

MORNING CALL

27/03/2024

“Climbing the wall of worry”

- World stocks: "US stocks close with profit-taking"
- Vietnam stocks: Climbing the wall of worry
- Macro news
- Business news: **#VND, #POM, #IBC, #HPX, #APC, #PHS**
- Breaking news: Update AGM BWE 2024
- Technical perspective and updated recommendations **#HDG**
- Event calendar
- Q&A

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Global Market Review 25/03 – 29/03/2024

Major stocks market

- In regular trading on Tuesday, the Dow and S&P 500 fell 0.08% and 0.28%, respectively, with both benchmarks declining for the third straight day. The Nasdaq Composite also dropped 0.42% for its second straight losing day. Those moves came as investors took some profits and reassessed market valuations following a strong rally driven by interest rate cut expectations and artificial intelligence optimism.
- European equity markets showed a positive trend on Tuesday, with the STOXX 50 rising by 0.6% and the STOXX 600 by 0.2%, driven mainly by retail stocks. The FTSE 100 index erased early losses and closed 0.2% higher at 7,930 on Tuesday, the highest in over one year, extending last week's rally after hawks in the BoE abandoned their hiking positions. The CAC 40 rose by 0.41% to close at 8,184.
- The Nikkei 225 Index rose 0.6% to above 40,600 while the broader Topix Index regained 0.4% to 2,790 on Wednesday, recouping some losses from recent sessions, with nearly all sectors participating in the advance. Those moves came even as US stocks extended a losing streak overnight as investors took some profits and reassessed market valuations following a historic rally to record levels
- WTI crude futures steadied above \$81.5 per barrel, following a 1.6% gain in the previous session as investors assessed the impact of recent Ukrainian attacks on Russian refinery capacity, while a slightly weaker US dollar provided some support

Market	Close	%1D	%1M	%1Y
VN-Index	1,282	1.13%	3.62%	21.85%
S&P 500 Index	5,204	-0.28%	2.47%	30.82%
Dow Jones Index	39,282	-0.08%	0.80%	21.12%
GP 100	7,931	0.17%	3.23%	6.15%
Nikkei 225	40,664	0.66%	3.63%	47.99%
SHCOMP Index	3,031	0.17%	0.53%	-6.76%
STOXX 600	511	0.24%	2.97%	14.92%
KOSPI Index	2,762	0.16%	5.20%	14.62%
Hang Seng	16,618	0.88%	-1.03%	-15.07%

Commodity	Close	%1D	%1M	%1Y
Brent	86	-0.73%	2.36%	9.60%
WTI	81	-0.65%	2.81%	11.37%
Gasoline	269	-0.39%	14.74%	0.22%
Natural gas	2	-0.78%	9.85%	-15.04%
Coal	129	-0.04%	0.90%	-26.49%
Gold	2,180	0.05%	7.35%	11.40%
China HRC	3,822	-2.05%	-4.43%	-11.77%
Steel rebar	3,426	-1.30%	-10.78%	-15.95%
BDI index	2,123	-3.32%	11.80%	45.81%

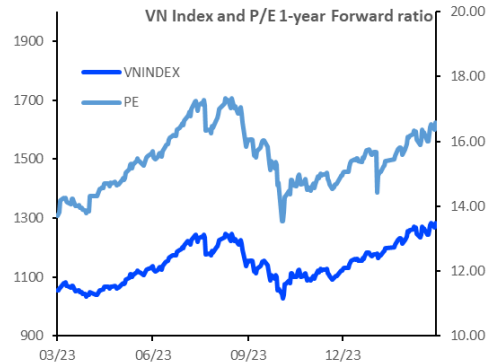
Currency	Close	%1D	%1M	%1Y
Dollar Index	104	0.03%	0.48%	1.43%
USD/VND	24,779	-0.02%	-0.58%	-5.09%
EUR/USD	1	-0.02%	-0.14%	0.29%
USD/JPY	152	0.01%	-0.69%	-13.18%
USD/CNY	7	-0.07%	-0.27%	-4.64%
USD/GBP	1	0.05%	0.51%	-2.65%
USD/KRW	1,344	-0.30%	-0.92%	-3.14%
USD/AUD	2	0.11%	0.27%	1.92%
USD/CAD	1	-0.04%	-0.46%	0.52%

Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 26/03/2024

Market data

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI INDEX	1,282.21	16.59	14.35	1.13	811	19,897
HNX INDEX	242.03	23.74	1.22	0.50	86	1,675



