MORNING CALL
01/08/2023

Shinhan Securities

“Significant increase in liquidity“

- World stocks: The upward trend spreads.
- Vietnam stocks: Significant increase in liquidity
- Business News #LTG, #VJC, #MWG, #GMD, #VIB, #BSR
- Technical perspective and recommendation update
- Event calendar
- Q&A

[Analysts]

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Global Market Review – Week 31/07 – 04/08/2023

Major stocks market

- In regular trading on Monday, the Dow rose 0.28%, the S&P 500 gained 0.15% and the Nasdaq Composite climbed 0.21%, with all three benchmarks booking solid gains for July. More than half of S&P 500 companies have already reported earnings, with 80% beating estimates, according to FactSet.
- European markets finished mixed as of the most recent closing prices. The CAC 40 gained 0.29% and the FTSE 100 rose 0.07%. The DAX lost 0.14%. Consumer prices grew by 5.3% this month versus 5.5% in June, extending a downwards trend that started in the autumn. Excluding energy and unprocessed food, prices increased by 6.6% after a 6.8% rise a month earlier.
- The Nikkei 225 Index rallied 1.26% to close at 33,172 while the broader Topix Index jumped 1.39% to 2,323 on Monday, with the latter hitting fresh 33-year highs despite pressure from rising Japanese government bond yields. The Shanghai Composite climbed 0.46% to close at 3,291 while the Shenzhen Component jumped 0.75% to 11,184 on Monday, with mainland stocks rising for the second straight session as investors reacted to fresh Chinese economic figures. Latest data showed that the country's manufacturing activity contracted for the fourth straight month in July, but posted above market expectations, while services sector growth slowed to a seven-month low.
- WTI crude futures held above $80 per barrel on Monday and were set to end the month sharply higher as signs of tightening global supply and an improving demand outlook bolstered oil prices

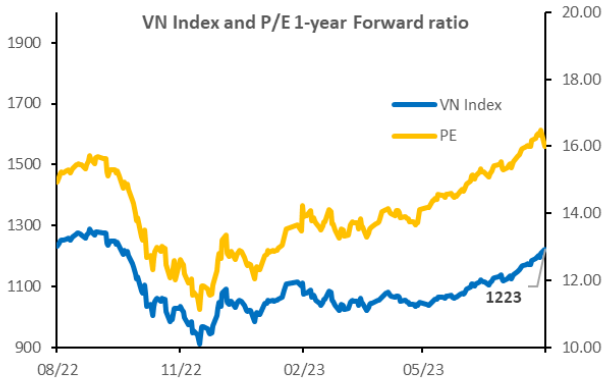
Market

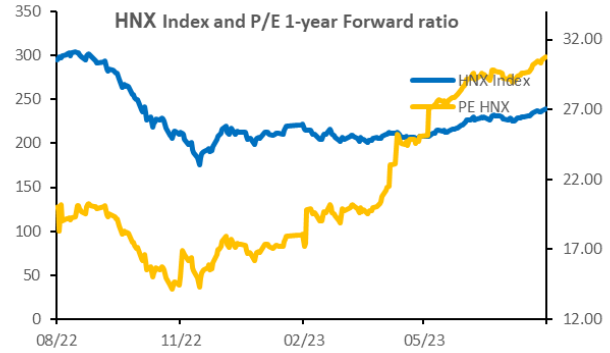
	Close	%1D	%1M	%1Y
VN-Index	1,223	1.26%	9.17%	-0.69%
S&P 500 Index	4,589	0.15%	3.11%	11.42%
Dow Jones Index	35,560	0.28%	3.35%	8.42%
GP 100	7,699	0.07%	2.23%	3.86%
Nikkei 225	33,311	0.42%	0.37%	19.00%
SHCOMP Index	3,291	0.46%	2.78%	0.95%
STOXX 600	471	0.12%	2.04%	7.75%
KOSPI Index	2,658	0.98%	3.67%	8.41%
Hang Seng	20,079	0.82%	6.15%	-0.43%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.92	0.07%	-0.96%	-3.35%
USD/VND	23,689.00	0.01%	-0.45%	-1.40%
EUR/USD	1.10	-0.06%	0.71%	7.09%
USD/CNY	7.14	0.08%	1.55%	-5.24%
Brent	85.22	-0.25%	13.78%	-14.81%
WTI	81.61	-0.23%	15.53%	-13.08%
Natural gas	2.65	0.57%	-5.33%	-68.02%
Coal	137.30	-1.58%	7.22%	-66.34%
Gold	1,963.24	-0.09%	2.16%	10.78%

