MORNING CALL

August 30, 2022

Shinhan Securities

“Bearish reversal not yet confirmed”

- Global stocks continue to decline
- Domestic stocks rebound but be cautious
- Macroeconomic update in August 2022
- Technical view and recommendations
- Economic calendar
- Q&A

[Analysts]

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Global Market Review - Week 29-31/08/2022

Shinhan
Compassionate Finance

Major stock markets continue to fall

- Global stock markets were in the red on Monday, amid concerns over rising borrowing costs as central banks around the world showed sign of interest rates will continue to rise to deal with inflationary pressures. On Friday, Fed Chair Powell reiterated the need for tightening monetary policy for a period to bring inflation down. Major stock exchanges in Europe were down nearly 1% and stock futures in the US also pointed to a weak open.
- China launched an additional support package of 1 trillion yuan (nearly 146 billion USD) to rescue the economy.
- During the week, investors will continue to watch the speeches of FOMC members Ms. Brainard and Mr. Williams, however, maybe high consensus with Fed Chairman - Powell.
- Crude oil rose to the threshold of 96 USD/barrel, while natural gas prices cooled down.

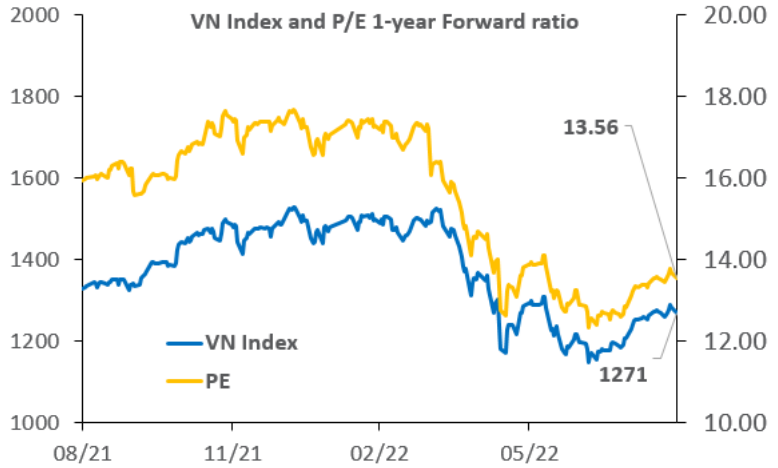
Market

	Close	%1D	%1M	%1Y
VN-Index	1,271	-0.92%	5.34%	-4.32%
S&P 500 Index	4,031	-0.67%	-2.41%	-10.62%
Dow Jones Index	32,099	-0.57%	-2.27%	-9.47%
Hang Seng	20,023	-0.73%	-0.66%	-21.60%
Nikkei 225	28,083	0.73%	1.01%	1.06%
SHCOMP Index	3,241	0.14%	-0.38%	-8.15%
STI Index	3,222	-0.84%	0.33%	3.87%
KOSPI Index	2,442	0.62%	-0.39%	-22.33%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	108.69	-0.13%	2.63%	17.31%
USD/VND	23,427.00	-0.07%	-0.36%	-2.77%
EUR/USD	1.00	0.07%	-2.51%	-15.20%
USD/CNY	6.91	-0.54%	-2.38%	-6.40%
Brent	104.70	-0.37%	-4.83%	42.62%
WTI	96.71	-0.31%	-1.94%	39.73%
Natural gas	9.29	-0.47%	12.92%	115.84%
Coal	427.00	-1.00%	3.64%	147.29%
Gold	1,739.28	0.13%	-1.86%	-3.93%

Vietnam Market Snapshot 29/08/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,270.80	13.57	-11.77	-0.92	624	15,482
HNX INDEX	295.54	16.92	-3.96	-1.32	85	1,770

Money flow and sector rotation (VND bn)

