



Shinhan  
Securities

# MORNING CALL

## 17/10/2023

### “Price momentum weakened”

- ❑ World stocks: Mixed movements
- ❑ Vietnam stocks: Price momentum weakened
- ❑ Business news #HND, #SZL, #PVS, #PNJ, #DLG, #POM
- ❑ Technical perspective and updated recommendations
- ❑ Event calendar
- ❑ Q&A

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Following SSV's Zalo,  
Catching the latest report



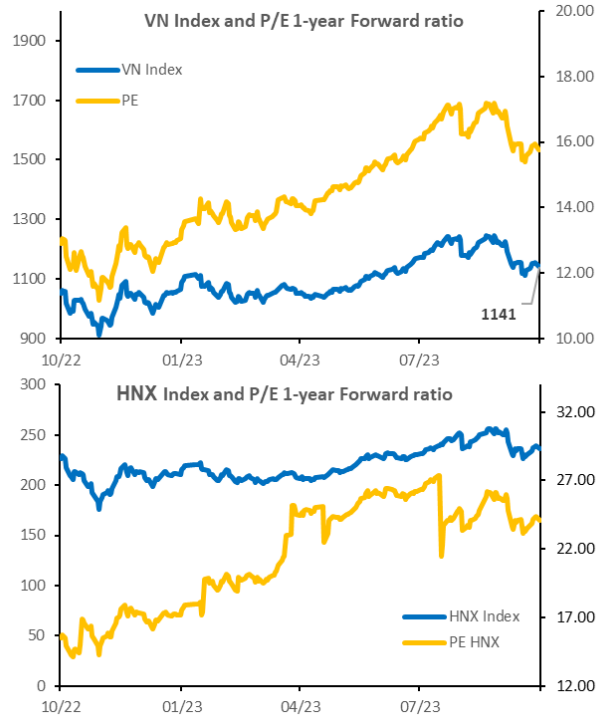
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## Major stocks market

- In regular trading on Monday, the Dow rose 0.93%, the S&P 500 gained 1.06% and the Nasdaq Composite jumped 1.2%. The yield on the US 10-year Treasury note rose to 4.7% on Monday, rebounding from an 8bps fall on Friday, as traders continue to assess the monetary policy outlook and the impact of the Israel-Hamas war. Market participants will closely monitor comments from several Fed officials this week, including an appearance by Fed Chair Powell before the Economic Club of New York on Thursday, for further insights into the central bank's next steps.
- European markets finished mixed as of the most recent closing prices. The DAX gained 0.34% and the CAC 40 rose 0.27%. The FTSE 100 lost 0.59%. The yield on the UK's 10-year Gilt rose back above 4.4%, rebounding from a near two-week low of 4.284% reached on October 12, after data revealed that US consumer prices rose more than expected in September
- The Nikkei 225 Index rallied 1.8% to above 32,200 while the broader Topix Index jumped 1.3% to 2,303 on Tuesday, breaking a two-day decline and taking cues from a strong lead on Wall Street overnight as optimism about corporate earnings outweighed a rise in Treasury yields.
- WTI crude futures steadied around \$87 per barrel on Monday, consolidating recent gains as traders continued to monitor the Israel-Hamas war and its impact on global oil supply.

Market				
	Close	%1D	%1M	%1Y
VN-Index	1,141	-1.15%	-7.00%	8.54%
S&P 500 Index	4,374	1.06%	-1.72%	18.91%
Dow Jones Index	33,985	0.93%	-1.83%	12.58%
GP 100	7,631	0.41%	-1.05%	10.27%
Nikkei 225	32,184	1.66%	-4.02%	20.20%
SHCOMP Index	3,074	-0.46%	-1.41%	-0.36%
STOXX 600	450	0.23%	-2.54%	12.98%
KOSPI Index	2,454	0.75%	-5.64%	10.58%
Hang Seng	17,640	-0.97%	-2.98%	6.18%

Currency & Commodity				
	Close	%1D	%1M	%1Y
Dollar Index	106.24	-0.01%	0.87%	-5.18%
USD/VND	24,455.00	0.08%	-0.32%	-0.55%
EUR/USD	1.06	-0.05%	-1.28%	7.26%
USD/CNY	7.31	-0.08%	-0.27%	-1.57%
Brent	89.80	0.17%	-4.40%	-1.99%
WTI	86.68	0.02%	-4.51%	1.43%
Natural gas	3.11	0.03%	17.62%	-48.16%
Coal	143.75	-0.07%	-10.44%	-63.38%
Gold	1,916.58	-0.19%	-0.89%	16.15%