Vietnam Market Snapshot 31/07/2023





Money flow and sector rotation (VND bn)

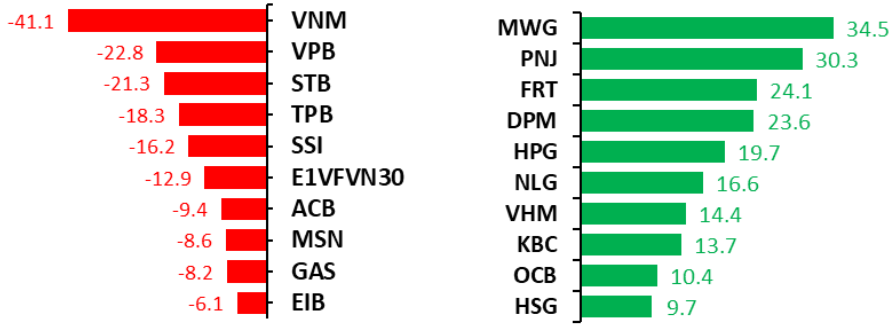
Sector	%1D	7/31/2023	7/28/2023	20-session Average
Insurance	113.57	116	54	72
Retail	104.20	1,090	534	636
Technology	64.80	177	107	131
Media	53.71	3	2	3
Basic Resources	51.97	2,194	1,443	1,279
Personal & Household Goods	19.96	287	239	241
Banks	17.39	3,499	2,980	3,106
Food and Beverage	10.81	1,779	1,605	1,377
Real Estate	10.22	6,096	5,531	3,769
Chemicals	10.00	991	901	841
Industrial Goods & Services	7.97	925	857	952
Travel & Leisure	6.11	168	158	163
Utilities	5.70	408	386	285
Automobiles & Parts	-2.6	218	224	152
Oil & Gas	-11.6	252	285	209
Health Care	-12.9	40	46	39
Financial Services	-18.8	2,502	3,083	2,237
Construction & Materials	-21.4	1,564	1,989	1,369

Source: Bloomberg, Shinhan Securities Vietnam

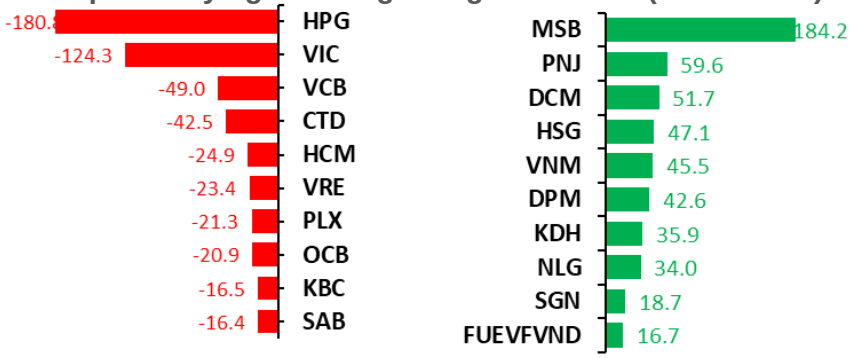
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,222.90	16.00	15.23	1.26	1,074	22,316
HNX INDEX	239.55	30.79	2.02	0.85	119	1,827

