MORNING CALL
21/07/2023

Shinhan Securities

"The VNINDEX has ended its consecutive upward streak"

- World stocks: The global market is showing mixed movements.
- Vietnam stocks: The VNINDEX has ended its consecutive upward streak
- Business News #KBC, #MSB, #PTB, #HBC, #BMP, #NT2
- Technical perspective and recommendation update #ACB, #MIG
- Event calendar
- Q&A

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Catching the latest report





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

Major stocks market

- The Dow gained 0.47% the S&P 500 and Nasdaq Composite tumbled 0.68% and 2.05%, respectively. Investors also rotated out of high-flying technology names into more cyclical stocks.
- European markets finished higher today with shares in France leading the region. The CAC 40 is up 0.79% while London's FTSE 100 is up 0.76% and Germany's DAX is up 0.59%.
- The Nikkei 225 Index fell 1.23% to close at 32,490 while the broader Topix Index lost 0.79% to 2,261 on Thursday, snapping a two-day advance, as Japanese technology stocks tracked a post-market dip in key US tech names driven by disappointing quarterly results. The Shanghai Composite fell 0.92% to close at 3,170 while the Shenzhen Component dropped 1.06% to 10,816 on Thursday, hitting their lowest levels in three weeks after the People's Bank of China kept its one and five-year loan prime rates unchanged at its July fixing
- WTI crude futures steadied above $75 per barrel on Thursday after facing heightened volatility in recent sessions, as traders continued to assess the outlook for the oil market in the second half of the year.

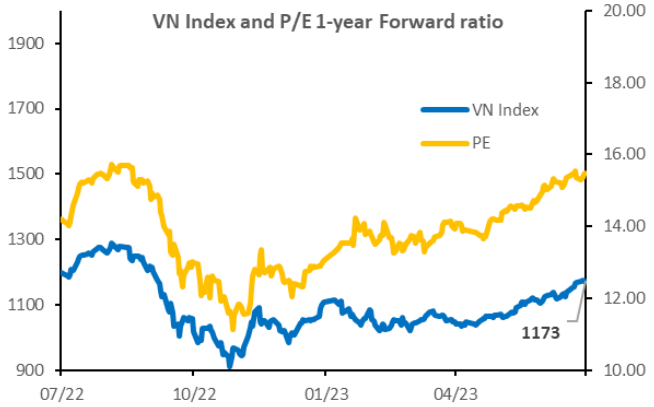
Market

	Close	%1D	%1M	%1Y
VN-Index	1,173	-0.01%	4.86%	-2.14%
S&P 500 Index	4,535	-0.68%	3.88%	13.40%
Dow Jones Index	35,225	0.47%	3.75%	9.95%
GP 100	7,646	0.76%	1.15%	5.17%
Nikkei 225	32,151	-1.04%	-4.24%	15.64%
SHCOMP Index	3,170	-0.92%	-0.89%	-3.13%
STOXX 600	464	0.42%	1.51%	9.32%
KOSPI Index	2,579	-0.80%	-0.12%	7.07%
Hang Seng	18,928	-0.13%	-1.51%	-8.00%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	100.81	-0.07%	-1.23%	-5.70%
USD/VND	23,652.00	-0.04%	-0.55%	-0.99%
EUR/USD	1.11	0.04%	1.36%	8.85%
USD/CNY	7.18	0.61%	0.02%	-5.90%
Brent	79.67	0.04%	3.31%	-23.29%
WTI	75.71	0.08%	4.38%	-21.42%
Natural gas	2.74	-0.54%	5.58%	-65.43%
Coal	132.00	0.00%	4.31%	-67.69%
Gold	1,972.68	0.16%	2.08%	14.77%

Vietnam Market Snapshot 20/07/2023





Money flow and sector rotation (VND bn)

Sector	%1D	7/20/2023	7/19/2023	20-session Average
Technology	177.29	200	72	118
Retail	75.04	726	415	514
Basic Resources	33.85	1,476	1,103	1,252
Utilities	21.92	288	236	236
Financial Services	21.70	2,148	1,765	2,063
Media	17.39	1	1	1
Chemicals	13.93	810	711	786
Banks	13.72	3,242	2,851	2,831
Travel & Leisure	12.12	203	181	157
Food and Beverage	-7.8	1,109	1,203	1,338
Insurance	-14.1	45	52	75
Personal & Household Goods	-16.0	175	208	217
Industrial Goods & Services	-18.7	788	968	938
Oil & Gas	-18.9	165	203	189
Construction & Materials	-23.7	1,017	1,333	1,212
Real Estate	-26.2	2,882	3,906	3,019
Health Care	-46.0	42	78	29
Automobiles & Parts	-52.9	73	155	126

