MORNING CALL
27/07/2023

“Conquering 1200 “

- ❑ World stocks: The market is exhibiting cautious sideways movement
- ❑ Vietnam stocks: Conquering 1200
- ❑ Business News #VSH, #DBC, #DGC, #HDB, #DCM, #HAG
- ❑ Technical perspective and recommendation update
- ❑ Event calendar
- ❑ Q&A

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

Major stocks market

- In regular trading on Wednesday, the Dow rose 0.23%, while the S&P 500 and Nasdaq Composite fell 0.02% and 0.12%, respectively. Those moves came as the Fed delivered a widely expected 25 basis point rate hike, while Fed Chair Powell said the central bank will take a data-dependent approach on future hikes and had not made a decision on whether to hike rates at its next meeting in September
- European markets finished broadly lower today with shares in France leading the region. The CAC 40 is down 1.35% while Germany's DAX is off 0.49% and London's FTSE 100 is lower by 0.19%. The Eurozone economy has been showing signs of weakness while inflation remains almost 3 times above the target. Flash PMI surveys for July revealed the most significant contraction since November of the previous year, driven primarily by a sharp decline in manufacturing that hadn't been seen in over three years.
- The Nikkei 225 Index shed 0.04% to close at 32,668 while the broader Topix Index lost 0.1% to 2,283 on Wednesday, with Japanese shares struggling to gain traction as investors braced for an expected interest rate hike from the US Federal Reserve later in the global day. The Bank of Japan will also decide on monetary policy on Friday, where it is widely seen maintaining ultra-easy monetary settings.
- WTI crude futures hovered around $79.2 a barrel on Wednesday, close to high levels not seen since mid-April, as traders continue to weigh prospects of tighter supplies and an eventual rise in demand after the Chinese authorities pledged this week to shore up the economy.

