MORNING CALL
24/07/2023

Shinhan Securities

"Advancing strongly towards 1200"

- World stocks: Wait for the FED's information
- Vietnam stocks: Advancing strongly towards 1200
- Business News : #TCM, #SLS, #VCI, #VNS, #DGC, #NHA, #TPB
- Technical perspective and recommendation update #ANV, #VCS
- Event calendar
- Q&A

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Following SSV's Zalo,
Catching the latest report





Please click or scan

Global Market Review – Week 24 – 28/07/2023

Major stocks market

- On Friday, US stocks ended the session with mixed results, with the Dow index moving sideways and the Nasdaq declining by 0.2%. The corporate earnings results this week have alleviated concerns about the resilience of the US consumer and the health of the financial system after the banking crisis in March.
- The FTSE 100 index edged up 0.2% to a two-month high of 7,758 on Friday and surge 3.1% on the week, the most since January on signs of slowing inflation, the CAC 40 rose 0.79% and the DAX lost 0.17%
- The Nikkei 225 Index fell 0.57% to close at 32,304 on Friday, extending losses from the previous session as investors digested data showing Japan's annual headline and core inflation rates accelerated slightly in June and remained above the central bank's 2% target. Investors now look ahead to the Bank of Japan's policy decision next week, where it is expected to maintain ultra-low interest rates
- WTI crude futures touched $77 per barrel on Friday, its highest level in 12 weeks, as investors continued to assess the outlook for the oil market in the second half of the year. Oil prices found support earlier this week after China's top economic planner pledged on Tuesday to roll out policies to "restore and expand" consumption in the world's top crude importer.

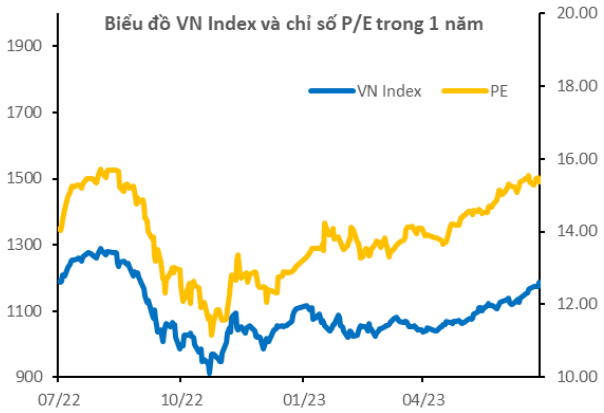
Market

	Close	%1D	%1M	%1Y
VN-Index	1,186	1.12%	6.03%	-0.74%
S&P 500 Index	4,536	0.03%	3.88%	14.51%
Dow Jones Index	35,228	0.01%	4.45%	10.43%
GP 100	7,664	0.23%	2.71%	5.32%
Nikkei 225	32,676	1.15%	-3.79%	17.06%
SHCOMP Index	3,168	-0.06%	-0.94%	-3.13%
STOXX 600	465	0.32%	1.51%	9.32%
KOSPI Index	2,618	0.31%	1.05%	9.39%
Hang Seng	19,075	0.78%	-0.77%	-7.44%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	100.99	-0.03%	-1.81%	-5.33%
USD/VND	23,656.00	-0.02%	-0.56%	-1.01%
EUR/USD	1.11	0.07%	2.07%	8.92%
USD/CNY	7.19	-0.11%	-0.11%	-5.85%
Brent	80.65	-0.52%	9.21%	-21.85%
WTI	76.46	-0.47%	10.92%	-19.00%
Natural gas	2.77	-0.74%	-1.32%	-67.55%
Coal	132.00	0.76%	7.13%	-67.03%
Gold	1,964.07	0.00%	2.01%	14.08%

Vietnam Market Snapshot 21/07/2023





Money flow and sector rotation (VND bn)

