MORNING CALL
10/07/2023

"Markets bounce in doubt, world markets drop ahead of US report"

- World market: US stocks fall as investors review latest labor reports
- Vietnam market: The domestic market rebounded after touching the MA20, but the liquidity was still low
- Business News: #BAF #CTG #CII #FPT #TVN #VJC #VNM
- Technical view and recommendation update: #KDH
- Event calendar
- Q&A

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Mở tài khoản

Global Market Review - Week 10 - 14/07/2023

Major stocks market

- All three major US stock indexes pared earlier gains to finish in the red on Friday as investors digested the latest labor reports. The Dow lost 187 points, while the S&P 500 and the Nasdaq fell by 0.3% and 0.1%, respectively. The US economy added 209K jobs last month, missing forecasts of 225K while the unemployment rate fell back to 3.6% and wage growth was steady, following an upwardly revised figure for May. Still, traders see a nearly 95% chance of a 25bps hike in the fed funds rate this month.
- European stocks closed mostly higher on Friday with Germany's DAX 40 adding 0.4% to 15,600, joining some respite in France and Italy to offset losses in Madrid and London and lift the STOXX 600 index to close marginally higher.
- The Nikkei 225 Index fell 1.17% to close at 32,388 while the broader Topix Index dropped 0.97% to 2,255 on Friday, with both benchmarks sliding for the fourth straight session, taking cues from a weak lead on Wall Street overnight as strong US jobs data fueled fears that the Federal Reserve will tighten policy further in July. The Shanghai Composite fell 0.28% to close at 3,197 while the Shenzhen Component dropped 0.73% to 10,889 on Friday
- WTI crude futures steadied near $72 per barrel on Friday and were set to post weekly gains, as the prospect of tighter global supplies outweighed concerns about higher interest rates that could dampen global growth and energy demand.
- This week, the central stage in the United States will be taken by the June Inflation report, followed by speeches from several Fed officials. Additionally, investors will closely watch the start of the Q2 earnings season. Furthermore, the Bank of Canada, Reserve Bank of New Zealand, and South Korea Central Bank will provide updates on the course of monetary policy. Moreover, June inflation figures are set to be released by China, Brazil, India, and Russia.

Market

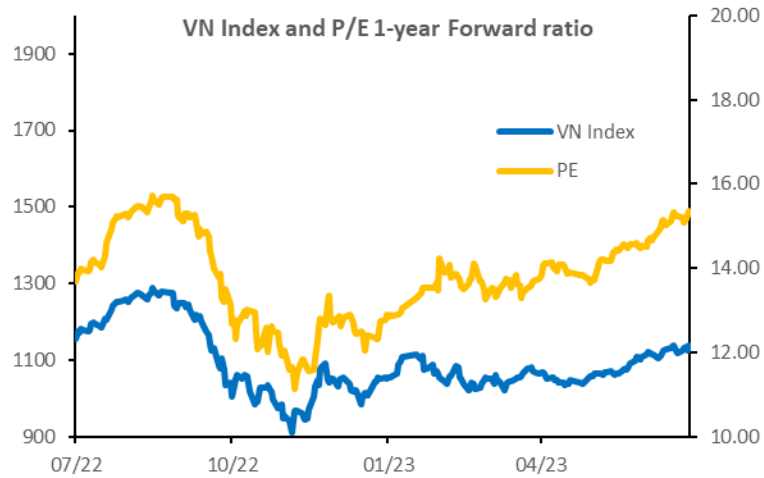
	Close	%1D	%1M	%1Y
VN-Index	1,138	1.05%	2.76%	-2.84%
S&P 500 Index	4,399	-0.29%	2.33%	12.81%
Dow Jones Index	33,735	-0.55%	-0.42%	7.65%
GP 100	7,257	-0.32%	-4.04%	0.84%
Nikkei 225	32,404	0.05%	0.43%	22.20%
SHCOMP Index	3,197	-0.28%	-1.08%	-4.75%
STOXX 600	448	0.10%	-2.69%	7.32%
KOSPI Index	2,531	0.18%	-4.16%	7.69%
Hang Seng	18,366	-0.90%	-5.28%	-15.47%