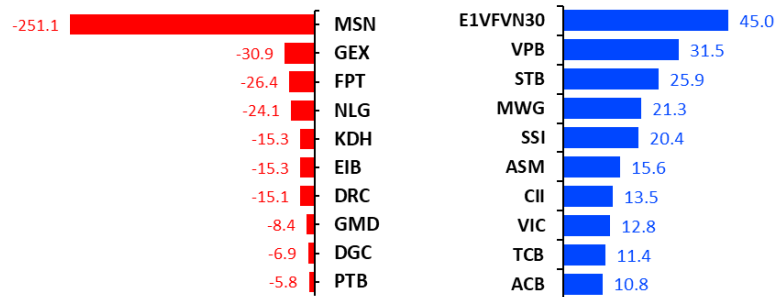
Money flow and sector rotation (VND bn)

Sector	%1D	3/26/2024	3/25/2024	20-session Average
Travel & Leisure	-0.1	83	83	90
Automobiles & Parts	-10.3	282	315	273
Chemicals	-13.7	793	919	1,192
Financial Services	-16.1	4,290	5,110	4,311
Personal & Household Goods	-17.2	224	270	340
Banks	-17.2	3,630	4,386	4,399
Retail	-21.9	592	758	1,045
Health Care	-24.3	21	27	33
Industrial Goods & Services	-26.6	1,332	1,815	1,541
Food and Beverage	-26.9	1,461	2,000	1,978
Technology	-28.0	262	364	457
Basic Resources	-34.5	995	1,520	1,690
Real Estate	-36.1	4,547	7,115	5,041
Utilities	-38.0	150	242	293
Insurance	-40.9	27	46	44
Construction & Materials	-42.2	1,051	1,820	1,617
Oil & Gas	-47.1	166	314	324
Media	-59.4	8	19	21

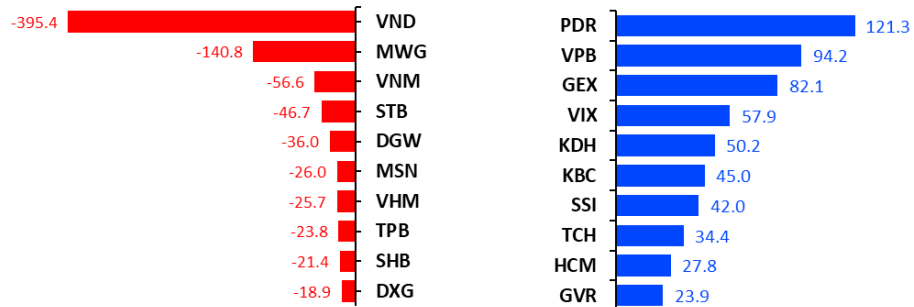
Source: Bloomberg. Shinhan Securities Vietnam

Vietnam Market Snapshot 26/03/2024

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	(4)	185	60	(245)
Basic Resources	6	2	(15)	13
Media	-	(1)	1	-
Industrial Goods & Services	(42)	85	(167)	82
Health care	1	(3)	2	1
Chemicals	(6)	29	(25)	(3)
Financial Services	68	(262)	446	(184)
Travel & Leisure	5	(5)	8	(3)
Banks	114	51	(106)	55
Construction & Materials	18	2	(25)	23
Food and Beverage	(236)	(108)	347	(239)
Retail	21	(188)	166	22
Utilities	1	(1)	2	(1)
Personal & Household Goods	(5)	0	(3)	3
Technology	(19)	8	32	(39)
Automobiles & Parts	(13)	34	(23)	(11)
Insurance	7	(8)	1	7
Oil & Gas	0	7	(9)	2
Total	(85)	(175)	692	(517)

