



# WEEKLY INVESTMENT STRATEGY REPORT ON 05<sup>TH</sup> FEBRUARY, 2024


## CONTINUING TO MAINTAIN A SIDEWAYS TREND




## EXECUTIVE SUMMARY OF THE WEEKLY INVESTMENT STRATEGY REPORT ON 05<sup>TH</sup> FEBRUARY, 2024


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During the meeting on January 31, the Fed decided to keep interest rates unchanged for the fourth consecutive time in the range of 5.25% - 5.5%. In the statement after the meeting, the Fed mentioned that they have no plans to cut interest rates as inflation still exceeds the central bank's target of 2%. The Fed's statement after the meeting completely dashed the hopes of traders expecting an early rate cut before a recession occurs. Major markets worldwide responded negatively, with notable declines in indices such as the Dow Jones (down 0.82%), Nasdaq (down 2.23%), and S&P 500 (down 1.61%).
  
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During the past week, funds continued to flow strongly into the market, boosting liquidity and the average trading value per session, reaching 730 million shares and 17,730 billion VND, respectively. Profit-taking pressure increased at the beginning of the week before easing later, leading to the Vn-Index closing the week at 1,172 points, down 0.27% compared to the previous week. In terms of sectors, funds showed strong inflows into the chemical group (9.45%) and the automobile and spare parts group (6.60%).
  
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With the approaching Tet Lunar New Year holiday and the market's cautious sentiment following the Federal Reserve's policy statement in January, the Vn-Index is expected to continue moving sideways within the narrow range of 1,165 to 1,185 points in the week from February 5th to February 7th, 2024. Investors are advised to maintain a stock/cash ratio at 70/30 as the index continues its sideways trend within the range of 1,16x to 1,18x points.
  
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Some of the noteworthy stock groups at this time include:


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**Government Infrastructure:** HHV
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**Securities:** HCM, SHS, VIX
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**Real estate:** TCH, DIG
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**Retail:** DGW, MWG
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**Steel:** HSG
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**Sea port:** HAH
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**Bank:** ACB, SSB, VIB, TPB
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**Others:** GVR, PNJ, GEX, DBC
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**Industrialized real estate:** IDC
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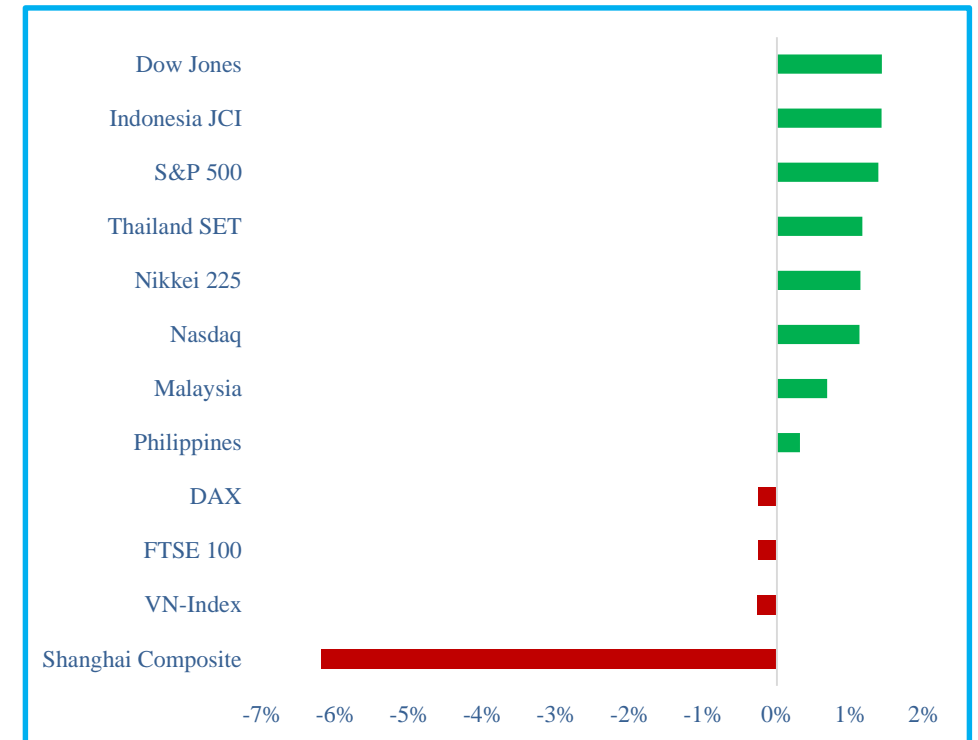
**Textile:** TNG
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**Energy:** PC1

