MORNING CALL

August 12, 2022

Shinhan Securities

"Adjust to accumulate rebound momentum"

- Global stocks continue to prosper after US CPI, PPI released with better result than expected
- VNIndex slightly fell to accumulate rebound momentum
- Derivatives update #VN30F1M
- Technical view and recommendations #GVR #PDR #CTG #HVN #BVB
- 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

Shinhan
Compassionate Finance

Global stocks continue to prosper after US CPI, PPI 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.
- US PPI in July fell 0.5%, contrary to the market forecast of 0.2% increase, so the result was more positive than forecast.
- Yiwu city, Zhejiang province in China, a major hub for the country's production and export of goods has just been locked down after a number of Covid-19 outbreaks.
- Crude oil surged 3% on Thursday to near $94 a barrel, as the IEA raised its oil demand estimate for 2022. Besides, the Druzhba pipeline from Russia to Europe resumed earlier this week, reducing supply concerns.

Market

	Close	%1D	%1M	%1Y
VN-Index	1,252	-0.35%	6.58%	-7.46%
S&P 500 Index	4,207	-0.07%	9.15%	-5.41%
Dow Jones Index	33,337	0.08%	7.60%	-6.09%
Hang Seng	20,082	2.40%	-3.66%	-24.27%
Nikkei 225	28,323	1.81%	5.63%	0.90%
SHCOMP Index	3,282	1.60%	0.01%	-6.90%
STI Index	3,302	0.48%	4.97%	3.74%
KOSPI Index	2,522	-0.08%	8.80%	-21.40%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	105.24	0.14%	-2.63%	13.11%
USD/VND	23,394.00	-0.05%	-0.18%	-2.38%
EUR/USD	1.03	-0.10%	2.72%	-12.11%
USD/CNY	6.74	-0.31%	-0.38%	-3.93%
Brent	99.29	-0.31%	-0.20%	39.24%
WTI	94.04	-0.32%	-1.88%	36.11%
Natural gas	8.69	-2.13%	40.92%	120.82%
Coal	401.00	0.59%	-4.30%	136.72%
Gold	1,786.95	-0.15%	3.53%	1.94%

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



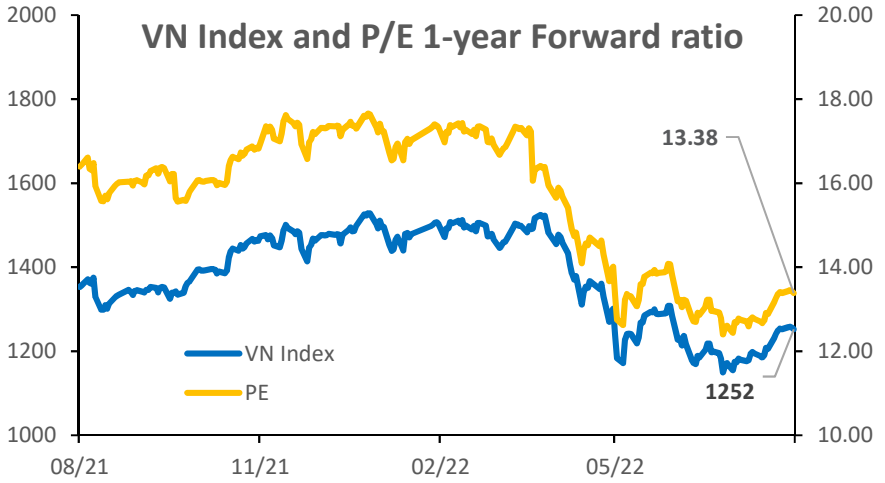
Wall Street continues to prosper

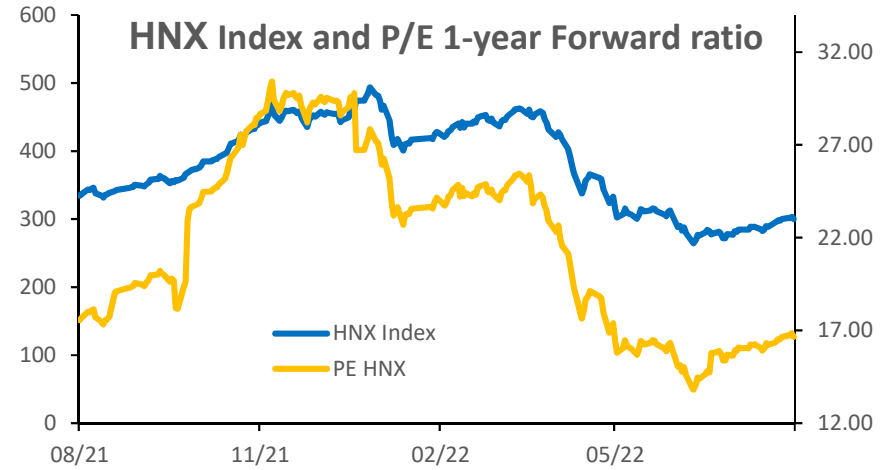
Dow Jones remained in the green on Thursday, however, it narrowed its gains at the end of the session and closed at 33,336 points, although it sometimes surpassed 33,500 points during the session.

The index surpassed resistance at 33,300 points and will probably accumulate and struggle in the next sessions.