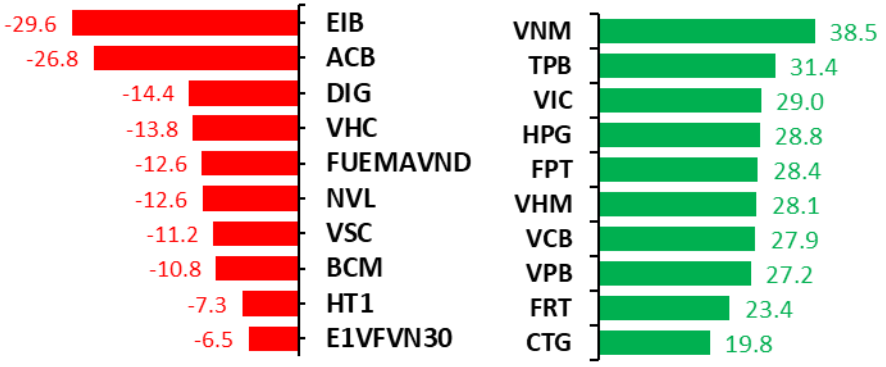
Source: Bloomberg, Shinhan Securities Vietnam

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,172.81	16.00	-0.17	-0.01	714	15,414
HNX INDEX	233.07	29.96	1.60	0.69	87	1,403

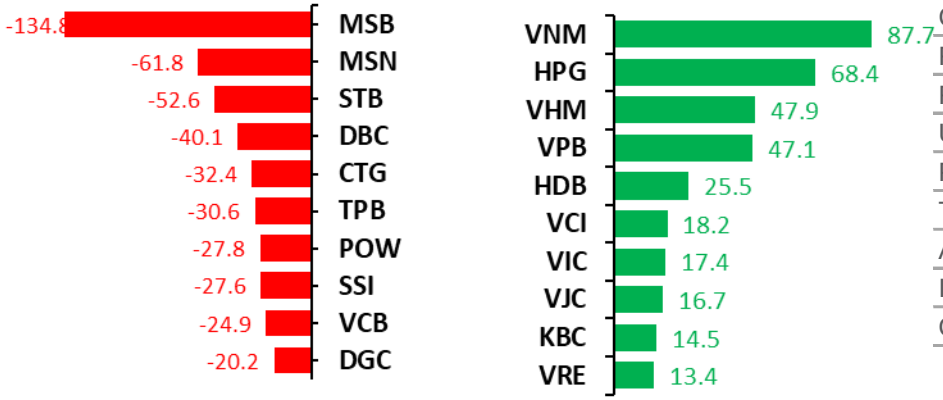
Vietnam Market Snapshot 20/07/2023

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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	39	102	(166)	65
Basic Resources	29	78	(119)	41
Media	-	-	0	(0)
Industrial Goods & Services	(17)	(14)	51	(38)
Health care	-	7	(14)	7
Chemicals	4	(8)	(37)	44
Financial Services	16	6	61	(67)
Travel & Leisure	14	15	(36)	21
Banks	67	(201)	65	136
Construction & Materials	(17)	8	34	(42)
Food and Beverage	44	(11)	(40)	51
Retail	17	(1)	31	(30)
Utilities	14	(21)	15	6
Personal & Household Goods	4	4	(8)	4
Technology	28	(0)	(9)	9
Automobiles & Parts	(0)	(1)	(3)	3
Insurance	2	10	(14)	4
Oil & Gas	9	(21)	41	(20)

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

- **To enhance the infrastructure for storing and supplying petroleum and gas until 2030,** an investment of around 270,000 billion VND is needed. The funding will mainly come from non-budget sources, such as businesses and legal funds. The state budget will prioritize investments in creating a dedicated national strategic reserve infrastructure. The plan includes building new storage facilities with a capacity of 500,000 cubic meters for petroleum products and 1 - 2 crude oil reserves located near oil refineries.

- **In Ho Chi Minh City, remittances have shown positive growth in the first half of 2023.** By the end of June 2023, remittances received in the city reached 4.33 billion USD, which is a 37% increase compared to the same period in 2022 and a significant 65.6% increase compared to the entire year of 2022. In the second quarter of 2023 alone, remittances reached 2.2 billion USD, up 4.5% from the first quarter of the same year.

- **Banks are providing 15 trillion VND in preferential interest loans for the forestry and aquatic sectors.** This lending program will continue until June 30, 2024, offering lower interest rates compared to the average rates in the same period. The program's credit scale is about 15,000 billion VND, which is higher than the initial target of 10,000 billion VND.

