MORNING CALL

04/07/2024

“Cautious increase”

- ❑ World stocks: The US Services PMI fell to its lowest level in four years
- ❑ Vietnamese stocks: Positive reversal signal
- ❑ Macro news
- ❑ Business news: #STB, #LPB, #TLG, #SCR, #KDH, #DBC
- ❑ Technical perspective and updated recommendations #PNJ #MSH
- ❑ Event calendar
- ❑ Q&A

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Global Market Review 01/07 – 05/07/2024

Major stocks market

- The S&P 500 rose 0.5% to a record close of 5,537 and the Nasdaq 100 gained 0.8% for a record close of 20,187, while the Dow edged 40 points lower. The ISM PMI showed that services activity contracted the most in four years in June, contrasting sharply from expectations of an expansion. In turn, the ADP report showed that fewer private-sector jobs were added, while outstanding unemployment claims rose to their highest in over two years.
- European stocks closed sharply higher on Wednesday, their highest in nearly three weeks, as data from the US strengthened expectations of incoming Fed rate cuts while investors continued to assess risks around political uncertainty in the continent. The Eurozone's Stoxx 50 added 1.3% to close at a three-week high of 4,968, and the pan-European Stoxx 600 added 0.8% to 515. The CAC 40 surged 1.2% to close at 7,632 recovering from losses in the previous session. The FTSE 100 gained 0.6% to 8,171 on Wednesday,
- The Nikkei 225 Index rose 0.3% to around 40,700 while the broader Topix Index gained 0.4% to 2,884 on Thursday, with the Topix closing in on record-high levels previously set in December 1989. Japanese shares tracked gains on Wall Street overnight as weak US economic data reinforced expectations for Federal Reserve interest rate cuts.
- WTI crude oil futures were above $83 per barrel on Wednesday, holding close to the two-month high of $83.4 touched on Monday amid lingering concerns about lower supply

Market	Close	%1D	%1M	%1Y
VN-Index	1,277	0.56%	-0.52%	12.80%
S&P 500 Index	5,537	0.51%	4.64%	24.27%
Dow Jones Index	39,308	-0.06%	1.54%	14.21%
GP 100	8,171	0.61%	-0.74%	8.66%
Nikkei 225	40,753	0.42%	4.93%	21.93%
SHCOMP Index	2,982	-0.49%	-3.52%	-8.10%
STOXX 600	515	0.74%	-0.46%	11.57%
KOSPI Index	2,821	0.96%	5.97%	8.78%
Hang Seng	17,979	1.18%	-2.52%	-7.40%

Commodity	Close	%1D	%1M	%1Y
Brent	87	-0.34%	12.28%	14.15%
WTI	84	-0.37%	14.09%	19.74%
Gasoline	258	-0.72%	9.92%	4.88%
Natural gas	2	0.37%	-6.15%	-10.41%
Coal	135	2.08%	-3.71%	-8.81%
Gold	2,359	0.12%	1.38%	22.52%
China HRC	3,721	0.00%	-2.08%	-3.78%
Steel rebar	3,461	2.31%	-0.63%	-7.93%
BDI index	2,064	-5.28%	13.84%	97.70%

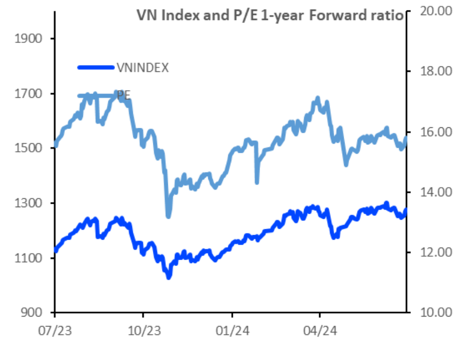
Currency	Close	%1D	%1M	%1Y
Dollar Index	105	-0.11%	1.13%	2.23%
USD/VND	25,453	0.01%	-0.15%	-6.85%
EUR/USD	1	0.06%	-0.79%	-0.79%
USD/JPY	161	0.24%	-3.98%	-10.43%
USD/CNY	7	0.01%	-0.39%	-0.32%
USD/GPB	1	-0.08%	0.14%	-0.31%
USD/KRW	1,381	0.42%	-0.33%	-5.74%
USD/AUD	1	-0.19%	-1.02%	-0.38%
USD/CAD	1	0.08%	0.35%	-2.97%