- US CPI in July was 8.5% compared to 9.1% in the previous month, core CPI was announced at 5.9%, more positive than the 6.1% expected by the market.
- US PPI in July fell 0.5%, contrary to market forecast of 0.2% increase, so the result was more positive than forecast.
- 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 – 11/08/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,252.07	13.38	-4.43	-0.35	811	18,777
HNX INDEX	300.18	16.65	-3.36	-1.11	129	2,556

Money flow and sector rotation (VND bn)

Sector	%1D	8/11/2022	8/10/2022	20-session Average
Financial Services	85.96	3,087	1,660	1,771
Technology	78.33	245	137	194
Media	71.06	15	9	10
Banks	55.82	2,416	1,550	1,996
Food and Beverage	54.64	1,743	1,127	1,224
Construction & Materials	51.98	1,505	990	888
Utilities	44.84	451	312	341
Retail	35.19	478	353	429
Health Care	33.44	44	33	40
Personal & Household Goods	31.58	246	187	178
Industrial Goods & Services	24.78	913	731	701
Chemicals	20.85	782	647	711
Basic Resources	11.93	1,603	1,433	1,200
Real Estate	11.75	3,028	2,710	2,202
Automobiles & Parts	3.05	110	107	113
Travel & Leisure	-7.9	142	154	111
Insurance	-14.2	124	145	113
Oil & Gas	-21.1	270	342	155

Shinhan Securities

Breaking News

Bullish	■ The World Bank (WB) has just forecasted that Vietnam's GDP growth in 2022 could reach 7.5%. This is considered an amazing forecast in the situation Vietnam's economy is still facing many difficulties and it is too far from the government's previous target of 6.5%. ■ Previously, the International Monetary Fund (IMF) adjusted its GDP growth forecast for Vietnam in 2022 from 6% to 7%. ■ In 7 months, the whole country disbursed public investment capital at approximately 34.5% of the year plan, it is necessary to accelerate the disbursement progress towards the end of the year.
Bearish	■ Deposit interest rates continue to increase. ■ The number of Covid cases in Vietnam is increasing slightly.

Derivatives update 11/08

Index Futures VN30F1M

Maturity: 18/08/2022

1,268.0 ↓			
-2.60 (-0.2%)			
11/08/2022 14:59			
Closed			
Open	1,285.0	Foreign Buy	1,685
High	1,288.0	Foreign Sell	4,332
Low	1,268.0	High Listing	1,568.0
Vol	201,523	Low Listing	578.7
OI	57,254	Avg Vol Listing	125,409
Basis	-4.33	Beta	-



Market trend:

- VN30F1M opened creating a gap of more than 10 points at the beginning of the session reached 1285 points, however, the uptrend was not maintained and the short force prevailed right after that. As a result, the index closed in red at 1268 points.
- Noted that the amount of OI (new open positions) has continuously increased since mid-July when the market signaled to create a short-term bottom. The index's reversal to reduce the amount of OI is necessary when the maturity of the Futures Contract is next week.

Scenarios:

- Positive: The support for the trend is around 1260 points, which is also the peak created in early July. In general, it is likely that the index will bounce back from this level.
- Less positive: The index dropping and losing 1255 points will fall into a correcting phase and the trend after that is quite complicated.

Technical view



VNI	1252.07 (-4.43 -0.35%)	HNX	300.18 (-3.36 -1.11%)	UPCOM	92.72 (-0.39 -0.42%)	VN30	1272.33 (-4.82 -0.38%)
810,553,640 CP	18,777.03 Tỷ	128,789,513 CP	2,556.30 Tỷ	77,077,917 CP	1,271.87 Tỷ	191,325,840 CP	6,594.71 Tỷ
↑136(4)	78 ↓319(11) Hết giờ GD	↑61(7)	132 ↓144(5) Hết giờ GD	↑126(9)	467 ↓162(11) Hết giờ GD	↑11(0)	2 ↓17(0) Hết giờ GD

Market trend: Adjust to accumulate rebound momentum

The VNIndex fell slightly to 1252 points, close to the MA10 support around 1245 points, however, it lost most of gaining momentum during the session. Closing with a long red candle showing the increase of selling pressure, accompanied by a sudden high trading volume. This signaled that a short-term correction gradually was appearing. The nearest support for the trend is around 1245 points and beyond is 1220 points.

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 **12/8/2022**

Unit: thousand VND

Ticker	Recommendation day	Buying price (+/- 1%)	Target	Cut loss	Upside	Current price	T+	Profit/Loss	Status
PDR	9/8/2022	53.5	60	52	12%	53.6	4	0.19%	Buy
CTG	9/8/2022	28.5	32	27.5	12%	28.5	4	0.00%	Buy
GVR	9/8/2022	24.6	28	23.5	14%	24.7	4	0.41%	Buy
HVN	10/8/2022	17.3	20	16.5	16%	17.8	3	2.89%	Hold
BVB	10/8/2022	14	15	13.5	7%	14	3	0.00%	Buy

Total return **3.48%**

Shinhan Securities

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



Compliance Notice

- Analyst Certification: We/I hereby certify the information and material presented in this report are accurate expressions of their views, and that we/I have not received internally or externally wrongful pressure to express such views.
- All opinions and estimates regarding the company and its securities are accurate representations of the covering analyst's judgments as of this date and may differ from actual results.
- This report is intended to provide information to assist investment decisions only and should not be used or considered an offer or the solicitation of an offer to sell or to buy any securities. Stock selection and final investment decisions should be made at the client's own discretion.
- This report is distributed to our clients only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.

Disclaimers

- This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of Shinhan Securities Vietnam Ltd.., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of Shinhan Securities Vietnam Ltd.
- This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. Shinhan Securities Vietnam Ltd. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Shinhan Securities Vietnam Ltd.., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or Shinhan Securities Vietnam Ltd. The final investment decision is based on the client’s judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.
- Copyright ⓒ 2020 Shinhan Securities Vietnam Ltd. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of Shinhan Securities Vietnam Ltd.