MORNING CALL
18/07/2023

Shinhan Securities

"The domestic market continues its upward trend, while the global market is experiencing mixed movements"

- World stocks: The global market is experiencing mixed movements amid various news from China
- Vietnam stocks: The domestic market continues to maintain its consecutive upward momentum
- Business News #VHM, #TIS, #VBB, #PGV, #PDR, #SAB, #SHB
- Technical perspective and recommendation update
- Event calendar
- Q&A

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

Major stocks market

- The Dow rose 0.22%, the S&P 500 gained 0.39% and the Nasdaq Composite jumped 0.93%, with five out of the 11 S&P sectors ending higher led to the upside by technology and financials. Those gains came on the heels of easing US inflation which raised bets that the Federal Reserve was nearing the end of its tightening cycle, as well as on upbeat earnings from big banks.
- European shares fell on Monday, with the pan-European STOXX 600 down 0.6% and the German DAX 0.2%, dragged by household goods stocks. The FTSE 100 index dropped 0.38% on Monday, following the same trend as most of the major European indexes, giving back gains from last week as investors reacted to key data showing China's economy grew less than expected
- 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 dropped 0.87% to close at 3,210 while the Shenzhen Component lost 0.63% to 11,010 on Monday, giving back gains from last week as investors reacted to key data showing China's economy grew 6.3% in the second quarter, lower than the 7.3% expansion expected by analysts.
- WTI crude futures fell below $75 per barrel on Monday, extending losses from the previous session after weaker-than-expected Chinese economic growth raised concerns about demand in the world's second-biggest oil consumer.

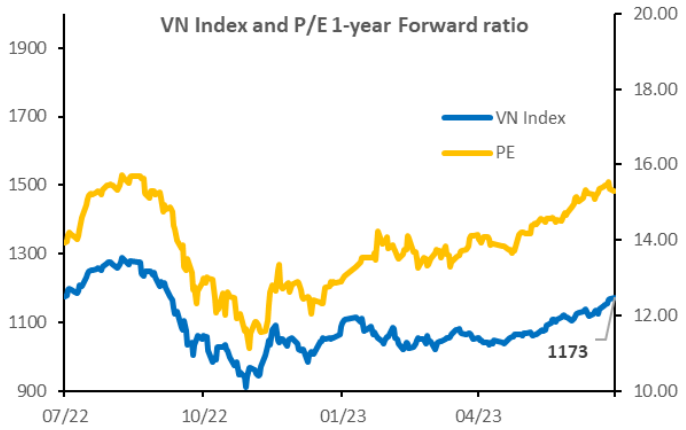
Market

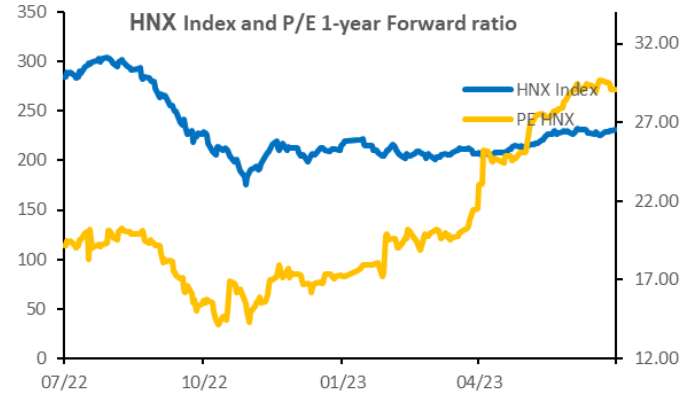
	Close	%1D	%1M	%1Y
VN-Index	1,173	0.40%	5.19%	-0.29%
S&P 500 Index	4,523	0.39%	2.57%	17.07%
Dow Jones Index	34,585	0.22%	0.83%	10.54%
GP 100	7,406	-0.38%	-3.09%	2.54%
Nikkei 225	32,660	0.83%	-3.10%	21.92%
SHCOMP Index	3,210	-0.87%	-1.95%	-2.09%
STOXX 600	458	-0.63%	-1.90%	9.65%
KOSPI Index	2,610	-0.33%	-0.59%	9.89%
Hang Seng	19,414	0.33%	-3.13%	-4.35%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	99.89	0.05%	-2.30%	-6.96%
USD/VND	23,641.00	0.00%	-0.45%	-0.85%
EUR/USD	1.12	0.07%	2.96%	10.85%
USD/CNY	7.17	-0.44%	-0.14%	-6.00%
Brent	78.65	0.19%	2.66%	-25.99%
WTI	74.34	0.26%	3.57%	-27.54%
Natural gas	2.53	0.84%	-3.76%	-66.13%
Coal	131.10	-0.42%	2.06%	-67.75%
Gold	1,956.16	0.06%	0.29%	14.45%

