MORNING CALL

August 31, 2022

Shinhan Securities

“Try to fill the gap down”

- Global stocks fall for 3rd session
- Domestic stocks rebounded but selling pressure prevailed
- Baltic Indices Update (BDI, BDTI, BCTI) #PVS #VOS
- Technical view and recommendations #GVR
- 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 29-31/08/2022

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Global stocks fall for 3rd session

- Wall Street extended losses for a third day on Tuesday, trying to rebound in the session failed, the index did rise over 32,200 points but ended the session dropped back below this threshold.
- Germany inflation rate rises more than expected, to 7.9% in August from 7.5% in July. Figures came above market forecasts of 7.8%, with cost of food and services marching higher.
- 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.
- WTI crude futures extended their retreat and fell more than 5% to below $92 per barrel on Tuesday, after SOMO (State Organization for Marketing of Oil Iraq's) said that they can redirect crude supplies to Europe if needed, adding to the bearish pressure.

Market

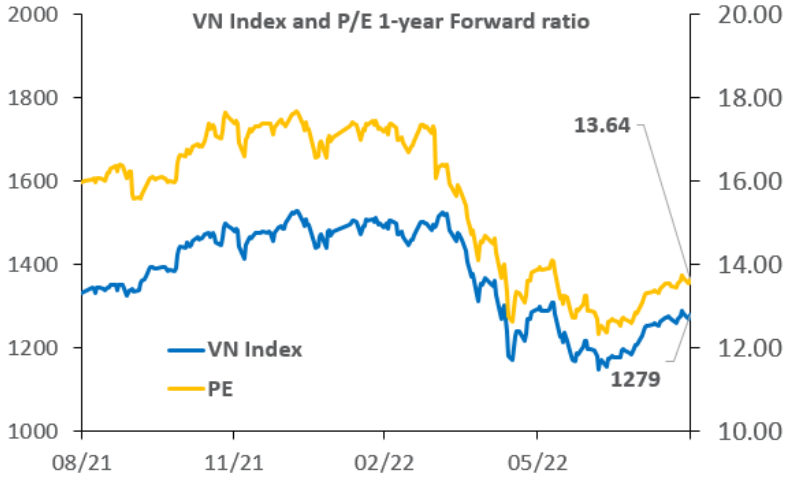
	Close	%1D	%1M	%1Y
VN-Index	1,279	0.68%	6.06%	-3.91%
S&P 500 Index	3,986	-1.10%	-3.49%	-11.98%
Dow Jones Index	31,791	-0.96%	-3.21%	-10.19%
Hang Seng	19,949	-0.37%	-1.03%	-22.91%
Nikkei 225	28,196	1.14%	1.42%	0.38%
SHCOMP Index	3,227	-0.42%	-0.80%	-8.94%
STI Index	3,239	0.53%	0.86%	6.03%
KOSPI Index	2,433	-0.73%	-0.75%	-23.95%

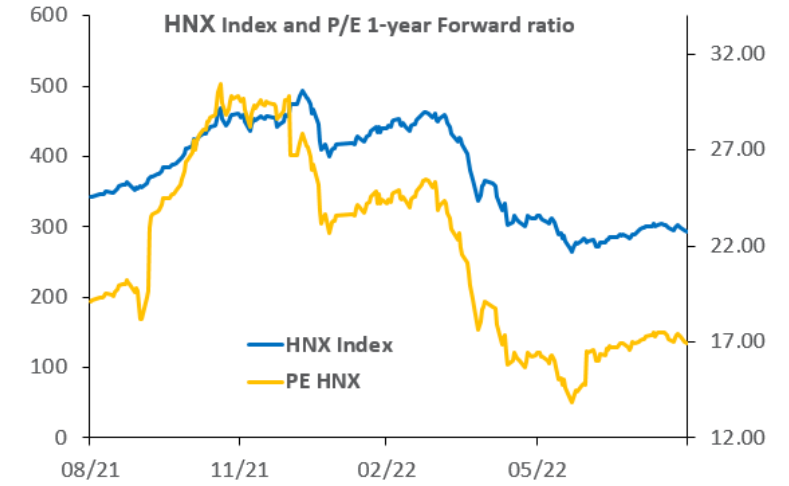
Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	108.79	0.02%	2.73%	17.45%
USD/VND	23,421.00	0.03%	-0.27%	-2.74%
EUR/USD	1.00	0.14%	-2.27%	-15.07%
USD/CNY	6.91	-0.04%	-2.06%	-6.43%
Brent	99.31	-5.50%	-9.73%	35.28%
WTI	92.14	0.55%	-6.57%	34.51%
Natural gas	9.11	0.72%	10.67%	108.06%
Coal	414.55	-1.94%	1.63%	141.93%
Gold	1,723.96	0.00%	-2.72%	-4.94%

