- Shares from rate-sensitive sectors edged lower after ISM PMI data showed that US manufacturing contracted more than expected for an eighth consecutive month in June, reigniting concerns that restrictive borrowing costs will hamper economic activity to a large extent. Stock exchanges in the US will be closed on Tuesday for the Independence Day holiday.
- European markets finished lower today with shares in Germany leading the region. The DAX is down 0.41% while France's CAC 40 is off 0.18% and London's FTSE 100 is lower by 0.06%
- Japanese shares are lower today as the Nikkei 225 falls 0.82%. The stock markets in Hong Kong and Shanghai are closed yesterday.
- WTI crude futures were up nearly 1% before paring some gains to settle around $71 a barrel on Monday as traders weigh supply cuts and prospects of slowing demand. Saudi Arabia announced it would extend its voluntary cut of one million bpd for August and could prolong it further.

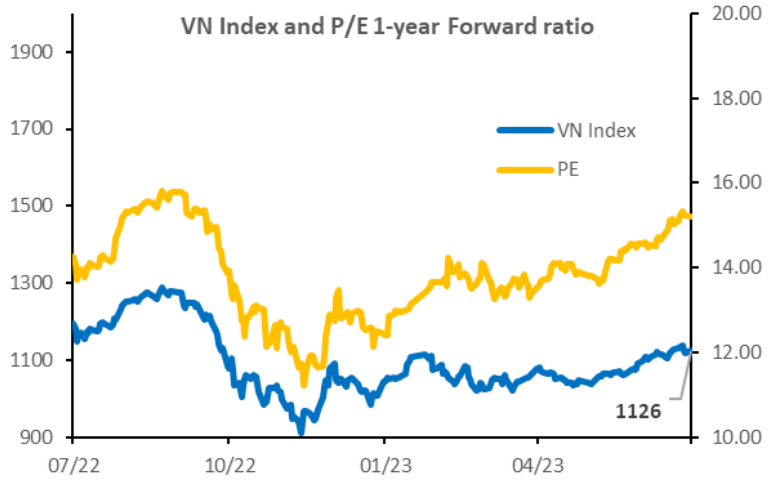
Market

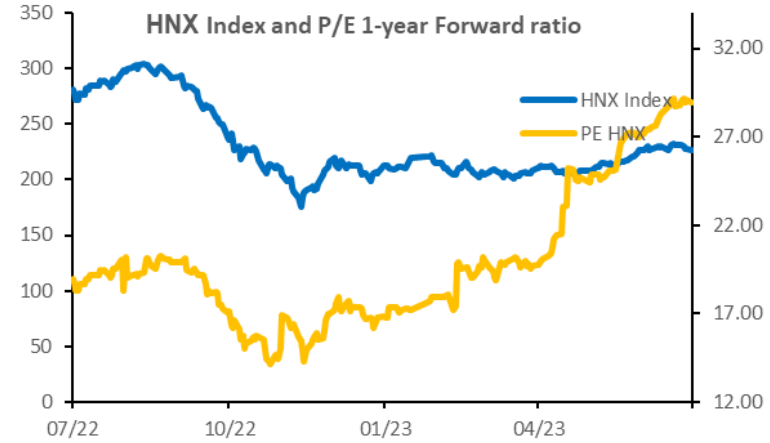
	Close	%1D	%1M	%1Y
VN-Index	1,126	0.47%	3.18%	-5.86%
S&P 500 Index	4,456	0.12%	4.04%	16.48%
Dow Jones Index	34,418	0.03%	1.94%	10.68%
GP 100	7,527	-0.06%	-1.05%	4.07%
Nikkei 225	33,426	-0.97%	6.03%	27.81%
SHCOMP Index	3,244	1.31%	0.43%	-4.74%
STOXX 600	461	-0.21%	-0.25%	12.62%
KOSPI Index	2,600	-0.09%	-0.05%	13.03%
Hang Seng	19,307	2.06%	1.88%	-11.56%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.96	-0.03%	-1.01%	-2.07%
USD/VND	23,658.00	-0.32%	-0.67%	-1.47%
EUR/USD	1.09	-0.02%	1.84%	4.68%
USD/CNY	7.25	0.10%	-1.99%	-7.54%
Brent	74.84	0.25%	-1.69%	-34.06%
WTI	70.03	0.34%	-2.38%	-35.41%
Natural gas	2.70	-0.37%	24.26%	-52.90%
Coal	148.05	-1.10%	13.02%	-61.84%
Gold	1,920.49	-0.06%	-2.11%	6.21%

Vietnam Market Snapshot 03/07/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,125.50	15.36	5.32	0.47	480	9,603
HNX INDEX	226.60	28.68	-0.72	-0.32	80	1,041

