MORNING CALL

August 10, 2022

Shinhan Securities

“POSITIVE CORRECTION”

- ❑ Global stocks struggled, waiting for economic data at the end of this week
- ❑ VNIndex adjusted slightly, with high trading volume
- ❑ Technical view and recommendations #GVR #PDR #CTG #HVN #BVB #HVN
- ❑ Economic calendar
- ❑ Q&A

[Analysts]

Khang Tran ☎ (84-28) 6287-8037
✉ khang.lt@shinhan.com

Xuan Nguyen ☎ (84-28) 6287-8037
✉ xuan.nht@shinhan.com

Global Market Review - Week 08-12/08/2022

Global stocks struggled to wait for economic data from the US

- US July CPI forecasted to drop to 6.2%, but the growth in average household spending decreased to 6.9%
- The People's Liberation Army (PLA) continues to conduct air and sea exercises around the island of Taiwan, although it previously announced that the drills would run only from August 4th to 7th.
- Oil price still volatiles around the threshold of 90 USD/barrel.

Market

	Close price	%1D	%1M	%1Y
VN-Index	1259	0.17%	7.47%	-7.60%
S&P 500 Index	4122	-0.42%	5.72%	-6.99%
STOXX 600	436	-0.67%	4.52%	-7.69%
Hang Seng	20003	-0.21%	-7.93%	-24.81%
Nikkei 225	27760	-0.86%	4.69%	-0.46%
SHCOMP Index	3247	0.32%	-3.24%	-8.00%
STI Index	3271	-0.36%	4.46%	2.95%
KOSPI Index	2485	-0.73%	5.73%	-23.37%

Currency & Commodity

	Close price	%1D	%1M	%1Y
Dollar Index	106.36	-0.01%	-0.60%	14.30%
USD/VND	23,390.00	0.00%	-0.17%	-2.00%
EUR/USD	1.02	-0.09%	1.63%	-12.94%
USD/CNY	6.75	-0.02%	-0.50%	-3.94%
Brent	96.31	0.00%	-10.01%	36.36%
WTI	90.41	-0.10%	-13.72%	32.39%
Natural gas	7.85	0.15%	30.01%	91.86%
Coal	384.50	3.64%	-7.07%	130.17%
Gold	1,792.84	-0.08%	3.40%	3.70%

Global Market Review - Week 08-12/08/2022



S&P 500: closed at 4,122 points; Resistance: 4,200, support: 4,000

Nasdaq: closed at 12,493 points; Resistance: 13,000, support: 12,200

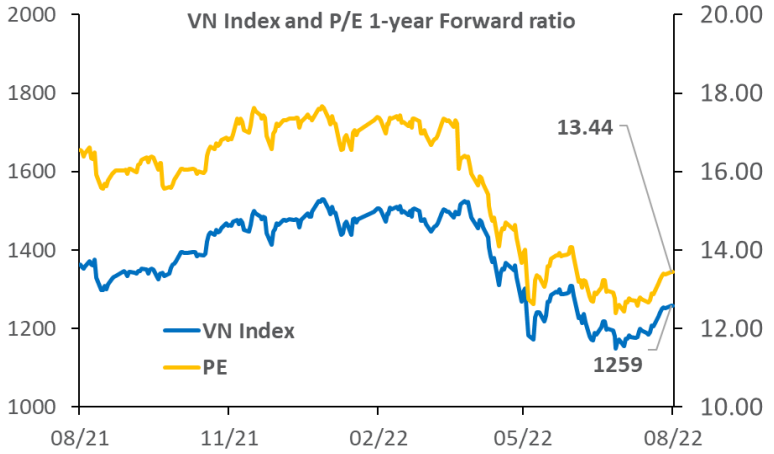
Wall Street still fluctuates:

Dow Jones dropped slightly to 32,800 points. The trade was quite struggling as investors waited for the official CPI, PPI data in this week.

- Official data released on August 5 showing that the "job market" in the US had another good signal in July when the economy surprisingly added 528,000 jobs. The unemployment rate also fell to 3.5%, the lowest level since 1969.

>> It is the extraordinary resilience of the labor market that may give the Fed a basis to further tighten monetary policy, to the detriment of the stock market.