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Vietnam Market Snapshot 30/08/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,279.39	13.64	8.59	0.68	526	13,836
HNX INDEX	293.86	16.94	-1.69	-0.57	69	1,631

Money flow and sector rotation (VND bn)

Sector	%1D	8/30/2022	8/29/2022	20-session Average
Health Care	26.52	42	33	33
Chemicals	-9.5	1,554	1,717	837
Utilities	-19.4	343	425	367
Food and Beverage	-25.6	1,184	1,592	1,357
Banks	-27.7	1,702	2,355	2,081
Real Estate	-28.9	2,457	3,458	2,571
Oil & Gas	-30.1	339	485	274
Insurance	-30.4	86	124	110
Personal & Household Goods	-34.3	257	391	238
Industrial Goods & Services	-39.9	642	1,069	801
Retail	-40.9	606	1,025	575
Technology	-41.1	149	254	208
Automobiles & Parts	-44.5	90	161	113
Construction & Materials	-46.5	667	1,246	991
Media	-47.1	6	11	9
Travel & Leisure	-47.5	67	128	121
Basic Resources	-48.5	758	1,470	1,415
Financial Services	-56.3	1,209	2,764	1,952

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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.



Baltic Indices Update

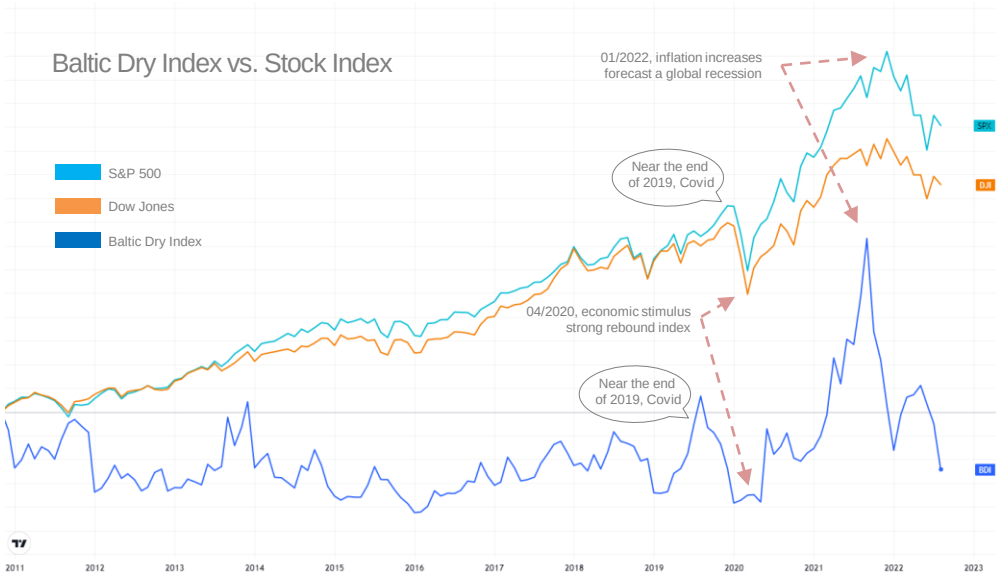




Overview:

The Baltic indices is one of the important baseline indexes, widely used to measure the transportation costs of goods, thereby indirectly assessing the supply/demand situation in the world. Consists of 3 main index:

- Baltic Dry Index (BDI)
- Baltic Dirty Tanker Index (BDTI)
- Baltic Clean Tanker Index (BCTI)



Nguồn: investing.com

Impact:

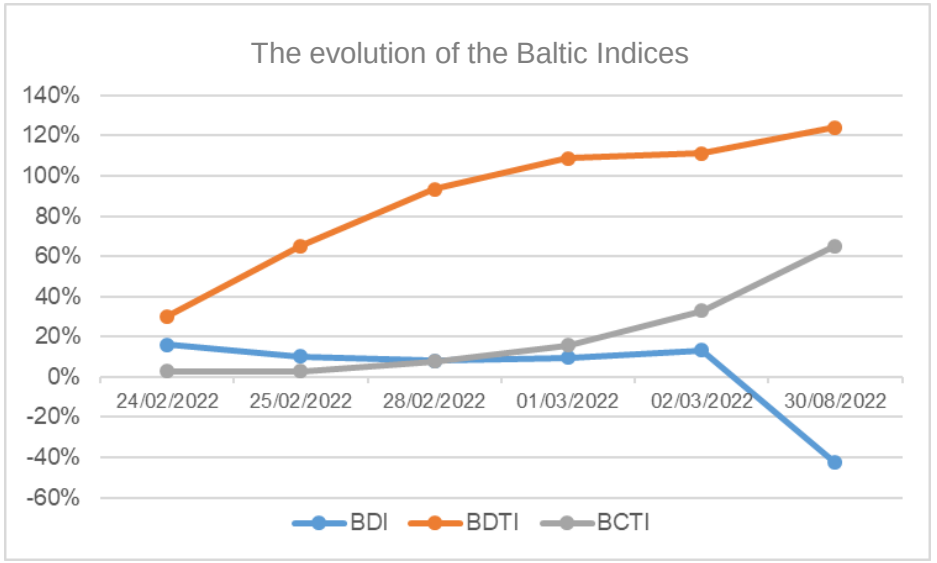
- The BDI is more commonly used to predict future growth of economic activity. When BDI increases, it means that trade becomes more active, and the economy is more vibrant, on the contrary, when BDI decreases, the forecast of the economy is gloomy and the demand for transportation of goods and materials is also lower. In general, the BDI index moves quite similar to the stock index, and has the meaning of predicting the trend.
- The BDI indirectly measures the worldwide supply/demand for bulk carrier such as construction materials, coal, metal ores and grains. Because bulk carrier mainly include materials that act as inputs for the production of products such as steel, concrete, electricity, and food.
- This is a rare index in the market that is immune to speculationbulk, as only bulk cargo owners and ship owners are allowed to enter into contracts. BDI is mainly influenced by demand for basic goods and transportation capacity.

Baltic Indices Update

The evolution of the Baltic indices when Russia opened a military campaign in Ukraine

Timeline

Indices	Unit	Before 1 week	24/02/2022	25/02/2022	28/02/2022	01/03/2022	02/03/2022	30/08/2022
BDI	point	1886	2187	2076	2040	2069	2137	1082
	(%)	0.00%	15.96%	10.07%	8.17%	9.70%	13.31%	-42.63%
BDTI	point	694	904	1147	1343	1449	1466	1554
	(%)	0.00%	30.26%	65.27%	93.52%	108.79%	111.24%	123.92%
BCTI	point	676	696	696	731	790	935	1284
	(%)	0.00%	2.96%	2.87%	7.90%	15.60%	32.78%	65.03%



Source: Bloomberg, Shinhan Securities

Trend:

- February 24, 2022: President of Russia Vladimir Putin announced the opening of a special military operation in Ukraine. Tensions continued to be pushed up in the following days.
- Taking the time of 1 week before the event happened as the base, all 3 indexes had a significant increase, in which, BDTI increased the most with more than 111% as of the beginning of March and more than 120% until now. This shows that the demand for transporting crude oil is very large and the impact of the war situation in Russia - Ukraine has had an immediate effect.
- The BDTI, BCTI index to date have maintained gains, while the BDI index has fallen more than 40% before the conflict.

