MORNING CALL
17/07/2023

Shinhan Securities

"The domestic market went up in a tug-of-war, the world market was mixed"

- World stocks: US stocks mixed after business results were announced
- Vietnam stocks: The domestic market struggled with great liquidity
- Business News #MBS, #VSC, #POM, #FPT, #ANV, #QTP, #POW
- Technical perspective and recommendation update #TCB, #DXG
- Event calendar
- Q&A

[Analysts]

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

Nam Hoang
☎ (84-28) 6299 8004
✉ nam.h@shinhan.com

Following SSV's Zalo,
Catching the latest report





Please click or scan

Global Market Review - Week 17 - 21/07/2023

Major stocks market

- Wall Street closed mixed following five sessions of gains on Friday, as investors digested the latest earnings reports. The Dow finished 113 points higher led by a jump in shares of UnitedHealth, while the S&P 500 and the Nasdaq dipped roughly by 0.1% and 0.2%, respectively. Big banks' earnings came in stronger-than-expected, including JPMorgan Chase, Wells Fargo, and the New York-based bank Citigroup. On the week, the Dow Jones added 1.7%, the S&P 500 gained 2.3% and the Nasdaq surged 3.7%, its best week since March 17.
- European shares declined on Friday, with Germany's DAX 40 losing 0.2% to 16,110 points and the STOXX 600 edging 0.1% lower to 461 points, putting an end to a five-day winning streak. Investors took a moment to pause and assess a range of corporate news.
- The Nikkei 225 Index fell 0.09% to close at 32,391 while the broader Topix Index lost 0.17% to 2,239 on Friday, giving back gains from the previous session as investors turned cautious ahead of the Bank of Japan's policy meeting and the upcoming corporate earnings season. The Shanghai Composite inched up 0.04% to close at 3,238 while the Shenzhen Component lost 0.14% to 11,080 on Friday, but both benchmarks still finished the week higher as easing US inflation that limited expectations of further Federal Reserve rate increases and hopes for more stimulus in China boosted the market.
- WTI crude futures held around $77 per barrel on Friday and were on track to advance for the third straight week, underpinned by supply disruptions and a tightening global market. Libya's second-largest oil field is in the process of shutting down due to protests, while there's also a production halt in Nigeria, Bloomberg reported. That follows signs that Russian flows are finally starting to decline, with the global market expected to tighten in the second half due to supply cuts from Saudi Arabia and Russia.

