MORNING CALL

02/01/2024

“Resistance remains high without Large-Cap consensus"

- World stocks: Mixed movements
- Vietnam stocks: Resistance remains high without Large-Cap consensus
- Business news: :#SMC, #FUEVFVND, #VTR, #VHM, #GMD, #NVL
- Technical perspective and updated recommendations #DCM
- Event calendar
- Q&A

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Global Market Review 02/01 – 05/01/2024

Major stocks market

- For the year, the Dow and S&P 500 rallied 13.7% and 24.2%, respectively, as inflation decelerated sharply, the economy remained strong and the Federal Reserve is set to cut rates in 2024. Moreover, the market endured a regional banking crisis in the US, as well as wars in Ukraine and the Middle East. The Nasdaq 100 also surged 54.9% to mark its best year since 2020, aided by a strong rebound in mega-cap technology names and enthusiasm over artificial intelligence. Meanwhile, analysts are warning of a challenging year ahead for equities amid concerns over the economy and corporate profits.
- The Nikkei 225 Index fell 0.22% to close at 33,464 while the broader Topix Index rose 0.19% to 2,366 in mixed trade on Friday, with Japanese shares struggling for direction as profit-taking and a strong yen continued to pressure the market. The Shanghai Composite rose 0.68% to close at 2,975 while the Shenzhen Component gained 0.89% to 9,525 on Friday, with mainland stocks rising for the third straight session as expectations of further policy easing and attractive valuations in China prompted aggressive buying from investors.
- Crude oil closed 2023 10% lower, the first annual loss since 2020 amid concerns about increasing global crude supplies and slowing demand growth. Oil prices experienced short-lived rallies within the year driven largely by OPEC+ production cuts, the Israel-Hamas war, and interest rate cut expectations from the US Federal Reserve. However, mounting signs of rising crude production, especially from non-OPEC countries, coupled with an uncertain demand outlook, have driven oil prices lower

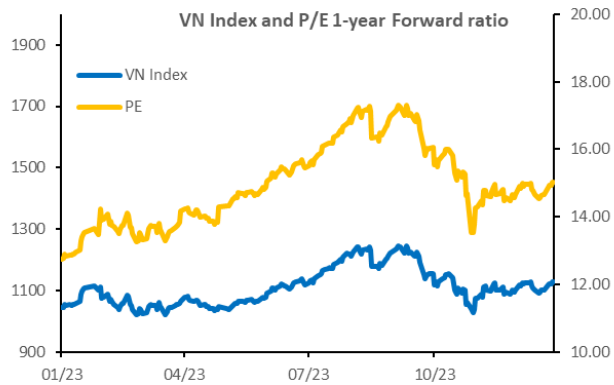
Market

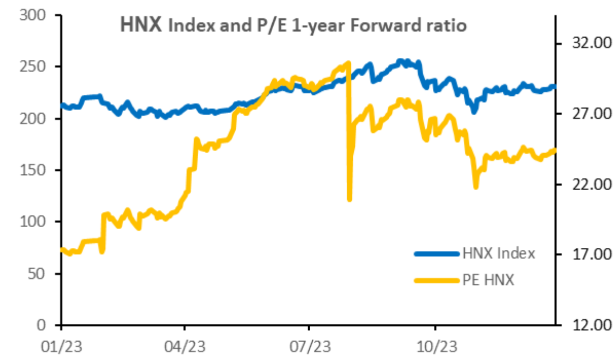
	Close	%1D	%1M	%1Y
VN-Index	1,130	0.09%	2.52%	12.20%
S&P 500 Index	4,770	-0.28%	3.81%	24.23%
Dow Jones Index	37,690	-0.05%	3.98%	13.70%
GP 100	7,733	0.14%	2.71%	3.78%
Nikkei 225	33,464	-0.22%	0.10%	28.24%
SHCOMP Index	2,975	0.68%	-1.87%	-3.70%
STOXX 600	479	0.20%	2.75%	11.67%
KOSPI Index	2,656	0.03%	5.41%	18.76%
Hang Seng	17,135	0.51%	1.81%	-13.38%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.37	0.04%	-1.84%	-2.08%
USD/VND	24,267.00	0.01%	0.08%	-2.61%
EUR/USD	1.10	-0.06%	1.86%	3.48%
USD/CNY	7.11	-0.14%	0.47%	-2.98%
Brent	77.88	1.09%	-1.27%	-9.35%
WTI	72.34	0.96%	-2.34%	-9.87%
Natural gas	2.66	5.69%	-5.58%	-40.63%
Coal	136.95	-0.83%	7.12%	-66.11%
Gold	2,067.90	0.24%	1.90%	13.37%

