



Shinhan
Securities

MORNING CALL

16/08/2023

“Domestic market declines slightly, risks increase”

- ❑ World market: The stock market fell slightly on less positive macro information from China
- ❑ Vietnam market: Domestic market declines slightly, risks increase
- ❑ Business News #FPT, #DHG, #NVL, #BAF, #DPM, #VBB
- ❑ Technical perspective and recommendation update
- ❑ Event calendar
- ❑ Q&A

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Following SSV's Zalo,
Catching the latest report



Please click or scan

Major stocks market

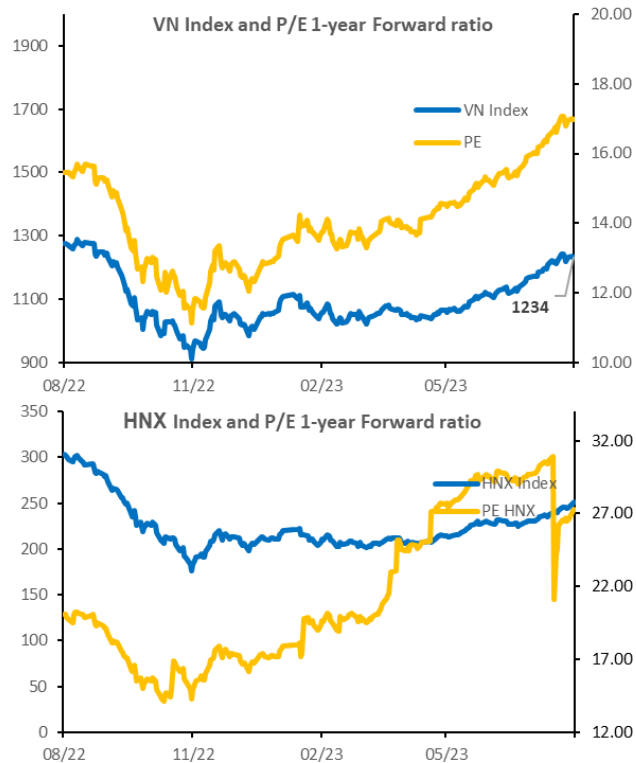
- In regular trading on Tuesday, the Dow fell 1.02%, the S&P 500 dropped 1.16% and the Nasdaq Composite lost 1.14%, with all 11 S&P sectors finishing lower. Shares of major banks tumbled after Fitch warned it may be forced to downgrade the credit ratings of dozens of banks. Data showed that US retail sales rose 0.7% in July, exceeding forecasts of 0.4% and supporting the case for the Federal Reserve to keep interest rates higher for longer.
- European stocks fell on Tuesday, with the DAX down 0.9% and the Stoxx 600 down 1% led by banks and utilities. On the other hand, retailers gained 0.5% spurred by an upwardly revised profit outlook from Marks & Spencer
- The Nikkei 225 Index rose 0.56% to close at 32,239 while the broader Topix Index gained 0.41% to 2,290 on Tuesday, recouping some losses from the previous session, as investors cheered data showing Japan's economy grew more than expected in the second quarter.
- The Shanghai Composite fell 0.07% to close at 3,176 while the Shenzhen Component dropped 0.7% to 10,680 on Tuesday, sliding for the third straight session as data showed that Chinese industrial production, retail sales and fixed asset investment all rose less than expected in July, while the urban unemployment rate ticked higher. Meanwhile, the People's Bank of China lowered its one-year medium-term lending facility rate by 15 basis points to 2.5% on Tuesday, the second such reduction this year.
- WTI crude futures fell 2% to below \$81 per barrel on Tuesday, extending a 0.8% loss in the previous session as weak China data offsets tightening supply.