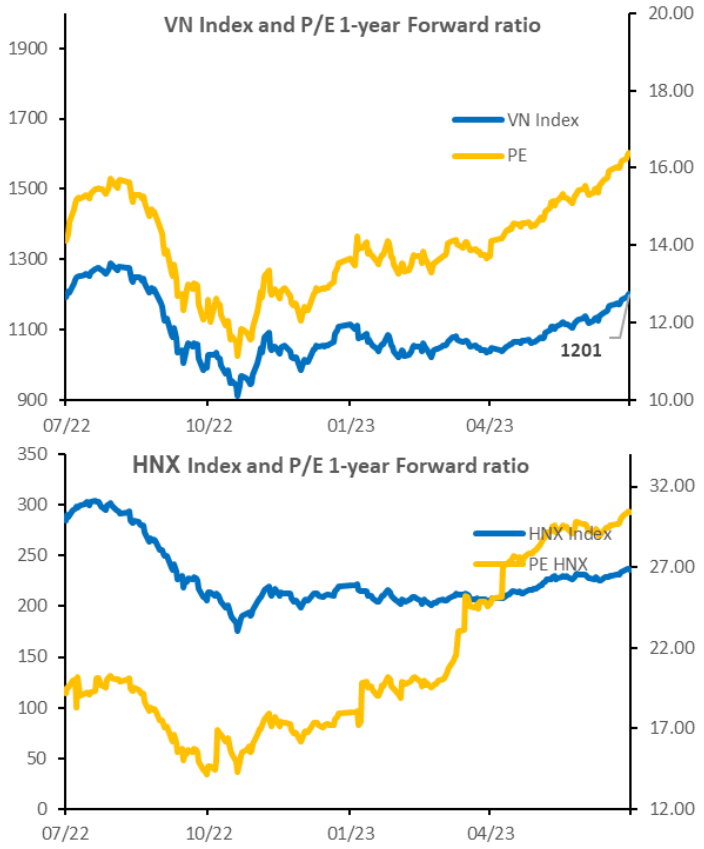
Market

	Close	%1D	%1M	%1Y
VN-Index	1,201	0.41%	5.86%	0.82%
S&P 500 Index	4,567	-0.02%	4.30%	13.50%
Dow Jones Index	35,520	0.23%	4.70%	10.32%
GP 100	7,677	-0.19%	2.89%	4.47%
Nikkei 225	32,665	-0.01%	0.39%	17.86%
SHCOMP Index	3,223	-0.26%	1.05%	-1.61%
STOXX 600	465	-0.53%	2.77%	8.72%
KOSPI Index	2,605	0.47%	0.90%	7.82%
Hang Seng	19,365	-0.36%	1.13%	-6.31%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.07	0.18%	-1.39%	-5.06%
USD/VND	23,672.00	-0.03%	-0.58%	-1.29%
EUR/USD	1.11	-0.01%	1.13%	8.68%
USD/CNY	7.14	-0.10%	1.36%	-5.31%
Brent	83.03	0.13%	14.90%	-22.13%
WTI	78.99	0.27%	16.68%	-18.78%
Natural gas	2.61	-2.03%	-5.50%	-69.94%
Coal	134.00	0.00%	6.77%	-67.63%
Gold	1,972.79	0.04%	3.09%	13.76%

Vietnam Market Snapshot 26/07/2023



Money flow and sector rotation (VND bn)

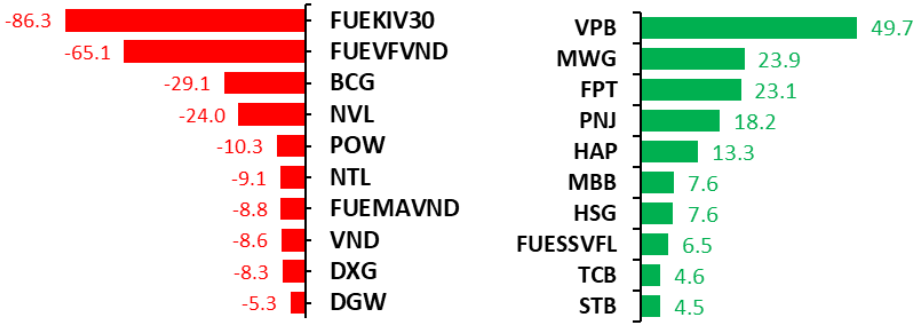
Sector	%1D	7/26/2023	7/25/2023	20-session Average
Media	1,487.06	23	1	2
Utilities	98.00	502	253	260
Industrial Goods & Services	56.38	1,325	847	918
Automobiles & Parts	39.34	189	136	130
Technology	10.60	128	116	121
Financial Services	3.87	2,060	1,984	2,072
Basic Resources	3.85	1,264	1,217	1,228
Oil & Gas	0.34	181	181	188
Real Estate	-2.9	4,347	4,479	3,217
Health Care	-5.0	37	39	35
Retail	-6.9	589	632	569
Personal & Household Goods	-20.1	236	296	229
Travel & Leisure	-20.5	136	171	158
Food and Beverage	-21.0	1,118	1,415	1,268
Construction & Materials	-25.7	1,172	1,578	1,244
Chemicals	-28.1	738	1,027	778
Insurance	-33.4	49	74	68
Banks	-39.9	2,408	4,009	2,874

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,200.84	16.39	4.94	0.41	813	16,509
HNX INDEX	236.20	30.36	-0.73	-0.31	83	1,346

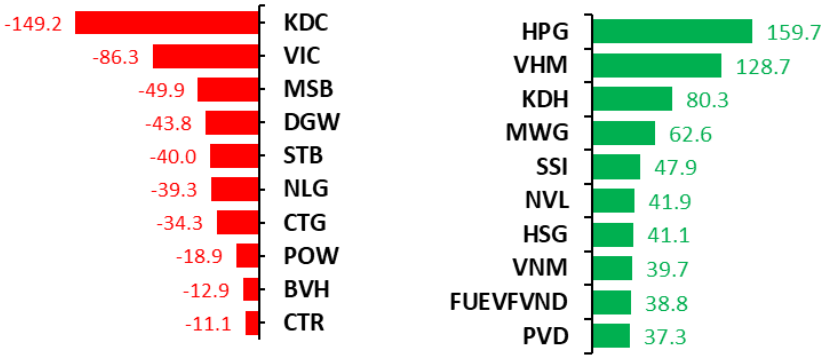
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 26/07/2023

