# MORNING CALL
05/07/2023

Shinhan Securities

## "Market bounced up after hitting the support line, the world market went sideways"

- World stocks: US stocks went sideways
- Vietnam stocks: Domestic market rebounded after hitting the support line, liquidity improved lower than 20 sessions average
- Business News #TNG #HVN #TCM #NLG #TLG #DXG
- Technical perspective and recommended 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

- Markets were closed on Tuesday for the Fourth of July holiday and closed early on Monday. The major averages notched gains during Monday's session which kicked off the start of a new month, quarter and half-year for the market. The Nasdaq Composite climbed 0.21%, the S&P 500 rose 0.12% and the Dow inched up 0.03%. Investors now look ahead to the latest Federal Reserve policy meeting minutes on Wednesday for more clues on the path for interest rates, as well as May factory orders data.
- European shares traded within a narrow range but closed lower on Tuesday, with Germany's DAX falling 0.3%, as investors maintained caution amidst uncertainty surrounding global interest rates. They also awaited the release of crucial economic data later in the week and the start of the second-quarter earnings season next week.
- The Reserve Bank of Australia decided to keep interest rates unchanged at 4.1%, saying there was a need for additional time to assess the impact of previous rate hikes on the economy before making further adjustments.
- Japanese shares are lower today as the Nikkei 225 falls 0.44%. The stock markets in Hong Kong and Shanghai are closed at this time.
- WTI crude futures rose about 2% to above $71 a barrel on Tuesday, recovering from a 1.2% fall in the previous session, though trading volumes were light due to the Independence holiday in the US. Investors continue to weigh supply cuts and prospects of slowing demand.

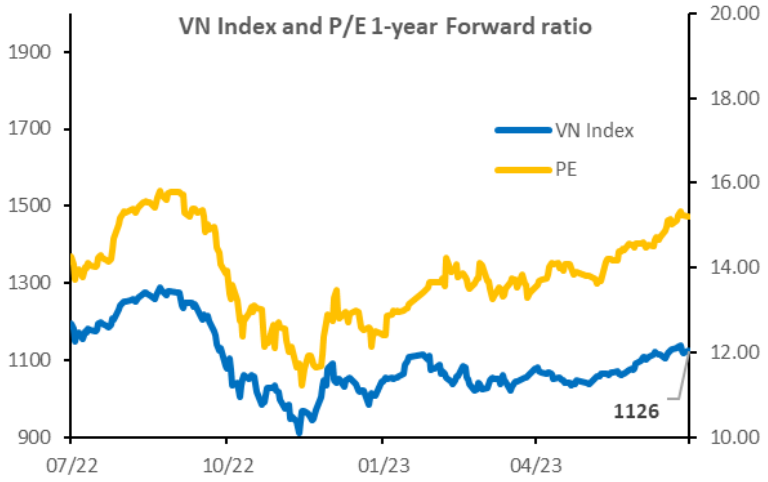
## Market

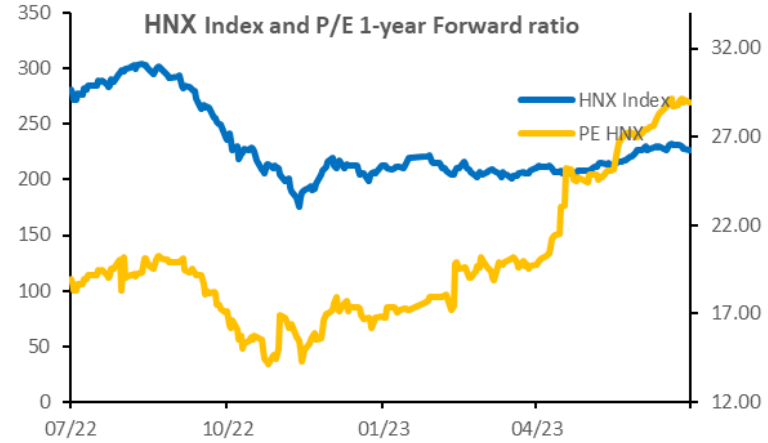
| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| VN-Index | 1,126 | 0.47% | 3.18% | -5.86% |
| S&P 500 Index | 4,456 | 0.12% | 4.04% | 16.48% |
| Dow Jones Index | 34,418 | 0.03% | 1.94% | 10.68% |
| GP 100 | 7,527 | -0.06% | -1.05% | 4.07% |
| Nikkei 225 | 33,426 | -0.97% | 6.03% | 27.81% |
| SHCOMP 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 04/07/2023