Vietnam Market Snapshot 29/12/2023





Money flow and sector rotation (VND bn)

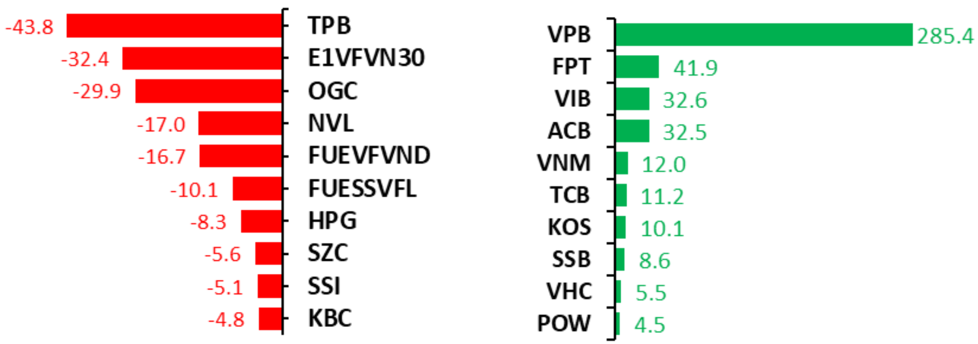
Sector	%1D	12/29/2023	12/28/2023	20-session Average
Utilities	63.36	199	122	147
Technology	53.25	236	154	229
Banks	34.94	2,592	1,921	2,069
Construction & Materials	33.59	850	636	831
Insurance	33.14	16	12	18
Travel & Leisure	32.45	255	192	121
Health Care	28.08	22	17	20
Chemicals	15.69	477	412	446
Personal & Household Goods	10.50	185	168	148
Financial Services	2.21	1,935	1,893	2,444
Oil & Gas	-4.7	110	115	122
Industrial Goods & Services	-6.3	723	772	869
Automobiles & Parts	-13.1	135	155	192
Real Estate	-13.6	2,519	2,917	2,919
Media	-13.9	21	24	14
Food and Beverage	-18.2	1,199	1,467	1,256
Basic Resources	-23.2	1,111	1,447	1,321
Retail	-26.0	307	415	495

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,129.93	15.03	1.00	0.09	565	12,969
HNX INDEX	231.98	24.41	0.94	0.41	71	1,259

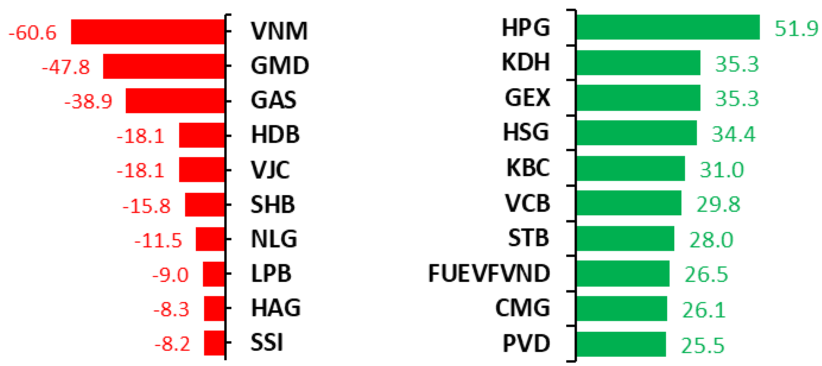
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 29/12/2023

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)	115	(4)	(111)
Basic Resources	(9)	88	(51)	(37)
Media	-	1	(1)	(0)
Industrial Goods & Services	(0)	(9)	70	(61)
Health care	2	4	(5)	2
Chemicals	1	43	(61)	18
Financial Services	(93)	60	78	(138)
Travel & Leisure	1	(11)	12	(1)
Banks	336	55	(459)	404
Construction & Materials	0	38	(29)	(9)
Food and Beverage	17	(68)	(72)	140
Retail	1	10	95	(106)
Utilities	2	(39)	49	(10)
Personal & Household Goods	0	3	(8)	5
Technology	42	26	0	(27)
Automobiles & Parts	-	3	(1)	(1)
Insurance	4	2	(2)	1
Oil & Gas	4	22	(45)	23