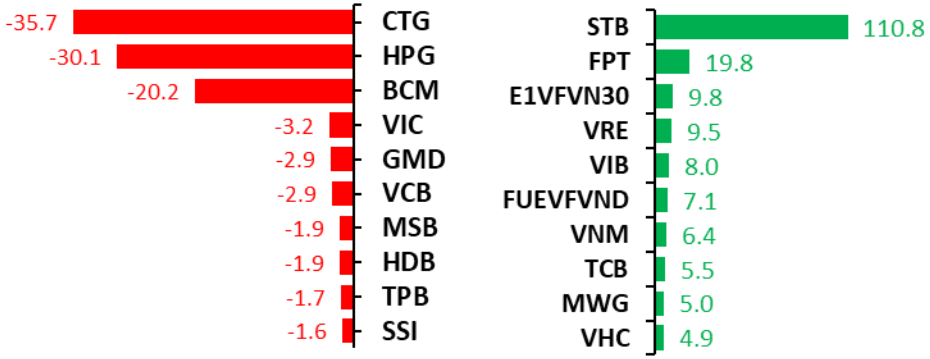
Money flow and sector rotation (VND bn)

Sector	%1D	7/3/2023	6/30/2023	20-session Average
Chemicals	49.29	648	434	717
Media	42.05	1	1	2
Technology	34.12	98	73	95
Travel & Leisure	21.26	133	109	140
Food and Beverage	17.77	1,031	876	1,221
Banks	16.44	1,932	1,659	2,634
Construction & Materials	16.44	841	722	1,278
Oil & Gas	7.40	90	84	154
Health Care	5.73	19	18	33
Personal & Household Goods	-4.5	164	171	179
Basic Resources	-12.4	820	936	1,329
Real Estate	-19.1	1,859	2,299	3,132
Insurance	-23.9	39	52	69
Financial Services	-26.9	1,009	1,382	2,138
Utilities	-30.4	161	231	227
Industrial Goods & Services	-32.2	469	691	909
Automobiles & Parts	-36.3	58	91	117
Retail	-57.0	226	526	423

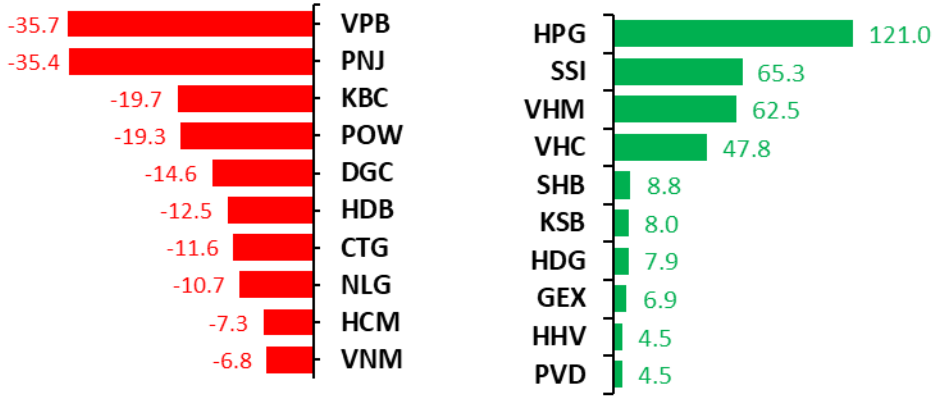
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 03/07/2023

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	(13)	39	(5)	(34)
Basic Resources	(30)	128	(70)	(58)
Media	-	0	(0)	-
Industrial Goods & Services	(5)	7	21	(29)
Health care	(0)	3	(1)	(1)
Chemicals	(3)	(17)	12	5
Financial Services	18	44	(42)	(2)
Travel & Leisure	(1)	0	0	(0)
Banks	84	(58)	(40)	98
Construction & Materials	0	(5)	(19)	24
Food and Beverage	14	44	(0)	(44)
Retail	5	1	13	(15)
Utilities	4	(19)	48	(29)
Personal & Household Goods	(0)	(33)	53	(20)
Technology	20	(1)	(33)	34
Automobiles & Parts	(0)	(1)	1	(0)
Insurance	(0)	(3)	13	(10)
Oil & Gas	(0)	6	(7)	2

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- Agricultural exports hit many records, the target of USD 55 billion will be achieved.
- In the first 6 months of 2023, Vietnam's seafood exports reached nearly 4.2 billion USD (-27% y.o.y). However, VASEP believes that seafood exports are gradually recovering. VASEP warns about a potential shortage of raw materials at the beginning of 2024 when the market is expected to recover.

Less positive

- According to VASEP, in June 2023, Vietnam's shrimp exports reached USD 341 bn (-18% y.o.y). In the first 6 months, shrimp exports were estimated nearly USD 1.6 billion (-31% y.o.y).
- PMI: PMI in June reached 46.2 points, higher than 45.3 points in May but still below the threshold of 50 points for the fourth consecutive month. According to S&P Global, this shows that the health of Vietnam's manufacturing industry continues to decline.

