MORNING CALL

August 17, 2022

Shinhan Securities

“Tug-of-war trend”

- Global stocks remained in green
- VN-Index struggled to trade
- Breaking News #VGI
- 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

Major stock markets remained in green

- Wall Street stocks increased as investors were optimistic about earnings reports from major retailers, and the transactions started to be more cautious to wait for the FOMC meeting on Thursday, which will reveal more detail about the Fed's upcoming increasing rate decision.
- Asian stocks mostly rose, Japan's GDP is forecast to increase by more than 2%. While, China went backwards as industrial output and retail sales in July rose less than expected.
- Crude oil fell below the threshold of 87 USD/barrel. As the industrial production of China, a top oil importer, has fallen than the expectations, add to the possible increase of supply from Iran as it may accept the EU's offer to recover the nuclear deal.

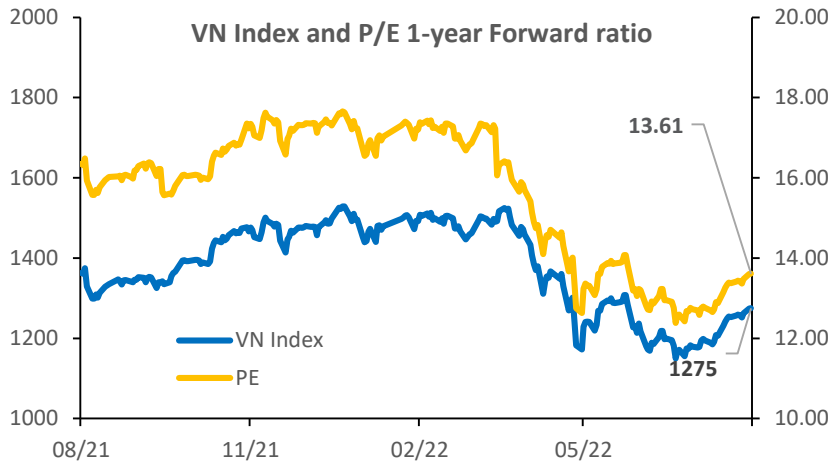
Market

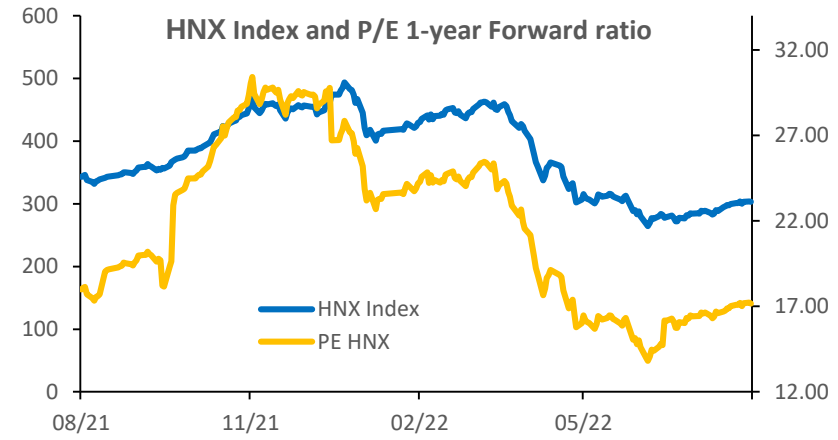
	Close	%1D	%1M	%1Y
VN-Index	1,275	0.04%	8.09%	-6.49%
S&P 500 Index	4,305	0.19%	11.44%	-3.90%
Dow Jones Index	34,152	0.71%	9.15%	-4.14%
Hang Seng	19,831	-1.05%	-2.30%	-22.98%
Nikkei 225	29,061	0.67%	8.48%	5.97%
SHCOMP Index	3,278	0.05%	1.54%	-4.91%
STI Index	3,254	-0.09%	4.99%	4.34%
KOSPI Index	2,537	0.12%	8.82%	-19.30%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.48	-0.02%	-1.47%	14.33%
USD/VND	23,401.00	-0.01%	0.16%	-2.44%
EUR/USD	1.02	-0.02%	0.26%	-13.16%
USD/CNY	6.79	-0.22%	-0.66%	-4.62%
Brent	92.52	0.19%	-8.54%	34.03%
WTI	86.86	0.38%	-10.99%	30.44%
Natural gas	9.35	0.17%	33.20%	143.55%
Coal	407.50	-0.61%	-0.38%	133.56%
Gold	1,774.26	-0.08%	3.81%	-0.67%

