# MORNING CALL
# 07/09/2023

## "The enthusiastic upward trend continues"

- World stocks: Correction
- Vietnam stocks: The enthusiastic upward trend continues
- Business news: #HPX, #HQC, #SMC, #VNZ, #VPB, #DLG
- Technical perspective and updated recommendations #VHM
- Event calendar
- Q&A


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# Global Market Review – Week 05 – 08/09/2023



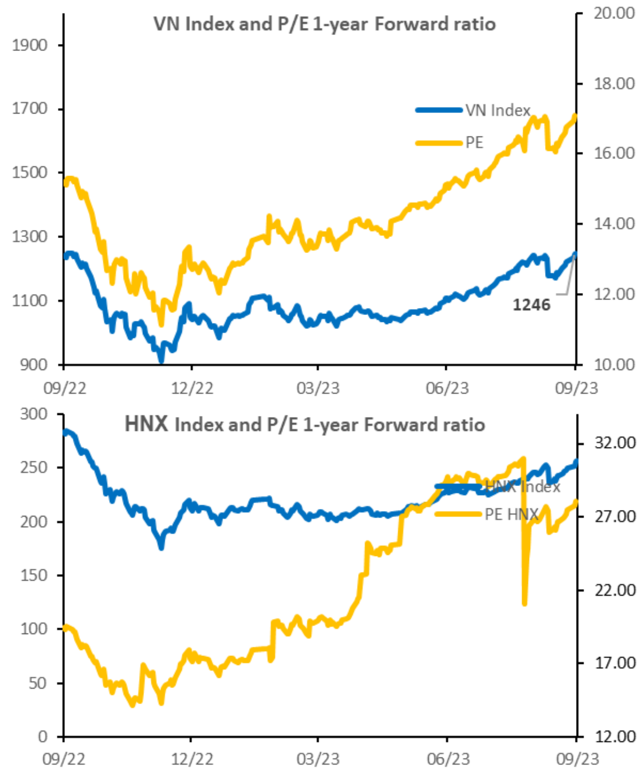
## Major stocks market

- In regular trading on Wednesday, the Dow fell 0.57%, the S&P 500 lost 0.7% and the Nasdaq Composite dropped 1.06%. Those losses came as rising Treasury yields and stronger-than-expected economic data stoked fears that the US central bank could raise interest rates further. The ISM Services PMI in the US unexpectedly jumped to 54.5 in August, pointing to the strongest growth in the services sector in six months and posting well above forecasts of 52.5.
- European equity markets extended losses for the sixth consecutive session on Wednesday, with the German DAX down 0.2% and the benchmark Stoxx 600 falling 0.6%.The latest figures showed that factory orders in Germany plunged more than expected in July, and retail sales in the Euro Area also dropped more than anticipated. Inflation concerns continued to dominate sentiment, as oil prices hovered near recent highs.
- The Nikkei 225 Index climbed 0.62% to close at 33,241 while the broader Topix Index gained 0.62% to 2,393 on Wednesday, rising for the eighth consecutive session, as a weakening yen boosted the profit outlook for export-heavy Japanese companies and made domestic assets more attractive to foreign investors. Meanwhile, traders remain cautious about stronger oil prices that could add to inflationary pressures, as well as higher US Treasury yields.
- WTI crude futures held near $87 per barrel on Wednesday after hitting over ten-month highs in the previous session as OPEC+ majors Saudi Arabia and Russia extended their voluntary supply cuts through the rest of the year. Saudi Arabia announced that it will extend its voluntary output cut of 1 million barrels per day for another three months until the end of December to stabilize and balance oil markets.

| Market | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| VN-Index | 1,246 | 0.85% | 0.33% | 0.19% |
| S&P 500 Index | 4,465 | -0.70% | -1.17% | 12.20% |
| Dow Jones Index | 34,443 | -0.57% | -2.90% | 9.06% |
| GP 100 | 7,426 | -0.16% | -1.70% | 2.60% |
| Nikkei 225 | 33,258 | 0.05% | 3.11% | 21.24% |
| SHCOMP Index | 3,158 | 0.12% | -3.39% | -2.72% |
| STOXX 600 | 454 | -0.57% | -1.17% | 10.26% |
| KOSPI Index | 2,551 | -0.49% | -1.16% | 7.34% |
| Hang Seng | 18,450 | -0.04% | -5.57% | -3.12% |

| Market | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| USD/JPY | 148 | -0.07% | -3.57% | -2.73% |
| USD/CNY | 7 | -0.20% | -1.71% | -4.97% |
| Brent | 91 | 0.20% | 6.37% | 3.16% |
| WTI | 88 | 0.16% | 7.01% | 7.01% |
| Gasoline | 263 | 1.23% | -6.09% | 14.12% |
| Natural gas | 3 | 0.00% | -7.89% | -67.99% |
| Coal | 160 | -0.31% | 16.79% | -64.46% |
| Gold | 1,917 | 0.04% | -0.99% | 11.58% |
| China HRC | 3,966 | -0.38% | -1.61% | -0.38% |

