# MORNING CALL
# 02/08/2023

Shinhan Securities

## "The market suddenly reversed with great liquidity"

- World stocks: World markets ease slightly ahead of business results update
- Vietnam stocks: The market suddenly reversed with great liquidity
- Business News #VIC, #FCN, #VCG, #ITA, #VGC, #NVL
- Technical perspective and recommendation update
- Event calendar
- Q&A


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# Global Market Review - Week 31/07 - 04/08/2023

## Major stocks market

- On Tuesday, the Dow gained 0.2%, while the S&P 500 and Nasdaq Composite dropped 0.27% and 0.43%, respectively. Those moves came as investors reacted to mixed corporate earnings results, though about 82% of S&P 500 companies that have reported earnings so far posted positive surprise, according to FactSet. US stock fell on Wednesday after Fitch downgraded the US's credit rating from AAA to AA+, citing "the expected fiscal deterioration over the next three years, a high and growing general government debt burden, and the erosion of governance" relative to peers.
- European shares closed lower on Tuesday, with Frankfurt's DAX 40 retreating 1.2% from Monday's record high and the pan-European STOXX 600 losing 0.6% from an 18-month high..
- The Nikkei 225 Index jumped 0.92% while the Topix Index climbed 0.64%. Investors also digested data showing Japan's unemployment rate fell slightly to 2.5% in June from 2.6% in May. The Shanghai Composite inched down 0.01% while the Shenzhen Component lost 0.36% on Tuesday, snapping a two-day advance as a private survey showed that Chinese manufacturing activity unexpectedly contracted in July .
- WTI crude futures held above $81 per barrel on Tuesday, hovering close to its highest levels in three months as the prospect of tighter global supply continued to lift oil prices. Markets geared up for an OPEC+ meeting this week, where de facto leader Saudi Arabia is expected to extend its voluntary output cut for another month. On the demand side, latest data showed that US fuel demand rose to 20.78 million barrels per day in May.

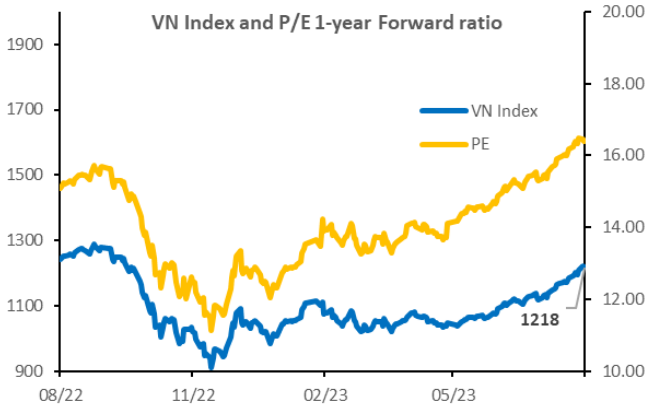
## Market

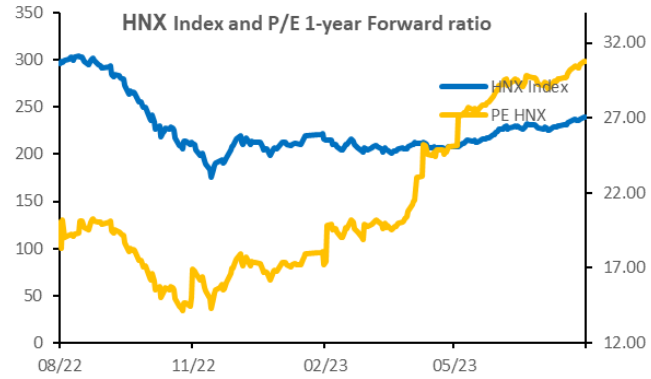
| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| VN-Index | 1,218 | -0.44% | 8.69% | -1.94% |
| S&P 500 Index | 4,577 | -0.27% | 2.84% | 11.87% |
| Dow Jones Index | 35,631 | 0.20% | 3.55% | 9.98% |
| GP 100 | 7,666 | -0.43% | 1.79% | 3.47% |
| Nikkei 225 | 33,022 | -1.36% | -0.50% | 19.67% |
| SHCOMP Index | 3,291 | 0.00% | 2.78% | 3.29% |
| STOXX 600 | 467 | -0.89% | 1.13% | 7.13% |
| KOSPI Index | 2,659 | -0.31% | 3.69% | 8.99% |
| Hang Seng | 20,011 | -0.34% | 5.79% | 1.63% |