Vietnam Market Snapshot – 15/08/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,274.69	13.62	0.49	0.04	618	14,945
HNX INDEX	303.02	16.80	-0.95	-0.31	81	1,508

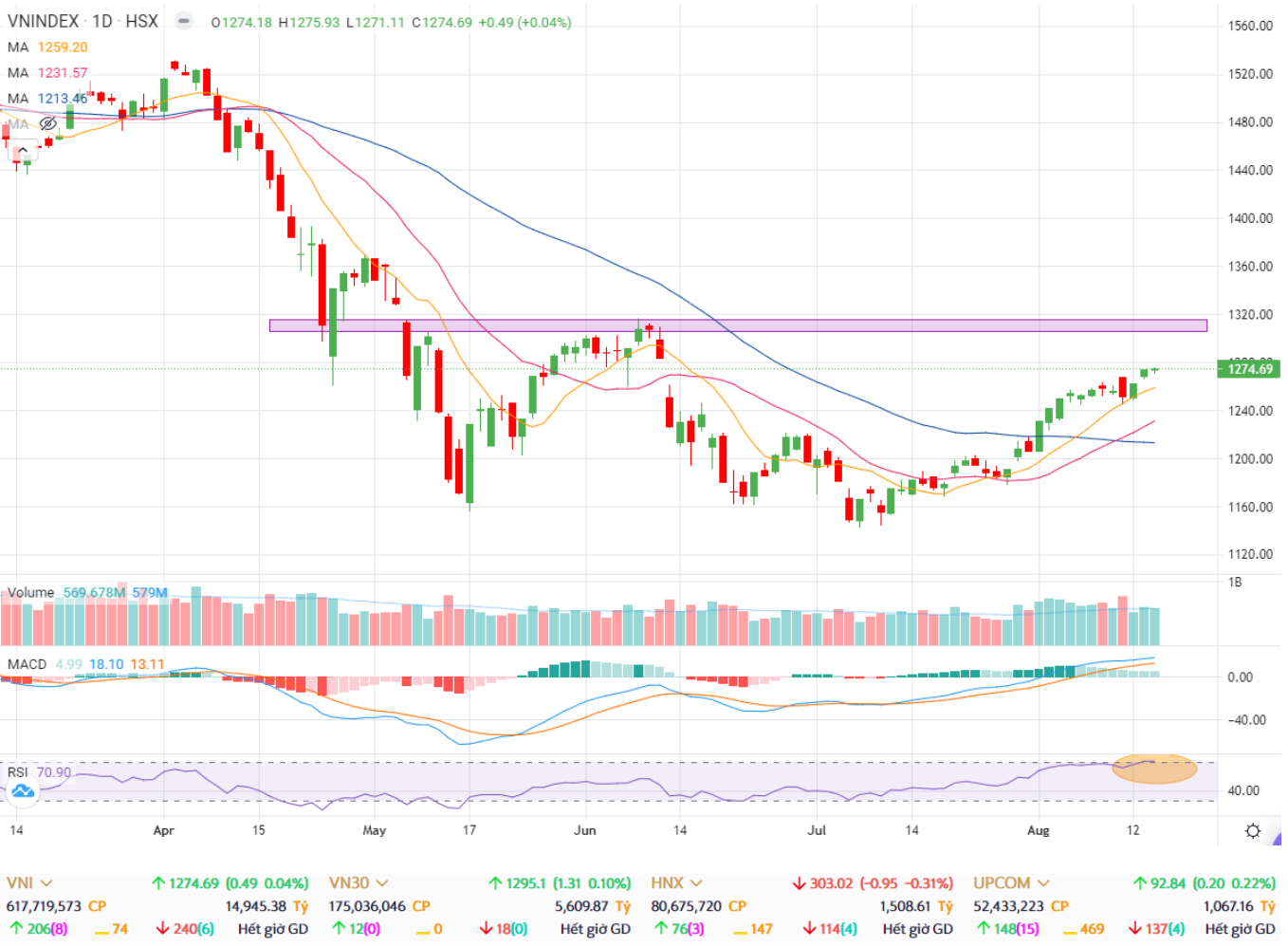
Money flow and sector rotation (VND bn)