Nguồn: Fiinpro, Shinhan Securities Vietnam



Macro

- Billions of USD of FDI capital poured into green growth sector. The 2023 FDI Annual Report released by VAFIE shows that FDI capital poured into the green growth sector in developing countries increased by 37% compared to 2022. In Vietnam, FDI enterprises and domestic enterprises have invested about 9 billion USD in industries related to green growth... On March 26, in Hanoi, the Foreign Investment Association (VAFIE) held the Ceremony to announce the 2023 FDI Annual Report with the theme "Facing new challenges and opportunities - Attracting higher quality and more effective FDI". Speaking at the ceremony, Dr. Nguyen Anh Tuan, VAFIE's Permanent Vice President, Head of the Report Editing Team, said that since 2021, VAFIE has researched and published an annual report on FDI to update information on FDI in the world and the region, providing investors and research and policy-making agencies with a comprehensive picture and objective assessment of FDI activities, as well as the investment environment in Vietnam. From there, make recommendations for solutions to improve the policy mechanism and improve the competitiveness of the investment environment.
- The tax authority is considering stopping operations for 1,254 gas stations that are slow to issue electronic invoices. Currently, there are 1,254 gas stations nationwide that have not yet issued electronic invoices after each sale, accounting for 7.8% of the total number of gas retail stores nationwide. There are 5 localities with implementation rates below 70%, of which Kien Giang has 173 gas stations that have not yet complied with the regulations, the largest in the country...
- The pressure of corporate bond maturity is increasing sharply in the second quarter of 2024. In the first 3 weeks of March 2024, the market only recorded 2 private corporate bond issuance rounds belonging to Hai Dang Real Estate Investment and Development Company Limited (2.5 trillion VND, 18-36 month term, interest rate 9.8%-10%) and Viet An Trading and Business Development Investment Company Limited (1.25 trillion VND, 2-year term, interest rate 9.8%).



Business news

- **POM:** Wife of Pomina Steel leader continues to register to sell all of more than 5.3 million POM shares. Ms. Nguyen Thi Tuyet, wife of Mr. Do Xuan Chieu, member of the Board of Directors of Pomina Steel, continues to register to sell all 5,301,408 POM shares to reduce ownership from 1.9% to 0% of charter capital.
- **VND:** After the incident at VNDIRECT, the SSC requested that securities companies urgently implement and report the results of reviewing, inspecting, and remedying (if any) matters related to the security of the trading system before April 1, 2024. Recently, there have been cases of securities companies (CTCKs) being attacked on the information technology (IT) system, causing the securities trading system of that company to temporarily stop operating. VNDIRECT said that the company is working with partners who are leading technology corporations in Vietnam, as well as cooperating with the Department of Network Security and the Department of Prevention and Combating High-Tech Crime (PA05), the Department of Network Security and Prevention. and combating high-tech crime (A05) to ensure that similar incidents are prevented for VNDIRECT for the safety of the market.
- **IBC:** Recently, the information that Shark Thuy - CEO of Egroup Education Group Joint Stock Company and accomplices were arrested by the Investigation Police Department for Corruption, Economic Crimes, Smuggling, Ministry of Public Security (C03) on charges of "Fraudulent appropriation of property" has attracted public attention. Shark Thuy is currently the General Director of Apax English Joint Stock Company. However, since 2020, the Apax Leaders center system in many localities such as Ho Chi Minh City, Dak Lak, Dong Nai, Binh Duong... has been accused by parents of poor teaching quality, not teaching...



Business news

- **HSG:** Hoa Sen Group believes that HRC products imported from China to Vietnam are not sold at dumping prices. In its response, Hoa Sen Group (HSG) said that it has collected data including (1) domestic selling price of HRC products in the Chinese market from S&P Global in the period 01/01/2023 – 31/12/2023; (2) Average export price of HRC from China to Vietnam under CFR terms and (3) estimated export price after adjustment to export price at factory after deducting all related costs of HRC products from China to Vietnam.
- **APC:** After losing for 3 consecutive years, the shares of An Phu Irradiation JSC (code APC) were de-listed from the HoSE. Recently, HoSE announced that it has received the audited financial statements for 2023 of An Phu Irradiation JSC (Code: APC), recording that the company continued to lose an additional 35.6 billion VND in 2023. Thus, the company has been losing for 3 consecutive years and has been forced to delist.
- **PHS:** Phu Hung Securities JSC (PHS) has just announced the documents for the 2024 Annual General Meeting of Shareholders. Notably, it is the content of issuing 50 million private shares at a price of VND 10,000/share to 4 foreign investors. On the stock market, the price of PHS shares on March 26, 2024 is being traded at VND 15,200/share. Thus, the 50 shares issued privately to foreign investors are priced at 2/3 lower than the market price.

Breaking News: Update AGM BWE 2024

I. 2024's plan:

The BWE has set a plan for 2024 with a target of 192.7 million m³ of water consumption (+5% YoY). The amount of waste and treatment is expected to increase by about 3% YoY, and the amount of wastewater collected and treated is expected to increase by about 11% YoY. In 2024, the parent company's revenue is expected to reach 4.1 trillion VND (including internal revenue) (+4% YoY) and the parent company's NPAT is expected to reach at least 700 billion VND (+17% YoY).