Market

	Close	%1D	%1M	%1Y
VN-Index	1,234	-0.23%	5.62%	-3.19%
S&P 500 Index	4,438	-1.16%	-1.50%	3.08%
Dow Jones Index	34,946	-1.02%	1.27%	2.33%
GP 100	7,390	-1.57%	-0.60%	-1.94%
Nikkei 225	31,961	-0.86%	-1.33%	10.71%
SHCOMP Index	3,176	-0.07%	-1.90%	-3.10%
STOXX 600	456	-0.93%	-1.14%	2.82%
KOSPI Index	2,536	-1.36%	-3.52%	0.31%
Hang Seng	18,581	-1.03%	-4.29%	-6.30%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.25	0.04%	3.34%	-3.05%
USD/VND	23,963.00	-0.58%	-1.34%	-2.36%
EUR/USD	1.09	-0.03%	-2.97%	7.19%
USD/CNY	7.29	-0.43%	-1.58%	-7.06%
Brent	84.78	-0.13%	6.15%	-8.19%
WTI	80.87	-0.15%	7.23%	-6.54%
Natural gas	2.65	-0.26%	4.45%	-71.57%
Coal	147.15	0.44%	11.77%	-63.89%
Gold	1,901.92	0.00%	-2.72%	7.11%



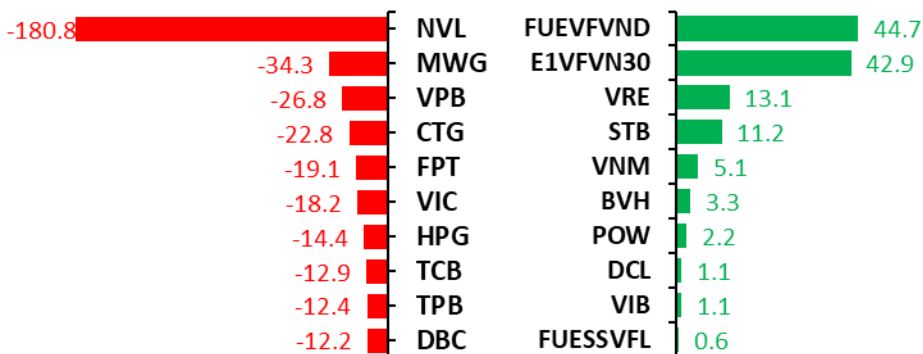
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,234.05	16.96	-2.79	-0.23	806	17,516
HNX INDEX	251.45	27.30	1.01	0.40	126	2,161

Money flow and sector rotation (VND bn)

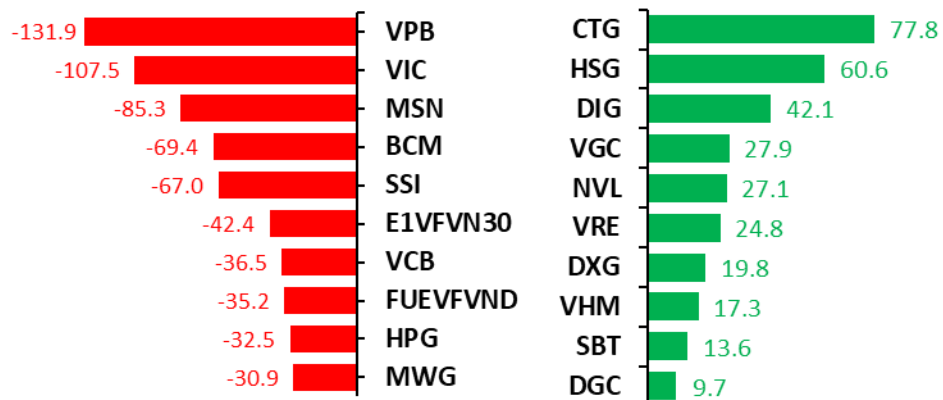
Sector	%1D	8/15/2023	8/14/2023	20-session Average
Chemicals		42.83	977	684
Technology		30.06	161	124
Health Care		19.57	36	44
Utilities		14.71	282	246
Personal & Household Goods		3.01	169	164
Insurance		1.77	42	41
Industrial Goods & Services	-2.8	737	759	1,020
Automobiles & Parts	-5.2	352	371	250
Real Estate	-9.3	5,671	6,250	5,251
Retail	-11.6	723	818	722
Travel & Leisure	-12.3	130	148	159
Oil & Gas	-14.6	128	150	201
Banks	-15.8	2,525	2,998	3,478
Construction & Materials	-18.6	1,285	1,579	1,599
Food and Beverage	-20.1	1,084	1,357	1,437
Media	-31.3	1	2	3
Basic Resources	-42.9	1,163	2,037	1,449
Financial Services	-49.5	2,047	4,057	2,411

