MORNING CALL
25/07/2023

Shinhan Securities

"The green trend continues, approaching the 1200 level"

- World stocks: A week filled with significant information
- Vietnam stocks: **The green trend continues, approaching the 1200 level**
- Business News : **#EIB, #TAR, #PGB, #GAS, #DHG, #NVL, #NET**
- Technical perspective and recommendation update
- Event calendar
- Q&A

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Catching the latest report





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

Major stocks market

- The Dow gained 0.52%, the S&P 500 rose 0.4% and the Nasdaq Composite edged up 0.19%, with the Dow rising for the 11th straight session which is its longest winning streak since February 2017. Those gains came as a stronger-than-expected earnings season helped fuel this year's market rally, while investors brace for the Federal Reserve's policy decision on Wednesday.
- European markets finished mixed as of the most recent closing prices. The FTSE 100 gained 0.19% and the DAX rose 0.08%. The CAC 40 lost 0.07%. The HCOB Eurozone Manufacturing PMI fell to 42.7 in July of 2023 from 43.4 in the previous month, the lowest in three years, missing market expectations of 43.5 to point to one full year of consecutive contractions in the currency bloc's manufacturing sector as higher borrowing costs from the ECB continued to bite.
- The Nikkei 225 Index jumped 1.23% to close at 32,701 while the broader Topix Index gained 0.84% to 2,281 on Monday, snapping a two-day decline, with resource-related stocks leading the advance amid firmer commodity prices. Investors also digested data showing Japanese manufacturing activity contracted further in July, while services activity slowed
- WTI crude futures rose to $78.5 per barrel on Monday, the highest in three months propelled by the promising outlook of tighter global supply and a surge in Chinese demand.

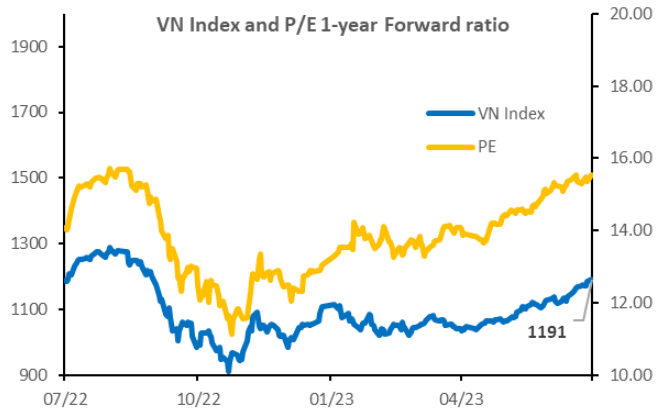
Market

	Close	%1D	%1M	%1Y
VN-Index	1,191	0.41%	5.43%	0.19%
S&P 500 Index	4,555	0.40%	4.74%	14.82%
Dow Jones Index	35,411	0.52%	4.99%	10.69%
GP 100	7,679	0.19%	2.90%	5.10%
Nikkei 225	32,626	-0.23%	-0.47%	17.79%
SHCOMP Index	3,164	-0.11%	-1.06%	-2.65%
STOXX 600	466	0.06%	2.77%	9.25%
KOSPI Index	2,629	0.01%	2.28%	9.36%
Hang Seng	18,668	-2.13%	-1.17%	-9.21%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.38	0.03%	-1.48%	-4.80%
USD/VND	23,678.00	-0.09%	-0.61%	-1.20%
EUR/USD	1.11	0.03%	1.48%	8.29%
USD/CNY	7.19	0.00%	0.73%	-6.07%
Brent	82.78	0.05%	12.09%	-21.27%
WTI	78.85	0.14%	14.01%	-18.46%
Natural gas	2.71	0.89%	-0.73%	-68.96%
Coal	133.10	0.08%	6.06%	-67.47%
Gold	1,954.97	0.01%	1.65%	13.68%

Vietnam Market Snapshot 24/07/2023





Money flow and sector rotation (VND bn)