# Vietnam Market Snapshot 06/09/2023




## Money flow and sector rotation (VND bn)

| Sector | %1D | 9/6/2023 | 9/5/2023 | 20-session Average |
|---|---|---|---|---|
| Health Care | 122.95 | 40 | 18 | 30 |
| Basic Resources | 106.16 | 2,732 | 1,325 | 1,439 |
| Technology | 66.29 | 273 | 164 | 225 |
| Real Estate | 26.56 | 6,791 | 5,366 | 5,735 |
| Chemicals | 23.80 | 1,014 | 819 | 870 |
| Personal & Household Goods | 16.18 | 179 | 154 | 171 |
| Construction & Materials | 5.24 | 1,680 | 1,596 | 1,502 |
| Industrial Goods & Services | -4.4 | 1,168 | 1,222 | 947 |
| Financial Services | -5.1 | 3,418 | 3,601 | 3,212 |
| Utilities | -9.5 | 230 | 254 | 274 |
| Food and Beverage | -10.6 | 1,333 | 1,491 | 1,346 |
| Banks | -15.2 | 3,408 | 4,018 | 3,293 |
| Retail | -17.0 | 645 | 777 | 723 |
| Automobiles & Parts | -23.2 | 263 | 343 | 295 |
| Travel & Leisure | -25.2 | 139 | 185 | 138 |
| Oil & Gas | -25.8 | 140 | 189 | 153 |
| Insurance | -36.1 | 37 | 58 | 50 |
| Media | -42.1 | 1 | 1 | 1 |

Source: Bloomberg, Shinhan Securities Vietnam

| | Close | PE | Change | %1D | Trading volume (mn stocks) | Trading value (VND bn) |
|---|---|---|---|---|---|---|
| VNI NDEX | 1,245.50 | 17.09 | 10.52 | 0.85 | 1,005 | 23,499 |
| HNX INDEX | 255.36 | 28.10 | 3.08 | 1.22 | 120 | 2,084 |

# Vietnam Market Snapshot 06/09/2023

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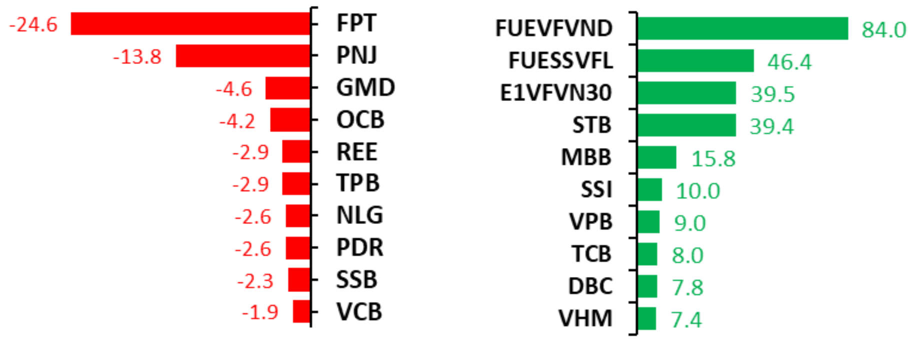
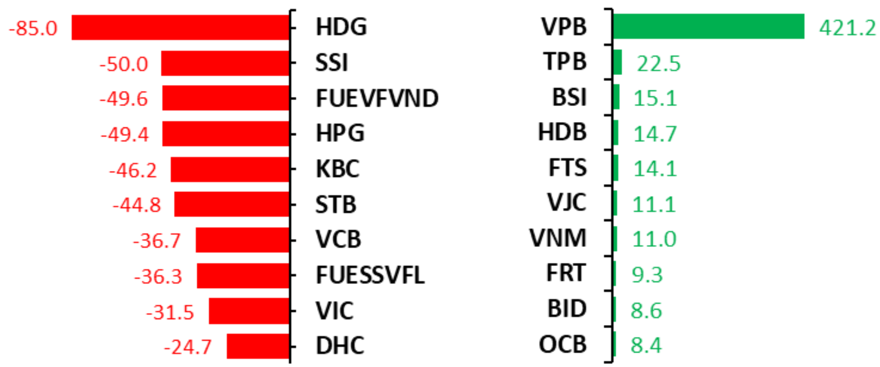
## Top net buying & selling of proprietary trading (VND billion)