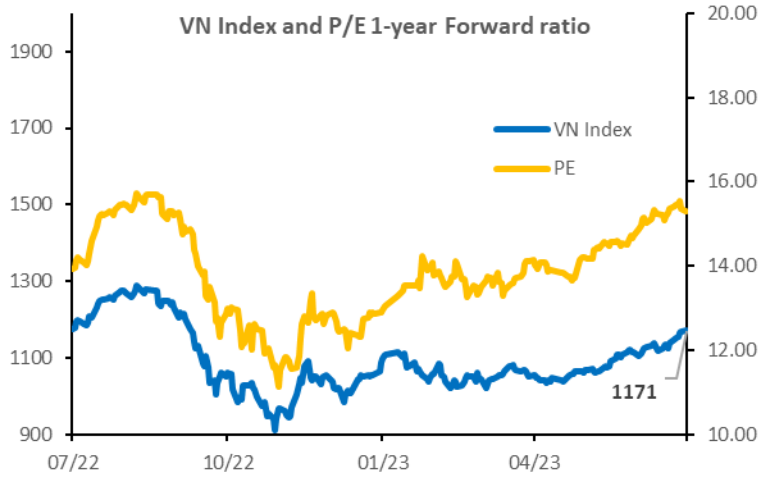
Market

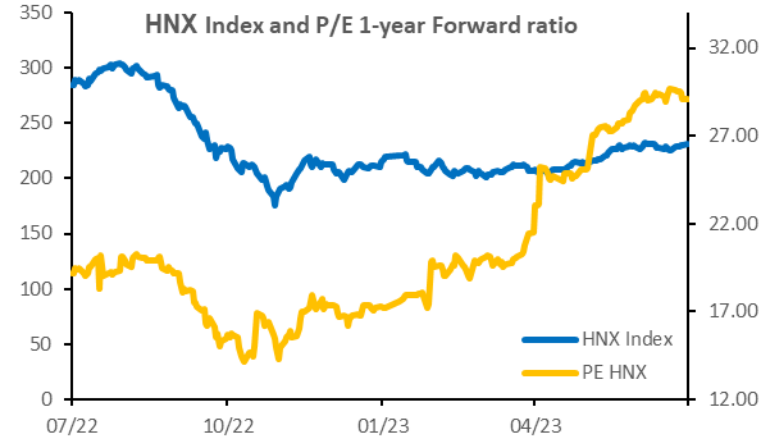
	Close	%1D	%1M	%1Y
VN-Index	1,168	0.26%	4.77%	-0.92%
S&P 500 Index	4,505	-0.10%	2.17%	16.63%
Dow Jones Index	34,509	0.33%	0.61%	10.29%
GP 100	7,435	-0.08%	-2.72%	3.85%
Nikkei 225	32,391	-0.09%	-3.90%	20.91%
SHCOMP Index	3,238	0.04%	-1.09%	0.30%
STOXX 600	461	-0.11%	-1.28%	11.37%
KOSPI Index	2,622	-0.26%	-0.16%	12.47%
Hang Seng	19,414	0.33%	-3.13%	-4.35%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	99.94	0.02%	-2.26%	-7.52%
USD/VND	23,628.00	0.08%	-0.40%	-0.80%
EUR/USD	1.12	0.00%	2.81%	10.70%
USD/CNY	7.16	-0.31%	-0.01%	-5.88%
Brent	79.18	-0.86%	3.35%	-21.73%
WTI	74.76	-0.88%	4.15%	-23.39%
Natural gas	2.55	0.24%	-3.31%	-63.73%
Coal	131.65	2.85%	-0.27%	-68.38%
Gold	1,953.36	-0.09%	0.15%	14.28%

Vietnam Market Snapshot 14/07/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,168.40	15.94	2.98	0.26	938	19,244
HNX INDEX	230.19	29.45	0.22	0.09	110	1,734

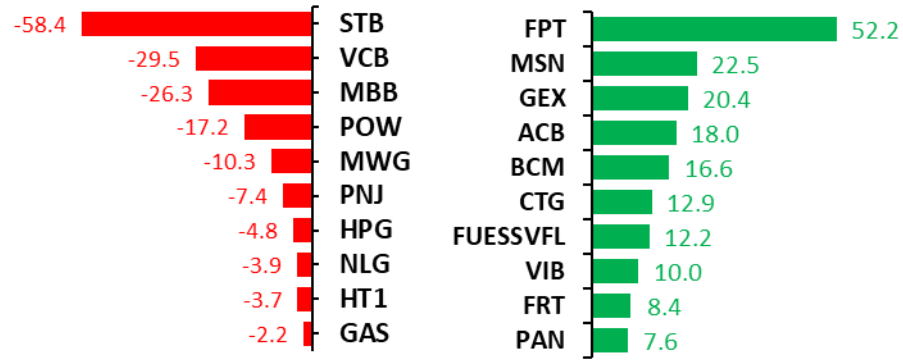
Money flow and sector rotation (VND bn)

Sector	%1D	7/14/2023	7/13/2023	20-session Average
Health Care	117.96	49	22	25
Technology	115.56	258	120	111
Banks	92.80	4,658	2,416	2,618
Financial Services	64.57	2,573	1,563	2,099
Basic Resources	55.66	1,314	844	1,265
Oil & Gas	39.78	200	143	186
Travel & Leisure	31.13	242	185	150
Automobiles & Parts	25.98	147	117	123
Construction & Materials	21.83	1,618	1,328	1,253
Insurance	16.50	85	73	77
Food and Beverage	14.90	1,480	1,288	1,306
Retail	7.53	589	548	481
Real Estate	-2.6	3,670	3,768	2,900
Utilities	-9.7	293	325	225
Media	-14.0	0	0	1
Industrial Goods & Services	-14.7	1,025	1,201	934
Chemicals	-26.8	781	1,067	777
Personal & Household Goods	-40.0	257	429	206