## GLOBAL STOCK MARKET OVERVIEW IN THE PREVIOUS WEEK

- The global stock markets mostly experienced an upward trend during the week of January 29th to February 2nd, with common increases ranging from 0.7% to 1.5%. Notably, there were declines in indices such as the Shanghai Composite (-6.19%), FTSE 100 (-0.26%), and DAX (-0.25%) among those moving against the general trend.
- The VN-Index recorded a decrease of 0.27% over the past week, moving against the overall upward trend observed in the monitored indices.

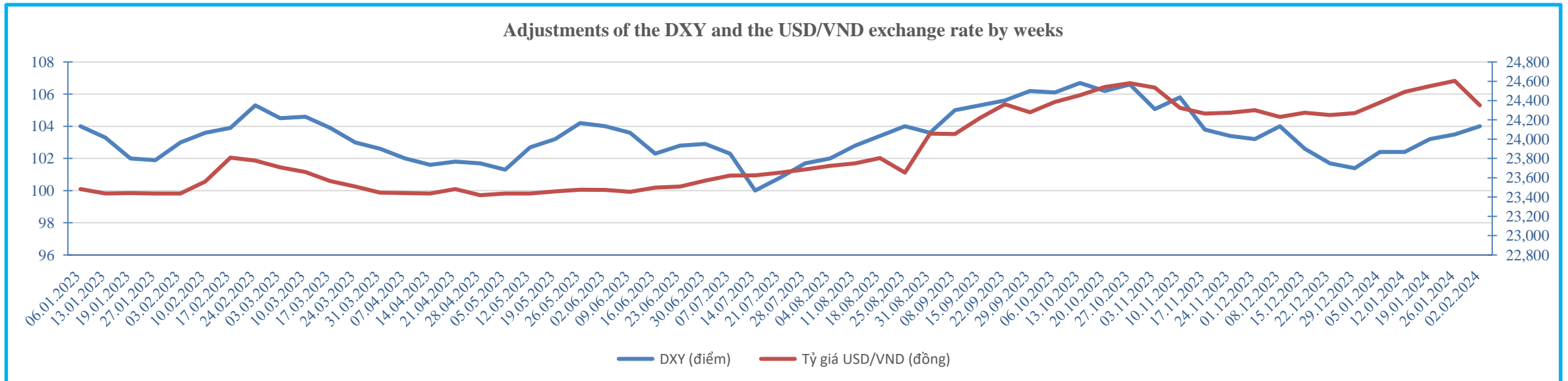
Indices	26th January, 2024	02nd February, 2024	Adjustments
VN-Index	1,175.67	1,172.55	-0.27%
S&P 500	4,890.97	4,958.61	1.38%
Dow Jones	38,109.43	38,654.42	1.43%
Nasdaq	15,455.36	15,628.95	1.12%
DAX	16,961.39	16,918.21	-0.25%
FTSE 100	7,635.09	7,615.54	-0.26%
Nikkei 225	35,751.07	36,158.02	1.14%
Shanghai Composite	2,910.22	2,730.16	-6.19%
Thailand SET	1,368.15	1,384.08	1.16%
Malaysia	1,506.28	1,516.58	0.68%
Philippines	6,686.09	6,707.25	0.32%
Indonesia JCI	7,137.09	7,238.80	1.43%



## FOREIGN EXCHANGE MARKET OVERVIEW IN THE PREVIOUS WEEK

The DXY index exhibited a sideways movement before rallying on January 31, following the January policy meeting of the Federal Reserve, during which Chairman Jerome Powell ruled out the possibility of starting an interest rate cut process in the March policy meeting. Overall, for the week, the DXY index recorded an increase of 0.48% compared to the previous week, closing at the level of 104 points.

In Vietnam, the USD/VND exchange rate recorded a decrease of 1.04% compared to the previous week, reaching 24,350 VND. As of February 2, 2024, the State Bank of Vietnam (NHNN) has announced the central exchange rate at 23,960 VND. At commercial banks, the buying rate for USD is in the range of 24,185 – 24,245 VND, and the selling rate is in the range of 24,555 – 24,605 VND. Meanwhile, on the free market, the USD is traded (buying - selling) around 24,805 – 24,865 VND.



