MORNING CALL
12/07/2023

Shinhan Securities

"The domestic stock market faces profit-taking pressure, while the global market increases."

- World market: US stocks rise ahead of inflation report.
- Vietnam market: The domestic market faces selling pressure due to profit-taking.
- Business News: #HVN #MWG #EVN #PGB #FLC #HBC
- Key Highlights: Banking Sector
- Technical view and recommendation update:
- Event calendar
- Q&A

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Mở tài khoản

Global Market Review - Week 10 - 14/07/2023

Major stocks market

- The Dow Jones index ended more than 316 points higher, +0.93%, closing higher on Tuesday. The S&P 500 rose nearly 0.7%, while the Nasdaq increased by 0.5%. US stocks closed higher on Tuesday, extending gains for the second session, as investors looked forward to the key inflation report due tomorrow. Specificially, inflation data could prompt the Federal Reserve to consider ending interest rate hikes sooner.
- European markets finished broadly higher today with shares in France leading the region. The CAC 40 is up 1.07% while Germany's DAX is up 0.75% and London's FTSE 100 is up 0.12%.
- The Nikkei 225 index increased by 0.17%, closing at 32,258, while the Topix index decreased by 0.31% to 2,236 in mixed trading on Tuesday. The gain in the technology sector was offset by the decline in consumer, healthcare, and financial stocks. Investors remained cautious ahead of key inflation data from the United States this week, which could impact the monetary policy outlook of the Federal Reserve.
- WTI crude futures edged above $74 per barrel on Tuesday, recouping some losses from the previous session and hovering close to their highest levels in a month, as supply cuts by top crude exporters Saudi Arabia and Russia are expected to tighten the market

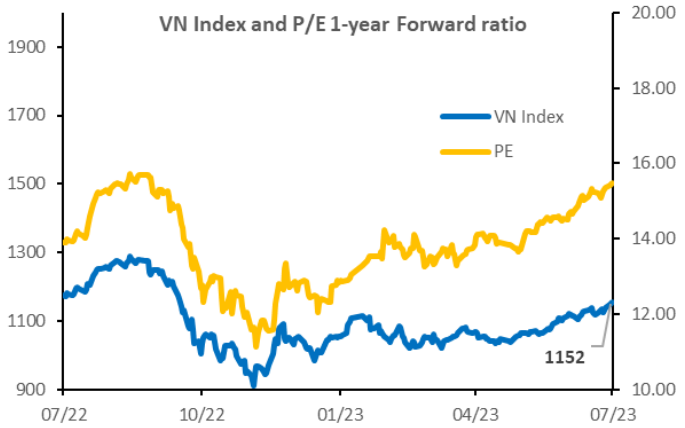
Market

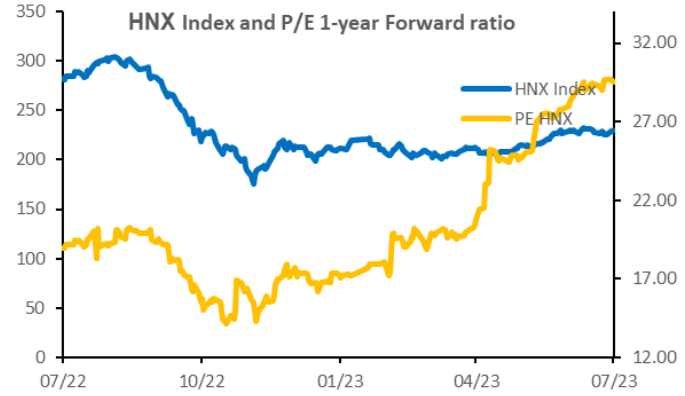
	Close	%1D	%1M	%1Y
VN-Index	1,155	0.30%	3.51%	-1.67%
S&P 500 Index	4,439	0.67%	2.31%	16.25%
Dow Jones Index	34,261	0.93%	0.57%	10.59%
GP 100	7,283	0.12%	-3.81%	1.01%
Nikkei 225	31,958	-0.76%	-1.47%	21.34%
SHCOMP Index	3,214	-0.22%	-0.45%	-2.05%
STOXX 600	452	0.72%	-1.96%	8.32%
KOSPI Index	2,567	0.16%	-2.38%	10.74%
Hang Seng	18,873	1.14%	-2.74%	-9.46%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.41	-0.32%	-2.17%	-6.17%
USD/VND	23,686.00	-0.01%	-0.85%	-1.35%
EUR/USD	1.10	0.18%	2.53%	9.88%
USD/CNY	7.19	0.30%	-0.58%	-6.45%
Brent	79.59	0.24%	10.79%	-20.00%
WTI	75.00	0.23%	11.74%	-21.74%
Natural gas	2.74	0.15%	20.70%	-55.62%
Coal	131.00	-2.02%	-3.46%	-68.74%
Gold	1,939.05	0.35%	-0.96%	12.34%