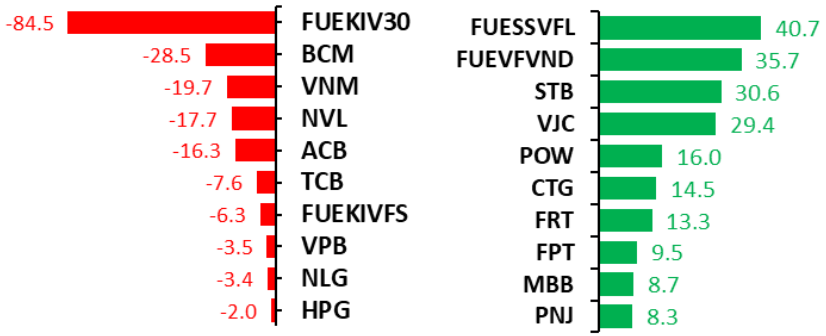
Sector	%1D	7/21/2023	7/20/2023	20-session Average
Insurance	97.75	88	45	72
Health Care	60.98	67	42	31
Real Estate	53.85	4,434	2,882	3,090
Media	53.20	1	1	1
Retail	53.05	1,111	726	553
Construction & Materials	33.32	1,356	1,017	1,208
Automobiles & Parts	23.51	90	73	125
Financial Services	21.68	2,613	2,148	2,091
Industrial Goods & Services	15.10	907	788	934
Food and Beverage	14.76	1,273	1,109	1,315
Personal & Household Goods	11.28	194	175	217
Banks	9.20	3,540	3,242	2,838
Utilities	4.64	301	288	242
Travel & Leisure	-6.3	190	203	159
Basic Resources	-17.4	1,220	1,476	1,232
Oil & Gas	-21.1	130	165	178
Chemicals	-21.7	634	810	784
Technology	-28.8	143	200	120

Source: Bloomberg, Shinhan Securities Vietnam

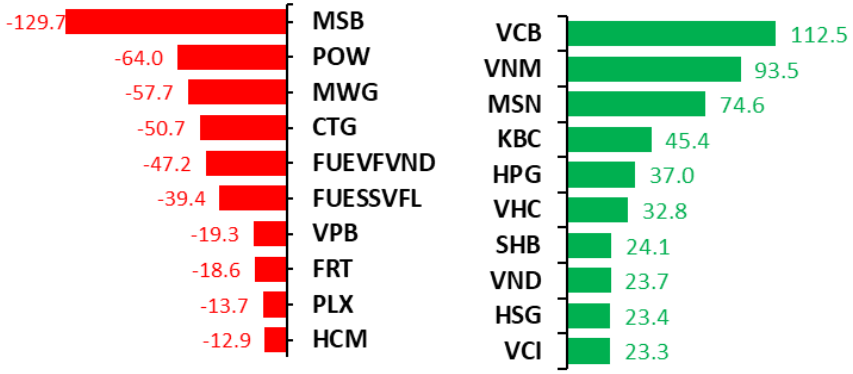
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,185.90	16.18	13.09	1.12	869	18,299
HNX INDEX	234.98	30.21	1.91	0.82	92	1,443

