MORNING CALL

August 11, 2022

Shinhan Securities

"Tug-of-war" continues

- Global stocks rebound after US CPI released with better result than expected
- VNIndex still struggles
- Steel sector– waiting for break signal of global steel price
- Technical view and recommendations #GVR #PDR #CTG #HVN #BVB
- Economic calendar
- Q&A

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

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Global stocks rebound after US CPI released with better result than expected

- US CPI in July was 8.5% compared to 9.1% in the previous month, due to a decrease in the price of energy commodities, besides, the core CPI was announced at 5.9%, more positive than the 6.1% expected by the market.
- China's consumer price index (CPI) increased in July, gaining the highest level in the last two-year, largely due to escalating pork prices.
- UK Post Office, a provider of both postal and banking services, recorded a record high of more than £800 million in cash withdrawals from individual customers in July.
- Oil price still volatiles around the threshold of 90 USD/barrel.

Market

	Close	%1D	%1M	%1Y
VN-Index	1,257	-0.19%	8.76%	-7.46%
S&P 500 Index	4,210	2.13%	7.97%	-5.11%
Dow Jones Index	33,310	1.63%	6.29%	-5.54%
Hang Seng	19,611	-1.96%	-7.16%	-26.44%
Nikkei 225	27,819	-0.65%	3.76%	-0.89%
SHCOMP Index	3,230	-0.54%	-2.52%	-8.57%
STI Index	3,286	0.47%	4.95%	3.34%
KOSPI Index	2,512	1.26%	7.34%	-22.00%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	105.20	0.01%	-2.61%	13.22%
USD/VND	23,383.00	0.03%	-0.14%	-2.04%
EUR/USD	1.03	-0.01%	2.57%	-12.28%
USD/CNY	6.72	0.43%	-0.07%	-3.54%
Brent	96.96	-0.45%	-9.47%	35.72%
WTI	91.41	-0.57%	-12.18%	32.00%
Natural gas	8.20	-0.06%	27.56%	101.95%
Coal	398.65	3.68%	-3.65%	138.57%
Gold	1,791.55	-0.05%	3.32%	2.27%