Business news

- **KBC**: **Kinh Bac Corporation (KBC) has been approved for the expansion of Quang Chau Industrial Park by over 90 hectares with an investment capital of nearly 1,000 billion VND**. On July 19th, the People's Committee of Bac Giang province issued a decision to approve the detailed construction planning of Quang Chau Industrial Park (the expansion phase) in Viet Yen district (at a scale of 1/500). The project's operational period will be from the date of the investment approval decision until February 5th, 2057.

- **MSB**: **Maritime Bank (MSB) reported a consolidated pre-tax profit of 3,548 billion VND for the first six months**, achieving 56% of its annual plan. As of June 30th, 2023, MSB's total assets reached over 237,800 billion VND, a growth of 11.8% compared to December 31st, 2022. The total outstanding loans to customers in the past six months amounted to nearly 136,600 billion VND, showing a growth rate of 13.2% since the beginning of the year, outperforming the industry's average, with significant contributions from strategic segments such as individual and small and medium-sized enterprise customers.

- **PTB**: **Due to a shortage of export orders, Phu Tai Corporation (PTB) reported a 36% decline in profit in the second quarter compared to the same period last year.** Phu Tai recorded a net revenue of 2,898 billion VND and a pre-tax profit of 201 billion VND, representing a decrease of 20% and 46%, respectively, compared to the same period last year.

Breaking News



Business news

- **HBC: Due to an unfavorable market, CEO Le Van Nam only purchased less than 60% of the registered shares.** Specifically, Mr. Le Van Nam, CEO of HBC, recently bought 578,690 HBC shares out of a total registered amount of 1 million shares. The successful purchase rate reached 57.9% of the total registration. The transaction took place from June 20th to July 19th.

- **BMP: Binh Minh Plastic Joint Stock Company (BMP) has released its Q2 financial statement with a net revenue of 1,336 billion VND,** a 14% decrease compared to the same period last year. However, a significant reduction in production costs helped increase the gross profit by 46.8% to 572.7 billion VND. At the end of the trading session on July 19th, BMP shares soared to the ceiling price of 101,600 VND per share. The stock price of BMP has recently shown strong growth after a long period of stagnation.

- **NT2: Petroleum Power Corporation Nhon Trach 2 (stock code: NT2) has announced its Q2/2023 financial report with a net revenue of 2,183 billion VND,** a 19% decrease compared to the same period last year. The cost of goods sold decreased slightly less than the revenue decline, leading to a 60% drop in gross profit compared to Q2/2022, with a recorded value of over 162 billion VND. The gross profit margin also narrowed to about 7.4%.

Technical view



Trend: Preparing for a correction.

- The market continues to fluctuate and closed at 1,172.8 points. Leading the market were HPG and VPB, while VCB contributed to the decline. Large-cap stocks have been alternating between gains and losses in recent sessions, causing the market to move sideways and consolidate.

- Technical view: The market has shown a larger trading range, indicating a tug of war between buyers and sellers. The overall market trend is still expected to be positive, as there hasn't been any significant decline in the index. The support level of the 10-day moving average (MA 10) is gradually being raised, which is a good sign for VNINDEX's upward trend. However, the STOCH RSI indicator has crossed below the signal line, indicating a short-term correction in the market.

- Strategy: Investors should exercise patience and wait for a safer buying point when prices consolidate around the support zones of 1,140-1,160 (between MA 20 and MA 10). It is advisable to limit new purchases, chasing the market, or using margin during this period

Scenario:

- Positive (40%): The market moves sideways around 1,170 and advances towards 1,200.

- Less Positive (60%): The market corrects to the range of 1,140-1,160 for accumulation before attempting to conquer the 1,200 area.

Recommended stocks

21/7/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
MIG	Mua	18.7	21	18.37	12%	-2%	18.7	Price is consolidating in a tight range, STOCH RSI indicator is showing a bullish crossover
ACB	Mua	21.95	23.5	21.5	7%	-2%	22	The stock is consolidating in an uptrend pattern

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%	10.65	19	6.50%	25/06/2023	
TAR	Hold	16.1	19.3	15.2	20%	-6%	17.4	19	8.07%	26/06/2023	
KDH	Hold	31.2	34.95	30	12%	-4%	32.1	19	2.88%	26/06/2023	
REE	Hold	62.8	68.6	60.5	9%	-4%	64.6	27	2.87%	14/06/2023	
DIG	Sell	21.35	23.15	20.5	8%	-4%	23.2	9	8.67%	10/07/2023	Take profit early due to weakening upward trend
TCB	Hold	31.9	34.75	31.1	9%	-3%	31.9	4	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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