Vietnam Market Snapshot 21/07/2023

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	(29)	49	(26)	(23)
Basic Resources	(2)	58	(85)	27
Media	-	(0)	0	-
Industrial Goods & Services	0	(1)	11	(10)
Health care	-	4	(5)	1
Chemicals	6	17	(37)	20
Financial Services	96	(31)	129	(98)
Travel & Leisure	29	0	1	(2)
Banks	37	(45)	67	(22)
Construction & Materials	0	(14)	(9)	22
Food and Beverage	(15)	178	(103)	(75)
Retail	19	(78)	84	(6)
Utilities	20	(64)	71	(6)
Personal & Household Goods	8	(10)	2	8
Technology	9	0	0	(0)
Automobiles & Parts	-	1	(1)	(0)
Insurance	(1)	3	(5)	2
Oil & Gas	0	(12)	25	(13)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- **India has banned rice exports, and the Ministry of Industry and Trade has urged businesses to stabilize the domestic market.** The Vietnam Food Association and domestic enterprises are required to strictly adhere to the regulations in Decree No. 107/2018/ND-CP dated August 15, 2018, of the Government on rice export business. They must regularly maintain a minimum level of rice reserves as prescribed in Decree No. 107 to ensure a balance between exports and domestic consumption, contributing to stabilizing rice prices in the domestic market. India's decision to halt rice exports comes as rice prices in the country have increased by more than 11.5% in the past year and 3% just last month.
- **Most economists expect that the U.S. Federal Reserve will raise interest rates again to 5.25%-5.5%** next week, ending a 16-month cycle of interest rate hikes, the most aggressive battle against inflation in the U.S. in 40 years.
- **The government proposes reducing trade union fees to 1%. In Resolution No. 105/NQ-CP on tasks and solutions to remove difficulties for production and business,** and continue to promote administrative reform, the Government recommends that the Vietnam General Confederation of Labor study reducing trade union fees from 2% to 1% (i.e., reducing 50% of trade union funding) and extending the deadline for fee payment in 2023.
- **Shrimp exports are expected to rebound due to positive market factors.** "Recently, the shrimp market has been warming up. It is forecasted that in the last months of 2023, inflationary factors will decrease, inventory levels in certain markets will tend to decrease, and the demand for year-end festivals will increase, which will help boost shrimp exports," said Mr. Le Thanh Hoa, Deputy Director of the Quality Control Department. He also mentioned that there are currently over 370 specialized shrimp processing establishments with a capacity of over 1.7 million tons of raw materials per year, eligible for shrimp exports in the country.

Business news

- **TCM: Thanh Cong Textile Garment Investment Trading Joint Stock Company (stock code: TCM) has reported its business results for the Q2/2023** with revenue reaching 714.5 billion VND, a decrease of 32% compared to the same period last year. The company's gross profit decreased by 45% to 95 billion VND. Financial revenue increased by 42.4% to 17.8 billion VND, while financial expenses rose by 32.8% to 38.5 billion VND. On the other hand, selling and administrative expenses decreased. As a result, Thanh Cong Textile Garment achieved a pre-tax profit of 15.7 billion VND, a 77% decrease compared to the same period last year. The post-tax profit attributable to the parent company reached 1.9 billion VND, a 96% decrease. This is also the lowest profit level that the company has recorded since the third quarter of 2021.
- **SLS: Son La Sugar Joint Stock Company (stock code: SLS) has announced its financial report for the fourth quarter of the fiscal year 2022-23 (from April 1, 2023, to June 30, 2023) with revenue reaching approximately 550 billion VND,** an increase of 152% compared to the same period last year. The increase in cost of goods sold was slower (+111%) than the increase in revenue, leading to a significant improvement in gross profit margin from 31% to nearly 42%. The corresponding gross profit increased sharply by 243%, recording about 231 billion VND.
- **VCI: Vietcap Securities Joint Stock Company (stock code: VCI) has just released its financial report for the second quarter of 2023 with operating revenue reaching 501 billion VND and pre-tax profit of 131 billion VND.** Among its main activities, the largest source of revenue still comes from lending, brokerage, and proprietary trading. The brokerage activity in the second quarter brought in 140 billion VND for Vietcap, while the cost for this operation was only 89 billion VND. In the second quarter, Vietcap ranked 8th in market share for stock brokerage, fund certificates, and warrants on Ho Chi Minh Stock Exchange (HoSE) and 7th in market share for stock brokerage on Hanoi Stock Exchange (HNX).

