



Shinhan  
Securities

# MORNING CALL

## 05/09/2023

### “The upward momentum is spreading strongly”

- ❑ World stocks: The global stock markets are showing mixed movements.
- ❑ Vietnam Stocks: The upward momentum is spreading strongly
- ❑ Business news: Economic update #SLS, #PDR, #GMD, #GIL, #MWG, #NVL
- ❑ 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

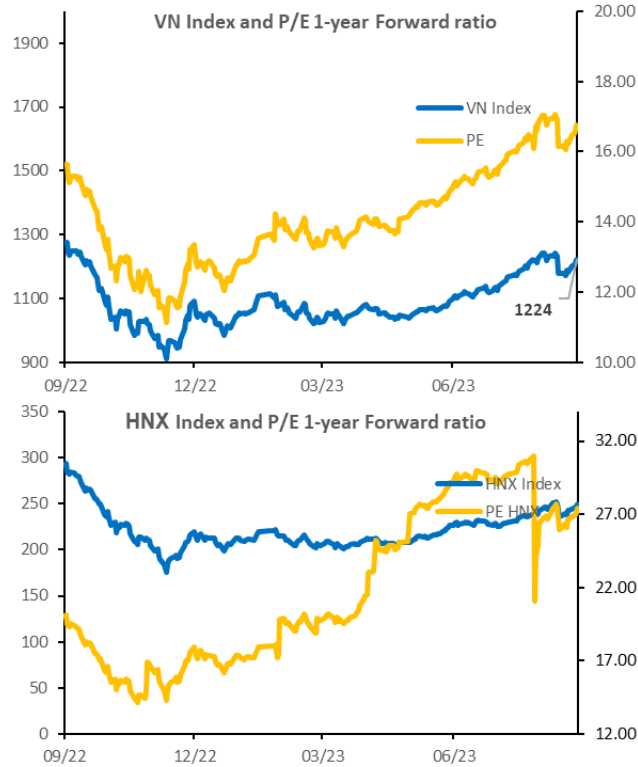
- Last week, the Dow and Nasdaq Composite gained 1.4% and 3.3%, respectively, notching their best performances since July. The S&P 500 also added 2.5% for its best week since June. Those gains came as a slowing economy and easing inflationary pressures in the US raised hopes that the Federal Reserve won't need to raise interest rates further. The latest US nonfarm payrolls report showed the unemployment rate increased to 3.8% in August, the highest since February 2022 and above forecasts of 3.5%. ISM data also showed that US manufacturing activity improved in August, but stayed contractionary for the tenth consecutive month.
- European markets finished lower today with shares in France leading the region. The CAC 40 is down 0.24% while London's FTSE 100 is off 0.16% and Germany's DAX is lower by 0.10%. ECB President Christine Lagarde refrained from providing an indication of whether the European Central Bank will raise or maintain interest rates next week as she delivered a speech in London.
- The Nikkei 225 Index fell 0.3% to below 32,900 while the broader Topix Index lost 0.1% to 2,371 on Tuesday, declining for the first time in seven sessions as investors turned cautious while awaiting fresh market cues. Investors also reacted to data showing Japanese August business activity expanded at the fastest pace in three months. The Shanghai Composite jumped 1.4% to close at 3,177 while the Shenzhen Component gained 1.41% to 10,612 on Monday, hitting their highest levels in a week as the market outlook continued to improve.
- WTI crude strengthened above \$85 per barrel on Monday, hovering at the highest levels in over nine months, underpinned by expectations that OPEC+ leaders would extend measures to keep oil supplies tight.

## Market

	Close	%1D	%1M	%1Y
<b>VN-Index</b>	1,224	0.90%	0.53%	-4.41%
<b>S&amp;P 500 Index</b>	4,516	0.18%	0.84%	15.07%
<b>Dow Jones Index</b>	34,838	0.33%	-0.65%	11.24%
<b>GP 100</b>	7,453	-0.16%	-1.48%	2.27%
<b>Nikkei 225</b>	32,795	-0.44%	1.87%	18.74%
<b>SHCOMP Index</b>	3,177	1.40%	-3.38%	-0.71%
<b>STOXX 600</b>	458	-0.04%	-0.29%	10.78%
<b>KOSPI Index</b>	2,578	-0.24%	-0.94%	7.26%
<b>Hang Seng</b>	18,844	2.51%	-3.56%	-1.98%