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	(36)	156	(47)	(109)
Basic Resources	28	207	(243)	35
Media	(0)	1	(1)	(0)
Industrial Goods & Services	(5)	41	(15)	(26)
Health care	(0)	2	(2)	0
Chemicals	2	0	(47)	47
Financial Services	(95)	135	(31)	(104)
Travel & Leisure	(2)	(1)	2	(1)
Banks	71	(82)	(24)	106
Construction & Materials	(1)	(11)	23	(12)
Food and Beverage	7	(81)	69	12
Retail	20	21	21	(42)
Utilities	(8)	(23)	40	(17)
Personal & Household Goods	18	28	(56)	28
Technology	23	(2)	(16)	17
Automobiles & Parts	3	(2)	(1)	2
Insurance	1	(13)	13	(1)
Oil & Gas	(0)	34	(18)	(15)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- **After the bond trading platform was established, conducting bond transactions outside the platform would be considered illegal**. The Chairman of Hanoi Stock Exchange (HNX) stated this after one week of the bond trading platform's operation, with a total trading value reaching 2,000 billion VND. He also revealed that HNX is striving to bring about 1,000 bond codes to the platform within the next 3 months to boost the development of the primary market. This statement was made during the "Dialogue in July: Macroeconomics and Stock Market" organized by the Securities Journalists Club on July 26 in Hanoi. Mr. Nguyen Duy Thinh
- **The International Monetary Fund (IMF) raised its global economic growth forecast on July 25**, presenting a slightly more optimistic outlook despite China's economic slowdown. In the latest update of the World Economic Outlook report, IMF increased the global gross domestic product (GDP) growth rate by 0.2 percentage points, reaching 3% from the previously projected 2.8% in April. IMF maintained its growth forecast for the global economy at 3% for the year 2024.
- **New home sales for a family in the United States decreased by 2.5%** to a seasonally adjusted annual rate of 697,000 in June 2023, compared to the 15-month high of 715,000 in May and below the market consensus of 725,000.
- **Gold prices surged due to expectations that the Federal Reserve would stop raising interest rates**. World gold prices rose significantly as the US dollar weakened, and the market anticipated that the Federal Reserve would halt its rate-hiking campaign after the upcoming increase. Domestic gold prices fluctuated inconsistently this morning, maintaining a difference of nearly 11 million VND per tael compared to international prices..

Business news

- **VSH: VSH, Vinh Son - Song Hinh Hydropower Joint Stock Company (stock code: VSH), has recently released its financial report for the second quarter of 2023**, with revenue reaching 657 billion VND, almost equivalent to the same period last year. Cost of goods sold decreased by 2% to 247 billion VND, resulting in a 4.5% increase in the company's gross profit to 410.3 billion VND. Accumulated over 6 months, VSH recorded revenue of 1,549 billion VND and net profit of 738 billion VND, increasing by 5.5% and 12% respectively compared to the same period last year. Thus, after 2 quarters, the company has achieved 62.6% of its revenue plan and 86% of its annual profit target.
- **DBC: Dabaco (DBC) - a real estate company, experienced a sharp increase in revenue, reporting a profit of 300 billion VND after two quarters of losses**. Dabaco earned over 370 billion VND in pre-tax profit, 12 times higher than the same period last year. Net profit attributable to shareholders of the parent company was nearly 327 billion VND, nearly 23 times higher than the same period last year. In the last quarter, Dabaco's net revenue reached 3,473 billion VND, an increase of 17% compared to the same period. With slower increase in cost of goods sold than revenue, Dabaco achieved a gross profit of over 662 billion VND, a 132% increase from the second quarter of 2022. The gross profit margin rose to 19%.
- **HDB: HDBank is one of the first banks in Vietnam to complete the comprehensive implementation of Basel III**. This positive result was achieved through the collaboration between HDBank and leading global consulting firms. HDBank has completed the upgrade from Basel II to Basel III Reforms in all indicators and complied with the stringent requirements recommended by the Basel Committee for international banks, effective from January 1, 2023.