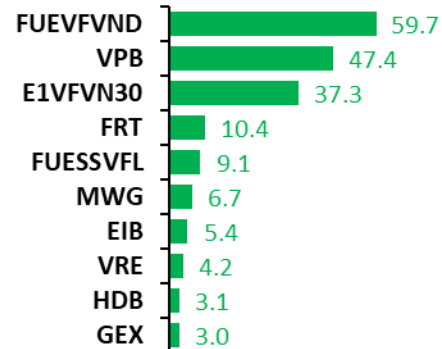
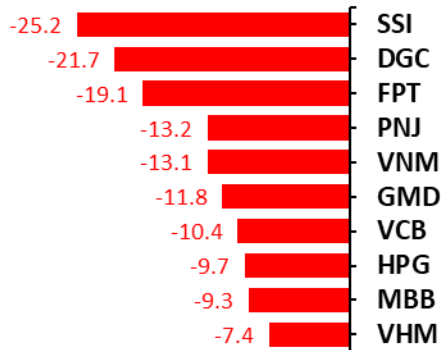
## Money flow and sector rotation (VND bn)

Sector	%1D	10/16/2023	10/13/2023	20-session Average
Technology		112.34	509	274
Automobiles & Parts		73.38	187	192
Insurance		54.68	21	29
Banks		40.78	2,338	1,661
Oil & Gas		39.57	383	275
Industrial Goods & Services		32.15	1,066	807
Utilities		28.49	178	138
Chemicals		25.87	1,073	852
Health Care		13.43	30	26
Financial Services		3.51	2,531	2,445
Basic Resources	-2.8		846	870
Construction & Materials	-6.4		976	1,043
Retail	-8.4		645	704
Personal & Household Goods	-9.3		128	141
Real Estate	-13.6		2,368	2,740
Food and Beverage	-13.7		670	777
Media	-25.5		5	6
Travel & Leisure	-28.6		99	139

Source: Bloomberg, Shinhan Securities Vietnam

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
<b>VNI NDEX</b>	<b>1,141.42</b>	15.76	-13.31	-1.15	576	14,080
<b>HNX INDEX</b>	<b>236.46</b>	24.13	-2.59	-1.08	98	1,931

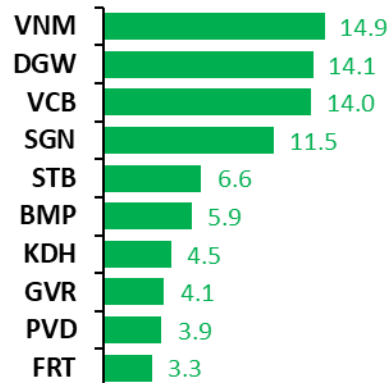
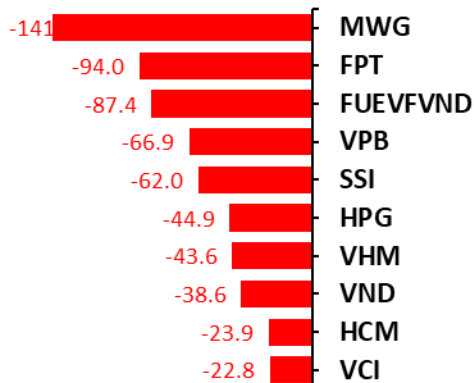
## Top net buying &amp; selling of proprietary trading (VND billion)



## 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	(13)	(117)	155	(39)
Basic Resources	(10)	(50)	111	(61)
Media	-	0	(0)	-
Industrial Goods & Services	(13)	(13)	37	(23)
Health care	-	1	15	(15)
Chemicals	(28)	(22)	23	(1)
Financial Services	79	(285)	216	69
Travel & Leisure	(1)	(1)	6	(5)
Banks	11	(91)	102	(11)
Construction & Materials	0	(11)	10	1
Food and Beverage	(19)	7	26	(33)
Retail	17	(124)	116	8
Utilities	(0)	(22)	28	(6)
Personal & Household Goods	(13)	(5)	28	(23)
Technology	(19)	(92)	149	(57)
Automobiles & Parts	(1)	0	11	(11)
Insurance	(0)	(3)	6	(3)
Oil & Gas	0	1	15	(16)

