MORNING CALL
14/07/2023

Shinhan Securities

"The domestic and foreign stock markets move in harmony with the upward trend"

- World stocks: Positive market sentiment spreading everywhere.
- Vietnam securities: Domestic and foreign buying drive strong gains in the domestic stock market
- Corporate News #TCB #CTR #VNZ #SLS #SMB #HND
- Technical perspective and recommendation update
- Event calendar
- Q&A

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

Major stocks market

- The Dow rose 0.14%, the S&P 500 gained 0.85% and the Nasdaq Composite rallied 1.58%. Those gains came as the latest producer price index report showed inflation rose less than anticipated in June. In the 12 months through June, the producer price index climbed 0.1%. That was the smallest year-on-year gain since August 2020 and followed a 0.9% increase in May.
- European equity markets closed higher on Thursday, with Frankfurt's DAX rising by 0.7% and the pan-European STOXX 600 gaining 0.6%, bolstered by recent data indicating a further slowdown in inflationary pressures within the United States
- The Nikkei 225 Index jumped 1.49% to close at 32,419 while the broader Topix Index gained 0.97% to 2,243 on Thursday, rising from one-month lows and tracking a rally on Wall Street overnight as cooler-than-expected US inflation data raised hopes that the Federal Reserve is closer to the end of its tightening cycle. The Shanghai Composite jumped 1.26% to close at 3,236 while the Shenzhen Component rallied 1.61% to 11,095 on Thursday, reversing losses from the previous session and tracking global peers higher.
- WTI oil futures rose above $77 a barrel on Friday and are 4.6% higher for the week. Libya's second-biggest oil field is in the process of shutting due to protests, while there's also a production halt in Nigeria. World oil consumption will climb by 2.2 million barrels a day to reach 104.3 million a day, OPEC said on Thursday in its first detailed assessment of 2024.

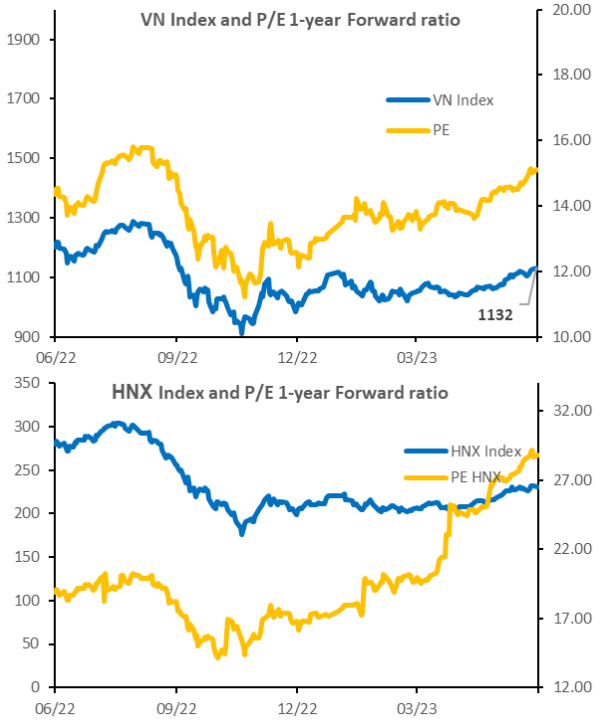
Market

	Close	%1D	%1M	%1Y
VN-Index	1,165	0.97%	4.30%	-1.42%
S&P 500 Index	4,510	0.85%	3.14%	18.99%
Dow Jones Index	34,395	0.14%	1.22%	12.29%
GP 100	7,440	0.32%	-2.14%	5.69%
Nikkei 225	32,364	-0.17%	-3.40%	21.47%
SHCOMP Index	3,236	1.26%	0.23%	-1.38%
STOXX 600	461	0.61%	-0.77%	13.50%
KOSPI Index	2,611	0.76%	-0.32%	12.42%
Hang Seng	19,351	2.60%	-0.30%	-6.75%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	99.79	0.02%	-3.06%	-8.06%
USD/VND	23,681.00	-0.03%	-0.79%	-1.30%
EUR/USD	1.12	-0.09%	3.56%	11.96%
USD/CNY	7.15	0.23%	0.24%	-6.02%
Brent	81.62	0.32%	11.50%	-17.64%
WTI	77.21	0.42%	13.10%	-19.39%
Natural gas	2.55	0.24%	8.92%	-61.35%
Coal	128.00	-0.81%	-3.21%	-70.23%
Gold	1,958.66	-0.09%	0.83%	14.55%