Vietnam Market Snapshot 31/07/2023

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	46	(76)	(35)	111
Basic Resources	31	(131)	(24)	156
Media	-	(1)	1	-
Industrial Goods & Services	2	34	(1)	(32)
Health care	(0)	3	(3)	1
Chemicals	29	79	(124)	45
Financial Services	(25)	30	8	(38)
Travel & Leisure	(2)	7	(6)	(0)
Banks	(67)	119	(41)	(77)
Construction & Materials	3	(25)	21	4
Food and Beverage	(49)	3	59	(61)
Retail	59	16	(72)	56
Utilities	(10)	(19)	17	2
Personal & Household Goods	30	61	(88)	27
Technology	7	6	(9)	3
Automobiles & Parts	1	(1)	(4)	5
Insurance	(0)	13	(19)	6
Oil & Gas	(0)	(23)	22	1

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- **Credit stagnation has prompted banks to proactively buy back bonds before maturity**. In Q2 2023, businesses bought back bonds worth 80,065 billion VND, a 34% increase compared to the same period in 2022. The banking sector led the bond repurchases with 54,617 billion VND, accounting for 68% of the total value of repurchases. These organizations purchased bonds from major banks such as Orient Commercial Bank, MSB, Tien Phong Bank, and BIDV. Analysts believe that the low credit growth reflects low borrowing demand while the liquidity in the system remains abundant. This surplus of funds led banks to invest in bond buybacks to optimize capital usage and reduce excess capital levels.
- **The tax sector has expedited the process of resolving issues, allowing exporting businesses to receive billions of VND in tax refunds.** According to the General Department of Taxation, by the end of June, tax authorities issued 8,034 decisions to refund value-added tax (VAT) with a total amount of 56,562 billion VND, which is 30.4% of the estimated VAT refund for 2023 approved by the National Assembly and 87% compared to the same period in 2022.
- **As per the research conducted by MSB, during the week from July 24th to July 28th, interbank VND interest rates remained stable across all tenors with slight fluctuations**. On July 28th, interbank VND interest rates were trading around: overnight 0.23% (+0.01%); 1-week 0.47% (+0.04%); 2-weeks 0.7% (+0.08%); 1-month 1.93% (-0.10%). Interbank USD interest rates increased significantly during the week. On the last session of the week, on July 28th, interbank USD interest rates closed at: overnight 5.01% (+0.15%); 1-week 5.11% (+0.2%); 2-weeks 5.21% (+0.21%); and 1-month 5.33% (+0.15%).

Business news

- LTG: Loc Troi Group (UPCoM: LTG) has announced its financial results for the second quarter of 2023 and the accumulated results for the first six months of 2023. In Q2, Loc Troi recorded net revenue of 3,678 billion VND, a 4% increase compared to the same period last year. The slight decrease in the cost of goods sold contributed to a 42% increase in gross profit, reaching over 526 billion VND, and the gross profit margin improved from 10% to 14%. During this period, Loc Troi also earned over 49 billion VND in financial revenue, 8.4 times higher than the same period last year, mainly due to exchange rate differences. Notably, there was nearly 327 billion VND in profit from an affiliated company – this is the revaluation of assets of Loc Nhan Grain.
- VJC: Vietjet reported consolidated revenue and after-tax profit for Q2 2023 at 16,872 billion VND and 214 billion VND, representing a 46% and 18% increase compared to Q2 2022, respectively. In the first six months of 2023, Vietjet operated safely with 65.9 thousand flights, transporting over 12.1 million passengers, including 3.5 million international passengers, a 26% and 30% increase compared to the same period last year. The total cargo volume transported by Vietjet reached 33 thousand tons, a nearly 40% increase year on year.
- MWG: Mobile World in the battle for lower prices: Profit "evaporates" 98% to a record low, cash holdings reach over 1 billion USD, the highest in history. Mobile World Investment Corporation (code MWG) has just released its consolidated financial report for Q2 2023 with net revenue reaching 29,465 billion VND, a 14% decrease compared to the same period last year but nearly 9% higher than the previous quarter. Thus, this retail company has ended the streak of four consecutive quarters of declining revenue compared to the previous quarter. By the end of Q2, the cash and short-term deposits of Mobile World reached over 24,400 billion VND (~1 billion USD), an increase of 4,600 billion VND compared to the end of Q1 and 10,200 billion VND compared to the end of 2022.