## 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 | 7 | (226) | 236 | (10) |
| Basic Resources | 6 | (83) | 71 | 12 |
| Media | - | 0 | (0) | 0 |
| Industrial Goods & Services | (5) | (0) | (1) | 1 |
| Health care | 0 | 1 | (1) | 0 |
| Chemicals | 0 | (12) | 4 | 8 |
| Financial Services | 179 | (124) | (11) | 135 |
| Travel & Leisure | (0) | 11 | (84) | 72 |
| Banks | 65 | 361 | (393) | 32 |
| Construction & Materials | (1) | 7 | (23) | 16 |
| Food and Beverage | 8 | (47) | 63 | (16) |
| Retail | 2 | 4 | 15 | (18) |
| Utilities | (1) | (22) | 19 | 3 |
| Personal & Household Goods | (14) | 10 | 3 | (14) |
| Technology | (21) | 1 | 45 | (47) |
| Automobiles & Parts | (0) | 0 | (1) | 1 |
| Insurance | (0) | 0 | 1 | (1) |
| Oil & Gas | (0) | 7 | (13) | 6 |

Source: Fiinpro, Shinhan Securities Vietnam

# Breaking News

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## Macro

- Credit institutions are beginning to compete in offering preferential interest rates on loans to attract customers. Vietcombank has just announced the implementation of a policy for individual customers to borrow funds to repay loans at other banks with interest rates starting at only 6.9% per year. Speaking with Tiền Phong Newspaper on September 5, a representative from Vietcombank said that allowing borrowers to repay loans at other credit institutions under Circular 06 encourages banks to offer lower interest rate packages. Accordingly, customers who are currently borrowing from other credit institutions at high interest rates can choose Vietcombank with lower interest rates. "Vietcombank's goal is to support people, and each bank has a different interest rate depending on their ability to raise cheap capital to create a better lending interest rate environment. This contributes to promoting credit growth and providing customers with more choices and support for low-interest loans," the representative stated.
- On September 6, Prime Minister Pham Minh Chinh had a meeting with Chinese Prime Minister Li Keqiang on the occasion of attending the 43rd ASEAN Summit and related meetings in Jakarta, Indonesia. During the meeting, the two Prime Ministers expressed satisfaction with the positive development of the Comprehensive Strategic Cooperative Partnership between Vietnam and China and agreed to enhance regular contact between high-level leaders and all levels, contributing to more effective and substantive cooperation between the two countries.
- The likelihood of the Fed keeping interest rates unchanged in the September meeting was reinforced after the U.S. Department of Labor released the overall employment report for August last Friday. Data from the CME trading platform's FedWatch Tool on Friday indicated a more than 90% chance that the Fed would not raise interest rates in the meeting scheduled for September 19-20. However, the likelihood of the Fed remaining "on hold" in the November meeting is lower, with the market betting at around 60%.

## Business news

HPX: Hai Phat Invest (HPX) shifted from profit to a loss of over 60 billion VND when announcing its audited financial statements for 2022. The company unexpectedly reported a net loss of over 60 billion VND, while its independent financial statements showed a profit of up to 140 billion VND. Specifically, after the audit, the 2022 revenue was 1,210 billion VND, a decrease of over 25% compared to the independent figure. Compared to 2021, the 2022 revenue decreased by over 200 billion VND.

HQC: An organization related to the daughter of the Chairman of Hoang Quan Real Estate registered to buy 20 million HQC shares, expecting to spend nearly a hundred billion VND. In the latest announcement, Nam Quan Investment Corporation has registered to purchase 20 million shares of Hoang Quan Real Estate's Commercial Services and Trading Consultancy Joint Stock Company. The transaction is expected to be carried out from September 8 to October 7, 2023. If the deal is completed, the organization will hold 21 million HQC shares, equivalent to a 4.4% stake in the capital.