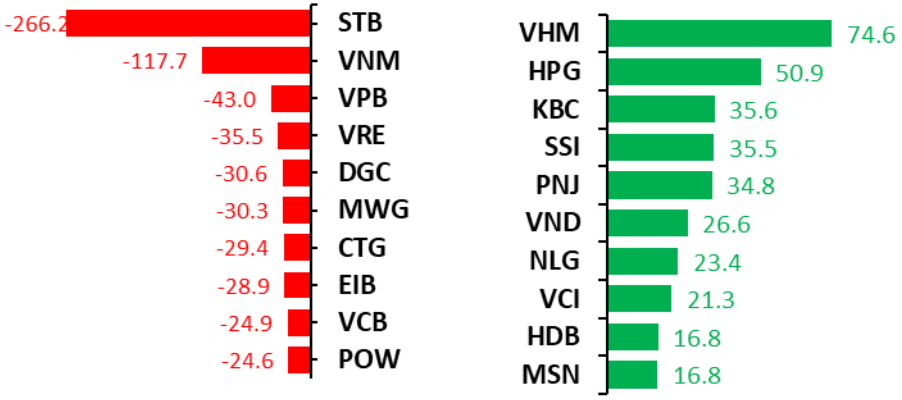
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 14/07/2023

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	23	68	(100)	33
Basic Resources	(0)	56	(82)	26
Media	-	(0)	0	0
Industrial Goods & Services	21	(3)	(6)	10
Health care	-	7	(5)	(2)
Chemicals	(1)	(33)	31	2
Financial Services	17	59	(164)	105
Travel & Leisure	1	5	(42)	37
Banks	(69)	(366)	422	(55)
Construction & Materials	1	11	(18)	7
Food and Beverage	35	88	(137)	49
Retail	1	(18)	13	6
Utilities	(17)	(7)	28	(21)
Personal & Household Goods	(7)	33	(20)	(13)
Technology	52	(0)	(53)	53
Automobiles & Parts	-	(3)	2	0
Insurance	(0)	2	(9)	8
Oil & Gas	2	(25)	35	(9)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- The International Monetary Fund (IMF) said that the global economy in the first quarter of 2023 grew at a more positive rate than the forecast in April.
- By the end of June 2023, the country's rice exports officially exceeded 4 million tons, reaching more than 4.24 million tons with a turnover of 2.26 billion USD, a sharp increase of 21% YoY in volume, and an increase of 32% YoY in turnover. The average export price of rice in the first 6 months of the year reached more than 532 USD/ton, up nearly 10% YoY.
- The US Treasury Secretary expressed his willingness to work with China to solve global challenges.
- Vietnam's rubber exports in June 2023 increased significantly in both volume and value compared to May 2023; The world's demand for natural rubber still tends to increase while supply is lower than demand, which is a great opportunity for Vietnam to increase exports of this type.

Less positive

- Steel price today on July 16, 2023, recorded the 14th decrease in domestic steel price.
- In the first 5 months of 2023, the import volume of steel products into Vietnam reached more than 5.06 million tons; in which, the amount of steel imported from China reached more than 2.65 million tons, accounting for more than 52% of the total steel volume imported from all countries. In particular, in March 2023, steel imports from China increased by 146% compared to March 2022.

Business news

- **MBS**: In the second quarter of 2023, MBS's operating revenue decreased by 22% YoY, at more than VND 400 billion. Brokerage revenue was at VND 136.3 billion, down 22% YoY. Interest from loans and receivables decreased by 28% to nearly VND 140 billion. Self-trading profit is nearly VND 60 billion - in the same period, this segment only profited VND 18 billion. At the end of the quarter, MBS reported a profit after tax of more than VND 123 billion, a slight increase of 3% YoY. Cumulative 6 months, the company's profit after tax is VND 244.8 billion, down 24% YoY. The outstanding balance of margin loans and advances for sale at the end of Q2 reached VND 5,326 billion, an increase of nearly VND 1,600 billion compared to the end of Q1.
- **VSC**: Vietnam Container JSC will issue shares to pay dividends, then offer shares to existing shareholders to increase the Company's charter capital. After completing the above two options for issuing shares, Container Vietnam will increase its charter capital from VND 1,212.7 billion to more than VND 2,500 billion. The mobilized amount is expected to use VND 1,200 billion to invest in controlling a seaport enterprise based in Hai Phong through capital transfer and the remaining VND 12.69 billion to supplement working capital.
- **POM**: Pomina Steel JSC held the AGM of Shareholders in 2023. Regarding the plan for 2023, the Company expects revenue of VND 9,000 billion, a loss after tax of VND 150 billion (last year's loss of VND 1,079 billion). POM announced important information about strategic cooperation with Nansei Steel Company - a Japanese investor. The company also decided to raise the foreign ownership ratio in POM to less than 65%. The AGM approved a private placement plan for an additional 70 million shares to strategic shareholders to increase equity, supplement working capital, and prepare financial preparation for the plan to restart blast furnaces in 2024. It is known that POM had to announce the cessation of blast furnace production (BF) from September 23, 2022.