Source: Bloomberg, Shinhan Securities Vietnam

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)

Ngành ICB cấp 2	Tự doanh (tỷ VND)	Nước ngoài (tỷ VND)	Cá nhân trong nước (tỷ VND)	Tổ chức trong nước (tỷ VND)
Bất động sản	(207)	(82)	230	(148)
Tài nguyên Cơ bản	(19)	37	(20)	(17)
Truyền thông	(0)	(0)	0	(0)
Hàng & Dịch vụ Công nghiệp	(7)	(12)	51	(39)
Y tế	(2)	3	(2)	(1)
Hóa chất	(13)	7	12	(19)
Dịch vụ tài chính	77	(166)	(67)	234
Du lịch và Giải trí	(8)	7	3	(10)
Ngân hàng	(113)	(121)	250	(129)
Xây dựng và Vật liệu	(1)	30	(32)	2
Thực phẩm và đồ uống	(18)	(106)	126	(20)
Bán lẻ	(34)	(60)	94	(35)
Điện, nước & xăng dầu khí đốt	0	(12)	24	(12)
Hàng cá nhân & Gia dụng	(10)	(15)	21	(6)
Công nghệ Thông tin	(19)	(0)	29	(28)
Ô tô và phụ tùng	(4)	(6)	7	(2)
Bảo hiểm	3	(15)	13	2
Dầu khí	(1)	(21)	22	(1)

Source: Fiinpro, Shinhan Securities Vietnam

Macro

- The central exchange rate between VND and USD in the morning of August 15 was announced by the State Bank at 23,881 VND/USD, up 33 VND compared to the central rate yesterday. State banks also simultaneously increased buying/selling prices for the greenback.
- The People's Bank of China (PBOC) on August 15 lowered the interest rate on one-year loans from 2.65% to 2.5%. The PBOC's move came just before China released disappointing July economic data, with consumer demand weak, industrial output and investment sliding, and unemployment rising.
- The State Bank has just issued Document 6385/NHNN/CSTT to credit institutions and foreign bank branches requesting continued implementation of solutions to reduce interest rates. Accordingly, following the direction of the Government, the Prime Minister, and the State Bank of Vietnam, the State Bank of Vietnam requires credit institutions to reduce lending interest rates for outstanding loans and outstanding loans. To strive for a minimum interest rate reduction of 1.5-2% per year in order to support businesses and people to recover and develop production and business.
- Rubber exports in July reached the highest level since the beginning of the year so far. According to the Import-Export Department, China's consumption demand is gradually recovering, which is expected to be a supporting factor for rubber exports in the coming months. According to the Import-Export Department (Ministry of Industry and Trade), citing data from the General Department of Customs, in July 2023, Vietnam exported 219,63 thousand tons of rubber, worth 286.79 million USD, up 22.6% in volume and 20.6% in value compared to June 2023; Compared to July 2022, an increase of 11.7% in volume, but a decrease of 10.2% in value.

Business news

- **FPT:** FPT Corporation has just announced its business results for the first 7 months of 2023. Specifically, revenue and profit before tax in the first 7 months of the year reached VND 28,429 billion and VND 5,069 billion, respectively, up 22.4% and 19.5% YoY. Profit after tax for shareholders of the parent company was VND 3,496 billion, up 20.3%. Firstly, the Technology sector recorded VND 16,918 billion in revenue and VND 2,371 billion in pre-tax profit, a growth of 26%. Profit from the Technology segment plays a key role, accounting for about 47% of the group's pre-tax profit. FPT said that the IT services segment in the foreign market continued its impressive growth with revenue of VND 13,243 billion, equivalent to an increase of 30%, led by the growth of the Japanese market (up 40%) and APAC (up 37.4%)
- **DHG:** The business results of DHG Pharma in the first 6 months showed many positive signals. However, the company is still lagging behind the plan set out at the beginning of the year. Specifically, the financial statements of Q2/2023 recorded net revenue from sales of DHG Pharma reaching VND 1,152.6 billion, up 3% compared to Q2/2021. The cost of goods sold accounted for VND 591 billion, gross profit was VND 561.7 billion. Profit after corporate income tax reached VND 263.3 billion, up 12% YoY. DHG's accumulated net revenue in the first 6 months reached VND 2,381 billion, up 9% YoY. Cumulative profit after tax reached VND 624 billion, up 27% YoY.
- **NVL:** According to Novaland Group's Q2/2023 consolidated financial statement, the company recorded net revenue of VND1,040 billion – down 61% YoY; after-tax loss increased by 201 billion (same period, VND 772 billion). Even so, Q2 results were generally better than the immediate previous quarter. Novaland informed that it will focus on developing and handing over in accordance with the commitments in the projects. The Group said that in the third and fourth quarters, Novaland can record a profit of VND 310 billion and VND 515 billion, respectively.