Business news

- **FMC:** In June 2023, revenue reached USD 18.6 million, and was the highestand the month with the highest sales so far this year. In the first 6 months of 2023, Sao Ta's shrimp production reached 9,402 tons, equaling 85.9% compared to the same period in 2022. In the first 6 months, Sao Ta estimated to earn USD 86.7 million, reaching 80% of the same period.
- **CTR:** After 5 months, revenue recorded VND 4,149 billion (+21% y.o.y) and PBT reached 238 billion (+23% y.o.y). In which, the construction and operation segment was the largest contribution to revenue. In term of region, the domestic market plays an important role when accounting for 85% of revenue.
- **POW:** In May 2023, POW estimates revenue to reach VND 3,350 billion (+38% y.o.y). Total electricity output was about 1.5 billion kWh. After 5 months, revenue was about VND 13,771 billion, up 11% over the same period and fulfilling 45% of the year plan. The company said that in June, it will strive to reach an output of 1.4 billion kWh and total revenue of VND 2.67 trillion.
- **NAF:** NAF is about to spend 226 billion to acquire Nghe An Food JSC (Naprod). NAF plans to buy another 5.88 million shares at price of VND 37,000/share, increasing its ownership to 99.9% of charter capital (equivalent to nearly 6.2 million shares).
- **VGC:** In the second quarter, VGC's revenue recorded VND 4,225 billion, down slightly by 1% y.o.y, while pre-tax profit increased by nearly 18% to VND 692 billion. After 6 months, VGC expects net revenue to reach nearly VND7,000 billion (-14% y.o.y). Profit before tax in the first half of the year is estimated at VND 913 billion (-48% y.o.y), fulfilling 75% of the whole year profit plan.
- **MVN:** MVN estimates a pre-tax profit of more than VND1,500 billion in the first half of the year (-20% y.o.y) and predicts that the oversupply of ships will continue. With this result, the company has achieved 65% of the revenue target and 67% of the year's pre-tax profit target.

Technical view



Trend:

- The market gained 5.32 points (0.47%) to close at 1,125.50 points. Selling pressure decreased, buyers increased along with the cooperation of foreign investors, helping to improve the overall situation. The breadth indicates a good price reversal for stocks. Seafood stocks attracted strong cash flow, VHC closed at ceiling price.

- Technically: The index bounced back after touching MA20 which is a positive result but the liquidity is still quite poor. MACD shows that the index's signal is still on a short-term downtrend when the selling pressure gradually clears up; RSI returns back to the same overbought

- Strategy: Investors limit bottom-fishing, disburse only stocks with good fundamentals with reasonable buying points during the market's correction. If stocks continue to fall, the price averaging strategy is to lower the cost of capital, only disbursing 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

4/7/2023

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	6	-4.50%	25/06/2023	
TAR	Buy	16.1	19.3	15.2	20%	-6%	15.8	6	-1.86%	26/06/2023	
CEO	Buy	26	30.7	24.5	18%	-6%	23.8	6	-8.46%	26/06/2023	
KDH	Buy	31.2	34.95	30	12%	-4%	30.8	6	-1.28%	26/06/2023	
PET	Buy	27.3	30	26	10%	-5%	27.5	8	0.73%	22/06/2023	
REE	Buy	62.8	68.6	60.5	9%	-4%	65.2	14	3.82%	14/06/2023	
VHC	Hold	60	17.8	14.4	-70%	-76%	65	15.6	8.33%	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					

Shinhan Securities

Q&A

Shinhan Investment Network

SEOUL

Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH

Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000

Shinhan Securities



Compliance Notice

- Analyst Certification: We/I hereby certify the information and material presented in this report are accurate expressions of their views, and that we/I have not received internally or externally wrongful pressure to express such views.
- All opinions and estimates regarding the company and its securities are accurate representations of the covering analyst's judgments as of this date and may differ from actual results.
- This report is intended to provide information to assist investment decisions only and should not be used or considered an offer or the solicitation of an offer to sell or to buy any securities. Stock selection and final investment decisions should be made at the client's own discretion.
- This report is distributed to our clients only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.

Disclaimers

- This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of Shinhan Securities Vietnam Ltd.., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of Shinhan Securities Vietnam Ltd.
- This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. Shinhan Securities Vietnam Ltd. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Shinhan Securities Vietnam Ltd.., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or Shinhan Securities Vietnam Ltd. The final investment decision is based on the client’s judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.
- Copyright ⓒ 2020 Shinhan Securities Vietnam Ltd. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of Shinhan Securities Vietnam Ltd.