



Shinhan  
Securities

# MORNING CALL

## 07/09/2023

### “Correction near the resistance zone around 1,250”

- ❑ World stocks: Mixed movements
- ❑ Vietnam stocks: Correction near the resistance zone around 1,250
- ❑ Business news: #VPB, #TCB, #IBC, #TLG, #GMD, #VND
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

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Following SSV's Zalo,  
Catching the latest report



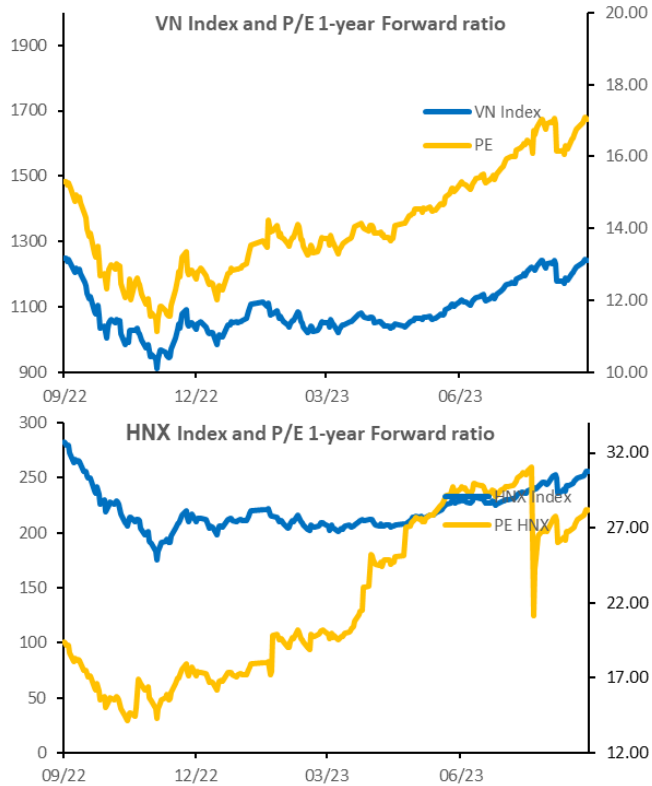
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## Major stocks market

- Last week, the Dow fell 0.75%, the S&P 500 dropped 1.29% and the Nasdaq Composite tumbled 1.93%. Those losses came as a string of stronger-than-expected US economic data renewed fears that the Federal Reserve could tighten policy further. Markets are now seeing a nearly 50% chance of a rate increase in November after an anticipated pause in September. Traders will get a reading of consumer and producer inflation reports on Wednesday and Thursday, respectively. Retail sales and consumer sentiment data will also be released this week.
- European markets finished higher on Friday with shares in France leading the region. The CAC 40 is up 0.62% while London's FTSE 100 is up 0.49% and Germany's DAX is up 0.14%. Meanwhile, local traders took comfort from a BoE survey on Thursday showing businesses were planning for their lowest price rises since February 2022, offering some reassurance to policymakers that inflation is on course to return to target.
- The Shanghai Composite fell 0.18% to close at 3,117 while the Shenzhen Component dropped 0.38% to 10,282 on Friday, with both benchmarks finishing the week lower as weaker-than-expected Chinese services sector and trade figures amplified concerns about the country's flagging economy. Chinese stocks were also weighed down throughout the period by growing fears that the Federal Reserve could raise interest rates further amid a solid batch of US economic data
- WTI crude futures rebounded to trade higher around \$87.4 a barrel on Friday, the highest since early November, and booking a near 2% gain for the week due to expectations of tight supplies.

Market				
	Close	%1D	%1M	%1Y
VN-Index	1,241	-0.13%	0.75%	-0.58%
S&P 500 Index	4,457	0.14%	-0.15%	9.59%
Dow Jones Index	34,577	0.22%	-2.00%	7.54%
GP 100	7,478	0.49%	-0.61%	1.73%
Nikkei 225	32,506	-0.31%	0.10%	15.21%
SHCOMP Index	3,117	-0.18%	-2.27%	-4.46%
STOXX 600	455	0.22%	-0.98%	8.16%
KOSPI Index	2,548	0.02%	-1.66%	6.88%
Hang Seng	18,202	-1.34%	-5.12%	-3.46%

Currency & Commodity				
	Close	%1D	%1M	%1Y
Dollar Index	104.85	-0.23%	1.95%	-3.81%
USD/VND	24,061.00	0.03%	-1.37%	-2.14%
EUR/USD	1.07	0.11%	-2.16%	5.83%
USD/CNY	7.34	-0.20%	-1.71%	-5.26%
Brent	90.27	-0.42%	3.99%	-2.77%
WTI	86.87	-0.73%	4.42%	0.09%
Natural gas	2.56	-1.65%	-7.51%	-67.96%
Coal	156.25	-0.89%	9.65%	-64.52%
Gold	1,919.82	0.04%	0.32%	11.32%