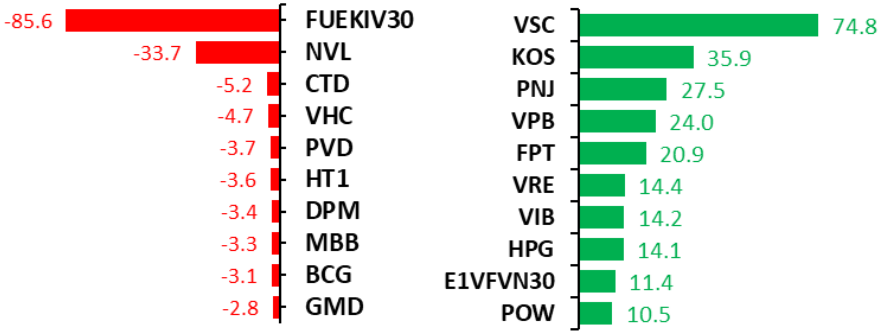
Sector	%1D	7/24/2023	7/21/2023	20-session Average
Oil & Gas	86.51	242	130	182
Automobiles & Parts	73.95	157	90	127
Media	49.67	1	1	1
Construction & Materials	48.08	2,008	1,356	1,226
Industrial Goods & Services	32.85	1,204	907	921
Chemicals	32.29	838	634	780
Personal & Household Goods	24.99	243	194	221
Real Estate	12.39	4,983	4,434	3,144
Health Care	9.10	74	67	33
Food and Beverage	7.33	1,366	1,273	1,304
Travel & Leisure	-6.4	178	190	157
Basic Resources	-10.1	1,096	1,220	1,227
Technology	-11.9	126	143	122
Utilities	-12.9	262	301	244
Banks	-12.9	3,082	3,540	2,840
Financial Services	-20.8	2,070	2,613	2,058
Insurance	-36.6	56	88	70
Retail	-42.2	642	1,111	555

Source: Bloomberg, Shinhan Securities Vietnam

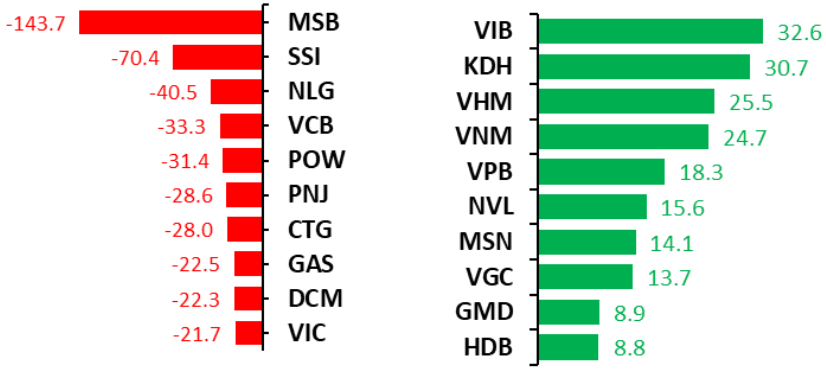
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,190.72	16.25	4.82	0.41	960	18,638
HNX INDEX	236.53	30.41	1.55	0.66	129	2,018

Vietnam Market Snapshot 24/07/2023

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	32	(5)	9	(3)
Basic Resources	16	(8)	(38)	46
Media	-	0	(0)	0
Industrial Goods & Services	72	14	(4)	(9)
Health care	-	6	(2)	(3)
Chemicals	(2)	(42)	15	27
Financial Services	10	(75)	55	20
Travel & Leisure	3	(2)	(3)	5
Banks	52	(171)	40	131
Construction & Materials	(4)	18	20	(39)
Food and Beverage	10	32	(37)	6
Retail	4	(15)	3	12
Utilities	13	(56)	53	3
Personal & Household Goods	27	(32)	3	29
Technology	21	(0)	(31)	31
Automobiles & Parts	2	5	(1)	(4)
Insurance	1	(5)	(4)	9
Oil & Gas	(3)	1	8	(9)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- **In July 2023, the Ministry of Finance proposed to the Prime Minister to issue a decision to reduce land rental fees by 30%.** Resolution 105/NQ-CP of the Government assigned the Ministry of Finance to lead and coordinate with other ministries, agencies, and localities in implementing effective extension policies, tax reduction, fees, land rental fees that have been issued; urgently operate the separate corporate bond trading floor in July 2023; closely monitor the situation of maturity, debt repayment, and negotiate the extension of repayment time for each enterprise, and provide timely and appropriate solutions.

- **In July, it is planned to hand over the entire 5,000 hectares of land for the $16 billion airport project**. According to the latest information, 2,500 hectares of land for the first phase of the Long Thanh International Airport investment and construction project have been completed and handed over by Dong Nai to the relevant units for the execution of the project's items.

- **The textile and garment industry is facing difficulties due to a lack of orders and decreasing prices.** Besides the shortage of orders and accepting orders that are not their strong suit, textile and garment companies also have to deal with difficulties caused by significantly reduced unit prices, even down by more than 50% compared to previous years. The textile and garment industry is heavily affected by the decline in orders from major markets such as the US and EU. In the first six months of 2023, the textile and garment export turnover is estimated at $18.6 billion, down 17.6% compared to the same period in 2022. The import turnover is estimated at $10.7 billion, down 20.5%, resulting in a trade surplus of $7.9 billion (compared to $8.8 billion in the same period in 2022).

Business news

- **EIB: Eximbank updates its shareholder structure: The State group holds more than 5% of the capital**, and SMBC reduces its ownership to 2.3%. According to the newly released document by Eximbank, as of June 30th, the total circulating shares of the bank are at 1.475 trillion units, and there are no major shareholders. Among them, the State shareholder group holds 5.07% of Eximbank's shares, while the rest are held by other shareholders.