# VIETNAMESE STOCK MARKET OVERVIEW IN THE PAST WEEK



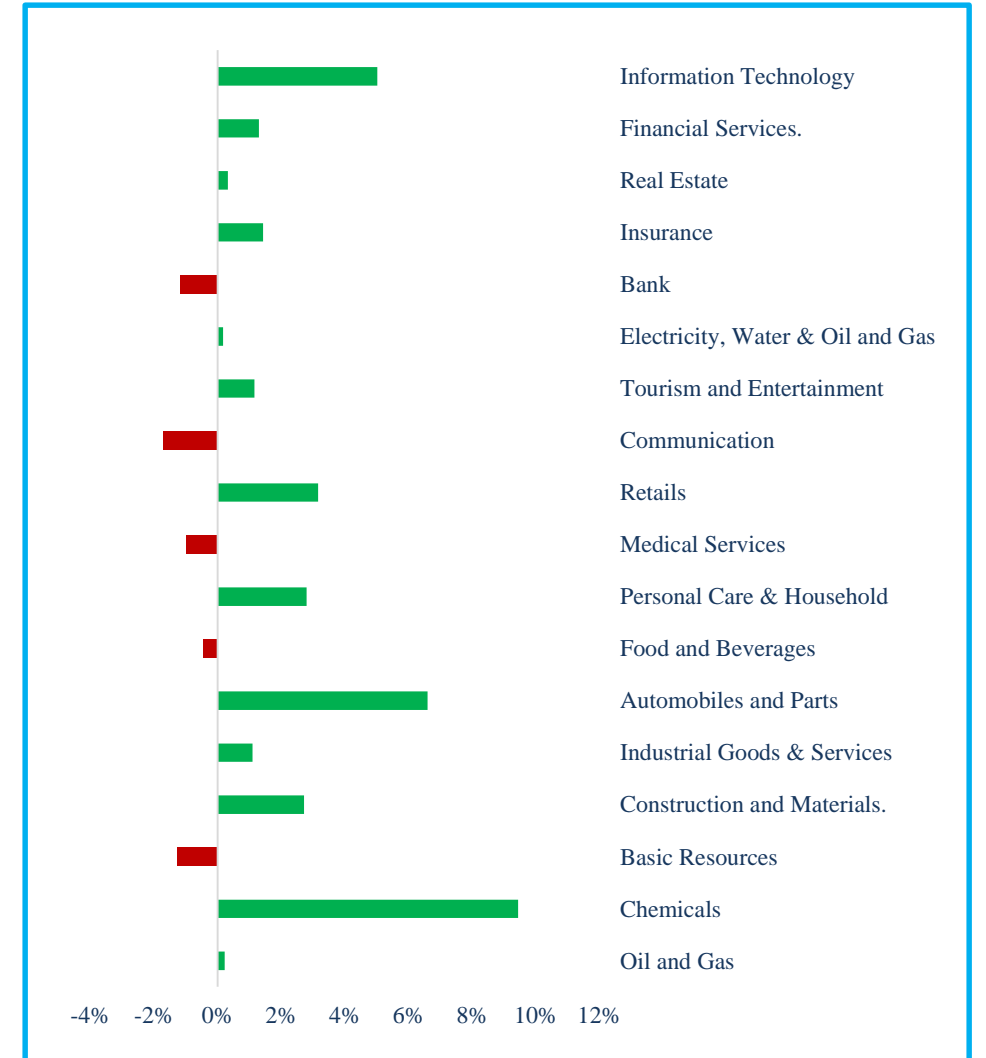
After undergoing a week of volatile trading, the VN-Index continued to close the week with a decrease of 0.47 points (~0.04%) at 1,172.55 points. Throughout the week, the market maintained a sideways trend in the range from 1.16x to 1.18x. Market liquidity remained low over the last 10 trading sessions, and significant capital inflows have yet to show signs of returning to the market.