Vietnam Market Snapshot – 09/08/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI INDEX	1,258.85	13.44	2.10	0.17	721	15,968
HNX INDEX	301.41	16.72	0.08	0.03	99	1,658

Cash flow among industry groups (VND bn)

Sector	%1D	8/9/2022	8/8/2022	20-session Average
Technology	62.66	294	181	184
Automobiles & Parts	42.66	156	109	113
Travel & Leisure	36.72	129	94	107
Insurance	29.96	160	123	111
Basic Resources	20.45	1,773	1,472	1,120
Utilities	20.39	379	315	328
Construction & Materials	15.67	988	854	828
Health Care	13.07	44	39	39
Banks	10.42	2,318	2,099	1,990
Chemicals	-0.5	861	866	702
Real Estate	-0.8	2,298	2,317	2,102
Oil & Gas	-3.6	222	230	134
Financial Services	-5.3	1,892	1,998	1,695
Industrial Goods & Services	-11.3	802	904	675
Personal & Household Goods	-11.7	229	260	166
Retail	-13.9	448	521	416
Food and Beverage	-24.6	1,200	1,591	1,181
Media	-50.0	8	16	10

Positively macro signals

Bullish	■ For stock transactions, it is expected to apply T+2 at the end of August. ■ The Ministry of Finance said that the public debt situation and the Government's debt repayment obligations were not affected much by the appreciation of the US dollar. ■ Foreign direct investment (FDI) inflows continue to pour into Vietnam. ■ PMI in July reached above the threshold of 50 points and was the 10th consecutive month to record this index's improvement. ■ At the monthly meeting in July, the Prime Minister assigned the Ministry of Planning and Investment and the Government Office to quickly submit a resolution on accelerating the disbursement of public investment capital.
Bearish	■ Deposit interest rates continue to increase. ■ The number of Covid cases in Vietnam is increasing slightly.

An Phat Holdings group was negatively affected by the decrease in plastic resin prices

An Phat Holdings (HoSE: APH) has two main business segments including production of plastic products and plastic resin trading. Therefore, the drop in the price of plastic resins in the second quarter led to the improvement of profit margin of the packaging, engineering and construction plastics segments, but the plastic resin trading segment decreased. The plastic resin trading segment accounted for 62-64% of the group's total revenue, causing the overall gross profit margin to drop. Specifically, the gross profit margin of the plastic resin trading segment decreased from 6% in the second quarter of 2021 to 2.4%, the production segment of plastic products remained at 19.3%. Overall profit margin decreased from 12.2% to 9.1%.

- An Phat Xanh Plastic (HoSE: AAA) – a member of APH Holdings achieved a revenue of VND 4,612 billion, up 14% over the same period last year; net profit was flat at 85 billion dong.

- Plastic resin business development subsidiary - An Tien Industries (HoSE: HII) recorded a 44.5% increase in second-quarter revenue but a 34% decrease in after-tax profit.

Technical view



VNI		HNX		UPCOM		VN30	
↑ 1258.85 (2.10 0.17%)		↑ 301.41 (0.08 0.03%)		↑ 92.86 (0.54 0.58%)		↑ 1281.44 (4.74 0.37%)	
721,636,388 CP	15,968.16 Tỷ	98,860,736 CP	1,659.39 Tỷ	49,527,098 CP	823.29 Tỷ	177,156,415 CP	5,700.00 Tỷ
↑ 270(12)	▬ 72 ↓ 193(10) Hết giờ GD	↑ 122(8)	▬ 143 ↓ 72(4) Hết giờ GD	↑ 188(22)	▬ 453 ↓ 114(4) Hết giờ GD	↑ 16(0)	▬ 1 ↓ 13(0) Hết giờ GD

Market trend: Positive correction

- The VNIndex still closed in the green at 1,258.85 points, however, the gaining momentum shrank towards the end of the session, showing that short-term profit-taking pressure started to increase. Trading volume continued to stay at a high level above MA20. The RSI is close to the overbought area, so the volatile signal is reasonable.