Breaking News



Business news

- **FPT**: The Group announced good business results with Q2 profit before tax estimated at VND 2,218 billion, up 19.4% YoY. This is the highest pre-tax profit FPT has ever achieved in a quarter, nearly 5% higher than the old record set in the previous quarter. In the first 6 months of 2023, FPT's revenue is estimated at VND 24,166 billion, and profit before tax is VND 4,339 billion, up 21.9% YoY and 19.3% YoY respectively.
- **ANV**: The son of the General Director of Nam Viet JSC, registered to sell 4.09 million shares for personal purposes, from July 19 to August 17, by order matching or agreement on the exchange. If the transaction is successful, the number of shares Mr. Thien holds at ANV will be reduced to 60,999 shares, equivalent to a share ownership rate of 0.05%.
- **QTP**: Quang Ninh Thermal Power JSC has just released the financial report for the second quarter of 2023. In the second quarter of 2023, Quang Ninh Thermal Power recorded net revenue from sales and service provision of VND 3,708.4 billion, COGS of VND 3,409 billion, up 53.5% YoY and 64.7% YoY. At the end of the second quarter of 2023, the total accounting profit before tax was recorded at VND 261.5 billion, and the profit after tax was VND 248.4 billion, all decreased by about 1.3% YoY.
- **POW**: PetroVietnam Power Corporation has just announced preliminary business results for the first 6 months of the year with total electricity output estimated at 8.31 billion kWh, 7% higher than the plan in the period, and implemented. 53.3% of the year plan (15.59 billion kWh). Revenue in 6 months is estimated at VND 16.6 trillion, exceeding 12% of the plan in the period and reaching 55% of the year plan (VND 30.3 trillion). The planned revenue is estimated at VND 11.6 trillion. In addition, other activities will continue to be carried out, especially procedures related to projects such as Nhon Trach 3, Nhon Trach 4, LNG gas power plant, Luang Prabang...

Technical view



Trend: Peak exploration

- The market gained 2.98 points (+0.26%) to close at 1,168 points. In the trading session on July 14, the market appeared a dragonfly Doji candle, which showed a strong demand on the buy side when the market dropped. Market liquidity increased strongly, higher than the 20-session average, signaling large participation of investors.

- Technically: The VNINDEX has turned up in the past week, showing that the uptrend is still maintained. The MACD indicator gives a positive signal as it continues to move up. The RSI continues to be at a high level and gradually enters the overbought area, signaling that investors should be careful in the near future.

- Strategy: Investors continue to hold their portfolio when the market shows no signs of weakening, but should limit chasing because the market is at a high valuation.

Scenario:

- Positive (40%): The index surpassed the strong resistance level of 1,180 points and moved to the next resistance level at 1,200 points.
- Less positive (60%): After failing to test the 1,130 zone, the index returned to test MA20.

Recommended stocks

17/7/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
TCB	Buy	31.9	34.75	31.1	9%	-3%	31.95	Stoch RSI has crossed upwards, with a strong support zone at 31.8.
DXG	Buy	15.5	17.9	14.59	15%	-6%	15.75	Strong money flow is coming in, pushing the price higher from MA 10

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
CMX	Hold	10	12.1	9.4	21%	-6%	10.75	15	7.50%	25/06/2023	
TAR	Hold	16.1	19.3	15.2	20%	-6%	17.7	15	9.94%	26/06/2023	
KDH	Hold	31.2	34.95	30	12%	-4%	31.5	15	0.96%	26/06/2023	
REE	Hold	62.8	68.6	60.5	9%	-4%	66	23	5.10%	14/06/2023	
DIG	Hold	21.35	23.9	20.5	12%	-4%	22.4	5	4.92%	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					

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.