Vietnam Market Snapshot 17/07/2023





Money flow and sector rotation (VND bn)

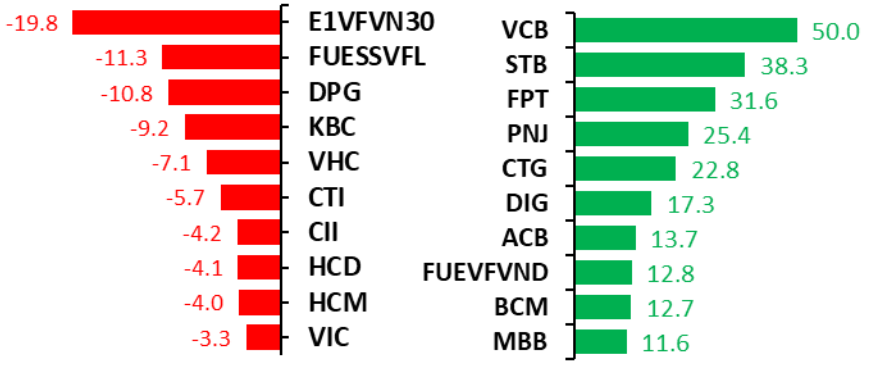
Sector	%1D	7/17/2023	7/14/2023	20-session Average
Media	419.94	2	0	1
Personal & Household Goods	35.19	348	257	217
Real Estate	26.00	4,624	3,670	2,971
Oil & Gas	15.62	231	200	190
Health Care	1.65	50	49	26
Chemicals	-4.1	749	781	790
Automobiles & Parts	-4.7	140	147	125
Industrial Goods & Services	-16.1	859	1,025	945
Insurance	-16.5	71	85	77
Construction & Materials	-20.1	1,294	1,618	1,254
Food and Beverage	-21.7	1,159	1,480	1,318
Utilities	-22.4	227	293	229
Banks	-24.4	3,521	4,658	2,694
Financial Services	-27.6	1,862	2,573	2,101
Retail	-30.0	412	589	486
Basic Resources	-35.7	845	1,314	1,272
Travel & Leisure	-43.5	137	242	152
Technology	-52.5	123	258	114

Source: Bloomberg, Shinhan Securities Vietnam

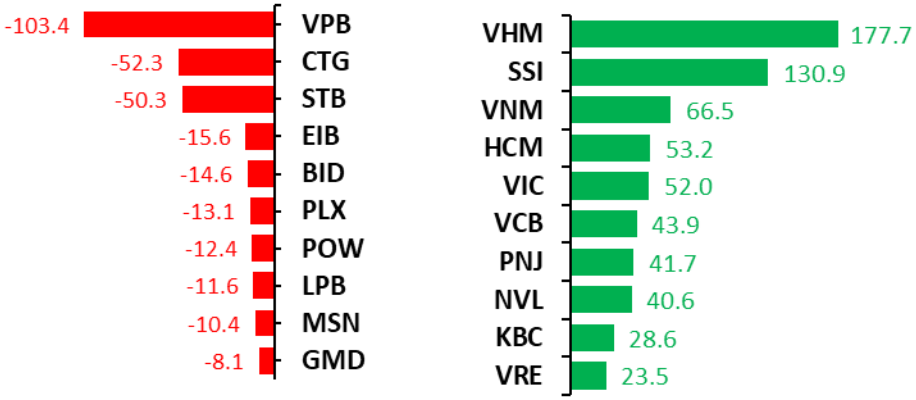
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,173.13	16.01	4.73	0.40	821	16,658
HNX INDEX	230.95	29.55	0.76	0.33	114	1,760