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

- 2023 was a difficult year for the State Bank of Vietnam (SBV) in implementing monetary policy to achieve the growth and inflation targets set by the National Assembly at the beginning of the year. The question is when will Vietnam's monetary policy be implemented according to the inflation target instead of the multi-target approach as it has been for many years? If we want to promote growth in the long term, we cannot rely on monetary policy but must focus on real factors such as capital, technology, labor skills, labor productivity, etc. Monetary policy should be returned to its true role of providing money according to the actual needs of the economy. If only increasing the money supply can help to promote strong economic growth in the long term, then surely all countries in the world would become wealthy.

- The SBV proposed that banks should not be allowed to use cash to buy bonds and should be able to buy them back immediately after selling them. According to the SBV, this regulation is intended to help monitor and supervise the use of funds raised from the issuance of corporate bonds, increase information transparency, support the sustainable development of the corporate bond market; at the same time, in line with the Government's policy of promoting cashless payments.

- The Vietnamese Government is focusing all resources on completing the draft Land Law (amended). On December 31, Prime Minister Pham Minh Chinh attended the Conference on Summarizing the Work of 2023 and Deploying the Orientation, Tasks and Work of 2024 of the Ministry of Natural Resources and Environment, organized by the Ministry of Natural Resources and Environment. Deputy Prime Minister Tran Hong Ha also attended the conference. The Prime Minister also emphasized the task of promoting digital transformation, green transformation, through continuing to build institutions, training human resources, mobilizing resources, especially building a database on land, environment, minerals, connecting with the national database on population.

Business news

SMC: SMC Trading and Investment Joint Stock Company (stock code: SMC) has just announced a resolution of the Board of Directors on its business plan for 2024. SMC expects to sell 900,000 tons of steel of all kinds. Net profit is expected to reach VND 80 billion. At the same time, the company also agreed on a plan to repurchase the VND 200 billion bond tranche issued on August 2, 2021 and due on August 2, 2024. The expected repurchase date is June 2, 2024 (6 months in advance) after an agreement is reached with the bondholders and is approved by the competent authority. SMC's 2024 business plan has fallen sharply compared to the previous year. At the beginning of 2023, the company set a net profit target of VND 150 billion. However, after the first 9 months of the year, the situation was not too optimistic.

FUEVFVND: The ETF fund with a scale of more than VND 17,000 billion holding all "hot" stocks MWG, FPT, PNJ, GMD, ... was withdrawn a record amount in the last month of 2023. The ETF fund with a scale of more than VND 17,000 billion holding all "hot" stocks MWG, FPT, PNJ, GMD, ... was withdrawn a record amount in the last month of 2023. Accumulated for the whole year of 2023, this ETF fund was withdrawn net of nearly VND 3,700 billion, the largest in domestic ETFs, completely opposite to the previous year. 2023 marked a year of erratic movements in ETF capital flows. No longer pouring in "en masse" like last year, capital flows have reversed and withdrawn on many ETFs, with the focus being DCVFM VNDiamond ETF. The fund just had a record month of withdrawals in December since its inception, with a value of nearly VND 1,200 billion. Accumulated for the whole year of 2023, DCVFM VNDiamond ETF was withdrawn net of nearly VND 3,700 billion, the largest in domestic ETFs. This result is completely opposite to the previous year when the fund attracted net of more than VND 7,300 billion, only second to Fubon ETF. The reversal trend partly shows that the second largest ETF in the Vietnamese market with a scale of over VND 17,000 billion is gradually losing its position.

VTR: Viettravel Travel and Transportation Marketing Joint Stock Company (Vietravel) has just summed up the year 2023. It was recorded that Viettravel served 730,314 passengers; achieved revenue of nearly VND 6,000 billion, up 29% in terms of passengers and 56% in terms of revenue over 2022, reaching 102% of the plan set from the beginning of the year, and at the same time accounting for 87% of the number of passengers compared to the pre-Covid-19 pandemic period (2019).