Breaking News



Business news

- **DCM: Ca Mau Fertilizer Company (DCM) reported an 80% decline in profit for the first half of the year**, holding more than 10,500 billion VND in cash and deposits. Recently, Ca Mau Fertilizer Joint Stock Company (stock code: DCM) announced its financial report for the second quarter of 2023, showing a decrease in revenue and profit compared to the same period last year. Specifically, net revenue from sales and services reached 3,291 billion VND, a 19% decrease from the same period last year. The decrease in revenue combined with a 7% increase in cost of goods sold resulted in a 72% drop in Ca Mau Fertilizer's gross profit, down to over 370 billion VND. The gross profit margin also declined significantly from 33% to 11%.
- **HAG: Cheap imported meat is causing continuous price drops for pork in the past 10 days.** After a significant recovery from a deep decline and the expectation of a potential strong increase back to the previous peak of 70,000 VND/kg due to a decrease in supply (due to African swine fever, causing farmers to abandon pig farming), domestically raised pork is facing a large influx of cheap imported pork.
- **DGC: The Vietnam National Chemical Group (DGC) has just released its plan for the third quarter of 2023**, with consolidated revenue expected to reach 2,384.3 billion VND and after-tax profit expected to be 800 billion VND. In the third quarter of 2022, DGC recorded revenue of 3,696 billion VND and after-tax profit of 1,513.6 billion VND. Therefore, the plan for the third quarter of this year continues to see a 50% decline in profit compared to the same period last year. Recently, DGC announced its financial report for the second quarter of 2023, with net revenue reaching over 2,400 billion VND, a 40% decrease compared to the same period last year. After deducting expenses, DGC's net profit was 882 billion VND, a 53% decrease from the same period last year.

Technical view



Trend: Increase

- The VNINDEX closed at 1,200.8 (+0.41%) after continuous fluctuations during the session due to investors' psychological concerns at the strong resistance level of 1,200. However, the market's upward movement was mainly driven by large-cap stocks such as VCB, SAB, NVL, and VHM.

- Techinical view: The market continues to maintain its strong upward momentum, but the RSI and STOCH RSI indicators have signaled overbought conditions. It is expected that the market may experience a few correction sessions or at least consolidate around the 1,200 level. Trading liquidity has slightly decreased. Further observation is needed to see how the market unfolds, especially with important global macroeconomic information expected to be released this week.

- Strategy: it is advised to maintain a cautious approach, giving priority to selling stocks rather than seeking new buying opportunities, especially for those stocks that have experienced rapid price increases recently.

Scenario:

- Positive (50%): The market will consolidate around the 1,200 level to build a strong base before breaking out and surpassing the 1,200 resistance decisively.
- Negative (50%): The market will breach the MA 10 at the 1,180 level and decline to consolidate around 1,160.

Recommended stocks

28/7/2023

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	Sell	10	12.1	9.4	21%	-6%	10.95	24	9.50%	25/06/2023	Portfolio restructuring
KDH	Sell	31.2	34.95	30	12%	-4%	35	24	12.18%	26/06/2023	Take Profit
REE	Sell	62.8	68.6	60.5	9%	-4%	67.9	32	8.12%	14/06/2023	Portfolio restructuring
TCB	Hold	31.9	34.75	31.1	9%	-3%	33.45	9	4.86%	17/07/2023	
MIG	Hold	18.7	21	18.37	12%	-2%	19.4	5	3.74%	21/07/2023	
ACB	Hold	21.95	23.5	21.5	7%	-2%	22.3	5	1.59%	21/07/2023	
ANV	Hold	37.3	41.1	36.18	10%	-3%	37.25	4	-0.13%	24/07/2023	
VCS	Hold	63.7	69.6	62	9%	-3%	63.9	4	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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