Scenarios:

- Positive (70%): The retracement is likely to continue and target resistance around 1300 points, which is a strong resistance. However, the uptrend will be accompanied by correction sessions, so take advantage to accumulate long-term positions at red prices during the session.
- Less positive (30%): If index drops again and breaks through 1200 points, it means that the retracement wave will gradually end and possibly a bull trap. At this time, you should minimize your stock position and stand outside to observe.

Trading ideas

❖ **Financials:** Cash flow has been returned and most of the stocks are above MA20. Many stocks created cross points (MA20 crosses MA50 > positive signal for short-term trading). This group is likely to have a considerable impact on the index in coming time.

- ✓ **Banking:** STB, MBB, CTG, BID, LPB (UPCoM: BVB, ABB). The highlight is that profits of this group continue to grow while the stock market prices have had a big discount, however, it should be noted that bad debts of some banks still increase.
- ✓ **Securities:** HCM, SSI, VND, VCI, SHS (beneficiary from applying T+2, however, should be cautious with stocks that are highly speculative or unpromising long-term outlook)

❖ **Real estate** (Residential + Industrial): FDI inflows into Vietnam is still high, FDI moving out of China remains and the housing market recovers

- ✓ **Residential**: DIG, PDR, NLG, DXG, HDC
- ✓ **Industrial**: KBC, GVR, SZC

❖ **Construction, public investment:** The disbursement of public investment capital, in addition to the reduced cost of materials such as steel and cement will contribute to improve profit margins for this group.

- ✓ **Construction**: HBC, VGC
- ✓ **Public investment**: LCG, C4G, HHV

❖ **Power:** NT2, REE, POW (electricity price and demand still increasing)

Watchlist

Signal	Sector	Stock
"Strong"	Banking	**STB, MBB, CTG, BID, LPB** Upcom: **BVB, ABB**
	Securities	**HCM, SSI, VND, VCI, SHS**
	Real estate	**DIG, PDR, NLG, DXG, HDC** **KBC, GVR, SZC**
	Construction	**HBC, VGC** **LCG, C4G, HHV**
	Power	**NT2, REE, POW**
Watchlist	Export	**VHC, ANV** **TNG, VGT**
	Economy reopening (Tourism/ Aviation)	**HVN, VJC** **SKG, VTD**

Recommended portfolio

Ticker	Trading portfolio Updated date: Aug 10, 2022 – Unit: thousand VND							
	Date of Recommendation	Buying price (+/- 1%)	Target	Cut loss	Current price	T+	Profit/Loss	Status
PDR	9-Aug-22	53.5	60	52	53.8	1	0.56%	BUY
CTG	9-Aug-22	28.5	32	27.5	28.8	1	1.05%	BUY
GVR	9-Aug-22	24.6	28	23.5	25.25	1	2.64%	BUY

Today's New Stock Recommendation



BVB

- Buy: 14
- Target: 15
- Cut loss: 13.5
- Profit / Loss: 2:1

Technical signal

- The price accumulation is quite tight around 14, the trading risk is low, the volume starts to increase, showing the attention of large money flow.
- MACD has crossed the threshold of 0 with RSI > 50, showing that the money flow is good.

Today's New Stock Recommendation



HVN

- Buy: around 17
- Target: 19.5
- Cut loss 16.5
- Profit / Loss: 2:1

Technical signal

- The stock got out of the bottom with resistance around 17 along with increasing trading volume, MA20 has just crossed over MA50 confirming the trend.
- MACD has crossed the threshold of 0 with RSI > 50, showing that the cash flow is good.

Economic calendar

August 2022

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
31	1 PMI data (US and Vietnam)	2	3	4	5 Unemployment rate (US)	6
7	8	9	10 CPI data (US)	11 MSCI quarterly review PPI Data (US)	12	13
14	15 Deadline for submission of semi-annual financial statements	16	17	18 Expiration date of future contract FOMC meeting	19	20
21	22	23 Ishare MSCI review	24	25 US GDP Q3	26 FDI Data (Vietnam)	27
28	29 Vietnam macroecnomic data	30	31	1	2	3

Q&A

Shinhan Investment Network

SEOUL

Shinhan Investment Corp.
Shinhan Investment Tower
23-2, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH

Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000



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