Vietnam Market Snapshot 11/07/2023





Money flow and sector rotation (VND bn)

Sector	%1D	7/11/2023	7/10/2023	20-session Average
Food and Beverage	27.66	1,809	1,417	1,295
Insurance	25.09	88	70	72
Travel & Leisure	16.89	153	131	145
Automobiles & Parts	14.60	180	157	117
Banks	13.55	3,466	3,053	2,617
Construction & Materials	10.24	1,328	1,205	1,218
Personal & Household Goods	6.52	244	230	190
Technology	4.52	114	109	106
Industrial Goods & Services	-0.9	961	970	910
Health Care	-1.2	23	23	27
Financial Services	-3.6	2,430	2,521	2,203
Chemicals	-4.8	868	911	740
Media	-10.4	1	1	1
Utilities	-10.4	244	273	220
Basic Resources	-10.8	1,409	1,579	1,286
Retail	-14.1	726	845	462
Real Estate	-15.8	2,499	2,967	2,873
Oil & Gas	-28.3	188	263	186

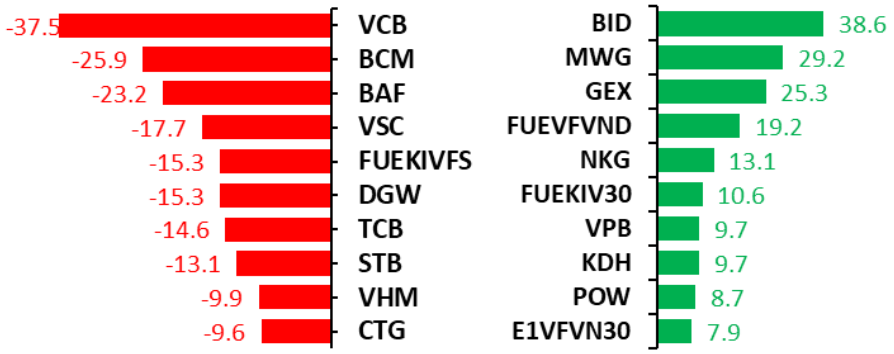
Source: Bloomberg, Shinhan Securities Vietnam

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNINDEX	1,151.77	15.72	2.75	0.24	814	16,734
HNX INDEX	229.22	29.35	0.85	0.37	119	1,733

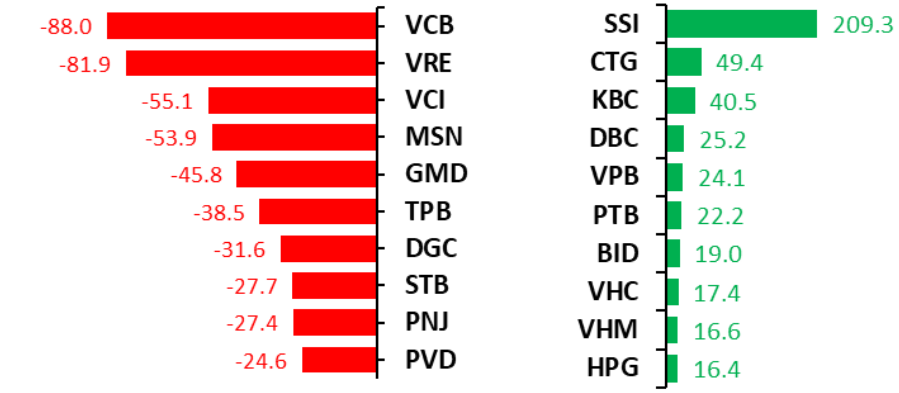
Vietnam Market Snapshot 11/07/2023

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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	(33)	(54)	96	(42)
Basic Resources	3	40	(132)	93
Media	-	0	(0)	(0)
Industrial Goods & Services	(15)	(49)	45	4
Health care	-	1	(1)	0
Chemicals	5	(17)	6	12
Financial Services	17	126	(170)	44
Travel & Leisure	(5)	(4)	14	(10)
Banks	(30)	(63)	248	(185)
Construction & Materials	(1)	(34)	(73)	107
Food and Beverage	2	2	157	(159)
Retail	13	(7)	31	(24)
Utilities	11	(12)	17	(5)
Personal & Household Goods	2	(23)	14	9
Technology	6	(2)	13	(11)
Automobiles & Parts	1	3	(2)	(1)
Insurance	0	7	(11)	4
Oil & Gas	(0)	(36)	42	(6)