Breaking News

Business news

VHM: Vingroup Completes Purchase of 2.68% Stake in Vinhomes from Vinpearl. Vingroup – Joint Stock Company (mã VIC) announced that it has completed the purchase of nearly 117 million VHM shares, equivalent to a 2.68% stake in Vinhomes Joint Stock Company (mã VHM) from Vinpearl Joint Stock Company (mã VPL). After the transaction, Vingroup will directly own 3 billion VHM shares, or 69.34% of Vinhomes' capital. Prior to the transaction, Vingroup directly owned 2.9 billion VHM shares (66.66% of capital), with the remaining 117 million shares (2.68% of capital) held indirectly through its subsidiary Vinpearl. Vingroup said the purpose of the transaction is to reorganize the group's ownership structure.

NVL: MBBank Approves Up to VND 10,000 Billion Loan for Delta-Valley. Novaland Group Joint Stock Company (mã NVL) announced a resolution to guarantee a loan for its subsidiary Delta-Valley. MBBank is expected to disburse up to VND 10,000 billion to Delta-Valley, with a maximum outstanding balance of VND 6,000 billion at any given time. The loan is intended to pay for land use fees, investment needs, construction, and development of the Ocean Valley Tourism Complex Project, which was approved by the People's Committee of Binh Thuan Province on April 16, 2019, and has since been amended and supplemented. The project is located on a 986.33-hectare plot of land.

GMD: Gemadept Employees to Receive 85% Discount on Stock Purchases. Gemadept Joint Stock Company (mã GMD) announced that it will issue nearly 4.6 million ESPP shares (equivalent to 1.5% of the total outstanding shares) to outstanding employees in 2022 at a price of VND 10,000/share. The purpose of the issuance is to ensure the highest interests and values for all stakeholders; to retain and attract high-quality human resources; and to strengthen engagement.

Technical view

Trend: Sideway

- VNINDEX closed at 1129.93 points (+0.09%), with relatively low liquidity. The market rose slightly with 295 green and 190 red codes. Most sectors rose, the strongest being chemicals and telecommunications. Foreign investors stopped net selling, while local investors bought net slightly.
- Technical view: The market has not yet conquered the important resistance level of 1130 after forming a short red candle closing at the lowest level of the session. In particular, in the previous session, VCB stock had a rather unexpected decline in the ATC session, contributing to negatively impacting the recovery of VNINDEX. However, the market still rose slightly with more green stocks than red stocks.
- Strategy: Investors maintain a state of observation and hold stocks, wait for the market to exceed 1130 to increase the proportion.

Scenario:

- Positive (50%): The market is likely to break through the 1130 level and open up a new rally.
- Negative (50%): The market is likely to return to the 1080 level once again.

Recommended stocks

2/1/2024

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
DCM	Buy	32.3	36	31.4	11.5%	-2.8%	32.4	

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
MBB	Hold	18.0	19.0	17.4	6%	-3%	18.7	20	3.61%	05/12/2023	
MWG	Hold	39.9	43.8	36.0	10%	-10%	42.8	20	7.27%	05/12/2023	
TV2	Hold	38.2	43.2	36.6	13%	-4%	37.8	5	-1.05%	26/12/2023	
KBC	Hold	31.7	35.1	30.1	11%	-5%	31.8	5	0.16%	26/12/2023	
VHC	Buy	74.2	82.8	71.3	11.6%	-3.9%	32.4	2	0.27%	29/12/2023	

January 2024

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
31	1	2	3 ISM Manufacturing PMI DEC (US)	4 FOMC Minutes	5 Non-farm payrolls, unemployment rate (US)	6
7	8	9	10	11 Inflation figures (US)	12 PPI MoM DEC (US) Inflation Rate YoY DEC (China)	13 Trade balance (China)
14	15	16 House Price Index YoY DEC (China)	17 Retail Sales, PPI (US) Unemployment rate, GDP growth Q4 (China)	18 Expiration of futures contract VN30F1M	19 Michigan Consumer Sentiment Prel JAN (US)	20
21	22	23 BoJ Interest Rate Decision	24	25 GDP Growth Rate QoQ Adv Q4 (US)	26 Core PCE Price Index MoM DEC (US)	27
28	29	30 JOLTs Job Openings DEC (US)	31	1	2	3

Q&A

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