Sector	%1D	8/16/2022	8/15/2022	20-session Average
Basic Resources	86.38	2,534	1,360	1,321
Media	69.74	9	5	9
Personal & Household Goods	58.22	296	187	192
Construction & Materials	35.57	1,205	889	924
Chemicals	29.57	654	505	693
Oil & Gas	27.37	277	218	172
Health Care	24.06	33	26	40
Industrial Goods & Services	6.77	833	781	736
Retail	0.51	574	571	469
Financial Services	-1.6	1,576	1,602	1,804
Insurance	-2.7	78	81	111
Travel & Leisure	-6.2	114	122	117
Automobiles & Parts	-8.7	95	104	110
Utilities	-16.4	298	357	339
Real Estate	-17.0	1,923	2,317	2,238
Food and Beverage	-28.8	1,060	1,489	1,255
Banks	-41.9	1,701	2,929	2,061
Technology	-43.0	177	311	206

Breaking News

Bullish	■ The project to upgrade the Cai Mep - Thi Vai port is expected to start at the beginning of next year, depending on the actual situation. ■ Ho Chi Minh City decided to start construction of Vanh Dai 3 project in mid-2023. ■ Viettel wants to research and produce chips. In addition to being an intermediary for switching payments, Viettel has just proposed to the Prime Minister to produce chips for domestic demand and for export (VGI, CMG). ■ General Statistics Office of Vietnam stated that the gross domestic product (GDP) in the second quarter of 2022 was estimated to increase by 7.72% over the same period of last year, higher than the growth rate of the second quarter of the years between 2011-2021. With this result, Vietnam's GDP growth in the second quarter of 2022 is the second highest in the ASEAN-6 region, after Malaysia.
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.

Technical view



VNI			VN30			HNX			UPCOM		
617,719,573 CP	1274.69 (0.49 0.04%)	14,945.38 Tỷ	175,036,046 CP	1295.1 (1.31 0.10%)	5,609.87 Tỷ	80,675,720 CP	303.02 (-0.95 -0.31%)	1,508.61 Tỷ	52,433,223 CP	92.84 (0.20 0.22%)	1,067.16 Tỷ
206(8)	74	240(6)	12(0)	0	18(0)	76(3)	147	114(4)	148(15)	469	137(4)
Hết giờ GD			Hết giờ GD			Hết giờ GD			Hết giờ GD		

Market trend: Tug-of-war

- The VN-Index closed near the reference price at 1274 points, trading in a narrow range but remained in green towards the end of the session. After bouncing up strongly from the support of 1250 points (corresponding to MA10), short-term profit-taking pressure was obvious. The MACD remained above the positive and neutral domain. While the RSI was back to the overbought zone, the upcoming sessions are likely to fluctuate.

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

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 **17/8/2022**

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%	54.5	6	1.87%	Hold
CTG	9/8/2022	28.5	32	27.5	12%	29.2	6	2.46%	Hold
GVR	9/8/2022	24.6	28	23.5	14%	24.8	6	0.81%	Buy
HVN	10/8/2022	17.3	20	16.5	16%	17.7	5	2.31%	Hold
BVB	10/8/2022	14	15	13.5	7%	14.2	5	1.43%	Hold
HPG	15/8/2022	23.8	26.5	22.4	11%	24.55	2	3.15%	Hold
VGI	15/8/2022	33	38	31	15%	34.8	2	5.45%	Hold
						Total return		**17.48%**	

Today's watchlist

NT2	Open a long position when the price has a signal of break 27 with trading volume above 20 session average
VGC	Open a position when the price drops to 64

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

Shinhan Securities



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.