Vietnam Market Snapshot 17/07/2023

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	34	385	(412)	28
Basic Resources	1	30	(59)	30
Media	-	0	(0)	-
Industrial Goods & Services	(1)	(6)	21	(15)
Health care	-	7	(9)	1
Chemicals	(4)	8	(26)	18
Financial Services	(18)	207	(210)	4
Travel & Leisure	(1)	(2)	5	(3)
Banks	144	(184)	60	124
Construction & Materials	(13)	0	(36)	36
Food and Beverage	3	62	48	(110)
Retail	(0)	(7)	13	(6)
Utilities	4	(7)	12	(5)
Personal & Household Goods	25	34	(68)	33
Technology	32	1	(39)	38
Automobiles & Parts	-	0	2	(2)
Insurance	0	(1)	(7)	8
Oil & Gas	(1)	(18)	26	(8)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- According to the Vietnam Association of Seafood Exporters and Producers (VASEP), Vietnam's largest seafood export market, the United States, is expected to recover from the second half of the year due to cooling inflation, reduced inventory levels, and increased demand for year-end holidays. This is expected to result in a 40-50% increase in seafood export turnover to this country compared to the same period. Meanwhile, in the EU market, the consumption of pangasius continues to improve and stabilize. The markets of Japan, South Korea, and China are forecasted to experience slight demand growth from the end of the third quarter of 2023.
- The government has approved the investment policy for the Long Duc 3 Industrial Park infrastructure. The project involves the construction and operation of infrastructure in Long Duc Industrial Park 3, located in Long Duc commune, Long Thanh district, Dong Nai province. The project has a land area of 244.5 hectares and an investment capital of 1,800 billion VND, with the investor's contribution of 270 billion VND.

Less positive

- The battle against inflation in the US and Europe is not yet over. Taking a closer look at the inflation landscape, it can be observed that the Federal Reserve (Fed) may need to maintain interest rates at elevated levels for an extended period of time, as core inflation remains at 4.8%, more than twice the Fed's 2% target. Earlier this year, the financial market expected the Fed to cut interest rates by the end of the year, but now those expectations have been pushed to the second half of 2023.

Business news

- **VHM:** The "mega" projects continue to pour in, boosting Vinhomes' market capitalization by an additional $3.3 billion in just a few months. With a market capitalization of $11 billion, Vinhomes is currently the most valuable real estate company and the second largest company on the stock exchange, second only to Vietcombank. The latest development, according to the Long An Provincial Department of Planning and Investment, is that a registered investor for a project is City Development Corporation (member of Vinhomes). This is also the entity in charge of Vinhomes Grand Park project.

- **TIS**: The first steel company reports a loss in the second quarter: A record loss of nearly hundred billion, extending the streak of quarterly losses to four consecutive quarters. Thai Nguyen Iron and Steel Corporation (Tisco - TIS code) has just announced its consolidated financial report for the second quarter of 2023, with net revenue reaching VND 1.946 trillion, a decrease of 39% compared to the same period last year. Operating under cost led to a gross loss of VND 24 billion for Tisco, while in the same period last year, it had a profit of VND 78 billion.