Breaking News



Business news

- **GMD:** Gemadept Corporation (stock code: GMD) announced its financial results for Q2 2023, reporting a net profit of 1,848 billion VND, nearly 6 times higher than the same period last year. For the first six months, Gemadept achieved a net profit of 1,848 billion VND, 3.3 times higher than the previous year. Despite a slight decrease of 7% in revenue to 912.2 billion VND compared to the same period last year, the company managed to significantly increase its net profit by 5.7 times to 1,646 billion VND. The earnings per share (EPS) also saw a sharp rise from 878 VND to 5,404 VND.

- **VIB:** Vietnam International Bank (VIB) released its business results for the first six months of 2023, reporting a pre-tax profit of over 5,640 billion VND, a 12% increase compared to the same period last year. VIB's return on equity (ROE) reached 29%, continuing to be one of the market leaders in terms of operational efficiency. The bank's total operating income was nearly 10,300 billion VND, a growth of 18% compared to the same period last year. Interest income contributed about 15% of the total revenue, reaching nearly 1,590 billion VND. The main driver of growth still came from interest income, which increased by nearly 21% compared to the same period last year, reaching over 8,700 billion VND.

- **BSR:** Binh Son Refining and Petrochemical Company Limited (BSR) recently announced its financial results for Q2 2023, reporting a net revenue of 33,669 billion VND, a 38% decrease compared to the same period last year. The company's gross profit declined by 89% to 1,177 billion VND. As a result, BSR's total pre-tax profit reached 1,456 billion VND, a decrease of 86.3% compared to the same period last year. The net profit after tax for the parent company was 1,339 billion VND, a decrease of 87% compared to the previous year. The EPS decreased from 3,245 VND to 432 VND.

Technical view



Trend: Upward

- The VNINDEX closed at 1,222.9, rising by 15 points (+1.26%), with a significant increase in trading volume, reaching 1,122 billion in matched orders. The market's upward momentum was even stronger than the previous Friday's session, as it opened with a gap up and surged, driven mainly by the real estate group, particularly stocks of Vingroup (VHM, VIC).

- Technical view: the market is showing a strong and continuous upward trend, aiming to reach the resistance zone at 1,260, which corresponds to the next Fibonacci level at 3.618. However, the lack of sufficient consolidation at the price level of 1,200 (Fibo 2.618) poses a risk as the market may experience sudden declines. Additionally, the momentum for further market growth might be limited, as many major stocks have already risen, some even surpassing the MA200 zone.

- In terms of strategy, it is advisable to prioritize holding healthy stocks and consider selling when the target is reached or when breaking below the defined support levels. For new purchases, careful selection of stocks with positive prospects in the future is crucial..

Scenario:

- Positive (40%): The market will continue to rise towards the 1,260 zone, accompanied by increasing trading volume.

- Negative (60%): The market will experience a correction towards the 1,200 zone to consolidate further, gaining momentum to reach 1,300 by the end of the year.

Recommended stocks

2/8/2023

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
TCB	Hold	31.9	34.75	31.1	9%	-3%	34.3	12	7.52%	17/07/2023	
MIG	Hold	18.7	21	18.37	12%	-2%	20	8	6.95%	21/07/2023	
ACB	Hold	21.95	23.5	21.5	7%	-2%	22.95	8	4.56%	21/07/2023	
ANV	Hold	37.3	41.1	36.18	10%	-3%	37.05	7	-0.67%	24/07/2023	
VCS	Buy	63.5	72	61.8	13%	-3%	63.5	2	0.00%	31/07/2023	

Economic calendar

August 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
30	31 PMI data (US and Vietnam)	1	2	3	4 Unemployment rate (US)	5
6	7	8	9 CPI data (US)	10 MSCI quarterly review PPI Data (US)	11	12
13	14 Deadline for submission of semi-annual financial statements	15	16	17 Expiration date of future contract FOMC meeting	18	19
20	21	22 Ishare MSCI review	23	24 US GDP Q3	25 FDI Data (Vietnam)	26
27	28 Vietnam macroecnomic data	29	30	31	1	2

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Q&A

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