MORNING CALL

August 15, 2022

Shinhan Securities

“The challenge of new money flow”

- Global stocks had a prosper week but transactions started to be more cautious
- VNIndex is waiting for the signal from new money flow
- Money flow highlights
- Technical view and recommendations #HPG #VGI
- 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 15-19/08/2022

Shinhan
Compassionate Finance

After a prosper week of trading, the market started to be more cautious

- U.S. jobless claims increased for a second straight week, which was a signal that labor market growth was gradually slow.
- The UK's gross domestic product (GDP) fell in the second quarter of 2022, Russia's GDP also declined by 4% in the second quarter.
- China is planning a summit with US President
- Crude oil dropped to 92 USD/barrel after rising sharply last Thursday to 95 USD/barrel. Uncertainty about upcoming energy demand is unlikely to be resolved in the short term.

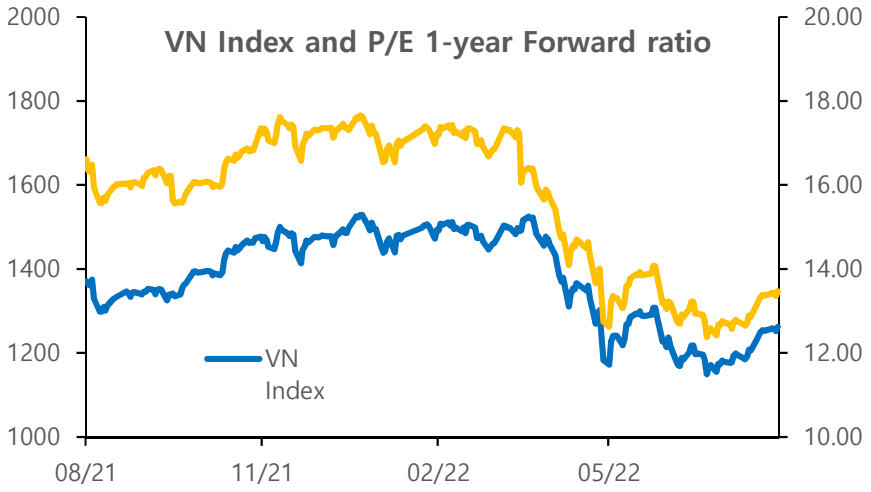
Market

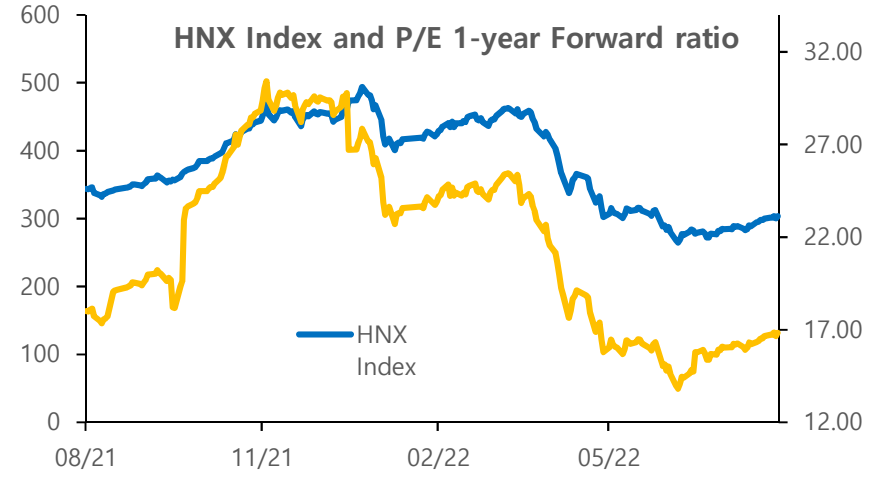
	Close	%1D	%1M	%1Y
VN-Index	1,262	0.82%	7.05%	-6.98%
S&P 500 Index	4,280	1.73%	10.79%	-4.20%
Dow Jones Index	33,761	1.27%	7.90%	-4.94%
Hang Seng	20,176	0.46%	-0.60%	-23.55%
Nikkei 225	28,658	0.39%	6.98%	2.43%
SHCOMP Index	3,277	-0.15%	1.51%	-6.81%
STI Index	3,269	-0.99%	5.49%	3.28%
KOSPI Index	2,528	0.16%	8.45%	-20.29%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	105.67	0.04%	-2.21%	14.22%
USD/VND	23,395.00	0.00%	-0.12%	-2.50%
EUR/USD	1.03	0.00%	1.78%	-12.90%
USD/CNY	6.74	0.03%	-0.27%	-3.90%
Brent	97.69	-0.47%	-3.43%	38.39%
WTI	91.70	-0.42%	-6.04%	33.99%
Natural gas	8.67	-1.14%	23.55%	124.50%
Coal	407.65	1.66%	-4.31%	138.04%
Gold	1,798.99	-0.19%	5.32%	0.65%