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



Source: Fiinpro, Shinhan Securities Vietnam

## Macro

- US is about to further tighten chip sales to China? A source who is a US official revealed to Reuters news agency that the country is preparing to announce new restrictions on the sale of artificial intelligence (AI) chips to China. The US will deploy measures to prevent the country's chip manufacturers from "circumventing" restrictions to sell products to China - a source, a US official, revealed to Reuters news agency. This will be part of the next efforts of President Joe Biden's administration to further tighten the export of chips serving artificial intelligence (AI) technology.
- The agriculture, forestry and fisheries sector is determined to keep its export target of 54 billion USD. In the first 9 months of 2023, agricultural, forestry and fishery exports will only reach nearly 38.5 billion USD. Thus, to reach the yearly target of 54 billion USD, the remaining months need to bring in an additional 15.5 billion USD. However, in the current difficult context, this is not an easy task, requiring the determination and dynamism of the entire industry. In terms of agricultural, forestry and fishery export markets in the three quarters: Asia holds a market share of 48.6%; America accounts for 22.7%; Europe accounts for 10.8%; Africa accounts for only 2.1% and Oceania accounts for only 1.5%.
- Officials of the US Federal Reserve (Fed) recently signaled that the upward trend in long-term US Treasury bond yields - a factor that directly affects interest rates on many household loans and businesses - may make it unnecessary for the Fed to further increase short-term interest rates. This means that developments in the financial market will replace part of the work of monetary policy makers in the fight against inflation.

## Business news

- **HND:** Hai Phong Thermal Power Joint Stock Company (code HND) has just released its third quarter financial report with net revenue reaching 2,884 billion VND, down 6% over the same period last year. According to the company's explanation, although electricity output in the third quarter of 2023 was 100 million kWh higher than the same period, the decrease in coal prices led to a decrease in PC prices, reducing revenue. In the third quarter, the cost price during the period decreased more sharply, helping Hai Phong Thermal Power's gross profit increase sharply by 138% over the same period last year, to VND 253 billion. The corresponding gross profit margin improved significantly from 3.5% in the third quarter of 2022 to 8.8% in the third quarter. After deducting expenses, the business' pre-tax profit was 202 billion VND, 4.8 times higher than the same period last year. Net profit was 192 billion VND, an increase of 373% compared to the third quarter of 2022.
- **SZL:** Industrial park real estate enterprise reported a 41% decrease in third quarter profit, and is about to advance cash dividends to shareholders right in October. Sonadezi Long Thanh Joint Stock Company (code SZL) has just announced its financial report for the third quarter of 2023 with the business. Net revenue reached 104 billion VND, a slight increase of 3% over the same period last year. A stronger increase in cost price caused gross profit to decrease by 2% compared to the third quarter of 2022, to 33 billion VND. After deducting expenses, Sonadezi Long Thanh's net profit was 24 billion VND, down 41% over the same period last year.
- **PVS:** Vietnam Petroleum Technical Services Joint Stock Corporation (PTSC - code PVS) recently announced a resolution of the Board of Directors approving a dividend plan for shareholders at a rate of 7% in cash (1 share receives 700 shares). With nearly 478 million outstanding shares, PTSC plans to spend about 335 billion VND to pay dividends to shareholders. The capital to pay dividends comes from the distributed profit after tax in 2022.