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



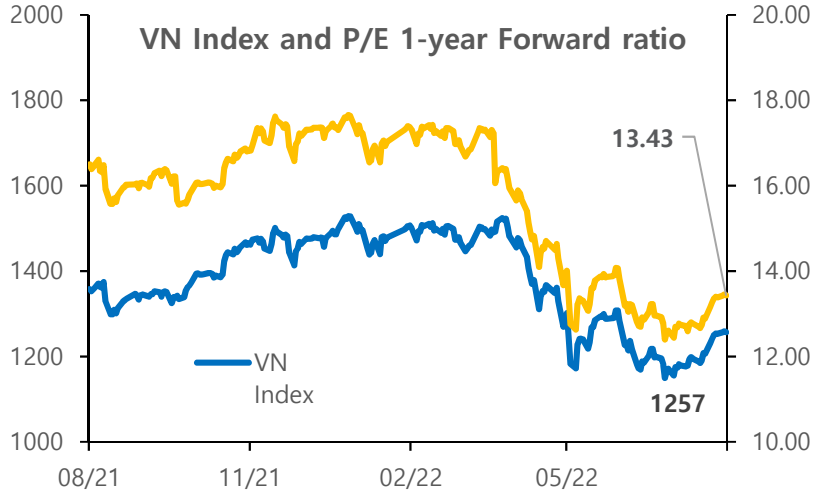
Wall Street rebounds

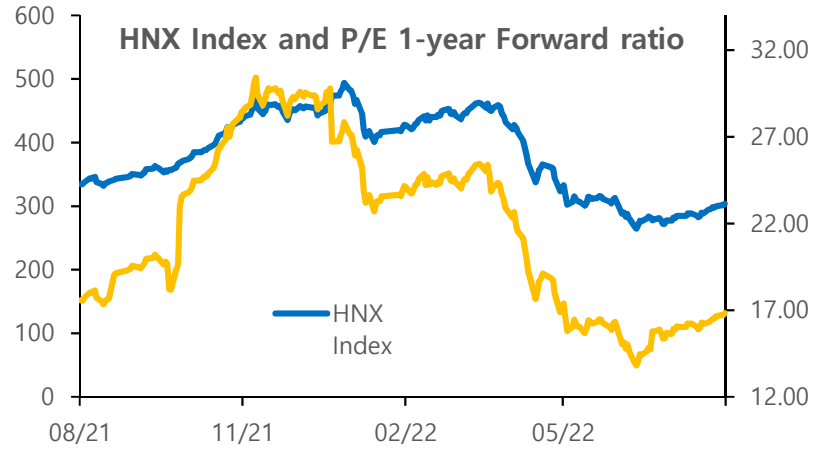
Dow Jones had a positive session after the July CPI data was released which was better than expected.

The index surpassed resistance at 33,000 points and is trading around 33,300 points (up more than 400 points, equivalent to 1.5%).

- US CPI in July was 8.5% compared to 9.1% in the previous month, due to a decrease in energy commodity prices, besides, core CPI was announced at 5.9%, more positive than the 6.1% expected by the market. .
- 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.

Vietnam Market Snapshot – 10/08/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,256.50	13.43	-2.35	-0.19	652	14,392
HNX INDEX	303.54	16.83	2.13	0.71	102	1,992

Money flow and sector rotation (VND bn)

Sector	%1D	8/10/2022	8/9/2022	20-session Average
Oil & Gas	54.20	342	222	146
Travel & Leisure	19.29	154	129	109
Real Estate	17.93	2,710	2,298	2,141
Media	9.97	9	8	10
Construction & Materials	0.26	990	988	843
Food and Beverage	-6.1	1,127	1,200	1,191
Industrial Goods & Services	-8.8	731	802	681
Insurance	-9.5	145	160	110
Financial Services	-12.3	1,660	1,892	1,712
Utilities	-17.8	312	379	331
Personal & Household Goods	-18.6	187	229	170
Basic Resources	-19.2	1,433	1,773	1,151
Retail	-21.2	353	448	419
Health Care	-24.8	33	44	39
Chemicals	-24.9	647	861	705
Automobiles & Parts	-31.4	107	156	112
Banks	-33.1	1,550	2,318	1,952
Technology	-53.4	137	294	186