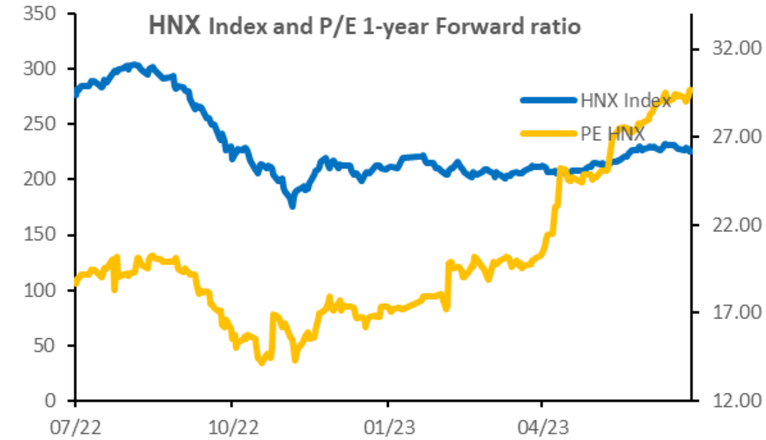
Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.38	0.11%	-1.14%	-4.32%
USD/VND	23,653.00	0.25%	-0.68%	-1.15%
EUR/USD	1.10	-0.02%	1.93%	9.21%
USD/CNY	7.23	0.32%	-1.25%	-7.26%
Brent	78.14	-0.42%	4.48%	-26.99%
WTI	73.51	-0.47%	4.76%	-29.85%
Natural gas	2.63	1.82%	16.64%	-56.43%
Coal	138.00	-1.18%	1.47%	-66.34%
Gold	1,924.25	-0.04%	-1.72%	10.97%

Vietnam Market Snapshot 07/07/2023

Shinhan Securities





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNINDEX	1,138.07	15.53	11.85	1.05	688	14,083
HNX INDEX	225.82	28.92	0.74	0.33	85	1,362

Money flow and sector rotation (VND bn)

Sector	%1D	7/7/2023	7/6/2023	20-session Average
Media	84.30	1	1	1
Construction & Materials	34.75	1,471	1,092	1,223
Retail	31.34	643	490	442
Industrial Goods & Services	10.05	1,101	1,000	893
Basic Resources	9.97	1,474	1,340	1,292
Utilities	2.52	286	279	217
Personal & Household Goods	-3.2	234	242	187
Health Care	-3.5	24	25	29
Food and Beverage	-10.4	1,292	1,441	1,259
Real Estate	-12.3	2,183	2,490	2,927
Chemicals	-24.4	688	911	722
Banks	-28.8	2,109	2,961	2,498
Travel & Leisure	-38.2	133	216	145
Oil & Gas	-39.9	157	261	175
Technology	-40.7	82	139	102
Financial Services	-48.6	2,048	3,983	2,126
Automobiles & Parts	-50.7	109	220	112
Insurance	-66.8	45	135	72

Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 07/07/2023

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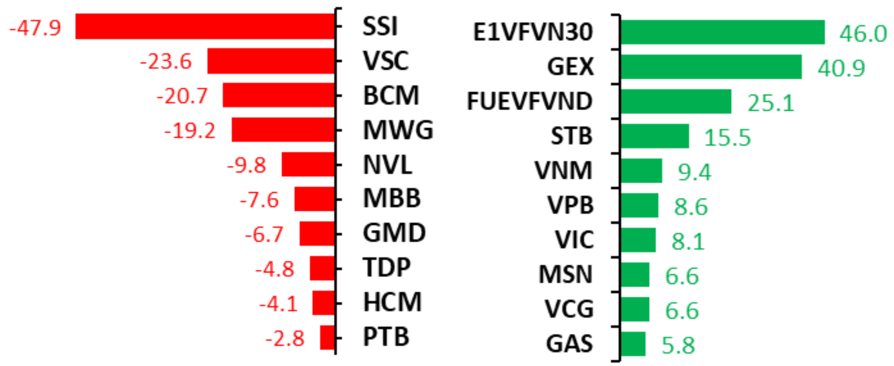
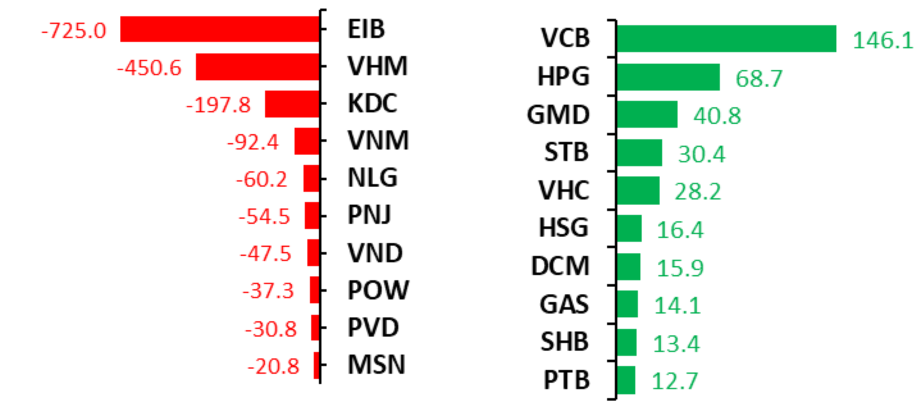
Top net buying & selling of proprietary trading (VND billion)



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	(9)	(513)	524	(11)
Basic Resources	(3)	96	(252)	157
Media	-	0	(0)	(0)
Industrial Goods & Services	5	40	(23)	(17)
Health care	-	0	(0)	(0)
Chemicals	0	16	(46)	30
Financial Services	19	(84)	103	(19)
Travel & Leisure	3	0	(5)	4
Banks	35	(544)	634	(90)
Construction & Materials	6	(15)	(11)	25
Food and Beverage	17	(109)	132	(23)
Retail	(19)	13	(5)	(7)
Utilities	10	(34)	41	(8)
Personal & Household Goods	(2)	(49)	41	7
Technology	(1)	(0)	(11)	11
Automobiles & Parts	1	(0)	2	(2)
Insurance	1	2	(4)	2
Oil & Gas	1	(37)	41	(4)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- The People's Committee of Ho Chi Minh City has just released a mid-term report on the project of developing HCMC transport infrastructure in the period of 2020 - 2030. Accordingly, up to now, 16 projects have been completed and put into use.
- India, the world's largest rice exporter, is facing supply difficulties, causing the price of Vietnamese rice exports to increase sharply.
- Leaders of the Construction Investment Management Department said that there are 14 projects expected to be approved in Q3/2023; in which, there are 8 road works.
- Total pig herd of the country by the end of June will increase by about 2.5% YoY; Live pig output in the first 6 months of the year is estimated at 2.3 million tons, up 6.5% YoY. Experts predict that by the end of the year, live hog prices may increase by 67,000 - 70,000 VND/kg.

Less positive

- Vietnam's steel industry is facing many difficulties, in which the risk of being of imported steel, especially from Chinese steel.
- The statistics agency said that unemployment in Q2/2023 increased in both quantity and rate. In which, the number of unemployed people of working age was about 1.07 million people, an increase of 25,400 people compared to the previous quarter and an increase of 1,900 people compared to the same period last year, while the unemployment rate was 2.3%, an increase of 0.05 percentage points compared to the previous quarter.

