

## MORNING CALL

18/10/2024

### “The right time will come”

- World stocks: Dow Jones surges to a record high on the back of positive retail sales
- Vietnamese stocks: The right time will come
- Macro news
- Business news: [#BMP](#), [#TCBS](#), [#HND](#), [#CTR](#), [#HPG](#), [#SGR](#)
- Technical perspective and updated recommendations [#HPG](#), [#HAH](#)
- Event calendar
- Q&A

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# Global Market Review 14/10 – 18/10/2024

## Major stocks market

- US stocks traded mostly higher Thursday afternoon, with semiconductor shares driving the gains after strong corporate and economic news. The S&P 500 was hovering near flatline after briefly touching a new record, the Dow Jones was up over 100 points after hitting all time high of the 43,272 mark, and the Nasdaq 100 rose 0.3%. Nvidia surged 3% to a new record high after its key supplier, Taiwan Semiconductor (TSMC), posted robust Q3 earnings and raised its revenue outlook.
- Both the STOXX 50 and the STOXX 600 extended gains on Thursday afternoon and closed 0.8% higher each, as traders focused on fresh corporate results while the ECB lowered borrowing costs by 25bps as expected. The key deposit rate was cut to 3.25%, the lowest level since May 2023, and the bank's forward guidance was little changed.
- The Nikkei 225 Index fell 0.69% to close at 38,911 on Thursday, extending losses from the previous session, with semiconductor and related stocks leading the decline amid concerns about the sector's earnings potential. Investors also digested data showing Japan posted a trade deficit in September as exports unexpectedly declined, while imports growth slowed.
- WTI crude oil futures stabilized at \$70.6 per barrel on Thursday after a four-day decline, with traders assessing the risks stemming from the conflict in the Middle East and disappointing economic news from China, where stimulus measures for the housing market did not meet expectations.

Market	Close	%1D	%1M	%1Y
VN-Index	1,287	0.55%	1.71%	16.60%
S&P 500 Index	5,841	-0.02%	3.97%	35.39%
Dow Jones Index	43,239	0.37%	4.18%	28.44%
GP 100	8,385	0.67%	1.59%	10.51%
Nikkei 225	39,069	0.40%	7.39%	21.93%
SHCOMP Index	3,169	-1.05%	16.64%	3.62%
STOXX 600	524	0.83%	1.81%	17.73%
KOSPI Index	2,604	-0.21%	1.10%	5.73%
Hang Seng	20,079	-1.02%	13.70%	13.23%

Commodity	Close	%1D	%1M	%1Y
Brent	75	0.28%	1.37%	-18.40%
WTI	71	0.30%	-0.04%	-19.75%
Gasoline	205	0.05%	1.85%	-12.98%
Natural gas	2	0.21%	2.98%	-23.04%
Coal	146	-0.14%	4.37%	2.46%
Gold	2,694	0.04%	5.27%	38.32%
China HRC	3,600	-0.66%	13.64%	-5.73%
Steel rebar	3,211	-3.72%	5.73%	-10.71%
BDI index	1,676	-5.10%	-11.32%	-20.38%

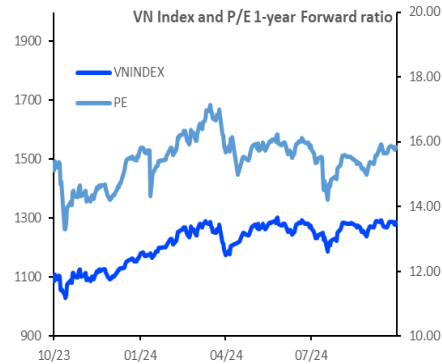
Currency	Close	%1D	%1M	%1Y
Dollar Index	104	-0.05%	3.16%	-2.62%
USD/VND	25,177	-0.77%	-2.15%	-2.69%
EUR/USD	1	0.01%	-2.58%	2.81%
USD/JPY	150	0.14%	-5.14%	-0.05%
USD/CNY	7	-0.05%	-0.36%	2.71%
USD/GBP	1	-0.04%	1.52%	-6.73%
USD/KRW	1,371	0.08%	-2.76%	-1.59%
USD/AUD	1	-0.09%	0.93%	-5.46%
USD/CAD	1	0.00%	-1.38%	-0.57%