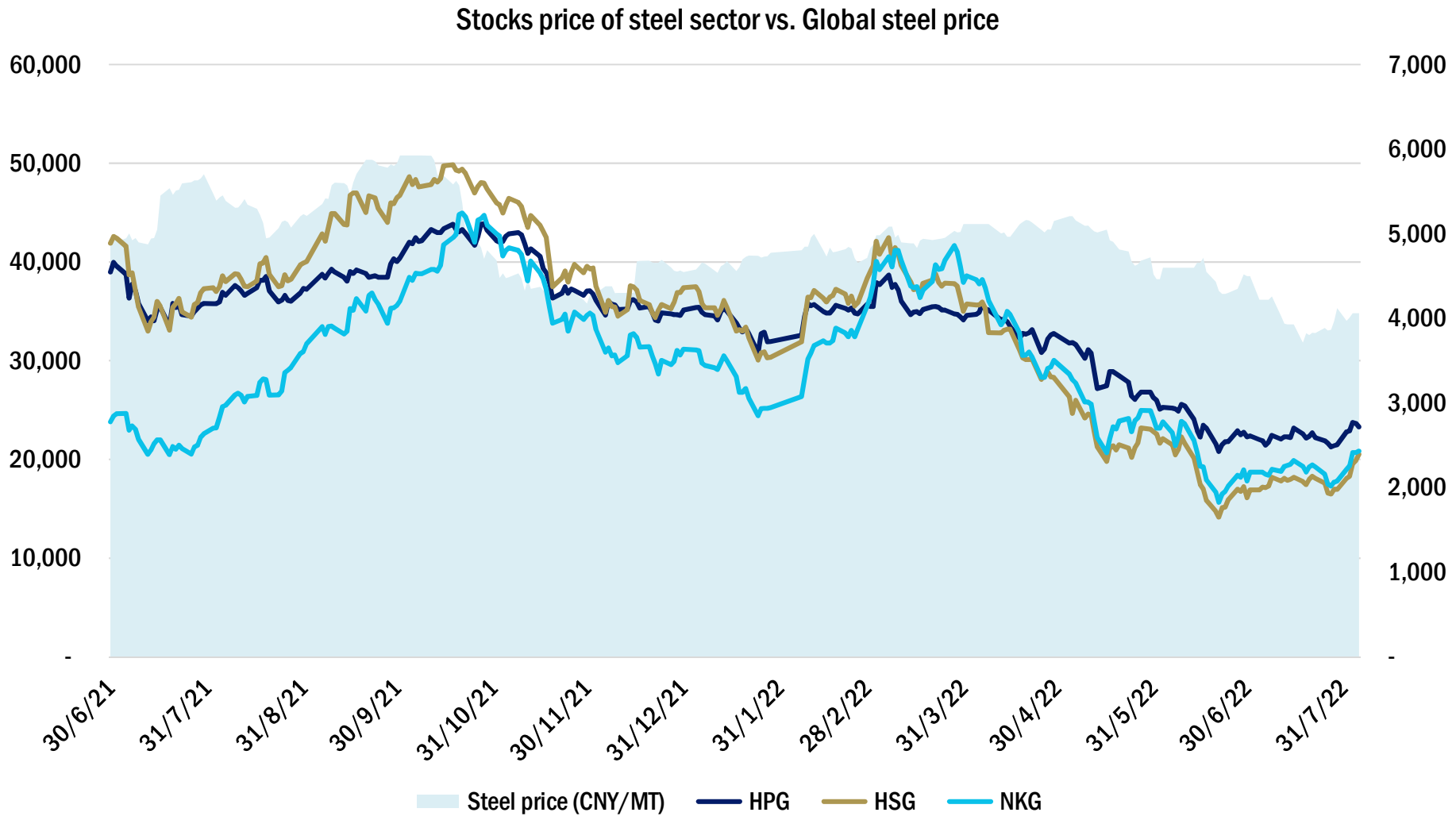
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Breaking News

Positively macro signals

Bullish	■ Re-auction the Thu Thiem land plots that are unsecured ■ 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.

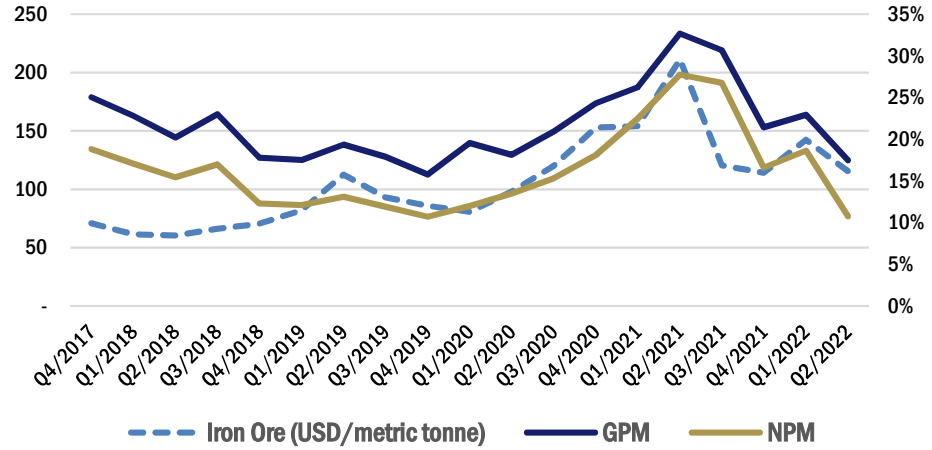
Steel sector - waiting for break signal of global steel price