Business news

- **BAF**: BAF distributed all the issued bonds, of which 5 foreign institutional investors spent up to VND 213 billion to buy 2,130,000 bonds. The money collected, BAF will use to pay the cost of buying goods; cost of additives, raw materials for bran and farm rent.
- **CTG**: Accordingly, VietinBank has successfully issued 5,000 bonds with code CTGL2333001 with a total value of VND 500 billion with an interest rate of 7.6%/year. This bond lot was issued on June 29, 2023 with a tenor of 10 years, equivalent to the maturity date is June 29, 2033.
- **CII**: Hanoi Stock Exchange has just announced the results of early bond redemption of Ho Chi Minh City Technical Infrastructure Investment JSC (HOSE: CII). Accordingly, from June 29 to June 30, Investment in Technical Infrastructure of Ho Chi Minh City. Ho Chi Minh City has bought back VND 421 billion out of VND 581 billion of outstanding bonds of code CIIBOND2020-04, reducing the remaining amount of bonds to 160 billion dong.
- **FPT**: On 7/7/2023, FPT Shop and Honor signed a strategic cooperation agreement, exclusively selling Honor X8a products. Accordingly, the Honor X8a phone will be "on the shelves" of FPT Shop with an impressive price of VND 4,990,000. Especially, from July 7 to July 16, 2023, customers who choose to own Honor X8a at FPT Shop will receive an immediate discount of VND 300,000, the price is only VND 4,690,000.
- **TVN**: TVN's stock suddenly hit ceiling price after Vietnam Steel Corporation updated its business situation in the Q2/2023. Specifically, VNSteel said that the parent company's pre-tax profit in this period was estimated at VND 133.4 billion. Accumulated in the first 6 months of 2023, the company achieved nearly VND 194.2 billion in pre-tax profit, exceeding 273% of the 2023 plan, but still decreasing by -40% YoY.

Breaking News

Business news

- **VJC**: The Hanoi Stock Exchange has just announced the bond issuance results of Vietjet Aviation Joint Stock Company (Vietjet Air - HoSE: VJC). Specifically, on June 30, billionaire Nguyen Thi Phuong Thao's airline successfully issued 3,000 bonds with code VJCH2328004 with a total value of VND 300 billion. Since the beginning of June until now, Vietjet Aviation Joint Stock Company has issued 4 bonds with a total value of up to VND 1,200 billion.
- **VNM**: Vietnam Dairy Products Joint Stock Company - Vinamilk (code VNM - HOSE) has just announced the results of the second quarter of 2023 with estimated revenue of VND 15,200 billion - up 1.6% YoY and up 8.9% QoQ; profit after tax is estimated at VND 2,220 billion - up 5.6% YoY and up 16.5% QoQ. It is estimated that in the first 6 months of the year, Vinamilk recorded revenue of nearly VND 29,200 billion and profit after tax of more than VND 4,100 billion. Compared with the plan of 63,380 billion in revenue and 8,622 billion in profit after tax set out at the Annual General Meeting of Shareholders, VNM has achieved 46% and nearly 48% of the target, respectively.

Technical view

Trend: Correction

- The market gained 11.85 points (+1.05%) to close at 1,138 points. The market bounced back after the VNINDEX touched the MA20 support. Market liquidity is still below the 20-day average, signaling uncertainty in the short-term uptrend.

- Technically: The index rebounded after touching MA20, a positive signal that the market is not negative yet. However, MACD shows that the index's signal is still on short-term dropping trend. The RSI is also in a downtrend and is slowly moving out of the overbought zone.

- Strategy: Investors limit bottom fishing, only disbursing stocks with good fundamentals with reasonable buying points.

Scenario:

- Positive (40%): The index surpasses the strong resistance level of 1,150 points and moves towards the next resistance level at 1,200 points.
- Less positive (60%): The index retraces to retest the 1100 zone and trades sideways within the range of 1,100-1,150.

Recommended stocks

10/7/2023

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
CMX	Buy	10	12.1	9.4	21%	-6%	9.9	10	-1.00%	25/06/2023	
TAR	Buy	16.1	19.3	15.2	20%	-6%	16.3	10	1.24%	26/06/2023	
KDH	Buy	31.2	34.95	30	12%	-4%	30.2	10	-3.21%	26/06/2023	
PET	Buy	27.3	30	26	10%	-5%	28	12	2.56%	22/06/2023	
REE	Buy	62.8	68.6	60.5	9%	-4%	65.1	18	3.66%	14/06/2023	

July 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
25	26	27	28	29	30	1
2	3	4 Australia interest rate hike	5	6 FOMC Minute	7 Unemployed rate of US and Canada	8
9	10 China Inflation rate	11 England Unemployement rate	12 US inflation rate	13 Producer Price Index (PPI) of the US	14	15
16	17 Re-evaluate component of stocks in VN30	18	19	20 Futures contract maturity in July (VN30)	21	22
23	24	25	26	27 Fed announces interest rates US preliminary GDP"	28 Announcement of new stock composition in VN30	29
30	31					

Q&A

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