Vietnam Market Snapshot 13/07/2023



Money flow and sector rotation (VND bn)

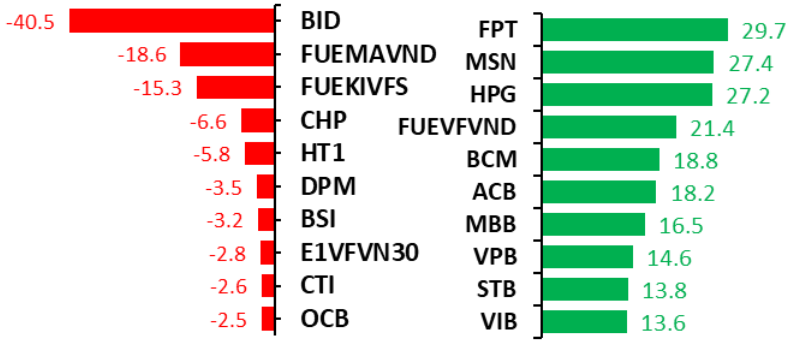
Sector	%1D	7/13/2023	7/12/2023	20-session Average
Personal & Household Goods	148.14	429	173	203
Industrial Goods & Services	72.57	1,201	696	927
Utilities	49.19	325	218	222
Real Estate	44.88	3,768	2,600	2,911
Travel & Leisure	42.51	185	130	145
Technology	34.71	120	89	109
Construction & Materials	32.83	1,328	1,000	1,234
Health Care	26.99	22	18	25
Chemicals	25.03	1,067	853	778
Retail	4.67	548	523	473
Food and Beverage	1.40	1,288	1,271	1,299
Oil & Gas	-8.8	143	157	184
Banks	-18.3	2,416	2,958	2,617
Financial Services	-24.3	1,563	2,064	2,184
Basic Resources	-33.2	844	1,263	1,279
Insurance	-34.5	73	112	77
Automobiles & Parts	-35.6	117	182	122
Media	-41.3	0	1	1

Source: Bloomberg, Shinhan Securities Vietnam

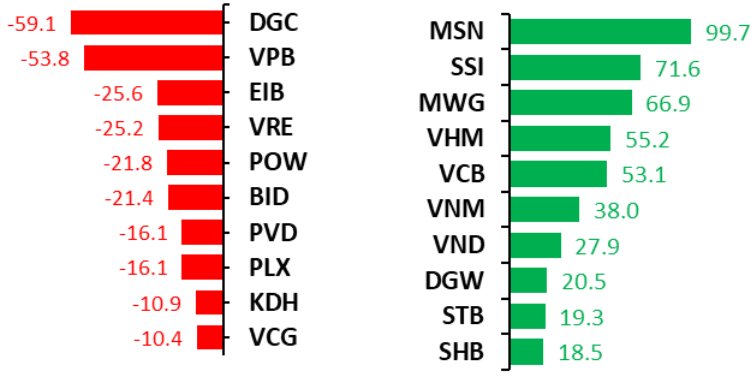
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,165.42	15.90	11.22	0.97	737	15,442
HNX INDEX	229.97	29.45	1.09	0.47	104	1,567

Vietnam Market Snapshot 13/07/2023

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	55	27	(132)	106
Basic Resources	26	(2)	(25)	26
Media	-	(0)	0	-
Industrial Goods & Services	8	0	49	(50)
Health care	-	2	0	(2)
Chemicals	(1)	(47)	(5)	52
Financial Services	22	95	(119)	24
Travel & Leisure	4	(1)	(6)	7
Banks	77	1	(210)	209
Construction & Materials	(8)	(21)	35	(14)
Food and Beverage	32	139	(202)	62
Retail	16	78	(65)	(13)
Utilities	9	(34)	16	18
Personal & Household Goods	4	15	(16)	1
Technology	30	(2)	(35)	37
Automobiles & Parts	-	2	(1)	(0)
Insurance	(0)	4	(7)	3
Oil & Gas	(1)	(32)	19	13

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- **TP.HCM: Nearly 83% of the preferential credit package supporting businesses has been disbursed.** According to Mr. Nguyen Duc Lanh, Deputy Director of the State Bank of Vietnam - Ho Chi Minh City Branch, as of the end of June 2023, the preferential credit package, registered by 20 credit institutions in Ho Chi Minh City since the beginning of the year under the Bank-Business Connectivity program, has been disbursed nearly 82.8%.