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- The State Bank of Vietnam has officially expanded the credit room for commercial banks. As of June 30, 2023, the credit balance of the economy reached over 12.4 quadrillion VND, an increase of 4.73% compared to the end of 2022. The SBV has adjusted the credit growth target for 2023 for credit institutions, with a system-wide target of around 14%.
- The government has requested a continued reduction in lending interest rates by at least 1.5-2%. The SBV focuses on urgently addressing weak commercial banks, ensuring liquidity and system safety, and prioritizing the resolution of bad debts. Effective solutions are being implemented to promote the disbursement of the 40 trillion VND credit package for interest rate support and the 120 trillion VND for social housing loans.

Less Positive

- Inflationary pressures in the second half of 2023: Starting from July, the basic wage is expected to increase, which may lead to higher prices of goods. Tuition fees may also increase when the new academic year begins in September, putting upward pressure on inflation. Additionally, after the 3% electricity price hike in May, there is a possibility that EVN (Electricity of Vietnam) will continue to increase electricity prices to cover costs. Prices of grains and food tend to rise towards the end of the year as well.

Business news

- **HVN:** Vietnam Airlines had previously announced the list of shareholders for its annual general meeting in 2023 scheduled on May 24 but later canceled it and rescheduled it for July 11. However, Vietnam Airlines has now announced another cancellation without setting a new date for the next shareholder list. The reason given is that Vietnam Airlines needs more time to prepare for the annual general meeting in 2023. This is the second time Vietnam Airlines has canceled the shareholder list for the annual general meeting.

- **MWG**: Mr. Dang Minh Luom, a member of the Board of Directors of Mobile World Investment Corporation (MWG), has registered to sell 300,000 MWG shares for personal purposes. The transaction is expected to be conducted through matching orders and agreements from July 13 to August 11.

- **EVN**: Vietnam Electricity Group (EVN) has released its audited financial statements for 2022, reporting a post-tax loss of 20.747 trillion VND, compared to a profit of 14.725 trillion VND in 2021. The net loss attributable to the parent company's shareholders is 22.256 trillion VND. High cost of goods is one of the main reasons for the company's losses.

Breaking News



Business news

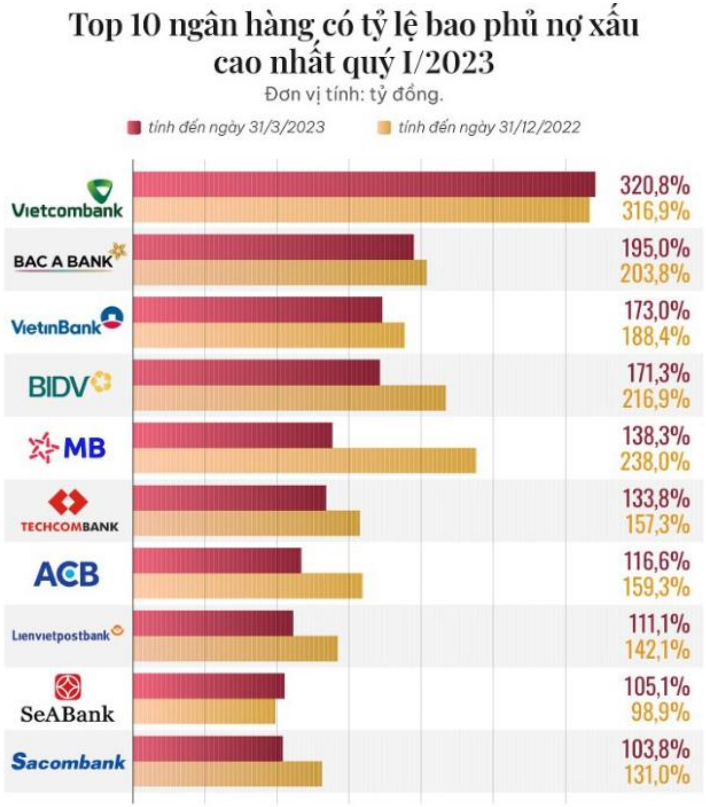
- **PGB:** The stock of Petrolimex Commercial Joint Stock Bank (PGBank), ticker symbol PGB, has recently witnessed a historic trading session with the highest liquidity ever recorded. Through negotiated transactions, over 155 million PGB shares changed hands among investors on July 11th, with a total value of 3.274 trillion Vietnamese dong. This quantity of shares accounts for more than 51% of the total circulating PGB shares.