Vietnam Market Snapshot – 12/08/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,262.33	13.47	10.26	0.82	542	13,057
HNX INDEX	303.42	16.82	3.24	1.08	70	1,505

Money flow and sector rotation (VND bn)

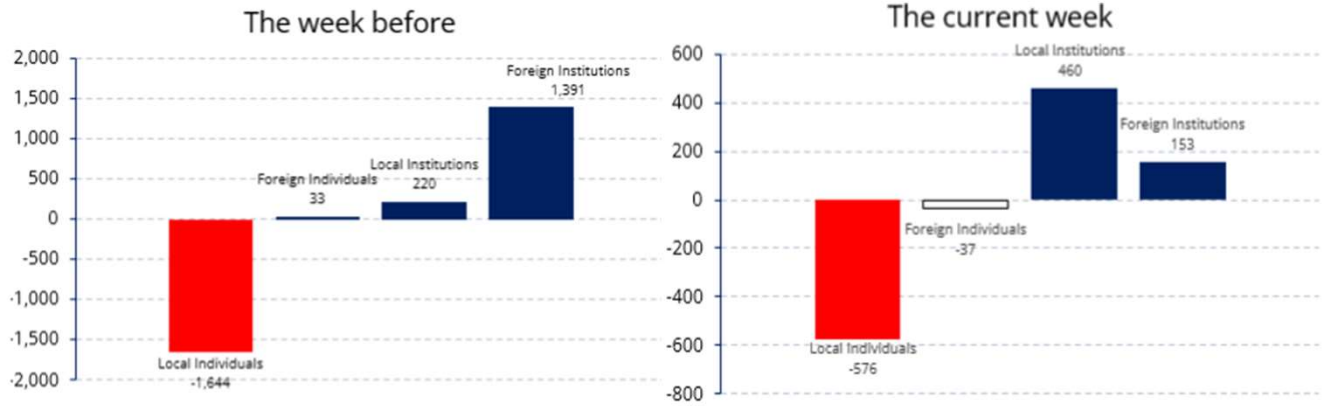
Sector	%1D	8/12/2022	8/11/2022	20-session Average
Retail	34.67	643	478	442
Basic Resources	7.88	1,730	1,603	1,204
Automobiles & Parts	-19.7	88	110	110
Industrial Goods & Services	-20.8	723	913	706
Travel & Leisure	-24.0	108	142	112
Media	-24.8	11	15	11
Real Estate	-24.9	2,273	3,028	2,215
Personal & Household Goods	-27.0	180	246	179
Utilities	-35.7	290	451	340
Technology	-36.4	156	245	194
Food and Beverage	-37.4	1,091	1,743	1,234
Oil & Gas	-37.9	168	270	158
Chemicals	-39.1	477	782	704
Insurance	-39.8	75	124	112
Health Care	-40.1	26	44	40
Construction & Materials	-40.3	899	1,505	894
Financial Services	-41.9	1,794	3,087	1,792
Banks	-45.3	1,322	2,416	1,968