## Currency & Commodity

	Close	%1D	%1M	%1Y
<b>Dollar Index</b>	104.15	-0.08%	2.09%	-4.91%
<b>USD/VND</b>	24,079.00	0.02%	-1.47%	-2.41%
<b>EUR/USD</b>	1.08	-0.02%	-1.89%	8.71%
<b>USD/CNY</b>	7.27	-0.11%	-1.40%	-4.68%
<b>Brent</b>	88.89	-0.12%	3.07%	-7.15%
<b>WTI</b>	85.88	0.39%	3.69%	-1.14%
<b>Natural gas</b>	2.65	-4.30%	2.68%	-69.88%
<b>Coal</b>	156.55	0.19%	14.27%	-64.01%
<b>Gold</b>	1,937.92	-0.25%	0.07%	13.30%



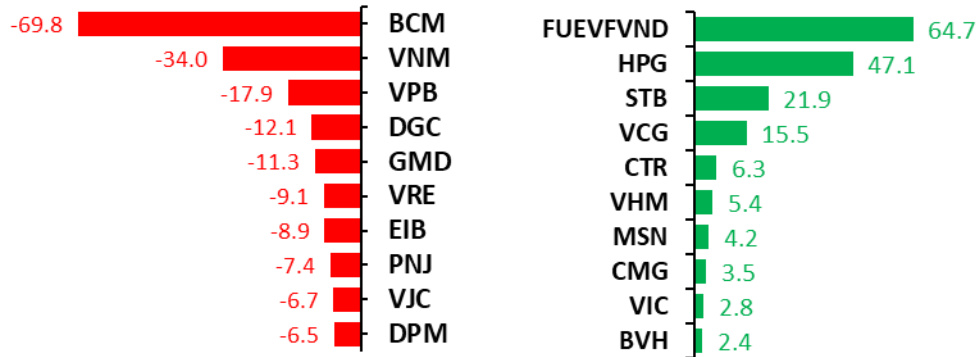
	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
<b>VNI NDEX</b>	1,224.05	16.77	10.89	0.90	849	19,779
<b>HNX INDEX</b>	249.75	27.39	1.79	0.72	103	2,127

## Money flow and sector rotation (VND bn)

Sector	%1D	8/31/2023	8/30/2023	20-session Average	
Insurance		148.64	70	28	50
Industrial Goods & Services		118.40	1,699	778	951
Oil & Gas		99.10	136	69	147
Personal & Household Goods		77.67	258	145	175
Utilities		46.11	219	150	269
Chemicals		43.55	968	674	861
Construction & Materials		41.69	1,906	1,345	1,501
Food and Beverage		37.99	1,502	1,089	1,334
Basic Resources		30.38	1,343	1,030	1,354
Health Care	-5.6	19	20	29	
Travel & Leisure	-7.7	102	110	132	
Automobiles & Parts	-10.0	245	272	291	
Banks	-10.2	2,716	3,024	3,208	
Real Estate	-17.0	5,005	6,033	5,679	
Retail	-22.5	603	778	721	
Financial Services	-24.0	2,819	3,711	3,187	
Technology	-36.2	163	256	224	
Media	-73.1	0	2	1	

Source: Bloomberg, Shinhan Securities Vietnam

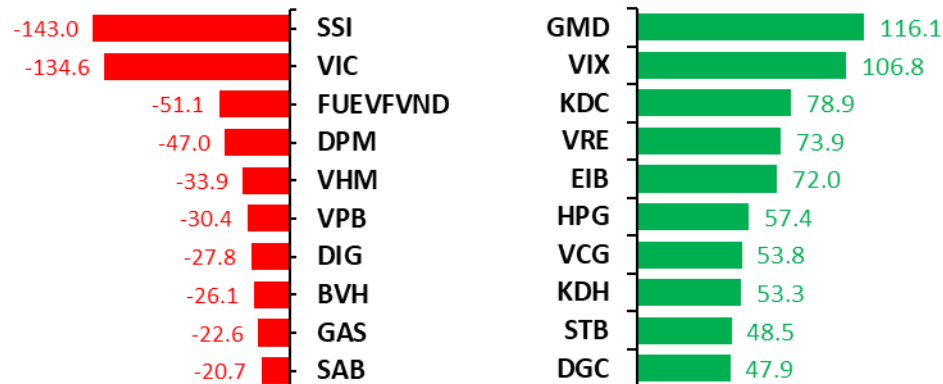
## Top net buying &amp; selling of proprietary trading (VND billion)