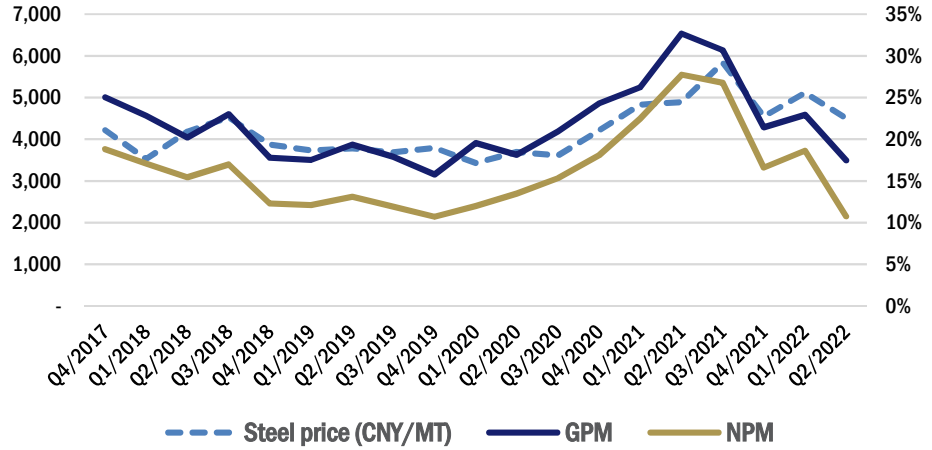
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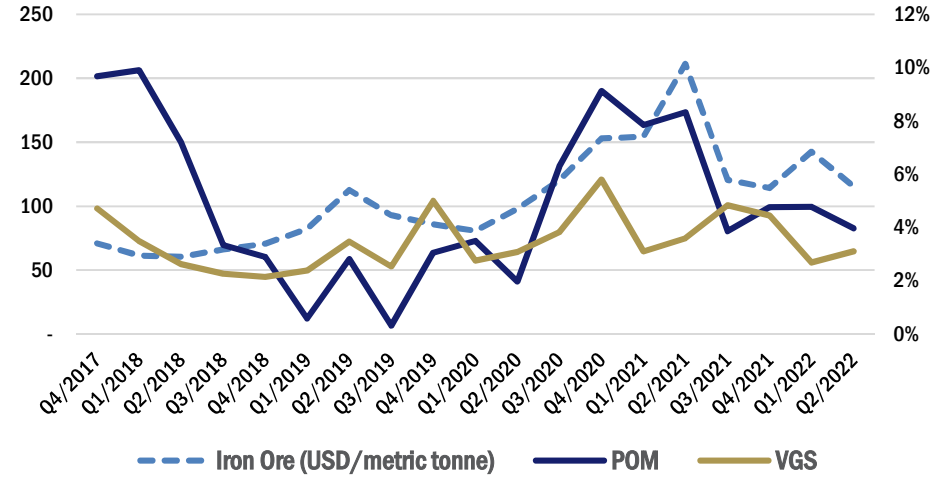
Iron Ore price vs.
Gross profit margin – Net profit margin of HPG



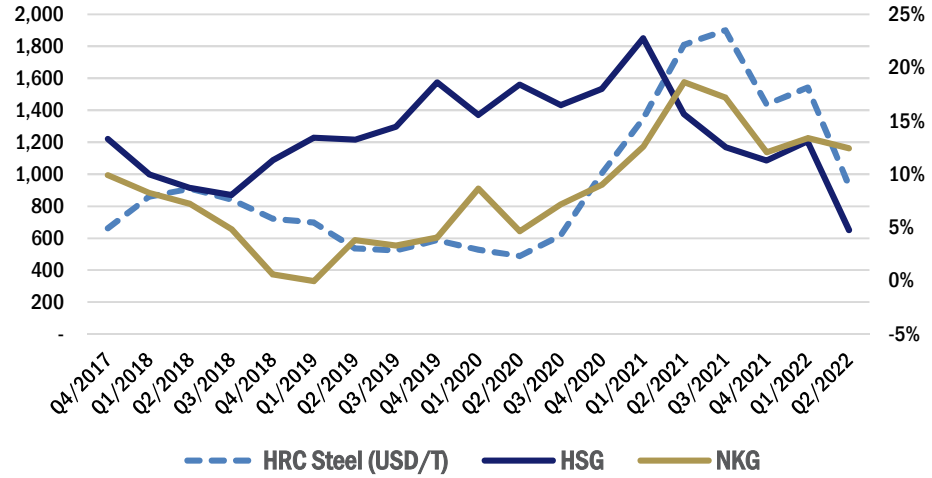
Steel price vs.
Gross profit margin – Net profit margin of HPG