- **Abundant liquidity, no trading activity in the open market since the second half of June**: By the end of June, the interbank overnight VND interest rate was traded at 0.5% per annum, a sharp decrease from 3.7% per annum compared to the end of May. The State Bank of Vietnam still conducts Open Market Operations (OMO) auctions, but there has been no trading activity since the second half of June.

Less positive

- **It is forecasted that the non-performing loans of the banking system will peak at the end of 2023 or early 2024**. The increase in the non-performing loan ratio is mainly due to high interest rates coupled with poor business conditions. The total outstanding loans of 27 listed banks on the stock exchange in the group 3 and below reached 168.3 trillion VND, an increase of 21.1% compared to the end of 2022 and 51.4% compared to the same period.

Business news

- **TCB:** TCB: Techcombank - Joint Stock Commercial Bank for Foreign Trade of Vietnam (stock symbol: TCB) has reported on the trading of TCB shares by Ms. Thai Ha Linh - the Discloser of Information cum the Bank's Chief Accountant. If successful, the Techcombank's "boss" will reduce her ownership of TCB shares from nearly 1.119 billion units to over 185,000 units, equivalent to 0.0053% of Techcombank's charter capital.

- **CTR**: First company of Viettel Group reports 20% profit growth in the first 6 months. The Viettel Construction Corporation (stock symbol: CTR) has announced its business results for the first 6 months of the year, with a revenue of VND 5.063 trillion and pre-tax profit of VND 288.8 billion, representing a 20% increase compared to the same period in 2022. With these results, the company has achieved 49% of its revenue plan and 47% of its profit target for the year.

- **VNZ**: VNG Corporation cancels 7.1 million treasury shares, reduces charter capital, and does not sell to BigV Technology. In 2023, VNG expects a post-tax loss of VND 572 billion, compared to a loss of nearly VND 1.534 trillion in 2022.

Breaking News



Business news

- **SLS:** The stock of SLS - Son La Sugar Joint Stock Company has increased by 1.8%, reaching the historical peak of 181,300 VND/share, setting a record high since its listing on the stock market. The high selling price of sugar on the global market is one of the positive factors contributing to the explosive growth of this sugar industry stock.

- **SMB:** Saigon - Middle Region Beer Joint Stock Company (stock symbol: SMB) has announced its business results for the second quarter of 2023, with net revenue reaching 367 billion VND, a decrease of 8% compared to the same period last year. The slower decrease in cost of goods sold led to a 17% decline in gross profit to 102 billion VND, resulting in a gross profit margin of 28%. According to SMB, the decline in Q2 profit is due to a decrease in production volume by over 6 million liters and an increase in material costs compared to the same period.

- **HND:** Hai Phong Thermal Power Joint Stock Company (stock symbol: HND) has announced its business results for the second quarter of 2023, with net revenue of 3,336 billion VND, a 25.3% increase compared to the same period last year. According to the company's explanation, the increase in electricity production volume in this quarter contributed to the revenue growth. Additionally, the higher coal prices and higher market prices also contributed to this growth.

Technical view



Trend: Rising with caution

- The VNINDEX closed at 1,165, up 0.97% with positive support from leading stocks driving the market. Liquidity improved with relatively active buying at the strong resistance level of 116x.
- Technical analysis: The market has extended its consecutive upward streak since last Friday, gaining over 40 points. The STOCH RSI indicator is approaching the overbought zone. Looking at the weekly chart, the trading volume during the upward sessions is showing signs of decline. The STOCH RSI on the weekly chart is indicating a potential downward crossover with the signal line, suggesting a possible correction.
- Strategy: Currently, investor sentiment is very optimistic, causing the market to continuously rise without sufficient consolidation phases. Investors should prioritize holding positions in their existing stocks to allow for profit growth, limit new purchases, and avoid FOMO (fear of missing out) to protect portfolio gains.

• Scenario:

- Positive (40%): The index surpasses the strong resistance level of 1.16x and advances towards the next resistance level of 1,200.
- Negative (60%): The market undergoes a correction and retraces to the 113x range to retest the MA20 support level.

Recommended stocks

14/7/2023

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%	10.6	14	6.00%	25/06/2023	
TAR	Buy	16.1	19.3	15.2	20%	-6%	16.4	14	1.86%	26/06/2023	
KDH	Buy	31.2	34.95	30	12%	-4%	31.7	14	1.60%	26/06/2023	
REE	Buy	62.8	68.6	60.5	9%	-4%	66	22	5.10%	14/06/2023	
DIG	Buy	21.35	23.9	20.5	12%	-4%	22.1	4	3.51%	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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