| | 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 |

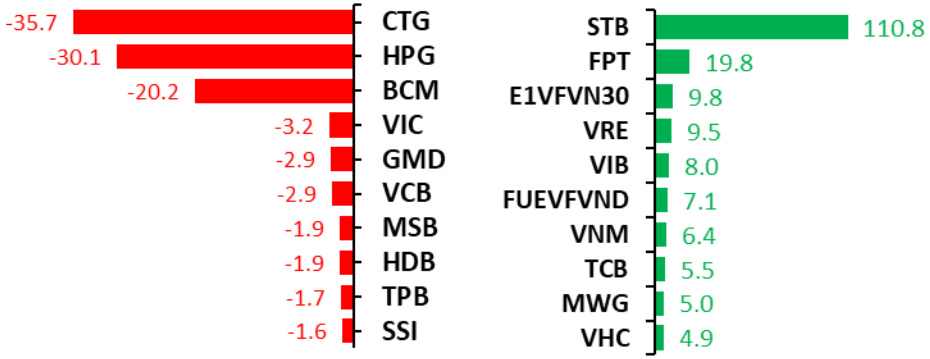
## Money flow and sector rotation (VND bn)

| 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 |

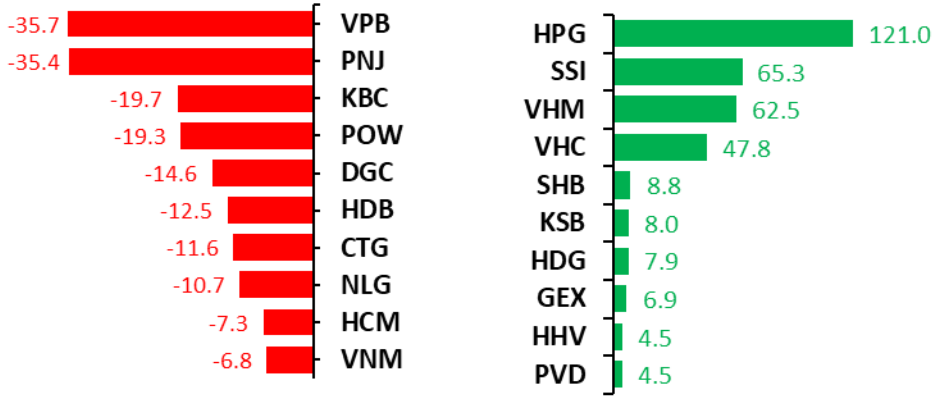
Source: Bloomberg, Shinhan Securities Vietnam

# Vietnam Market Snapshot 04/07/2023

## 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

- Prime Minister Pham Minh Chinh has just signed and promulgated Official Dispatch No. 610/CD-TTg dated July 3, 2023 on strengthening the implementation of tasks and solutions to promote rice production and export.
- Vietnam signed an agreement to borrow nearly 61 billion yen from Japan. On July 4, Deputy Minister of Finance Vo Thanh Hung and Chief Representative of the Japanese Agency Sugano Yuichi signed three loan agreements with three programs and projects with a total value of nearly 61 billion yen. Focus on post-Covid-19 recovery issues and infrastructure development
- On July 4, 2023, live hog prices continued to jump with an average of more than 61,000 VND/kg, up 35% after more than 1 month.