Breaking News



Business news

- **VNS: Vinasun Corporation (stock code: VNS) reported its business results for the second quarter of 2023** with revenue reaching 302 billion VND, a 22.2% increase compared to the same period last year. However, the sharp increase in costs led to a 26.5% decrease in the company's gross profit, which reached only 61.8 billion VND. This marks a halt in the continuous growth streak of 5 consecutive quarters.
- **DGC: Duc Giang (stock code: DGC) has just released its financial report for the second quarter of 2023 with net revenue of over 2,400 billion VND,** a 40% decrease compared to the same period last year. The slower decrease in cost of goods sold resulted in a significant contraction of the gross profit margin, falling from over 53% in the same period last year to below 40%. The corresponding gross profit reached 940 billion VND, a 56% decrease compared to the same period last year.
- **NHA: After deducting the cost of goods sold and expenses,** Nam Hanoi Housing and Urban Development Corporation (stock code: NHA) achieved a meager post-tax profit of 130 million VND, a 74% decrease compared to the same period last year. The company reported net revenue of 18 billion VND for the second quarter, a nearly 18% decrease compared to the same period last year.
- **TPB: After announcing preliminary business results,** TPBank also published its financial report for the second quarter of 2023. The bank reported a pre-tax profit of 3,383 billion VND for the first six months of the year, an 11% decrease compared to the same period last year. The core business operations - net interest income decreased by 6.8% to 5,466 billion VND. TPBank stated that the economy experienced many fluctuations and difficulties, with lending interest rates tending to decrease while long-term deposit interest rates remained relatively high, leading to a significant increase in interest costs in the first half of the year, resulting in a decline in net interest income.

Technical view



Trend: Upward

- The VNIndex closed at 1,185.9 points (+13.09 points, equivalent to +1.12%). The market traded hesitantly during the session, but strong demand from investors helped it continue to advance to higher levels. Today's trading liquidity increased by 17% compared to the previous session. The rising index along with increased liquidity indicates a positive upward trend, aiming for higher resistance levels.

- Technical Analysis: The technical trend continues its upward momentum, as seen in previous sessions with the moving averages (MA) maintaining their order. Despite a slight correction towards the MA 10 level, the price immediately bounced back strongly, disregarding the overbought signal from the RSI indicator.

- Strategy: The market is showing a positive upward trend aiming for higher resistance levels around 1,200. Investors should be cautious and reduce highly leveraged positions when approaching strong resistance levels. The resistance/support levels are respectively at 1,200/1,070.

Scenario:

- Positive (60%): The market is expected to reach the 1,200 level in the following week if the upward momentum and optimism continue.

- Less Positive (40%): The market may undergo a correction towards the 1,160-1,170 range.

Recommended stocks

24/7/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
ANV	Buy	37.3	41.1	36.18	10%	-3%	37.3	The stock is consolidating firmly, STOCH RSI has crossed upwards.
VCS	Buy	63.7	69.6	62	9%	-3%	63.9	The stock bounce back when it tested the MA 20 support level again.

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%	10.7	20	7.00%	25/06/2023	
TAR	Hold	16.1	19.3	15.2	20%	-6%	18.3	20	13.66%	26/06/2023	
KDH	Hold	31.2	34.95	30	12%	-4%	32.85	20	5.29%	26/06/2023	
REE	Hold	62.8	68.6	60.5	9%	-4%	65.4	28	4.14%	14/06/2023	
DIG	Sell	21.35	23.15	20.5	8%	-4%	24.8	10	16.16%	10/07/2023	Take profit early due to weakening upward trend
TCB	Hold	31.9	34.75	31.1	9%	-3%	32.3	5	1.25%	17/07/2023	
MIG	Mua	18.7	21	18.37	12%	-2%	19.55	1	4.55%	21/07/2023	
ACB	Mua	21.95	23.5	21.5	7%	-2%	22.1	1	0.68%	21/07/2023	

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 US Confidence consumer index	26 US new home sales	27 Fed announces interest rates US preliminary GDP"	28 Core PCE US Announcement of new stock composition in VN30	29
30	31					

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Q&A

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