### Business news

- **PNJ:** Due to the upcoming wedding season, Rong Viet Securities expects PNJ's retail sales to recover, thereby bringing a higher gross profit margin, resulting in net profit growth better than revenue. Rong Viet Securities Company has just released a report updating the business activities of Phu Nhuan Jewelry Joint Stock Company (PNJ). Accordingly, in August 2023, PNJ recorded revenue and net profit of 2,303 billion VND (-2.6% over the previous month and -1.1% over the same period) and 76 billion VND (-13.6% over the same period). compared to the previous month and -3.8% over the same period).
- **DLG:** The Duc Long Gia Lai case was opened for bankruptcy procedures: The largest creditors BIDV, Vietinbank, Sacombank hold nearly 2,500 billion, the "filing" creditor only holds 17 billion. On October 12, the People's Court of Gia Lai province decided to open bankruptcy proceedings with Duc Long Gia Lai Group Joint Stock Company (Code: DLG) after considering the request of Lilama 45.3 Joint Stock Company (Quang Ngai province) regarding debt of nearly 15 billion and late payment interest of more than 2 billion for the contract to supply and install hydraulic mechanical equipment for Dak Po Co Hydropower project. According to the reviewed financial statements, as of June 30, 2023, DLG's total loan balance was 2,947 billion VND, accounting for more than half of the capital, 2.6 times the equity and mainly funded through banking channels. In particular, DLG's largest creditor is BIDV Bank - Gia Lai Branch with a total short and long-term debt balance of 1,706 billion VND.
- **POM:** Pomina is implementing a plan to offer 70 million individual shares, raising 700 billion VND. As of June 30, businesses had more than 3,122 billion in overdue debt, including 2,200 billion in bank loans and 922 billion in advance payments from sellers. Accordingly, the company will offer 70.1 million shares to Nansei Steel Company (Japan) at a price of 10,000 VND/share. Implementation time is from the third quarter of 2023 to the end of 2024. Shares are restricted from transfer for a minimum of 3 years from the date of completion of the offering.



### Trend: Trading in range

- VNINDEX closed 1,141.42 (-13.31 points, -1.15%) with liquidity at the same level as the previous session. The market recorded an increase with 114 green codes and 393 red codes. Foreign net sellers were relatively strong today with a total value of more than 800 billion. Proprietary trading continues to be a net seller. The upward momentum was led by VPB, GAS and FPT, on the contrary, VHM and HPG pulled the market down. Industry groups that increased sharply included telecommunications and oil and gas, on the contrary, financial services and resources decreased sharply.
- Technical view: The market's upward momentum stalled at the resistance area of 1,160, causing the market to decline, losing the attempt to increase last Friday. With the STOCH RSI indicator crossed down, the market's upward momentum is low. As we have commented, the market will face difficulties for at least a few sessions this week before accumulating enough and completely breaking out of 1,160. A new buying point will be good when the market completely surpasses 1,160 or retests the 1,110 area and shows signs of increasing again. Corresponding support and resistance are 1,110 and 1,160.
- Strategy: Maintain holding status, limit new purchases when the market is at the short-term resistance area of 1,160. Ready to sell when the stock hits target/cutloss.

### Scenario:

- Positive (60%): The market will accumulate in the 1,140 - 1,150 area and then move to the 1,200 area
- Negative (40%): The market will correct to the 1,110 area

17/10/2023

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
PVS	Sell	36.4	40	35.4	10%	-3%	39	8	9.62%	05/10/2023	Take profit
VHC	Hold	79.3	87	76.7	10%	-3%	80.8	7	1.89%	06/10/2023	
STB	Hold	31.15	33.7	29.8	8%	-4%	30.2	4	-3.05%	11/10/2023	
SSI	Hold	32.55	36.7	31.5	13%	-3%	32.1	4	-1.38%	11/10/2023	
VCS	Hold	62.7	68.5	61.3	9%	-2%	61.3	4	-2.23%	11/10/2023	
NKG	Hold	19.6	23	18.6	17%	-5%	19.9	4	1.53%	11/10/2023	

## October 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4	5	6	7
8	9	10	11	12	13	14
	ISM Manufacturing PMI (US)	JOLTS Job Openings (US)	OPEC Meetings ADP Non-Farm Employment Change. ISM Services PMI (US)	BOJ Gov Kuroda Speaks	Unemployment Rate (US)	
15	16	17	18	19	20	21
	CPI, PPI (China)	GDP (UK) PPI (US)		FOMC Meeting CPI, core CPI (US)	Retail Sales (US), Prelim UoM Consumer Sentiment	Treasury Currency Report (US)
22	23	24	25	26	27	28
IMF Meetings	ETF VFM VN30, SSIAM VNFin Lead ETF & VFMVN Diamond ETF Review		CPI, core CPI (UK)	Deadline for submission of 3rd quarter financial statements Maturity of Derivatives Contracts Flash PMI (German, French, UK)	FDI announcement	
29	30	31	1	2	3	4
			BOC Press Conference, Monetary Policy Report and Rate Statement	ECB Press Conference, Monetary Policy Statement		
5	6					
ETF VNM VN30 changes the proportion of the portfolio						

NOTES: IEA họp thường niên



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# Q&A

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