Source: Bloomberg. Shinhan Securities Vietnam

Vietnam Market Snapshot 03/07/2024

Market data

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,276.85	15.82	7.06	0.56	467	13,234
HNX INDEX	241.43	17.24	0.63	0.26	48	864



Money flow and sector rotation (VND bn)

Sector	%1D	7/3/2024	7/2/2024	20-session Average
Chemicals	85.43	1,056	570	1,198
Health Care	56.52	51	33	60
Industrial Goods & Services	31.97	1,027	779	1,569
Utilities	31.62	377	287	421
Personal & Household Goods	25.94	386	306	349
Oil & Gas	17.60	113	96	182
Media	17.02	5	4	15
Technology	13.26	1,112	982	1,246
Real Estate	11.32	2,057	1,847	2,436
Construction & Materials	10.77	527	475	836
Financial Services	0.49	946	941	1,926
Automobiles & Parts	-2.1	190	195	362
Banks	-3.6	2,739	2,842	3,667
Basic Resources	-4.3	1,031	1,078	1,360
Retail	-5.7	707	751	772
Food and Beverage	-8.0	668	726	1,457
Travel & Leisure	-28.7	153	215	286
Insurance	-52.8	51	108	72

Source: Bloomberg. Shinhan Securities Vietnam

Vietnam Market Snapshot 03/07/2024

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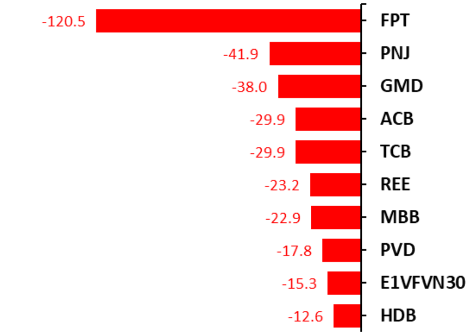
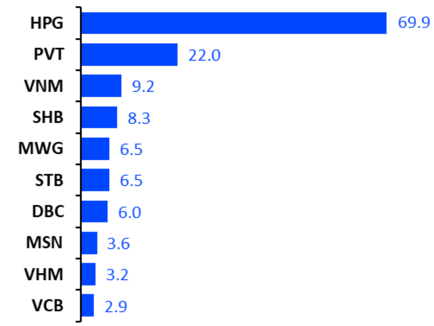
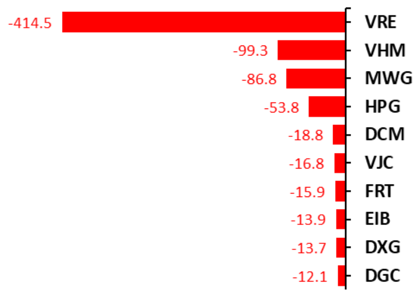
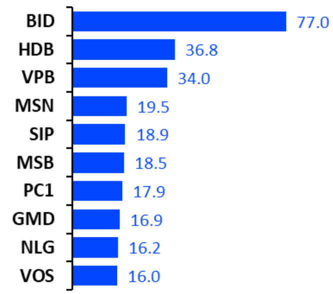
Top net buying & selling of proprietary trading (VND billion)





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	(23)	(501)	598	(97)
Basic Resources	70	(59)	(22)	81
Media	-	(0)	1	(1)
Industrial Goods & Services	(44)	12	(398)	387
Health care	-	1	(1)	(1)
Chemicals	(9)	(37)	53	(16)
Financial Services	(22)	(23)	(11)	33
Travel & Leisure	2	(17)	13	3
Banks	(110)	169	(27)	(142)
Construction & Materials	(8)	12	(4)	(7)
Food and Beverage	19	6	(18)	11
Retail	3	(96)	108	(13)
Utilities	(4)	10	(24)	14
Personal & Household Goods	(42)	14	16	(30)
Technology	(124)	(1)	217	(216)
Automobiles & Parts	2	(26)	18	8
Insurance	0	(5)	(1)	6
Oil & Gas	(20)	(1)	2	(1)
Total	**(311)**	**(543)**	**521**	**22**