Source: Bloomberg, Shinhan Securities Vietnam

# Vietnam Market Snapshot 17/10/2024

## Market data

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI INDEX	1,286.52	15.84	7.04	0.55	578	13,918
HNX INDEX	230.12	18.34	1.86	0.81	51	965



## Money flow and sector rotation (VND bn)

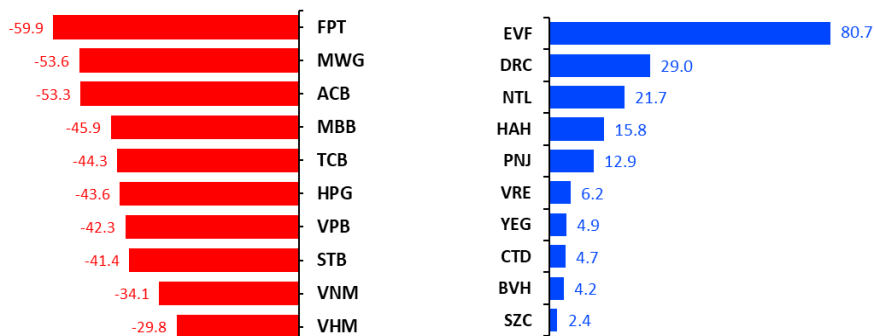
Sector	%1D	10/17/2024	10/16/2024	20-session Average	
Media		298.59	22	6	11
Real Estate		70.34	2,405	1,412	2,315
Basic Resources		62.25	858	529	1,101
Banks		45.66	4,559	3,130	4,925
Construction & Materials		22.21	544	445	579
Financial Services		18.97	1,624	1,365	2,012
Industrial Goods & Services		5.79	589	557	633
Travel & Leisure		2.43	120	117	136
Automobiles & Parts		0.09	177	177	179
Technology	-5.5		387	410	498
Oil & Gas	-5.9		140	148	201
Personal & Household Goods	-7.2		109	118	219
Utilities	-7.5		133	144	167
Food and Beverage	-14.4		1,088	1,272	1,138
Chemicals	-22.8		546	707	668
Insurance	-36.2		14	21	27
Retail	-50.2		552	1,108	760
Health Care	-50.9		42	86	49