## Currency & Commodity

| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| Dollar Index | 102.12 | -0.17% | -0.77% | -3.88% |
| USD/VND | 23,690.00 | 0.00% | -0.14% | -1.41% |
| EUR/USD | 1.10 | 0.10% | 0.76% | 8.15% |
| USD/CNY | 7.18 | -0.49% | 0.96% | -5.70% |
| Brent | 85.77 | 1.01% | 14.51% | -14.69% |
| WTI | 82.20 | 1.02% | 16.36% | -12.94% |
| Natural gas | 2.58 | 0.63% | -7.93% | -66.57% |
| Coal | 134.35 | -2.15% | 4.92% | -66.83% |
| Gold | 1,948.75 | 0.23% | 1.41% | 10.70% |

# Vietnam Market Snapshot 01/08/2023




## Money flow and sector rotation (VND bn)

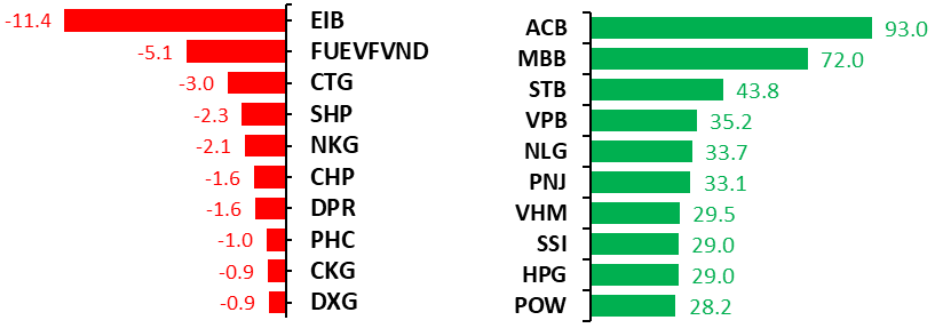
| Sector | %1D | 8/1/2023 | 7/31/2023 | 20-session Average |
|---|---|---|---|---|
| Industrial Goods & Services | 64.36 | 1,520 | 925 | 999 |
| Health Care | 61.87 | 65 | 40 | 41 |
| Construction & Materials | 60.55 | 2,510 | 1,564 | 1,448 |
| Banks | 44.72 | 5,063 | 3,499 | 3,234 |
| Chemicals | 33.86 | 1,327 | 991 | 862 |
| Personal & Household Goods | 23.12 | 354 | 287 | 248 |
| Oil & Gas | 16.34 | 293 | 252 | 198 |
| Automobiles & Parts | 5.86 | 231 | 218 | 159 |
| Financial Services | 5.34 | 2,636 | 2,502 | 2,263 |
| Food and Beverage | -2.2 | 1,740 | 1,779 | 1,365 |
| Real Estate | -4.1 | 5,845 | 6,096 | 3,977 |
| Utilities | -6.0 | 384 | 408 | 294 |
| Travel & Leisure | -8.0 | 155 | 168 | 164 |
| Technology | -9.8 | 159 | 177 | 133 |
| Insurance | -21.8 | 90 | 116 | 74 |
| Basic Resources | -23.9 | 1,669 | 2,194 | 1,337 |
| Media | -32.8 | 2 | 3 | 3 |
| Retail | -35.9 | 698 | 1,090 | 654 |

Source: Bloomberg, Shinhan Securities Vietnam

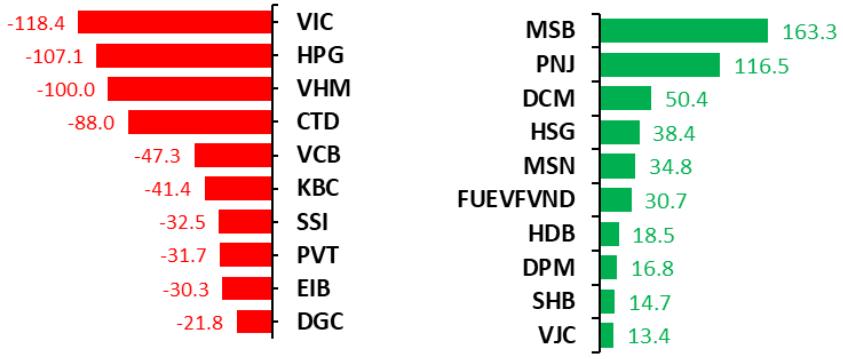
| | Close | PE | Change | %1D | Trading volume (mn stocks) | Trading value (VND bn) |
|---|---|---|---|---|---|---|
| VNI NDEX | 1,217.56 | 16.39 | -5.34 | -0.44 | 1,152 | 24,752 |
| HNX INDEX | 239.35 | 30.77 | -0.21 | -0.09 | 149 | 2,611 |