### 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

- **TNG**: According to the update report, TNG recorded sales revenue of VND 701 billion in June, up nearly +5% MoM but -8% YoY - marking the first negative revenue growth since January 2023. Accumulated in the first 6 months, TNG's revenue reached VND 3,331 billion, up VND 99 billion, equivalent to an increase of 3% YoY. Export revenue continued to hold the key position accounting for 97% of total revenue. In which, the US and France are the two largest markets, accounting for 46% and 15% market share, respectively. Domestic alone accounts for only 3%.
- **HVN**: Vietnam Airlines estimates the consolidated revenue of the first 6 months will reach VND 45,255 billion, equaling 148.9% of the same period last year and about VND 1,000 billion higher than the plan. During this period, the total number of flights made by Vietnam Airlines reached 64.3 thousand flights, with a total flight time of 148.27 thousand hours. Passenger transport was estimated at 10.14 million passengers, up 23.6% YoY. The result of freight and parcel transportation was estimated at 103,287 tons, equaling 91% yoY.
- **TCM**: On July 3, Thanh Cong Textile - Investment - Trading Joint Stock Company announced that E-Land Asia Holding Company registered to buy more than 1.38 million TCM shares, estimated to spend VND 78 billion. Business results in the first 6 months of the year the company recorded a profit of 43% completed compared to the plan of 2023.
- **NLG**: The Ho Chi Minh City Stock Exchange has just announced the registration of NLG shares trading by Ms. Nguyen Thi Bich Ngoc, the wife of Mr. Nguyen Xuan Quang - Chairman of the Board of Directors of Nam Long Investment JSC. Specifically, for the purpose of personal financial, Ms. Nguyen Thi Ngoc Bich registered to sell 2.5 million NLG shares, which is expected to reduce Ms. Bich's ownership to 13.84 million shares, equivalent to 3.6% of the company's charter capital.

# Breaking News



## Business news

- **TLG**: Thien Long Group Joint Stock Company has just announced its business results for the first 5 months of the year with net revenue of VND 1,536 billion, up 8% YoY. In which, export revenue increased 3% to VND 416 billion. However, selling and administrative expenses increased by 27% to VND447 billion as the group implemented many early marketing programs to distributors to promote sales and effectively drive revenue growth. Gross margin was maintained at 42%. As a result, Thien Long's profit after tax decreased by 17% to VND 172 billion. On average, every day in the first 5 months of the year, the business made a profit of more than VND 1.1 billion.
- **DXG**: Dat Xanh Mien Nam Southern Investment and Service Joint Stock Company announced unusual information about the payment of principal and interest of MNRCH2123001 bonds. Accordingly, the last 6 payment periods from the 12th to the 17th period (from February 15 to June 30, 2023) Dat Xanh Mien Nam has not been able to pay interest to bondholders. The total amount of late payment is more than VND 9.2 billion. Dat Xanh Mien Nam said the company has not arranged cash flow. MNRCH bond lot issued on December 31, 2021, with maturity on December 31, 2023 - has a total value of VND 150 billion. Dat Xanh Mien Nam does not disclose much information about this bond lot. Besides, Dat Xanh Mien Nam is expected to pay interest on the above late payment bond periods on December 31, 2023 - the same date as the bond's maturity.

# Technical view




## Trend:

- The market gained 6.5 points (0.58%) to close at 1,132 points; Buyers showed a strong sentiment than seller, leading to a higher price. Although VN-Index was still restrained by some large-cap stocks, the rest of the market gained positively.
- Technically: The index continued to gain after touching MA20, which is a positive signal. The liquidity also improved. MACD showed a signal that the bearish momentum slowed down; there was still downward trend but weaker than the previous three sessions; RSI tried to turn back towards 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

**5/7/2023**

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% | 9.96 | 7 | -0.40% | 25/06/2023 | |
| TAR | Buy | 16.1 | 19.3 | 15.2 | 20% | -6% | 16.2 | 7 | 0.62% | 26/06/2023 | |
| CEO | Buy | 26 | 30.7 | 24.5 | 18% | -6% | 23.8 | 7 | -8.46% | 26/06/2023 | |
| KDH | Buy | 31.2 | 34.95 | 30 | 12% | -4% | 30.4 | 7 | -2.56% | 26/06/2023 | |
| PET | Buy | 27.3 | 30 | 26 | 10% | -5% | 27.85 | 9 | 2.01% | 22/06/2023 | |
| REE | Buy | 62.8 | 68.6 | 60.5 | 9% | -4% | 65.4 | 15 | 4.14% | 14/06/2023 | |
| VHC | Sell | 60 | 67.8 | 57 | 13% | -5% | 71 | 15.6 | 18.33% | 07/06/2023 | |

# Economic calendar

## July 2023

| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|---|---|---|---|---|---|---|
| 25 | 26 | 27 | 28 | 29 | 30 | 1 |
| 2 | 3 | 4<br>Australia interest rate hike | 5 | 6<br>FOMC Minute | 7<br>Unemployed rate of US and Canada | 8 |
| 9 | 10<br>China Inflation rate | 11<br>England Unemployement rate | 12<br>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.