Source: Bloomberg. Shinhan Securities Vietnam

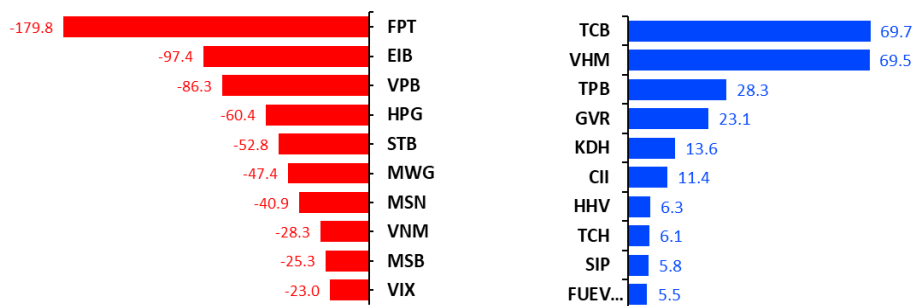


# Vietnam Market Snapshot 17/10/2024

## 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	(14)	55	14	(70)
Basic Resources	(43)	(60)	63	(3)
Media	5	(2)	(3)	5
Industrial Goods & Services	19	(24)	14	10
Health care	(0)	1	(1)	(0)
Chemicals	(3)	8	83	(91)
Financial Services	54	(58)	116	(58)
Travel & Leisure	(14)	(7)	23	(16)
Banks	(339)	(213)	382	(169)
Construction & Materials	(1)	2	17	(19)
Food and Beverage	(63)	(63)	97	(35)
Retail	(53)	(64)	150	(86)
Utilities	(7)	4	(13)	9
Personal & Household Goods	13	(9)	10	(2)
Technology	(60)	(182)	238	(56)
Automobiles & Parts	29	5	(43)	38
Insurance	4	2	(10)	7
Oil & Gas	(0)	(11)	2	9
<b>Total</b>	<b>(472)</b>	<b>(615)</b>	<b>1,141</b>	<b>(526)</b>

Source: Fiiipro. Shinhan Securities Vietnam



## Macro

- On the morning of October 17th, at the National Convention Center in Hanoi, the 10th National Congress of the Vietnam Fatherland Front, with the term 2024-2029, solemnly opened... With the theme of "Unity - Democracy - Innovation - Creativity - Development", the Congress welcomed over 1,000 delegates representing all walks of life, classes, ethnic groups, religions, armed forces, overseas Vietnamese, and front-line cadres at all levels, reflecting the typical image of the great national unity bloc. General Secretary and State President To Lam attended and delivered a keynote speech at the Congress.
- The government plans to repay nearly 470 trillion dong in debt in 2025, a safe debt-to-GDP ratio close to the ceiling. In 2025, the government's direct debt repayment is expected to be around 468,542 billion dong, nearly 40% higher than the average of the previous 4 years. According to calculations, the government's direct debt repayment compared to state budget revenue is about 24%, approaching the ceiling set by the National Assembly at 25%... According to the government's report on the debt situation in 2024, the total borrowing demand of the government in 2025 is expected to be 815,238 billion dong, an increase of 20.6% compared to the government's borrowing plan in 2024.
- In the first two weeks of October, the USD/VND exchange rate increased by about 1.41% after a prolonged decline from July to September 2024. However, analysts assess that these "shocks" are only local, and the main trend of the exchange rate in the fourth quarter of 2024 is stable... On October 16th, the State Bank listed the central exchange rate at 24,187 VND/USD, up 10 dong compared to the October 15th session and is the second consecutive session in which the central exchange rate has been adjusted sharply. The ceiling exchange rate on October 16th is 25,396 VND/USD, and the floor rate is 22,977 VND/USD.



## Business news

- **BMP:** Binh Minh Plastic Corporation reported a consolidated third-quarter 2024 revenue of VND 1,407 billion, a 52% increase year-on-year and a 22% increase quarter-on-quarter. While the lower base of the third quarter of the previous year (falling below VND 1,000 billion) contributed to the growth, the company's large promotion program also played a significant role. Notably, this promotion focused on payment discounts, leading to a financial expense of VND 71 billion, a 180% increase year-on-year and a 119% increase quarter-on-quarter.
- **HND:** Hai Phong Thermal Power Joint Stock Company (HND) announced its third-quarter 2024 business results with revenue of VND 2,364 billion, down 18% year-on-year. Gross profit decreased by 93% to just over VND 17 billion. The company had almost no financial revenue. Although financial expenses decreased significantly by 93% to just over VND 2 billion (thanks to a decrease in interest expenses and foreign exchange loss), at the same time, management expenses increased by 44.2% to nearly VND 24 billion.
- **TCBS:** In the third quarter of 2024, Techcom Securities (TCBS) recorded a pre-tax profit of VND 1,097 billion, bringing the cumulative nine-month figure to VND 3,869 billion, exceeding the annual plan by 5%. The return on equity (ROE) and return on assets (ROA) at September 30, 2024, reached 16% and 8%, respectively, continuing to affirm TCBS's leading position in terms of operational efficiency.