Sector	%1D	8/29/2022	8/26/2022	20-session Average
Chemicals	88.55	1,717	911	796
Industrial Goods & Services	54.23	1,069	693	809
Basic Resources	54.05	1,471	955	1,435
Media	49.46	11	7	9
Financial Services	43.20	2,764	1,930	2,014
Oil & Gas	38.69	485	350	269
Construction & Materials	37.81	1,284	932	1,012
Personal & Household Goods	31.34	391	298	234
Health Care	30.45	33	26	34
Real Estate	29.08	3,458	2,679	2,600
Technology	18.11	254	215	214
Food and Beverage	16.82	1,592	1,363	1,379
Banks	8.44	2,355	2,172	2,116
Automobiles & Parts	-0.2	161	162	116
Insurance	-4.1	124	129	111
Travel & Leisure	-7.5	128	138	123
Retail	-8.0	1,025	1,114	558
Utilities	-19.4	426	528	371

Breaking news

Macro

Positive

- According to the General Statistics Office's announcement on August 29, Vietnam macroeconomic has positively recovered in almost sectors.
- International visitors to Vietnam in August 2022 reached 486.4 thousand arrivals, up 38% over the previous month and 52 times higher than the same period last year thanks to tourism opening policy. Korea is the country with the most visitors to Vietnam.
- The implementation of odd-lot trading is planned to launch from September 12 by the Ho Chi Minh City Stock Exchange (HoSE).

Less positive:

- Inflation in export markets such as the US and EU has significantly affected orders and unit prices of textile, footwear and furniture enterprises from now until the end of the year.
- The number of Covid cases is increasing slightly again.

Business news

- MWG, the valuation rumor for Bach Hoa Xanh is incorrect.
- ITA violated information disclosure regulations for several times in this year that was placed under a warning and will not be eligible for margin trading.
- GMD, Gemadept said that they are in the process of carrying out procedures and arranging capital to deploy the construction of phase 2 of Gemalink port in the second half of the year, ready to launch phase 2 into operation from 2024.
- SZL, Sonadezi Long Thanh JSC announced to pay cash dividends in 2021 at the rate of 40%. The ex-dividend date is September 12.
- GIL, Binh Thanh Import - Export Production & Trade JSC will close the list of shareholders to receive dividends in shares in 2021. The ex-dividend date is September 9.