## 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	(75)	(43)	186	(142)
Basic Resources	47	82	(155)	72
Media	-	(0)	0	-
Industrial Goods & Services	(16)	142	(131)	(11)
Health care	(0)	2	(3)	1
Chemicals	(19)	(2)	26	(24)
Financial Services	64	(67)	(73)	140
Travel & Leisure	(7)	4	(79)	76
Banks	(39)	238	(195)	(42)
Construction & Materials	21	66	(1)	(65)
Food and Beverage	(30)	49	(48)	(1)
Retail	(3)	27	(6)	(21)
Utilities	1	(11)	3	8
Personal & Household Goods	(7)	(1)	(10)	12
Technology	(3)	(1)	(10)	11
Automobiles & Parts	(0)	(15)	14	1
Insurance	2	(29)	28	1
Oil & Gas	(0)	16	(21)	5

## Top net buying &amp; selling foreign investors (VND billion)



Source: Fiinpro, Shinhan Securities Vietnam

**Macro**

- Export is gradually picking up momentum: According to the latest data from the General Statistics Office, in August 2023, the total import and export turnover of goods reached \$60.92 billion, an increase of 6.7% compared to the previous month but a decrease of 7.9% compared to the same period last year. For the first 8 months of 2023, the total import and export turnover of goods reached \$435.23 billion, a decrease of 13.1% compared to the same period last year, with exports decreasing by 10% and imports decreasing by 16.2%. Regarding the market for the import and export of goods for the first 8 months of 2023, the United States is the largest export market for Vietnam with an estimated turnover of \$62.3 billion, while China is the largest import market with an estimated turnover of \$68.1 billion.
- More "big banks" allow customers to borrow money to pay off debts at other banks, with interest rates starting from 6% per year, even lower than Vietcombank. BIDV announced that, in accordance with Circular 06/2023/TT-NHNN of the State Bank of Vietnam, effective from September 1, 2023, BIDV has officially implemented policies for individual customers to borrow money at BIDV to repay their loans at other banks with interest rates starting from only 6% per year. Accordingly, customers who are borrowing for production and business purposes or for living expenses and have collateral at other banks, who wish to repay their loans early and continue to pay the remaining fees, can go to BIDV branches nationwide to borrow money. For short-term loans, the interest rate starts from 6% per year.
- The psychology of "bottom fishing" to catch the "recovery wave" in the real estate market has begun to emerge. However, according to experts, the real estate market is currently in the recovery phase, and it will take a long time for a true "recovery wave" to appear. Ms. Nguyen Hoai An, Senior Director, Hanoi Branch, CBRE Vietnam, said: "The recovery of the housing real estate market is expected to begin in 2024, when the market has more time to adapt to recent policy changes, as well as for investors and homebuyers to access good sources of capital with more reasonable interest rates."

**Business news**

**SLS:** Profit Plan Decreases by 74% After a Year of Record Profits. On September 26, 2023, Sơn La Sugar JSC (stock code: SLS) will hold its annual general meeting for 2023, and the meeting documents have been released. For the fiscal year 2023-2024 (the fiscal year of Sơn La Sugar starts from July 1, 2023, to June 30, 2024), Sơn La Sugar plans to achieve total net revenue of approximately 1,046 billion VND, a decrease of over 39% compared to the previous fiscal year. The expected after-tax profit is approximately 137 billion VND, a decrease of nearly 74% compared to the performance in the fiscal year 2022-2023. The company plans to pay a 50% cash dividend for the fiscal year 2023-24.

**PDR:** According to the consolidated financial report for the second quarter of 2023 of Phat Dat Real Estate Development Corporation (stock code: PDR), Chairman of the Board of Directors Nguyen Van Dat has an income of approximately 966 million VND in the first half of the year, equivalent to about 161 million VND per month. Mr. Dat's income is lower than Mr. Bui Quang Anh Vu, the CEO (2.8 billion VND), Mr. Nguyen Dinh Tri, Deputy CEO (1.2 billion VND), and Mrs. Tran Thi Huong, Deputy Chairman of the Board of Directors (1.6 billion VND).

**GMD:** The Giant Owning the Largest Deep-water Port in Vietnam: Record-breaking Profits from Selling Ports, Stock Hits New All-time High. This stock has increased by more than 20% since mid-August, reaching a new all-time high. Its market capitalization has increased by approximately 3,200 billion VND in just 2 weeks, reaching around 19,000 billion VND. In 2023, Gemadept is expected to continue breaking profit records thanks to the sale of Nam Hai Dinh Vu Port to Viconship and partners. The company has ambitious business plans with a pre-tax profit target of 3,000 billion VND, which is 2.3 times higher than the previous year's performance. After 6 months, Gemadept has completed more than 83% of its annual plan with a pre-tax profit of nearly 2,500 billion VND, which is 3.5 times higher than the same period last year. The main reason for Gemadept's significant profit increase in the past quarter comes from financial revenue of 1,863 billion VND, mainly from interest income from the sale of capital in Nam Hai Dinh Vu Port.