# Vietnam Market Snapshot 01/08/2023

## 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 | 112 | (292) | 165 | 128 |
| Basic Resources | 27 | (72) | 11 | 62 |
| Media | - | - | - | - |
| Industrial Goods & Services | 11 | (69) | 108 | (39) |
| Health care | - | 3 | (2) | (1) |
| Chemicals | 14 | 43 | (93) | 51 |
| Financial Services | 25 | (49) | 31 | 18 |
| Travel & Leisure | 7 | 15 | (28) | 12 |
| Banks | 293 | 152 | (568) | 416 |
| Construction & Materials | (1) | (82) | 64 | 18 |
| Food and Beverage | 34 | 8 | (68) | 60 |
| Retail | 16 | (27) | 6 | 21 |
| Utilities | 26 | (25) | (14) | 39 |
| Personal & Household Goods | 33 | 118 | (3) | (115) |
| Technology | 28 | 1 | (35) | 34 |
| Automobiles & Parts | 1 | (7) | 9 | (2) |
| Insurance | 1 | 4 | (12) | 8 |
| Oil & Gas | 3 | 2 | (18) | 16 |

Source: Fiinpro, Shinhan Securities Vietnam

# Breaking News

## Macro

- **Vietnam's PMI in July 2023 continued to increase to 48.7 points.** S&P Global's Purchasing Managers' Index of Vietnam manufacturing rose to 48.7 points in July, from 46.2 in June.
- **China's PMI continued to fall deeply, "putting weight" on factories in Asia.** China's manufacturing activity contracted in July, negatively affecting factories across Asia and signaling the region's economy will not be able to take a positive turn as the market hopes. The Caixin Purchasing Managers' Index (PMI) has fallen from 50.5 points in June to 49.2 points in July. This is a 6-month low and has fallen below 50 points, indicating that manufacturing activity is growing. impaired.
- **Export of agricultural, forestry and fishery products in 7 months reached more than 29 billion USD.** The Ministry of Agriculture and Rural Development said that the export turnover in July was estimated at 4.62 billion USD, up 5.3% over the same period last year; in which, agricultural products reached USD 2.32 billion, up 27%; livestock production reached 45 million USD, up 35.6%; seafood reached 800 million USD, down 15%; forest products reached 1.24 billion USD, down 11%; production input reached 210 million USD, up 12.7%.
- **The Ministry of Agriculture and Rural Development submitted to the Prime Minister suggestion relating to the export of rice.** Accordingly, the Ministry of Agriculture and Rural Development will monitor, forecast and firmly grasp the production situation to ensure the target of 43 million tons of rice by 2023. The ministry will direct localities to stick to the fields and organize production in the right way with technical guidance to ensure productivity and output as planned. At the same time, assume the prime responsibility and coordinate with relevant agencies and localities to promptly handle technical barriers to ensure an increase in volume and expansion of Vietnam's rice export market.

## Business news

- VIC: On August 1, VinFast announced that it had issued a lot of bonds VIFCB2325001 with a total value of VND 1,500 billion in the domestic market. The issuance date of the above bonds is July 31, with maturity on January 31, 2025, equivalent to a term of 18 months. The interest rate of the bond lot is up to 14.4 %/year, paying interest once every 3 months. Buyers are individuals and professional securities organizations. The depository organization for VinFast's bond batch is Vietnam Technological and Commercial Securities Joint Stock Company.

- FCN: FECON Joint Stock Company has just announced its financial report for the second quarter of 2023 with revenue down 35.15% over the same period, reaching VND 674 billion. The financial revenue of the enterprise decreased by 54%, to more than VND 5 billion. In the opposite direction, financial expenses increased by 33%, from VND 54 billion to VND 72 billion. The main reason is that interest expense increased to VND 18 billion, equivalent to nearly 40%. As a result, although gross profit increased strongly (nearly 18%), reaching VND 125 billion, the business reported a loss of VND 1.4 billion while the same period profit was VND 8 billion.

- VCG: Vietnam Construction and Import-Export Corporation has just announced its consolidated financial statements for the second quarter of 2023, recording revenue of VND 4,567 billion, up 110% over the same period. However, COGS tripled, resulting in gross profit in the period to VND 430 billion, up 38% compared to the second quarter of 2022. VCG reported a profit after tax of VND 130.3 billion, down 24.3% compared to the same period in 2022. In the first 6 months of 2023, VCG recorded revenue of VND 6,532 billion, an increase of nearly VND 3,000 billion compared to the same period in 2022, however, profit after tax again decreased by more than 80% to VND 139 billion, corresponding to completing 40% of the revenue plan and 16% of the profit target set out at the annual general meeting of shareholders.