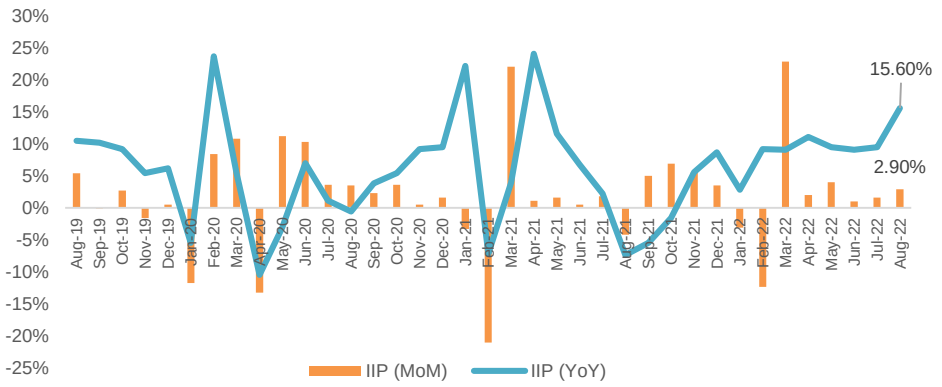


Macroeconomic update in August 2022

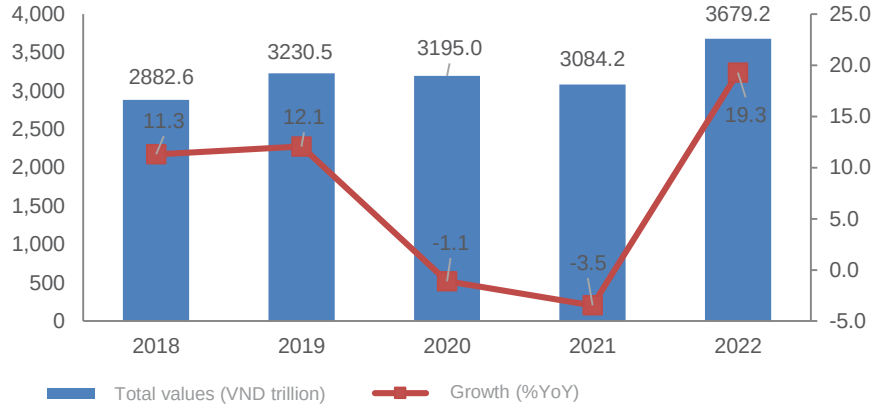
Vietnam's economy continues to recover

- **Industrial production continues the fast recovery trend** as businesses tried to expand production to compensate for the 2 years affected by the COVID-19 pandemic, of which, some key industries increased sharply such as beverages, apparels, electronic components, drugs and pharmaceutical chemicals.
- **Total retail sales of consumer goods and services in August is estimated at VND 481.2 trillion (+0.6%MoM, +50.2%YoY), reaching a larger scale and growth rate than before COVID-19**, mainly thanks to strongest recovery of accommodation and catering services (up 2.9 times) and travel and tourism services (up 65.4 times).
- **Import and export also maintained positive** with total turnovers in 8M2022 at USD 497.64 billion (+15.5%YoY), in which, export and import increased by 17.3% and 13.6%, respectively; estimated trading surplus of USD 3.96 billion.
- **Investment activities have been accelerated** with total investment from State budget reached VND 285.4 trillion (+16.9%YoY) and completed 51% of the year plan; FDI disbursed was estimated at USD 12.8 billion (+10.5%YoY) for 8M2022.
- **Consumer price index (CPI) cooled down** when slightly increased by 0.005%MoM in August. Average CPI of 8M2022 was higher at 2.58%YoY and core inflation at 1.64%YoY. However, along with world fuel prices remained at high level and food prices likely to escalate in the coming time under the effects of climate change will continue to put pressure on global inflation.

Industrial production index (IIP)



Total retail sales of goods and services for 8M of 2018-2022



Sources: GSO

Technical view



VNI	1270.8 (-11.77 -0.92%)	VN30	1293.25 (-13.56 -1.04%)	HNX	295.54 (-3.96 -1.32%)	UPCOM	91.57 (-1.31 -1.41%)
845,897,224 CP	20,562.31 Tỷ	192,927,064 CP	6,565.84 Tỷ	130,019,714 CP	2,664.82 Tỷ	61,144,914 CP	1,124.04 Tỷ
↑ 73(9)	— 45 ↓ 399(13) Hết giờ GD	↑ 3(0)	— 3 ↓ 24(0) Hết giờ GD	↑ 51(6)	— 133 ↓ 153(7) Hết giờ GD	↑ 89(13)	— 466 ↓ 196(12) Hết giờ GD

Trend: Need to watch more reactions

- VnIndex opening with a gap down, however, the strong bottom-fishing force helped the index recover partially and closed with a green hammer candle. The index closed at 1,270 points, still keeping the MA20 support level with orders matched above average. The point to note is that although the index recovered during the session, it is still lower than MA10 and has not filled the gap yet. Therefore, the sessions after the rally should be better, if not back above 1,280 points, maybe the correcting pressure will continue. The nearest support for the trend is the threshold of 1,250 points, when this level has reacted well after 3 recent tests.

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 1,220 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

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Trading portfolio

Updated date 30/8/2022 — Unit: thousand VND

Ticker	Recommendation day	Buying price (+/- 1%)	Target	Cut loss	Upside	Current price	T+	Profit/Loss	Recommendation	Status
CTG	9/8/2022	28.5	32	27.5	12%	27.9	15	-2.11%	Hold	Open
GVR	9/8/2022	24.6	28	23.5	14%	25	15	1.63%	Hold	Open
HVN	10/8/2022	17.3	20	16.5	16%	17.1	14	-1.16%	Hold	Open
BVB	10/8/2022	14	15	13.5	7%	13.6	14	-2.86%	Hold	Open
HPG	15/8/2022	23.8	26.5	22.4	11%	23	11	-3.36%	Hold	Open
VGI	15/8/2022	33	38	31	15%	32.3	11	-2.12%	Hold	Open

Position Closed

PDR	9/8/2022	53.5	60	52	12%	58.4	7	9.16%	Sell	18/08/2022

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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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