### Business news

**GIL:** Gilimex continues to suffer losses as Amazon reduces orders, resulting in a loss of 44 billion VND. GIL shares have been placed on the list of securities not eligible for margin trading. Gilimex's financial woes stem from changes in policies by its largest partner, Amazon. In April 2022, Amazon Robotics, a subsidiary of Amazon, abruptly scaled back its orders, despite contributing about 85% of Gilimex's revenue - a textile and garment company with a market capitalization in the trillions of VND in Vietnam. Gilimex's revenue rapidly declined, and its inventory value surged. Ultimately, after the release of Gilimex's semi-annual financial report for 2023, which reported a loss of 44 billion VND, the company's shares were placed on the list of securities not eligible for margin trading.

**MWG:** Foreign shareholders have continuously reduced their holdings, and the CEO of Mobile World Group (MWG) also wants to sell some MWG shares. Mr. Doan Van Hieu Em, a member of the Board of Directors of Mobile World Investment Corporation (MWG), has registered to sell 1 million MWG shares to meet his personal financial needs. The transaction is expected to be carried out through negotiations or on the exchange from September 7 to October 6. If successful, this individual will reduce their ownership stake in MWG from 0.266% to 0.197% of the charter capital.

**NVL:** Novaland (NVL) has recently been the subject of much debate due to various conflicting reports regarding its project's legal issues, bond payment status, and significant losses. According to the reviewed consolidated financial statements for the first half of 2023, Novaland incurred a net loss of 1,094 billion VND. This figure is significantly higher than the 611 billion VND loss reported in the standalone financial statements, representing a decrease of 483 billion VND after the review.



## Trend: Recovery

The VNINDEX closed at 1,224, up 10.89 points or 0.9%, with 376 green stocks and 125 red stocks. Among the leaders were GVR, BID, and MSN, while GAS and SAB contributed to the market's decline. Foreign investors returned strongly, and liquidity remained at a moderate level. Most industry groups saw gains except for the automotive and component sector, with the chemical group showing the strongest increase.

Technical analysis: Upward trend and closed above the MA 20. The upward momentum continues to spread strongly across various industry groups. Both RSI and Stochastic RSI indicators are in the middle range, indicating that the market may sustain its upward momentum after the holiday period. Support and resistance levels are currently at 1,180 - 1,250.

Strategy: We still maintain a buying strategy when the market trends lower towards the 1,180 range and shows signs of rebound. However, the market approaching 1,250 has made the risk/reward ratio less attractive, so choosing stocks may become more challenging. Prioritize observation and holding of stocks, and be prepared to take profits when stocks reach their target.

## Scenario:

- Positive Scenario (60%): The market is expected to rise to the range of 1,240 - 1,250. This could be a good opportunity to consider selling to lock in some profits. If the market surpasses 1,250, a new bullish trend may emerge.
- Less Positive Scenario (40%): The market could retreat to around 1,200, and if signs of a reversal appear, it might be worth considering buying in.

5/9/2023

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
VRE	Hold	28.9	31.5	28	9%	-3%	30.3	9	4.84%	8/23/2023	
SZC	Hold	34.4	38.8	32.7	13%	-5%	37.55	8	9.16%	8/24/2023	
VPG	Hold	20.2	22.5	19.4	11%	-4%	21.65	7	7.18%	8/25/2023	
MBB	Hold	18.2	19.4	17.9	7%	-2%	18.5	7	1.65%		

## September 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
27	28	29	30	31	1	2
				MSCI: New reviewed list is effective	FTSE Vietnam Swap UCITS ETF review	
3	4	5	6	7	8	9
		ISM Services PMI ETF FTSE VN announces portfolio		ECB meeting and announces Monetary policy & interest rates V.N.METF review		
10	11	12	13	14	15	16
		ETF VNM, ETF FTSE executes the transaction		Maturity of Derivatives Contracts		
17	18	19	20	21	22	23
		FTSE Russell releases market full year rating	Fed meeting and announces Monetary policy & interest rates		Announcement of FDI	
24	25	26	27	28	29	30
				Vietnam macroeconomic data		



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# Q&A

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