Chỉ số VNINDEX - 1D - O 1173.93 H 1178.27 L 1169.70 C 1172.55 -0.47 (-0.04%)  
 Volume - Khối lượng SMA 9 790.756M



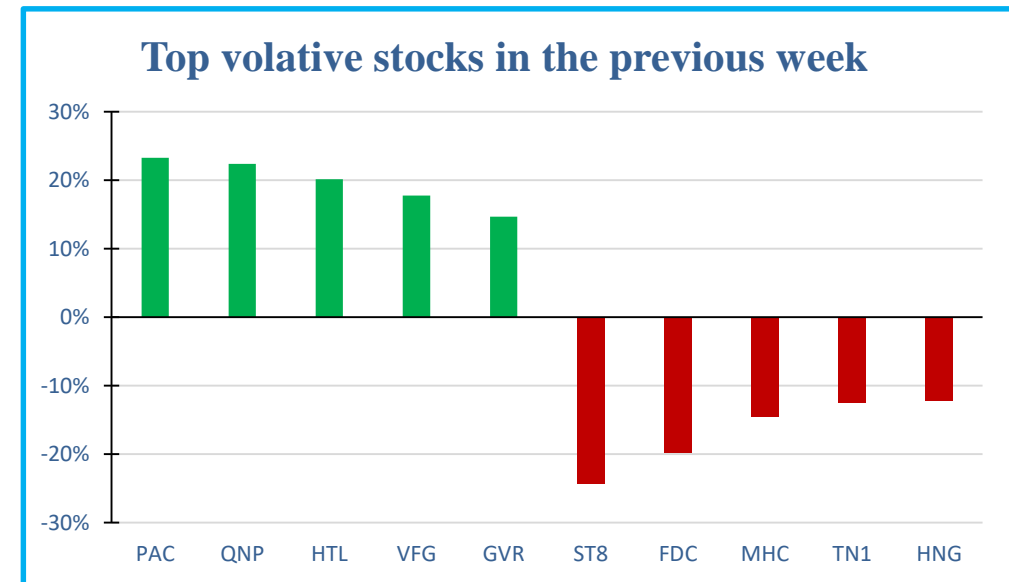
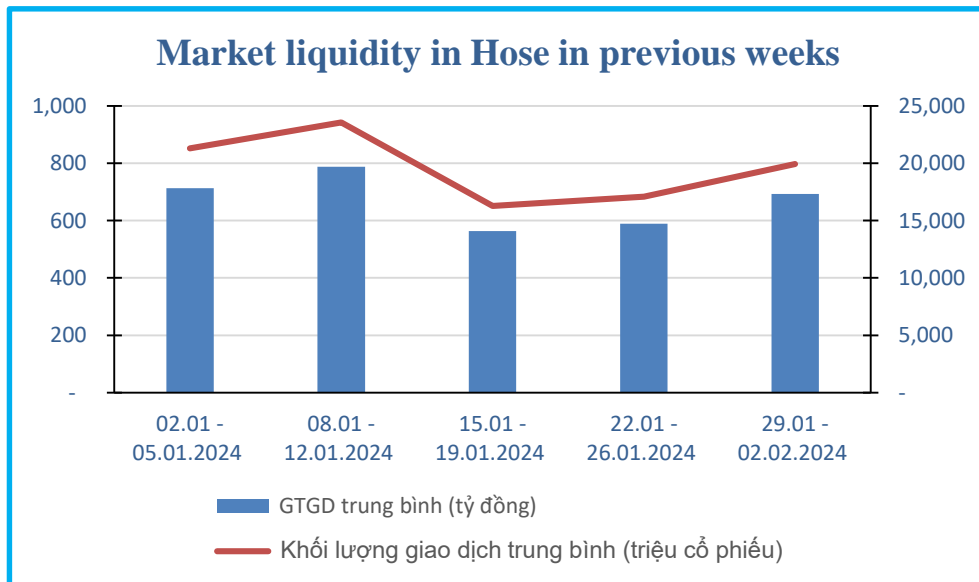
## SECTORS IN THE PAST WEEK

