MORNING CALL

August 22, 2022

Shinhan Securities

“Challenged period”

- Global stocks slightly declined
- Domestic stocks differentiated
- Breaking news
- Technical view and recommendations #PDR
- Economic calendar
- Q&A

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Global Market Review - Week 22-26/08/2022

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Major stock markets struggled

- Wall Street dropped again at the end of the week, ending 4 consecutive gaining weeks. This week, investors will be interested in the US GDP estimate for the third quarter.
- Asian and European stocks also fell slightly. August PMI will be released for the UK, Australia, Germany, France and Japan.
- Crude oil struggled around the threshold of 90 USD/barrel as gas prices escalated.

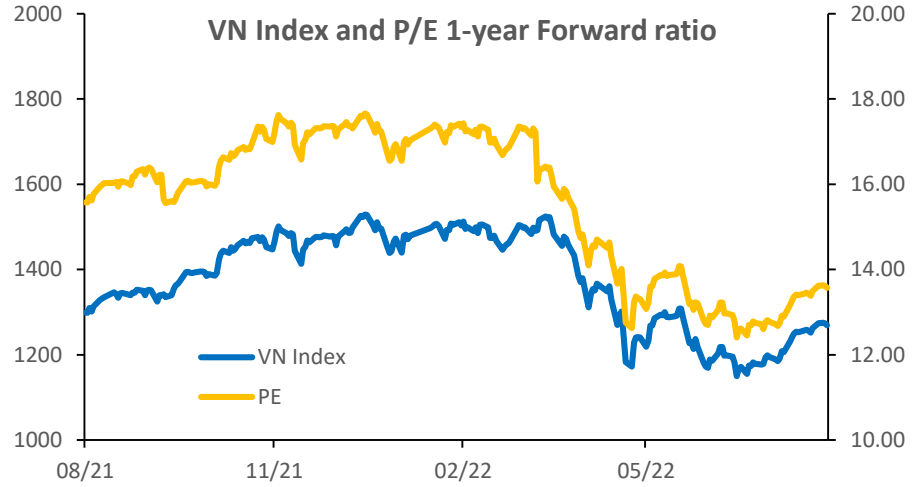
Market

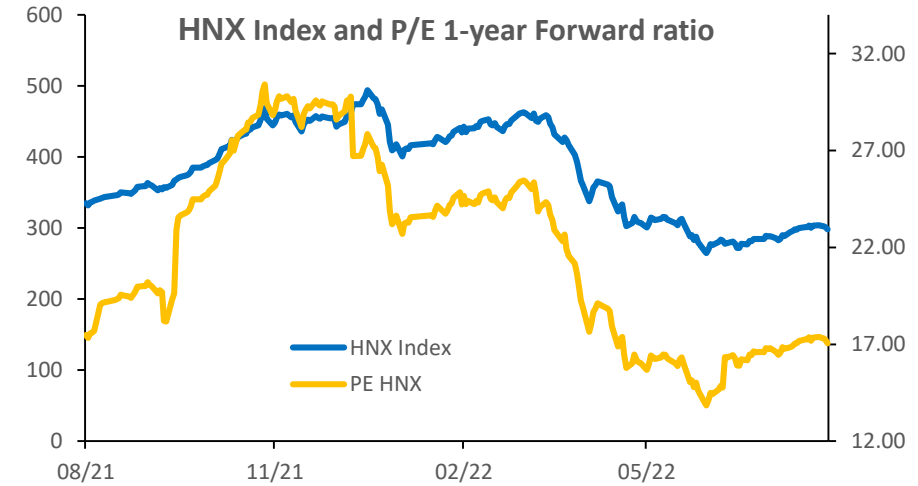
	Close	%1D	%1M	%1Y
VN-Index	1,269	-0.35%	6.23%	-4.53%
S&P 500 Index	4,228	-1.29%	6.74%	-4.80%
Dow Jones Index	33,707	-0.86%	5.67%	-4.02%
Hang Seng	19,773	0.05%	-4.06%	-20.43%
Nikkei 225	28,613	-1.10%	2.50%	5.92%
SHCOMP Index	3,258	-0.59%	-0.36%	-4.94%
STI Index	3,247	-0.82%	2.05%	4.63%
KOSPI Index	2,468	-0.98%	3.14%	-19.35%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	108.24	0.07%	1.42%	15.77%
USD/VND	23,393.00	0.05%	0.20%	-2.48%
EUR/USD	1.00	-0.12%	-1.84%	-14.64%
USD/CNY	6.82	-0.46%	-1.08%	-4.73%
Brent	95.60	-1.16%	-7.36%	46.67%
WTI	89.65	-1.23%	-5.33%	43.85%
Natural gas	9.24	-1.03%	11.34%	139.94%
Coal	416.25	0.57%	4.15%	143.56%
Gold	1,746.68	-0.02%	1.10%	-3.25%