	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
<b>VNI NDEX</b>	1,241.48	17.04	-1.66	-0.13	912	22,325
<b>HNX INDEX</b>	256.20	28.18	0.06	0.02	109	1,998

## Money flow and sector rotation (VND bn)

Sector	%1D	9/8/2023	9/7/2023	20-session Average	
Industrial Goods & Services		61.30	1,872	1,160	992
Chemicals		17.00	1,188	1,015	906
Retail		13.88	757	665	725
Utilities		12.15	312	279	260
Real Estate		7.79	6,721	6,235	5,830
Basic Resources		3.92	1,881	1,810	1,452
Health Care		3.66	39	37	29
Food and Beverage		3.17	1,574	1,525	1,321
Travel & Leisure	-13.7		125	144	134
Automobiles & Parts	-18.4		215	264	283
Construction & Materials	-22.0		1,634	2,095	1,536
Financial Services	-22.3		2,519	3,244	3,275
Personal & Household Goods	-31.9		200	294	177
Banks	-32.1		2,863	4,216	3,289
Technology	-32.5		239	354	244
Oil & Gas	-42.3		146	253	150
Media	-43.2		1	2	1
Insurance	-48.5		32	62	49

Source: Bloomberg, Shinhan Securities Vietnam

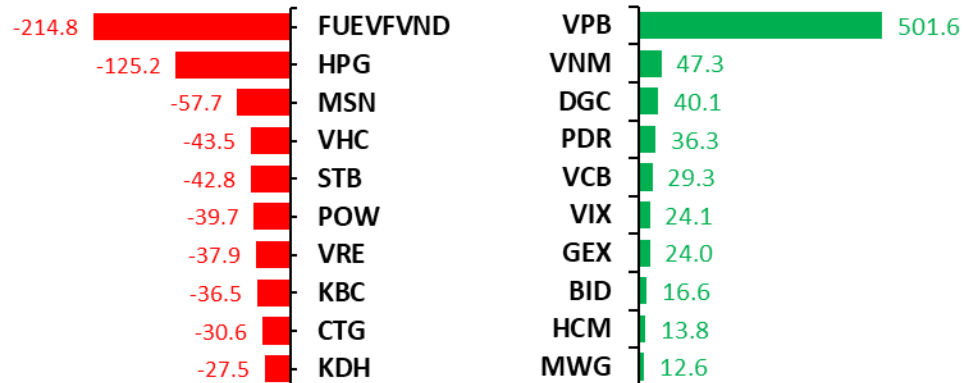
## Top net buying &amp; selling of proprietary trading (VND billion)



## 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	58	(200)	311	(111)
Basic Resources	14	(247)	272	(24)
Media	-	(1)	1	-
Industrial Goods & Services	(25)	6	8	(15)
Health care	(0)	5	(5)	(0)
Chemicals	(18)	(51)	11	40
Financial Services	241	(220)	158	61
Travel & Leisure	9	(3)	3	1
Banks	57	(147)	258	(111)
Construction & Materials	(0)	(26)	(14)	40
Food and Beverage	41	(45)	22	23
Retail	(10)	40	(27)	(12)
Utilities	9	(6)	(7)	13
Personal & Household Goods	(12)	7	(0)	(7)
Technology	(0)	(4)	(18)	22
Automobiles & Parts	4	(3)	0	3
Insurance	0	(9)	10	(0)
Oil & Gas	(0)	17	(15)	(2)

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



Source: Fiinpro, Shinhan Securities Vietnam

### Macro

- The VND has depreciated by 2.2% against the USD in the first eight months of the year. According to BVSC's update, from the beginning of the year until August 31, the VND has decreased by 2.2% against the USD. This is a relatively low depreciation considering that the State Bank of Vietnam is going against the global trend by loosening monetary policies to boost the economy after the pandemic and external shocks. Compared to October 2022, the pressure on the exchange rate has significantly eased, leading analysts to believe that the exchange rate in the remaining four months of the year will stabilize. Furthermore, the depreciation of the VND could support exports in the remaining months of the year, increasing the foreign currency supply in the market.
- Regarding Vars' lessons from the Chinese real estate market, the first lesson is about rescuing "stuck" real estate. Specifically, in 2020, China introduced the "Three Red Lines" policy to reduce risks in the credit system by limiting the ability of real estate companies to take on new debt. However, when this policy was implemented, many companies began to face liquidity problems and defaulted on loans. Hundreds of real estate projects came to a halt indefinitely, and a wave of homebuyers refused to repay bank loans in more than 100 Chinese cities. By December 2022, China had to introduce a new policy, implicitly signaling that the "Three Red Lines" were no longer in effect. The Chinese government then implemented a series of policy mechanisms to resolve issues and stimulate the real estate market.
- In the context of tourism in Vietnam, particularly in Ho Chi Minh City, there are positive signs of recovery. Continuous promotional and trade promotion activities have taken place, and in the first 8 months of 2023, the total revenue of the tourism industry reached nearly 500 trillion VND. Statistics show that Vietnam has welcomed over 87 million visitors in the first 8 months of 2023, reaching 70% of the 2019 figure, with international visitors accounting for 7.8 million, which is 5.4 times higher than the same period in 2022. The total revenue from tourism exceeded 482 trillion VND.