Sectors	% Price volatility	Total Value (MilVND)	Average matched value (Mil VND)	Trading Volume (1,000 shares)	Average Trading Volume (1,000 shares)
Oil and Gas	0,22%	568.473	100.403	19.914	3.515
Chemicals	9,45%	3.763.346	632.862	155.108	26.498
Basic Resources	-1,28%	7.671.393	1.325.762	346.433	59.724
Construction and Materials.	2,72%	6.779.144	1.218.746	295.234	52.991
Industrial Goods & Services	1,10%	3.586.080	636.318	144.408	25.213
Automobiles and Parts	6,60%	664.558	125.442	46.339	8.760
Food and Beverages	-0,45%	6.836.018	1.174.781	290.369	49.390
Personal Care & Household	2,80%	1.753.301	316.245	31.506	5.741
Medical Services	-0,98%	111.763	20.481	7.397	1.390
Retails	3,16%	3.272.106	525.456	66.168	10.750
Communication	-1,71%	228.825	34.713	22.690	3.437
Tourism and Entertainment	1,16%	812.881	144.351	19.322	3.333
Electricity, Water & Oil and Gas	0,17%	948.780	168.709	52.117	9.431
Bank	-1,19%	22.500.359	3.888.433	1.087.135	188.720
Insurance	1,43%	110.689	19.679	3.739	657
Real Estate	0,32%	16.803.486	2.986.430	744.194	131.081
Financial Services.	1,30%	11.923.437	2.128.060	493.164	87.232
Information Technology	5,02%	2.347.171	423.657	62.108	11.234



# MARKET LIQUIDITY AND TOP VOLATIVE STOCKS IN THE PREVIOUS WEEK

- Statistics from Vietstock indicate that the average trading value per session in the past week reached 17,330 billion VND, increasing by approximately 17.7% compared to the previous week. Similarly, the average trading volume of stocks also recorded a 17% increase to 730 million shares.
- In the past week, the top 3 stocks with the highest increases were PAC (23.29%), QNP (22.37%), and HTL (20.16%). On the contrary, the top 3 stocks with the sharpest declines were ST8 (-24.32%), FDC (-19.70%), and MHC (-14.51%).



Source: Vietstock, Vietinbank Securities

## MACRO-ECONOMIC OVERVIEW IN THE PAST WEEK

INFORMATION	EFFECT	ASSESSMENT
<p>In the meeting on January 31st, the Federal Reserve (Fed) decided to keep the interest rates unchanged for the fourth consecutive time in the range of 5.25% to 5.5%. In the post-meeting statement, the Fed stated that they do not currently have plans to cut interest rates as inflation continues to exceed the central bank's target of 2%.</p>	<p>Negative</p>	<p>The Fed's statement after the meeting completely dashed the hopes of traders anticipating an earlier interest rate cut by the central bank before the onset of a recession. Global markets responded negatively, with key indices such as the Dow Jones falling by 0.82%, Nasdaq decreasing by 2.23%, and S&amp;P 500 declining by 1.61%.</p>
<p>In January 2024, inflation in the Eurozone slightly decreased to 2.8%, still above the European Central Bank's (ECB) target of 2% but significantly lower than the peak of 10.6% in October 2022.</p>	<p>Neutral</p>	<p>With the inflation rate in January 2024, ECB remains cautious with its interest rate policy, refraining from hastily cutting rates after a period of pausing the unprecedented rate hikes aimed at "anchoring" inflation. However, investors still hope that the ECB might consider further interest rate cuts before the upcoming summer.</p>
<p>According to the report from the General Statistics Office, the Consumer Price Index (CPI) in January 2024 increased by 0.31% compared to the previous month. In comparison to the same period in 2023, the January CPI rose by 3.37%, while the core inflation for January 2024 increased by 2.72%.</p>	<p>Neutral</p>	<p>Core inflation increased by 2.72% compared to the same period last year, which is lower than the overall average CPI (3.37%). This is mainly attributed to the exclusion of health and education services from the core inflation calculation, even though they are significant factors contributing to the overall CPI increase.</p>
<p>The registered foreign direct investment (FDI) capital in January reached over 2.36 billion USD, marking a significant increase of 40.2% compared to the same period last year.</p>	<p>Positive</p>	<p>This is a signal that Vietnam is leveraging opportunities from its foreign achievements and diplomatic efforts in 2023 and the first month of 2024. The continued strong influx of FDI into Vietnam provides ample room for the industrial real estate sector.</p>



## EVENTS FOR THE NEXT WEEK

NO.	Stock symbol	Exchange	Ex- Date	Record Date	Effective Date	Event Details
1	VFG	HOSE	06/02/2024	07/02/2024	08/03/2024	Payment of the 2 <sup>nd</sup> dividend installment for 2023 in cash, 1000 VND per share.
2	BNW	UPCoM	06/02/2024	07/02/2024	06/03/2024	Payment of the 1 <sup>st</sup> dividend installment for 2023 in cash, 500 VND per share.

*Source: Vietstock, Vietinbank Securities*

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