- **VBB**: On July 16, 2023, in Hanoi, Vietnam Thuong Tin Commercial Joint Stock Bank (Vietbank - VBB) was honored to receive the "Top 10 Competitive Brand 2023" award in the "Famous Brand - Competitive Brand Vietnam 2023" program organized by the Vietnam Intellectual Property Association. The award is based on the assessment of Vietbank's development speed in the past period through its competitive capacity, quality management of products and services, proactive overcoming difficulties, and actively accompanying customers. Regenerate response

Breaking News



Business news

- **PGV:** The stock of PV GAS Distribution Company, a subsidiary of PV GAS, has reached its historical peak and regularly pays cash dividends, preparing to finalize the list of shareholders receiving 4,500 VND per share. PV GAS Distribution Company (PGD - PGD ticker) has recently announced that on July 21, it will finalize the list of shareholders to receive the 2022 cash dividends at a rate of 45%, equivalent to 4,500 VND per share. With nearly 90 million shares in circulation, PGD shareholders are expected to receive over 405 billion VND in dividends in this round. The payment will be made on September 28.
- **PDR**: Phat Dat Corporation is studying the planning of three real estate projects in Lam Dong province. Phat Dat Corporation has proposed and is allowed to study, survey, and implement the planning ideas for three projects. Specifically, in Di Linh district, there is a new integrated urban area for commerce, services, and tourism with an area of about 228 hectares in Di Linh town. In Duc Trong district, there is a urban area for commerce, services, tourism, and a golf course with an area of about 600 hectares in Tan Thanh commune and Phu Hoi commune. Lastly, there is a project of about 200 hectares in Lien Nghia town, Tan Hoi commune, and N'Thol Ha commune.
- **SAB**: A Thai billionaire spent $5 billion to acquire a 53% stake, now valuing Sabeco at over $4 billion. The market capitalization of Sabeco has declined along with its declining business performance. At the end of the trading session on July 14, the stock of Saigon Beer-Alcohol-Beverage Corporation (SAB ticker) had a price of 153,300 VND per share, corresponding to a market capitalization of 98.6 trillion VND (approximately $4.2 billion). This is also the lowest price of the stock in the past 12 months.
- **SHB**: In the VN30 basket, SHB, after being added to the portfolio, will account for a weight of nearly 2.84%, while SSB will account for a weight of 3.62%. With these weights, it is estimated that the DCVFM VN30 ETF will purchase approximately 17.4 million shares of SHB and 10.5 million shares of SSB. Additionally, SSB has also entered the VN30 basket, while NVL and PDR have been removed from the portfolio.

Technical view



Trend: Increasing with uncertainty

- The market continued the Monday session of trading with a gain of 4.73 points, closing at 1,173 (+0.4%), mainly led by VIC and VHM stocks. Market liquidity was above the 20-day average, with a focus on the real estate sector. Foreign investors returned with strong net buying.
- Technical view: The market surpassed the 61.8% Fibonacci level at 1,160 with seven consecutive sessions of gains without a decline. The index is now aiming for 1,200, causing both the STOCH RSI and RSI indicators to enter overbought territory.
- Strategy: Continue to hold stocks with strong trends, limit new purchases, and exercise caution with margin trading as the market may experience a correction that could disadvantage T+ investors. Prioritize buying stocks near the support levels of the 10-day and 20-day moving averages.

Scenario:

- Positive scenario (50%): The market continues to move straight towards 1,200 without any corrections.
- Negative scenario (50%): The market undergoes a consolidation phase in the range of 1,150 - 1,160..

Recommended stocks

18/7/2023

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	Hold	10	12.1	9.4	21%	-6%	10.55	16	5.50%	25/06/2023	
TAR	Hold	16.1	19.3	15.2	20%	-6%	17.9	16	11.18%	26/06/2023	
KDH	Hold	31.2	34.95	30	12%	-4%	32.5	16	4.17%	26/06/2023	
REE	Hold	62.8	68.6	60.5	9%	-4%	65.3	24	3.98%	14/06/2023	
DIG	Sell	21.35	23.15	20.5	8%	-4%	23.15	6	8.43%	10/07/2023	Take profit early due to weakening upward trend
TCB	Hold	31.9	34.75	31.1	9%	-3%	31.9	1	0.00%	17/07/2023	

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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