Business news

- **BAF:** BAF Vietnam Agriculture Joint Stock Company has just announced the Resolution of the Board of Directors on the approval of a syndicated loan with a maximum value of VND 500 billion granted by 3 international banks. The purpose of mobilizing VND 500 billion this time is for the construction of a modern pig farm cluster under the 3F model (FEED-FARM-FOOD) Gia Xuan in Nghe An province. Gia Xuan farm cluster has an area of about 52 hectares, with a capacity of 5,000 sows and 60,000 pigs.
- **DPM:** Phu My Fertilizer believes that profit in Q2/2023 has bottomed. It is likely that business results in the third and fourth quarters will improve markedly. In July, the price of Urea spiked. The world market has many positive developments. In general, the supply in the markets is being tightened. DPM said that it has consumed all of its high-priced inventory in the first 6 months of 2023. DPM will reduce the pressure of making provisions for inventory devaluation in the second half of 2023. The company expects a gross profit margin in the second half of 2023. The last 6 months of the year will improve significantly.
- **VBB:** The Board of Directors of Vietnam Thuong Tin Commercial Joint Stock Bank (Vietbank) announced a resolution approving the continued implementation of the plan to offer shares to the public. Specifically, implementing the resolution of the 2023 Annual General Meeting of Shareholders, the Board of Directors of VietBank approved the continued implementation of the plan to offer shares to the public. The bank plans to offer 100.3 million shares to existing shareholders to increase charter capital at the rate of 21%, meaning that shareholders owning 100 shares will be able to buy 21 new shares.



Trend: Sideway

- The market closed lower at 1,234 (-0.23%) with most stocks traded in a narrow range. Market liquidity dropped compared to the previous session and was lower than the 20-day average. Foreign investors continued to sell with the value of more than VND 540 billion. VIC stock suddenly reversed after a series of gaining days, putting pressure on the market.
- Technical: The market bounced back when touching the MA10, showing that the buying force is still maintained to support the market. However, the short-term uptrend is being challenged when the index is moving below the short-term trend line. The indicators are also giving negative signals: the MACD line crossed down the signal line, at the same time, the RSI continued to drop below 70 points and showed a divergence against VNINDEX, which signaled the increase of risk.
- Strategy: Prioritize disbursing funds into stocks that have experienced a rebound upon touching the MA 10 and MA 20 areas.

Scenario:

- Positive Scenario (50%): The market is expected to rise to the 1,260 range after a positive reaction in the MA 20 zone of the VNINDEX.
- Negative Scenario (50%): The market is likely to move sideways in the 1,200 - 1,220 range to consolidate for a few sessions.

16/8/2023

Unit: VND thousand

Today's watchlist

Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
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Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
MIG	Hold	18.7	21	18.37	12%	-2%	19.25	18	2.94%	21/07/2023	
GEG	Hold	15.5	17	15.2	10%	-2%	15.45	10	-0.32%	03/08/2023	
VCS	Hold	63.5	72	61.8	13%	-3%	62.5	12	-1.57%	31/07/2023	
PTB	Hold	52.6	59.9	51.9	14%	-1%	54.7	9	3.99%	03/08/2023	
NKG	Hold	19.5	22.7	18.8	16%	-4%	20.4	2	4.62%	14/08/2023	
KBC	Hold	32.3	37.5	31.3	0.161	-3%	32.6	1	0.93%	15/08/2023	

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 macroeconomic data	29	30	31	1	2



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