Iron Ore price vs. Gross profit margin of POM and VGS

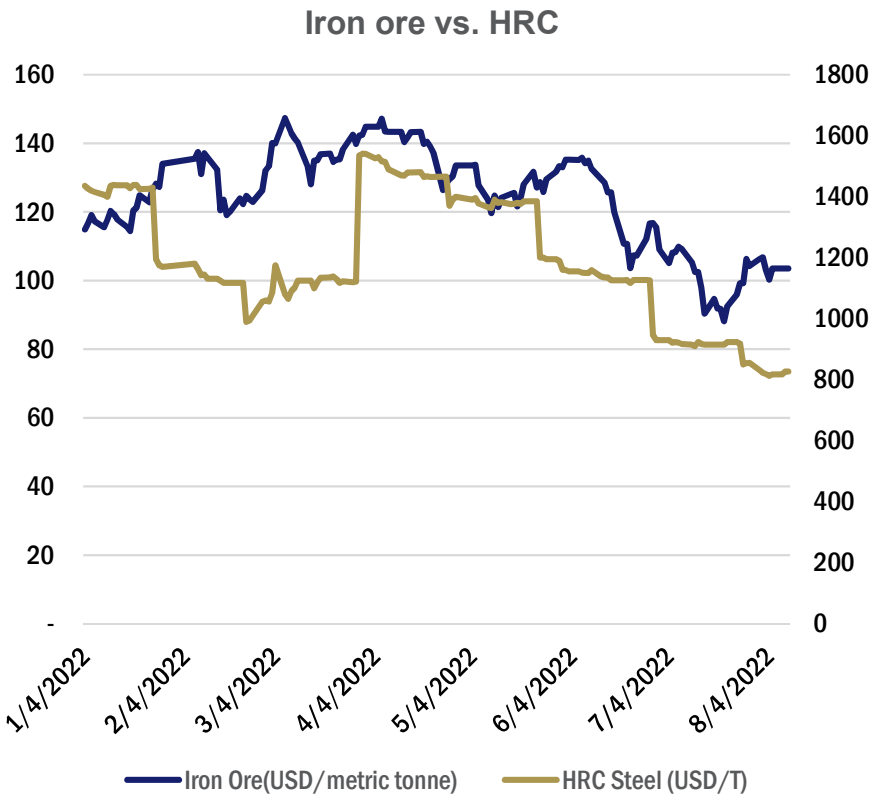


HRC Steel price vs. Gross profit margin of HSG and NKG



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Steel sector - waiting for break signal of global steel price





The commodities price has recovered from the previous plunge, however, the downtrend is still quite strong and there are many challenges for the medium-term recovery. Therefore, short-term trading positions can open with expectation that all bearish factors have been reflected in the price, but also need to be cautious and wait for a “real” break signal from the commodities price.

Technical view



VNI	1258.85 (2.10 0.17%)		HNX	301.41 (0.08 0.03%)		UPCOM	92.86 (0.54 0.58%)		VN30	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: Tug-of-war continues

- VNIndex decreased slightly to 1256.5 points, the trend fills the previous decreasing gap around (1280-1250) points. The oscillator still intends to accumulate in a narrow range with the current support at 1240 points. The MACD, RSI are neutral.

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

Trading Portfolio

Updated date: 11/8/2022

Unit: Thousand VND

Ticker	Date of recom-mendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Current price	T+	Current profit/loss	Status
PDR	9/8/2022	53.5	60	52	12%	53.7	2	0.37%	Buy
CTG	9/8/2022	28.5	32	27.5	12%	28.45	2	-0.18%	Buy
GVR	9/8/2022	24.6	28	23.5	14%	25.05	2	1.83%	Hold
HVN	10/8/2022	17.3	20	16.5	16%	18.1	1	4.62%	Hold
BVB	10/8/2022	14	15	13.5	7%	14.1	1	0.71%	Buy

Total return **7.37%**

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

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