### Business news

**VPB:** Vietnam Prosperity Joint Stock Commercial Bank (VPBank) and the U.S. International Development Finance Corporation (DFC) have signed a commitment for a 7-year, \$300 million loan to enhance financial access for SMEs, especially those led by women, and to support green and sustainable projects in Vietnam. VPBank receiving financial support commitments from DFC, a U.S. government development organization with international standards and careful credit assessment processes, once again affirms VPBank's position as a leading private bank in Vietnam.

**TCB:** Digital Transformation and the story of "Leaders." Outstanding digital initiatives and relentless efforts to realize them are crucial prerequisites for positioning as "Leaders" in the highly competitive digital transformation game. Each bank chooses its own path, but it can be said that Techcombank is asserting the role of "Leaders" with the partnership of 12.2 million customers using the bank's services as of June 2023.

**IBC:** Apax Holdings of Shark Thuy before being suspended from trading: Large losses, stock dropping from 2X to 2,500 VND. Specifically, IBC shares were under trading restrictions since May 2023 due to failure to submit audited financial statements for 2022 and various controversies related to tuition fees. After placing the stock under trading restrictions, HoSE continued to remind the company about the delayed release of the Q2/2023 financial statements and the H1/2023 reviewed financial statements, but to date, the company has not made these disclosures.



### Business news

**TLG:** Thiên Long Group "evaporates" 84% of its profit in July, leaving only 9 billion VND. Due to changes in its sales structure, TLG Group's gross profit margin for the first 7 months was maintained at 44%. Meanwhile, net profit margin decreased by 16% to 13%. Specifically, the company recorded net revenue of 230 billion VND in July, a 28% decrease compared to the same period last year. After-tax profit "evaporated" by 84% to just 9 billion VND. This is one of the lowest monthly profits for the company since the beginning of the year.

**GMD:** The company owning the "super port" Gemalink is set to spend over 600 billion VND to pay a 20% cash dividend, causing the stock to reach an all-time high. On September 22, Gemadep Corporation (GMD) will finalize the list of shareholders for the 2022 cash dividend distribution, at a rate of 20%, equivalent to 2,000 VND for each share. The payment is expected to be made on September 29. With nearly 306 million shares in circulation, Gemadep will need to spend 612 billion VND to pay its shareholders for this round.

**VND:** VNDirect's CFO wants to divest all holdings as stock prices surge from the bottom. The purpose of the CFO's transaction is to address personal financial plans. In the latest announcement, Ms. Vu Nam Huong, Chief Financial Officer and Legal Representative of VNDirect Securities Corporation (stock code VND), has registered to sell all 728,000 VND shares she holds. If successful, she will no longer own any VND shares. The purpose of the transaction is to address her personal financial plans. The trading period is expected to be from September 12 to October 10, 2023.



## Trend: Correction

VNINDEX closed at 1,241 (-0.13%), experiencing a slight decrease as it approached the resistance zone at 1,250. Leading stocks included BCM, DGC, and GVR, while the VHM and VIC groups experienced significant declines, causing the overall market to drop. Foreign investors made slight net purchases.

Technical analysis: The market continues to maintain its upward momentum. The uptrend continues to spread strongly across various industry groups. Both RSI and Stoch RSI indicators are at moderate levels, indicating that the market may continue its upward trend after the holiday break. Support and resistance levels are at 1,180 - 1,250.

Strategy: We maintain the strategy of buying when the market tends to drop to a lower level around 1,210 and shows signs of rebounding. Therefore, as the market approaches 1,250, the risk/reward ratio becomes less attractive, making stock selection more challenging. It's important to consider the T+ factor to be ready to sell when the market reverses at any time. Prioritize observation and holding stocks, and be prepared to take profits when stocks reach their targets.

## Scenario:

- Positive (50%): The market will break out of the 1,240 - 1,250 range and move towards 1,300.
- Negative (50%): The market will return to the 1,210 range, and if signs of a reversal appear, buying opportunities may be considered.

11/9/2023

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%	29.6	13	2.42%	8/23/2023	
SZC	Sell	34.4	38.8	32.7	13%	-5%	39.95	12	16.13%	8/24/2023	Take Profit
VPG	Sell	20.2	22.9	19.4	13%	-4%	22.65	11	12.13%	8/25/2023	Take Profit
MBB	Hold	18.2	20.1	17.9	10%	-2%	19.1	11	4.95%	8/25/2023	
VHM	Hold	55.9	66	53.9	18%	-4%	55.9	2	-3.40%	07/09/2023	

## 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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