II. Business segments

a. Water supply:

Water loss rate below 5%. Water supply customers increased by more than 23,000 connections (+6.2% YoY). According to Mr. Thien, Chairman of BWE, the company has submitted a proposal to increase water prices by 5%, which BWE expects to be approved in Q4/2024. **Expansion plan:** Aim to increase the capacity of Chon Thanh Water Plant by 30,000 m³/day, double the capacity of Nhi Thanh Water Plant from 60,000 m³/day to 120,000 m³/day (Q3/2024) and increase capacity for Gia Tan Water Supply Company from 50,000 m³/day to 100,000 m³/day in 2025.

b. Waste and wastewater treatment

BWE's management expects the price of domestic waste treatment to increase by 10% in the 2H/2024. **Expansion plan:** Increase the incinerator capacity from 200 tons/day, generating 5MW of electricity, to 500 tons/day, generating 17MW of electricity (Q3/2024). This waste incineration and power generation project was started in January 2024 and has the potential to help reduce electricity costs for BWE.

III. Other contents

_ Performance of subsidiaries and associates: According to Mr. Thien (Chairman of BWE), BWE is focusing on supporting its subsidiaries and associates to operate more effectively. Specifically, Bang Tam and Nhi Thanh have initially made a profit. It is expected that Gia Tan will also soon record positive profits after the investment process and the expected demand from Long Thanh Expressway.

_ M&A is still the company's strategy to maintain and is always ready to invest if there is an opportunity. Besides, the company still prioritizes capital safety in the current period, prioritizing loans from bonds with interest rates below 8% in 10 years.

_ Through the payment of stock dividends in 2023 at a ratio of 100:14 on the current charter capital (with 100 existing shares will receive an additional 14 shares).

Technical view

Trend: Sideway up

- VNINDEX closed at 1,282.2 (+14.35 points, +1.13%) with low liquidity. The market had 342 green stocks and 139 red stocks. The stocks that contributed to the market's increase were GVR VPB TCB. On the contrary, the stocks that contributed to the market's decline were MSN VND SAB. Most sectors rose, with chemicals, oil and gas, and banking sectors having the strongest gains. Foreigners continued to net sell lightly at about 170 billion VND.
- Technical view: VNINDEX closed at the highest price of the session, regaining all the points lost in yesterday's session, showing that the overall picture of the market is still stable, and the uptrend is still maintained. The holding strategy will be suitable for investors in this period. The reference support levels are 1,250 and 1,220; the reference resistance levels are 1,300.
- Strategy: Investors should observe the reaction of VNINDEX to be able to act appropriately with each market scenario. In case VNINDEX breaks through 1,220, it will confirm that the market has returned to a downtrend in the medium term.



Scenarios:

- Positive (40%): The market will rebound and move towards the 1,300 area.
- Less positive (60%): The market corrected to the 1,250 area.

Recommended stocks

27/03/2024 9:00 AM

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals	Note
HDG	Buy	29.2	31.6	28.4	8.2%	-2.4%	29.2	Bounce off the EMA 20	

Trading portfolio

Ticker	Recommendation	Buying price	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
MWG	Hold	46.4	51.3	43.7	0.1	-0.1	48.7	19	4.85%	29/02/2024	
STB	Hold	30.7	33.0	29.2	0.1	0.0	31.0	36	0.98%	06/02/2024	
REE	Hold	62.1	67.5	60.5	0.1	0.0	64.1	4	3.22%	21/03/2024	
HAH	Hold	42.9	46.0	41.6	0.1	0.0	42.8	4	-0.35%	21/03/2024	

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Economic calendar

March 2024

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
25	26	27	28	29 Core PCE Price Index MoM JAN	1 US ISM Manufacturing PMI FEB Japan Consumer Confidence FEB	2
3	4	5 ISM Services PMI FEB	6 JOLTS Job Openings	7	8 Non-Farm Employment Change, Unemployment Rate (US)	9
10	11	12 CPI and core CPI (US)	13	14 US PPI and Core PPI m/m US Retail Sales and Core Retail Sales m/m	15 Michigan Consumer Sentiment Prel MAR	16
17	18 China Industrial Production YoY JAN-FEB China Retail Sales YoY JAN-FEB	19 Building Permits Prel FEB	20 CPI and core CPI (UK)	21 VN30F1M Futures contract maturity Fed Interest Rate Decision FOMC Economic Projections BoE Interest Rate Decision	22 Japan Inflation Rate YoY FEB	23
24	25	26 US Durable Goods Orders MoM FEB	27 Vietnam macroeconomic data	28 US GDP Growth Rate QoQ Final Q4	29 US Core PCE Price Index MoM FEB Personal Income MoM FEB	30



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Securities



Q&A

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