- **FLC:** In its latest announcement, the Hanoi Stock Exchange (HNX) has decided to put FLC shares of FLC Group Joint Stock Company on the warning list, effective from July 13th, 2023. The reason is that the organization has not held its Annual General Meeting of Shareholders for 2023 within the maximum time limit prescribed after the end of the financial year.

- **NVL**: NVL: Novaland Investment Group Corporation (stock symbol: NVL) has recently passed a resolution approving the list of candidates nominated by shareholders for the position of Independent Member of the Board of Directors for the term 2021-2026. The sole candidate is Mr. Hoang Duc Hung, a former PWC executive. He is the only candidate for the position of Independent Member of the Board of Directors at Novaland.

Key Highlights: Banking Sector

Top 10 banks with the highest non-performing loan coverage ratio in Q1/2023



Source: cafebiz

The State Bank of Vietnam has adjusted the credit growth target for the entire banking system to around 14%.

Current Situation:

- The Vietnamese economy has experienced a decline in aggregate demand, as the GDP growth rate for the first six months of the year reached 3.72%, only slightly higher than the 1.74% growth rate recorded in the same period of 2020.
- As of June 30th, 2023, the total credit outstanding in the economy reached over 12.4 quadrillion Vietnamese dong, representing a 4.73% increase compared to the end of 2022. However, at the same time last year, credit had grown by 8-9% compared to the beginning of the year, with many banks reaching their growth limits.

Solution:

- The State Bank of Vietnam will adjust the credit growth target for the entire banking system to around 14%. The government has also requested a continued reduction in lending interest rates by at least 1.5-2%.
- Serious implementation of Directive No. 01/CT-NHNN dated January 17th, 2023, issued by the Governor of the State Bank of Vietnam, regarding the key tasks of the banking sector in 2023, focusing on implementing strong and decisive measures to promote safe and effective credit growth.
- Enhancement of review and reduction of administrative procedures, simplification and streamlining of lending processes and procedures.

Technical view



Trend: Upward

- The trend: VNINDEX closed the session at 1,151, up 0.24%, with a slight improvement in liquidity led by VCB and CTG stocks. However, the breadth of blue-chip stocks weakened, with 16 gainers and 12 decliners, compared to 21 gainers and 6 decliners earlier in the morning session..
- Technical view: the market experienced a slight increase in the morning session, but profit-taking pressure emerged in the afternoon session near the resistance level of 1,150. The medium-term trend of the market remains upward, aiming to reach the 1,200 level.
- Strategy: Investors need to be cautious when the market moves far away from the support levels of MA 10 and MA 20. Currently, MA 20 is considered a reference support level for the medium-term upward trend. New investment opportunities can be considered when the stock price retraces to the MA 20 level and resumes its upward momentum.

• Scenario:

- Positive (60%): The index surpasses the strong resistance level of 1,150 points and advances towards the next resistance levels of 1,160-1,170.
- Negative (40%): After failing to hold the 1,125 level, the index retreats to the next support level at 1,100 and trades sideways within the range of 1,100 - 1,150.

Recommended stocks

12/7/2023

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%	10.45	12	4.50%	25/06/2023	
TAR	Buy	16.1	19.3	15.2	20%	-6%	16.4	12	1.86%	26/06/2023	
KDH	Buy	31.2	34.95	30	12%	-4%	30.4	12	-2.56%	26/06/2023	
PET	Buy	27.3	30	26	10%	-5%	30	14	9.89%	22/06/2023	Take Profit
REE	Buy	62.8	68.6	60.5	9%	-4%	65.9	20	4.94%	14/06/2023	
DIG	Buy	21.35	23.9	20.5	12%	-4%	21.1	2	-1.17%	10/07/2023	

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 US inflation rate	13 Producer Price Index (PPI) of the US	14	15
16	17 Re-evaluate component of stocks in VN30	18	19	20 Futures contract maturity in July (VN30)	21	22
23	24	25	26	27 Fed announces interest rates US preliminary GDP"	28 Announcement of new stock composition in VN30	29
30	31					

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Q&A

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