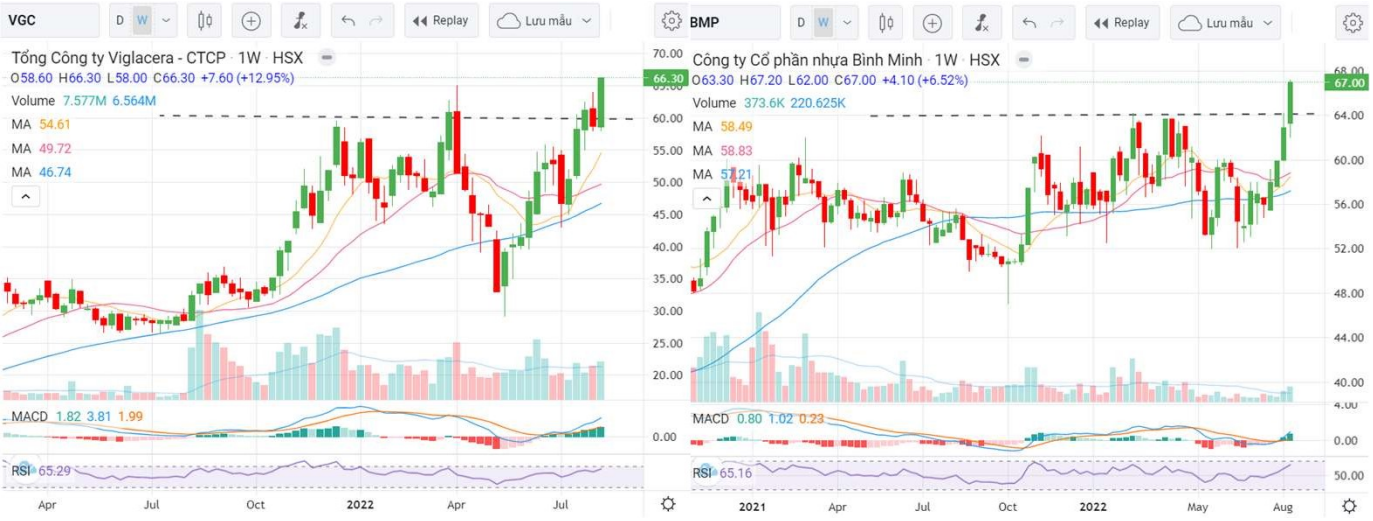
Shinhan Securities

Breaking News

Bullish	■ Vietnam continues to consolidate its high position in the global recovery index and is recognized as one of the rising economic stars in the region with a positive economic outlook (WB, IMF, Rouse website, Asia global Online ...) ■ The Ministry of Industry and Trade released a report on industrial production in July with data showing that industrial production has continued to recover in most industries. ■ Vo Van Hoan, Vice chairman of the People's Committee of Ho Chi Minh City, affirmed that the city does not have a policy of abolishing any export processing zone - industrial park, but orienting to appropriate transformation, and at the same time supplementing and orienting for new export processing zones - industrial zones.
Bearish	■ The textile and garment industry is forecasted to face many difficulties and great challenges in the second half-year 2022. The high inflation rate in major consumer markets such as the US and Europe... lessens the purchasing power of consumer goods. In addition, input costs increased due to high prices of raw materials and fuel. ■ The number of Covid cases is increasing slightly.

Money flow highlights





Review

- Although foreign was not as active as in previous weeks, it remained a net buy. On HoSE, foreign investors had the 4th consecutive week of net buying, focusing on HDB. In contrast, domestic individual investors were net selling.

Market trend: Stocks surpassing the top of the week appeared

- The money flow started to slow down in the large-cap group and started moving to the small- and mid-cap group. Therefore, the trading strategy should prioritize this group. Money flow should pay attention to Ports, Plastics, and Industrial Parks in the coming time.
- Stocks that surpassed the top value last week: VGC, BMP.

Technical view



Market trend: Required new money flow catalyst

- The index is fluctuating in a narrow range around 1240 – 1280 points, trading volume continues to remain above the 20 session average, showing that the money flow is good, however, there is signs of decreasing recently. RSI is approaching the overbought zone, so corrections are needed to create a better recovery momentum for the trend.

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 for 2H2022

❖ **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 for 2H2022

Shinhan
Compassionate Finance

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**

Today's New Stock Recommendation



HPG

- Buy: 23.8
- Target: 26.5
- Cut loss 22.4
- Profit / Loss: 2:1

Technical signal

- The stock got out from the bottom around 21 -22 and the accumulated trend created a new base on the old bottom.
- MACD has crossed the threshold of 0 with RSI > 50, showing that the money flow is good.

Today's New Stock Recommendation



VGI

- Buy: 33 (increasing proportion when exceeding 34)
- Target: 38
- Cut loss 31
- Profit / Loss: 2:1

Technical signal

- Stocks tend to accumulate tightly around 32 - 33, after confirming the bottom in early July. Trading volume increased by consensus.
- MACD has crossed the threshold of 0 with RSI > 50, showing that the money flow is good.

Recommended portfolio

Trading portfolio

Updated date 15/8/2022

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%	53.8	5	0.56%	Buy
CTG	9/8/2022	28.5	32	27.5	12%	28.65	5	0.53%	Buy
GVR	9/8/2022	24.6	28	23.5	14%	24.85	5	1.02%	Hold
HVN	10/8/2022	17.3	20	16.5	16%	17.85	4	3.18%	Hold
BVB	10/8/2022	14	15	13.5	7%	13.9	4	-0.71%	Buy
HPG	**15/8/2022**	**23.8**	**26.5**	**22.4**	**11%**				**Buy**
VGI	**15/8/2022**	**33**	**38**	**31**	**15%**				**Buy**
						Total return		**4.57%**	

Today's watchlist

NT2	Open a long position when the price has a signal of break 27 with volume above 20 session average
LPB	Open a long position when the price has a signal of break 16 with volume above 20 session average

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.