SMC: The Board of Directors of SMC Corporation (SMC) has announced a resolution regarding the operating results for the first 6 months of 2023 and the targets for the second 6 months. Accordingly, SMC's steel division aims to achieve a sales volume of 440,000 tons of various types of steel and "strive not to incur losses" in the second 6 months of the year. SMC has set an unoptimistic plan for the second half of the year after facing unfavorable business conditions in the first half. According to the semi-annual consolidated financial statements for 2023, the company incurred a net loss of nearly 408 billion VND, which is worse than the 393 billion VND loss reported in the independent financial statements, while in the same period last year, it had a profit of up to 126 billion VND.

# Breaking News

## Business news

**VNZ:** For just 17.8 billion VND, VNG employees are about to purchase 1 million VNZ shares with a total value of up to 1,253 billion VND on the stock market. VNG will issue over 1 million shares, including 389,296 shares priced at 30,000 VND per share and 613,240 shares priced at 10,000 VND per share. The expected total proceeds are 17.8 billion VND. Meanwhile, on the stock exchange, VNZ shares currently have a price of 1,250,000 VND per share, equivalent to a value of about 1,253 billion VND. The 1 million shares mentioned above will be subject to transfer restrictions for one year from the completion date of the offering. The implementation period is scheduled from the fourth quarter of 2023 to the first quarter of 2024.

**VPB:** The trading session on September 6 witnessed a significant transaction by foreign investors in VPB (VPBank) shares, with this investor group net buying nearly 20.3 million units, worth over 430 billion VND. This is the strongest net buying session by foreign investors in VPB so far this year. Most of these shares were acquired by foreign investors through negotiated transactions at a price of 20,800 VND per share.

**DLG:** Duc Long Gia Lai (DLG) has been requested to initiate bankruptcy proceedings. Duc Long Gia Lai Group (stock code: DLG) recently announced unusual information regarding the fact that the People's Court of Gia Lai Province has accepted a request to initiate bankruptcy proceedings. Specifically, on July 24, 2023, the People's Court of Gia Lai Province accepted the request to initiate bankruptcy proceedings against Duc Long Gia Lai based on a request from Lilama 45.3 Joint Stock Company, located in Quang Ngai Province. The court has sent a notice to Duc Long Gia Lai and requested that within 30 days, they must submit to the court their opinions regarding the request to initiate bankruptcy proceedings and accompanying documents.

# Technical view

## Trend: Upward

The market closed at 1,245 (+10.52 points, +0.85%) with increasing liquidity. There were 356 green stocks, 145 red ones, and a strong upward trend in most industry groups. Among them, the leading stocks in the market included HPG, VPB, GAS, while VIC and BID saw a decline in points.

Technical analysis: After a sharp drop of more than 50 points on August 18th, bringing the market down to around 1,180, it has since rebounded by 65 points over 6 consecutive green sessions with steadily increasing liquidity in each session. However, the RSI indicators have not yet entered the overbought zone. Currently, the market is approaching the resistance level of 1,250, but with the strong upward momentum we are seeing, VNINDEX could potentially target the 1,300 level in the near future.

Strategy: Maintaining a hold status is primarily advised, as the continuously hot market can correct at any time, especially when approaching the resistance level of 1,250. Consider new purchases for stocks that have not risen much from their price base.

### Scenario:

- Positive (50%): The market will break out of the range of 1,240 – 1,250 and move towards 1,300.

- Less positive (50%): The market will return to the range of 1,200, and if there is a reversal signal, consider buying in.

# Recommended stocks

**7/9/2023** Unit: VND thousand

## Today's watchlist

| | Recommendation | Buying price (+/- 1%) | Target | Cut loss | Upside | Downside | Current price | Signals |
|---|---|---|---|---|---|---|---|---|
| VHM | Buy | 55.9 | 66 | 53.9 | 18% | -4% | 55.9 | |

## 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 | 11 | 4.84% | 8/23/2023 | |
| SZC | Hold | 34.4 | 38.8 | 32.7 | 13% | -5% | 38.5 | 10 | 11.92% | 8/24/2023 | |
| VPG | Sell | 20.2 | 22.9 | 19.4 | 13% | -4% | 22.9 | 9 | 13.37% | 8/25/2023 | Take Profit |
| MBB | Hold | 18.2 | 19.4 | 17.9 | 7% | -2% | 19.25 | 9 | 5.77% | 8/25/2023 | |

# Economic calendar

## 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<br>ETF FTSE VN announces portfolio | | ECB meeting and announces Monetary policy & interest rates<br>V.N.M ETF 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 macroecnomic data | | |

# Q&A

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