Businesses Benefit

Index	Businesses	Opinion
BDI WCI (World container index)	VOS, VNA HAH, SGS	• According to Drewry (a UK-based marine market research and analysis company), the container market will continue to decline in the second half of the year. High global inflation will directly affect the purchasing power of the American and European markets, causing a decrease in the output of goods exported from Asia. • The assessment of Maersk (the world's largest container shipping company) also shows that the supply chain disruptions at China's ports are gradually being removed and the volume of goods in circulation is gradually returning to normal. • Global bulk carriers such as Pacific Basin, Eagle Bul, and Golden Ocean all believe that the dry cargo market in the second half of 2022 will decline compared to the beginning of the year due to the reason that global economic growth has slowed down.
BDTI	PVT	• For liquid cargo, freight rates and tank rental price are driven by increasing demand for oil and gas transport, as Western sanctions against Russia and Russia divert oil exports to emerging economies. • The current tense situation causes both Russia and the West to ship oil and gas to farther destinations, increasing the demand for transportation. • Crude oil prices remain high due to many other factors.
BCTI	VOS, VTO, PJT	

➢ *Profit outlook for liquid carriers will continue to be positive in the second half of the year, as geopolitical tensions and related conflicts persist, along with crude oil prices being kept at a high level.*

Technical view



VNI	↑ 1279.39 (8.59 0.68%)			VN30	↑ 1298.14 (4.89 0.38%)			HNX	↓ 293.86 (-1.69 -0.57%)			UPCOM	↑ 92.39 (0.82 0.90%)		
526,096,366 CP		13,835.94 Tỷ		141,388,439 CP		5,002.03 Tỷ		69,314,918 CP		1,630.97 Tỷ		39,580,965 CP		791.38 Tỷ	
↑ 226(7)	87	↓ 208(3)	Hết giờ GD	↑ 18(1)	4	↓ 8(0)	Hết giờ GD	↑ 92(11)	176	↓ 70(1)	Hết giờ GD	↑ 218(29)	462	↓ 71(8)	Hết giờ GD

Trend: Need to watch more reactions

- VNIndex opened in the green, continued its rally and closed at 1,280 points. However, the uptrend narrowed towards the end of the session and closed with an inverted hammer candle. This shows that profit-taking pressure prevailed and investors' cautious sentiment. Order matching fell back to the low level. The MACD line is lower than the signal, while the RSI rebounded but not strong enough. In general, the index still hasn't filled the dropping gap on Monday, so the trend might struggle to continue testing this zone.

Scenarios:

- Positive (60%): 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 (40%): 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 **31/8/2022** Unit: thousand VND

Ticker	Recommendation date	Buying price (+/- 1%)	Target	Cut loss	Upside	Current price	T+	Profit/Loss	Recommendation	Status
CTG	9/8/2022	28.5	32	27.5	12%	28.4	16	-0.35%	Hold	Open
GVR	9/8/2022	24.6	28	23.5	14%	26.6	16	8.13%	Hold	Open
HVN	10/8/2022	17.3	20	16.5	16%	17.1	15	-1.16%	Hold	Open
BVB	10/8/2022	14	15	13.5	7%	13.5	15	-3.57%	Hold	Open
HPG	15/8/2022	23.8	26.5	22.4	11%	23	12	-3.36%	Hold	Open
VGI	15/8/2022	33	38	31	15%	32.2	12	-2.42%	Hold	Open

Position Closed

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

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



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