## Business news

- **HPG:** Billionaire Tran Dinh Long has made his first foray into the US market with Hòa Phát's new line of refrigerators. The company has recently exported its double-door, top-mount freezer, 286-liter inverter refrigerator to the United States. This model is part of Hòa Phát's new generation of products. According to US distribution partners, Hòa Phát refrigerators can maintain stable power load even under overload conditions. Hòa Phát has also improved the refrigerator door design with tempered glass. Thanks to the tempered glass shelves separating the compartments, the product has an upgraded load capacity of up to 150 kg.
- **CTR:** Viettel Construction (CTR) reported revenue of VND 1,206 billion in September 2024, a 16% increase year-on-year, and a slight increase in pre-tax profit to VND 61 billion. According to Viettel Construction's representative, although the infrastructure system and transmission stations were severely affected by typhoon number 3 (Yagi) in September, the company has made every effort to quickly overcome the damage and restore the system to stable operation. For the third quarter of 2024, the company's pre-tax profit is estimated at VND 178 billion, a slight increase compared to the same period in 2023.
- **SGR:** On October 16, 2024, Saigon Real Estate Corporation (Saigonres, HoSE: SGR) officially approved a plan to issue 20 million shares privately at a price of VND 40,000 per share, expected to raise VND 800 billion. The issuance is expected to take place from the fourth quarter of 2024 to the first quarter of 2025, immediately after receiving approval from the State Securities Commission.

# Technical view

## Trend: Short term accumulation

- The VNINDEX closed at 1,286.52 points, down 7.04 points (+0.55%) with lower trading volume compared to the 20-day average. There were 224 gainers and 128 losers. Stocks contributing to the market's gains included VCB, BID, and MBB, while HDB, GAS, and SAB contributed to the decline. Most sectors were up. Foreign investors net sold more than VND 400 billion
- **Technical analysis:** VNINDEX formed a bearish engulfing pattern, which suggests the market has successfully tested the 1,270 level. Although trading volume is low, it has improved compared to the previous session. The short-term trend is still consolidation at the old peak. The long-term trend remains up as the 50-day EMA is still holding well. The reference support and resistance levels are 1,260 and 1,300.
- **Strategy:** Investors should maintain their holding positions. Buying is recommended when the market falls back to 1,270 and shows signs of rebound, or when it breaks above 1,300.



## Scenarios:

- Positive: The market is expected to break through 1,300
- Base: The market is expected to trade in 1,250-1,300 area
- Negative: The market breaks the support zone to the 1,220

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# Recommended stocks

18/10/2024 9:00 AM

Unit: VND thousand

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals	Note
HPG	Buy	27.15	29.9	26.2	0.101	-0.03499	27.25		
HAH	Buy	42.5	47	40.4	0.106	-0.04941	42.95		

Ticker	Recommendation	Buying price	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
KBC	Hold	27.7	32	26.8	16%	-3%	27.7	15	0.00%	27/9/2024	
MBB	Hold	25.5	27.7	24.75	9%	-3%	25.9	6	1.57%	10/10/2024	

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# Economic calendar

## October 2024

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
29	30	1 Fed Chair Powell Speech US ISM Manufacturing PMI SEP	2	3 US ISM Services PMI SEP	4 US Non Farm Payrolls SEP US Unemployment Rate SEP	5
6	7	8	9	10 Inflation Rate MoM SEP FOMC Minutes	11 Unemployment Rate (US) US PPI MoM SEP	12
13	14	15	16	17 US Retail Sales MoM SEP Expiration date of future contract VN30F2410	18 Japan inflation rate YoY	19
20	21 Announcement of Diamond index stock portfolio	22	23	24	25 US Durable Goods Orders MoM SEP	26
27	28	29 Vietnam macroeconomic data in October	30 US GDP Growth Rate QoQ Adv Q3	31 US Personal Income MoM SEP	1	2
3	4					



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# Q&A

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