Source: Fiinpro. Shinhan Securities Vietnam

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Macro

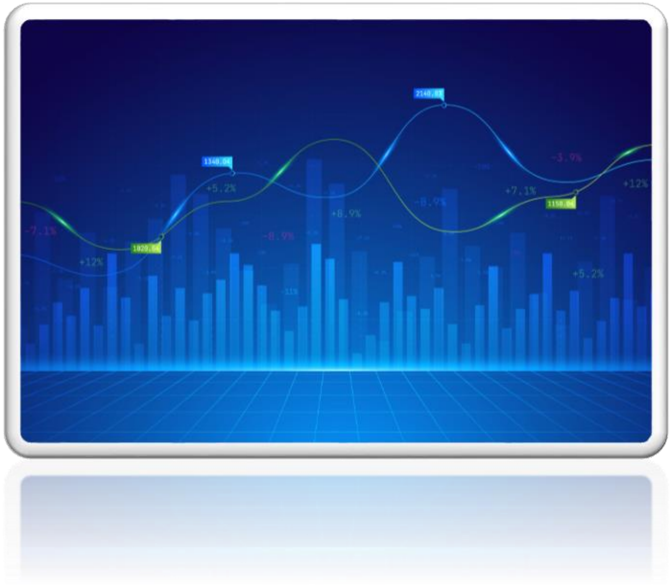
- Japan: A private sector survey showed that Japan's services activity fell for the first time in nearly two years as domestic demand cooled, although business confidence and hiring indicators remained intact. optimistic. Japan's service sector Purchasing Managers' Index (PMI) surveyed by au Jibun Bank fell to 49.4 points in June, from 53.8 points in May, ending 21 consecutive months of growth (over 50 points).
- US: The US economy and job market have shown significant resilience in the face of the US Federal Reserve's (Fed) interest rate hike campaign to curb inflation. The Fed raised its benchmark interest rate 11 times in 2022 and 2023, raising it to its highest level in 23 years. Despite predictions of a recession, the US economy continues to grow and businesses are still promoting hiring activities. However, there have been recent signs that the economy is slowing. The number of job openings has been steadily decreasing since peaking at 12.2 million in March 2022.
- Vietnam's budget transparency index increased 11 places compared to 2021. On July 3, the Ministry of Finance said, according to the results of the 2023 Open Budget Survey (OBS 2023) recently published by the Organization for Budget Cooperation. (IBP) announced that Vietnam's budget transparency ranking continued to be raised to 57/125 countries, up 11 places compared to the 2021 assessment period and up 20 places compared to 2019.

Breaking News

Business news

- **STB**: According to the latest survey, the deposit interest rate schedule at Saigon Thuong Tin Commercial Joint Stock Bank (Sacombank) is maintained for all terms in July. Currently, the interest rate range is fluctuating around 2.3 – 5.2%/year for individual customers when depositing money from a term of 1 month to 36 months, receiving interest at the end of the term.
- **LPB:** Lien Viet Post Commercial Joint Stock Bank (LPBank – HOSE: LPB) has just announced the implementation of the obligation to provide and disclose information of shareholders owning 1% or more of charter capital. Information disclosure when the new Law on Credit Institutions comes into effect is one of the topics of interest to LPBank shareholders at the 2024 Annual General Meeting of Shareholders held in mid-April.
- **TLG**: Thien Long Ballpoint Pen (TLG) profit in the first 5 months of the year increased by 10%. Notably, export revenue grew by 13% over the same period, reaching 469 billion VND, equivalent to 33% of total revenue. On the contrary, the domestic market witnessed difficulties, revenue decreased by 14% to only VND 961 billion.

Breaking News



Business news

- **SCR:** Saigon Thuong Tin Real Estate Joint Stock Company (TTC Land, code SCR) has just approved the decision to dissolve two subsidiaries, TTC Land Retail Management Company Limited and TTC Land Phu Quoc Real Estate Investment Company Limited. As of March 31, 2024, TTC Land owns 11 direct subsidiaries and 2 affiliated companies. The dissolution of the two above-mentioned subsidiaries will help TTC Land reduce the management burden, while restructuring the group of subsidiaries, optimizing operations and improving business efficiency.