Viet nam Market Snapshot 19/8/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,269.18	13.57	-4.48	-0.35	608	14,920
HNX INDEX	297.94	17.04	-3.25	-1.08	84	1,654

Money flow and sector rotation (VND bn)

Sector	%1D	8/19/2022	8/18/2022	20-session Average
Health Care	72.76	33	19	37
Personal & Household Goods	43.26	263	183	198
Insurance	43.14	129	90	113
Oil & Gas	43.13	312	218	197
Basic Resources	40.81	1,443	1,024	1,397
Industrial Goods & Services	30.07	847	651	749
Construction & Materials	18.20	1,015	859	965
Banks	5.41	2,378	2,256	2,117
Media	3.70	6	6	9
Automobiles & Parts	0.20	87	87	109
Real Estate	-6.2	2,564	2,732	2,402
Retail	-9.6	468	518	447
Food and Beverage	-10.4	1,238	1,381	1,276
Utilities	-18.8	307	378	345
Technology	-22.6	205	265	209
Chemicals	-31.1	565	820	690
Financial Services	-33.5	1,556	2,341	1,886
Travel & Leisure	-41.7	100	172	122

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Breaking News

Bullish	■ Applying T+2 to transaction begins on 29/08. ■ 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 economic situation of many countries in the world falling into inflation recently has affected export of agricultural products of Vietnam such as wood processing and export industry. ■ The number of Covid cases is increasing slightly.

Technical view



Trend: The signal of correction

- VnIndex opened the first session of the week in red when when selling continued to dominate and pushed the index back to 1,260 points. . MACD was shrinking in volume and may cut down to the signal line, giving a short-term correction signal. RSI also dropped to 60. The bright spot is that trading volume was not too high, showing that the selling may decrease in the coming sessions. The nearest support for the trend is the area of 1,240 – 1,250 points, it is likely that the index will correct and shake around this zone.

Scenarios:

- Positive (65%): The retracement wave is likely to continue and target the resistance area around 1,300 points. However, in the short term, we need to be cautious because the index might need to correct to create more gaining momentum. Therefore, only open long positions in the correction and avoid excitement.
- Less positive (35%): If index drops again and breaks through 1,200 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 Update



PDR (reached target)

- Buy: 53.5
- Target: 59
- Cut loss: 51.5
- Profit / Loss: 2:1

Technical signal

- Price increased to the resistance around 59 – 60
- RSI considerably went up and in overbought zone

Recommended portfolio

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Trading portfolio

Updated date 22/8/2022

Unit: thousand VND

Ticker	Recommendation day	Buying price (+/- 1%)	Target	Cut loss	Upside	Current price	T+	Profit/Loss	Status
CTG	9/8/2022	28.5	32	27.5	12%	28.25	9	-0.88%	Buy
GVR	9/8/2022	24.6	28	23.5	14%	24.2	9	-1.63%	Hold
HVN	10/8/2022	17.3	20	16.5	16%	17.4	8	0.58%	Buy
BVB	10/8/2022	14	15	13.5	7%	13.7	8	-2.14%	Hold
HPG	15/8/2022	23.8	26.5	22.4	11%	23.75	5	-0.21%	Buy
VGI	15/8/2022	33	38	31	15%	33.5	5	1.52%	Hold
PDR	9/8/2022	53.5	60	52	12%	58.4	9	9.16%	Sell
						Total return		6.40%	

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

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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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