# Breaking News



## Business news

- **ITA:** in the second quarter of 2023, Tan Tao recorded revenue of VND 81.34 billion, down 73.5% over the same period, and profit after tax recorded VND 23.88 billion, down 78.8% over the same period last year. Meanwhile, gross profit margin increased slightly from 47.3% to 50.1%. Accumulated in the first 6 months of 2023, Tan Tao recorded revenue of VND 142.85 billion, down 61.5% over the same period. Profit after tax of the enterprise recorded VND 39.02 billion, down 69.8% over the same period.

- **VGC:** Accumulated in the first 7 months of the year, the consolidated profit is estimated at 1,321 billion, reaching 109% of the plan and exceeding the profit target in 2023. So, with the profit target Before tax of the Corporation, this year is VND 1,210 billion, of the parent company, is VND 1,310 billion, and by the end of July, the Corporation's consolidated profit has exceeded 9% ; the Parent company beyond 16% profit target. Achieving the above results is because Viglacera has promoted the strength of the real estate business. Estimated pre-tax profit in the first 7 months of the real estate sector reached VND 1,495 billion, reaching 110% of the plan in 2023, an increase of VND 118 billion over the same period. Which, profit from the industrial park business reached 87% of the year plan, accounting for 96% of total profit. The export of construction materials is also one of Viglacera's bright spots. In the first 7 months of the year, the cumulative export value grew, surpassing 36% over the same period

- **NVL:** Announced information said that on July 28, Novaland had to pay more than VND 7.92 billion in interest and VND 135.6 billion in principal for the bond lot NVLH2123007. However, Novaland has not yet paid the interest; the principal has been paid nearly VND 744 million. The reason given is that the company has not arranged enough payment sources.

# Breaking News - Vietur



- Package 5.10 to build Long Thanh airport worth VND 35,200 billion
- Including the design of construction drawings and construction and installation of equipment for the passenger terminal project of component 3 project.

| Vietur group | | |
|---|---|---|
| **No** | **Name** | **Role** |
| 1 | IC ISTA Construction Industry and Trade Corporation | Leader of the group |
| 2 | Ricons Construction Investment Joint Stock Company | Member |
| 3 | Nevvtecons Construction Investment Joint Stock Company | Member |
| 4 | SQL E&C Construction Investment Joint Stock Company | Member |
| 5 | Construction Corporation No. 1 (CC1) | Member |
| 6 | ATAD Structural Joint Stock Company | Member |
| 7 | Vietnam Construction and Import-Export Corporation (VCG) | Member |
| 8 | Phuc Hung Holdings Construction Joint Stock Company (PHC) | Member |
| 9 | Hawee Electromechanical Joint Stock Company | Member |
| 10 | Hanoi Construction Corporation - JSC (HAN) | Member |

# Technical view




## Trend: Risk increases at the top

- VNINDEX closed 1,217, down 5.34 points (-0.44%) with liquidity reaching the highest level in 3 weeks with trading value of VND 26,404 billion. The uptrend showed signs of slowing down when the index sometimes gained more than 10 points during the session but then closed down at the lowest price of the day. The market also appeared a Marubozu candlestick pattern, showing a strong increase of sell side.

- Technical: The RSI is moving away from the overbought area, signaling a possible correction in the future. Besides, %K has crossed down the %D line of the Stochastic indicator, signaling a possible reversal signal, especially when this indicator moves closer to 80 points.

- Strategy: Prioritize holding stocks that are on the short term uptrend and always in a position to sell when the target is reached or the reversal signal appears. New purchases should be carefully considered, especially for stocks that have surged strongly in the near term.

## 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 | 12 | 6.58% | 17/07/2023 | |
| MIG | Hold | 18.7 | 21 | 18.37 | 12% | -2% | 19.55 | 8 | 4.55% | 21/07/2023 | |
| ACB | Hold | 21.95 | 23.5 | 21.5 | 7% | -2% | 22.85 | 8 | 4.10% | 21/07/2023 | |
| ANV | Hold | 37.3 | 41.1 | 36.18 | 10% | -3% | 36.3 | 7 | -2.68% | 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<br>PMI data (US and Vietnam) | 1 | 2 | 3 | 4<br>Unemployment rate (US) | 5 |
| 6 | 7 | 8 | 9<br>CPI data (US) | 10<br>MSCI quarterly review<br>PPI Data (US) | 11 | 12 |
| 13 | 14<br>Deadline for submission of semi-annual financial statements | 15 | 16 | 17<br>Expiration date of future contract<br>FOMC meeting | 18 | 19 |
| 20 | 21 | 22<br>Ishare MSCI review | 23 | 24<br>US GDP Q3 | 25<br>FDI Data (Vietnam) | 26 |
| 27 | 28<br>Vietnam macroecnomic data | 29 | 30 | 31 | 1 | 2 |

Shinhan Securities

# Q&A

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