- **TAR: The information about India's ban on rice exports is seen as good news for businesses with rice stocks in Vietnam**. It's noted that rice prices in the Mekong Delta have increased by 200-400 VND/kg compared to the beginning of July 2023. For example, in An Giang, the price of IR50404 rice is at 6,700-6,900 VND/kg; Đài Thơm 8 rice is priced at 6,800-7,000 VND/kg; OM5451 rice is at 6,700-6,800 VND/kg; OM18 rice is at 6,900-7,100 VND/kg... This has created growth momentum for rice-related stocks.

- **PGB: Petrolimex withdraws hundreds of billions of VND from PGBank in the first half of the year, but the bank's profit continues to grow well.** Looking into the asset structure, PGBank's customer loan balance increased by 4.13% in the first 6 months to 30,250 billion VND. Conversely, the balance of debt purchase operations decreased by over 59% to just over 1,316 billion VND; the size of the investment securities portfolio (mainly government bonds) decreased by more than 20% to 2,776 billion VND. Regarding the business results of PGBank, the pre-tax profit in the second quarter reached 150 billion VND, an increase of nearly 27% compared to the same period last year. For the first 6 months of the year, pre-tax profit reached 303 billion VND, an increase of 24%.

Breaking News



Business news

- **GAS: PV GAS has finalized the date to distribute dividends for the year, amounting to nearly 6,900 billion VND.** Thanks to holding almost 96% of PV GAS's charter capital, Vietnam Oil and Gas Group (PetroVietnam) is expected to receive around 6,600 billion VND. PV GAS recently announced its estimated business results for the first six months of the year, with revenue reaching approximately 45,117 billion VND, equal to 117% of the plan. Pre-tax profit is estimated at 7,542 billion VND, and after-tax profit is estimated at 6,035 billion VND, both equal to 183% of the plan.

- **DHG: Hau Giang Pharmaceutical Company (DHG) reported a post-tax profit of 263 billion VND in the second quarter,** a 12% growth compared to the same period last year. However, the stock unexpectedly experienced a sharp decline after the news. In the second quarter alone, DHG recorded net revenue of 1,153 billion VND, a slight increase compared to the second quarter of 2022, and gross profit also increased by 1.3% to 562 billion VND.

- **NVL: There are new developments in Novaland's mega 30,000-hectare project proposed for investment in Lam Dong province.** The People's Committee of Lam Dong province has assigned the Department of Construction to receive the planning concept file from Novaland Real Estate Group for further discussion with relevant local authorities.

- **NET: After being acquired by Masan, NET Laundry Detergent reported record-high profits in the second quarter.** The increase in sales of laundry and dishwashing products, coupled with effective cost control for raw materials, contributed to the strong performance of NET Laundry Detergent in the second quarter. Specifically, net revenue reached 461 billion VND, a 23% increase compared to the same period, and gross profit amounted to 110 billion VND, a nearly 50 billion VND increase compared to the same period.

Technical view



Trend: Upward

- The market continued to close with a gain at 1,190 points (+0.41%), with the opening and closing prices being the same. During the session, there were moments when the market dropped to 1,180, but buying pressure emerged, pulling the market back up, with significant contributions from the VN30 group such as VPB, MWG, NVL, and MSN.

- Technical view: The market still maintains an upward trend, with a significant increase in trading volume, the highest in the past 6 sessions. The reference support and resistance levels are in the range of 1,170-1,200. The RSI indicator is currently in the overbought zone, reaching its highest level since February 2021.
- Strategy: it is advised to remain optimistic but cautious, prioritizing holding strong stocks and refraining from chasing after stocks that have moved far away from the support levels of the MA 10 and MA 20.

Scenario:

- Positive (60%): The market is expected to reach the 1,200 level this 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

25/7/2023

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%	11.1	21	11.00%	25/06/2023	
TAR	Hold	16.1	19.3	15.2	20%	-6%	20.1	21	24.84%	26/06/2023	Take Profit
KDH	Hold	31.2	34.95	30	12%	-4%	34.25	21	9.78%	26/06/2023	
REE	Hold	62.8	68.6	60.5	9%	-4%	64.8	29	3.18%	14/06/2023	
TCB	Hold	31.9	34.75	31.1	9%	-3%	32.45	6	1.72%	17/07/2023	
MIG	Hold	18.7	21	18.37	12%	-2%	19.2	2	2.67%	21/07/2023	
ACB	Hold	21.95	23.5	21.5	7%	-2%	22.05	2	0.46%	21/07/2023	
ANV	Mua	37.3	41.1	36.18	10%	-3%	37.4	1	0.27%	24/07/2023	
VCS	Mua	63.7	69.6	62	9%	-3%	63.9	1	0.31%	24/07/2023	

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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