- **KDH**: Representative of foreign fund group Dragon Capital has just sent KDH stock trading results to Khang Dien Housing Investment and Trading Joint Stock Company, Ho Chi Minh City Stock Exchange and the State Securities Commission. Regarding the business situation, in the first 3 months of 2024, Khang Dien recorded revenue of 334 billion VND, profit after tax of 64 billion VND, down 21.5% and 68% respectively compared to the first quarter of 2023, respectively completed. 8.6% of the revenue plan and 8.1% of the profit target set out at the Annual General Meeting of Shareholders in April 2024.

- **DBC:** In the context that African swine fever is still complicated and the pig supply is expected to be short until the first half of 2025, the price of live pigs is forecast to reach 75,000 VND/kg, creating favorable conditions to boost the business results of the company. Dabaco Group.

Technical view

Trend: Cautious increase

- VNINDEX closed at 1,276.85 (+7.06 points, +0.56%), liquidity continued to maintain a level lower than the 20-session average. The market has 242 green codes and 161 red codes. The group of stocks that contributed to the market's increase included BID, FPT and TCB, whereas HVN VIC and VRE contributed to the market's decrease. Most industry groups recovered positively. Foreign investors net sold about VND 500 billion.
- **Technical view:** VN-Index increased more than 7 points with session liquidity remaining at a low level. The liquidity was below average and the narrow fluctuation range showed that the selling force was not much present and the buying force was waiting for clearer signals from the market. VN-Index ended the trading session above all 3 EMA lines 20, 50 and 200. If the market continues to increase with liquidity around the low average level and able to hold EMA50 in corrections, investor psychology will improve and help the market return to the uptrend.
- **Strategy**: Investors should monitor and deal with stocks that break down. Besides, stocks that still hold EMA 50 and have buy signals will be good choices for the next uptrend

Scenarios:

- Positive: The market is expected to trade in the 1,300 – 1,340 area.
- Base: The market is expected to trade 1,250-1,280
- Negative: The market continues to trade in the 1,200-1,220 range

Recommended stocks

04/07/2024 9:00 AM

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals	Note
PNJ	Buy	94.6	103.0	93.1	9%	-1.6%	94.6	Strong accumulation	
MSH	Prepare to buy	48.9	53.4	46.9	9%	-4.1%	49.8	Price and volume increase strongly	Prepare to buy at low price

Trading portfolio

Ticker	Recommendation	Buying price	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
PTB	Hold	73.2	79.0	70.0	8%	-4.4%	72.3	11	-1.23%	19/06/2024	
KDH	Hold	37.3	39.7	36.0	6%	-3.5%	37.9	11	1.47%	19/06/2024	
HPG	Hold	28.8	31.0	28.1	8%	-2.4%	28.8	4	-0.17%	28/06/2024	
MSB	Hold	14.6	15.7	14.1	8%	-3.4%	14.8	1	1.03%	03/07/2024	

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Economic calendar

July 2024

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
30	1 US ISM Manufacturing PMI JUN	2 _ Fed Chair Powell Speech _ US JOLTs Job Openings MAY	3 US ISM Services PMI JUN	4 FOMC Minutes	5 US Non Farm Payrolls JUN US Unemployment Rate JUN	6
7	8	9 Fed Chair Powell Testimony	10	11 _ US Core Inflation Rate MoM YoY JUN _ US Inflation Rate MoM YoY JUN	12	13
14	15 China GDP Growth Rate YoY Q2	16 US Retail Sales MoM JUN	17	18	19	20
21	22 Announcement of stock composition in VN30	23	24	25 _ VN Futures contract maturity in July (VN30) _ US Durable Goods Orders MoM JUN	26 US Core PCE Price Index MoM JUN	27
28	29 Announcement of Vietnam's economic data for July	30 US JOLTs Job Openings JUN	31	1	2	3

Q&A

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