MORNING CALL

September 05, 2022

Shinhan Securities

“The challenge from instability of the global market”

- Global stocks continued to fall
- Domestic stocks struggled to fill the gap
- Technical view and recommendations #BVB
- Economic calendar
- Q&A

[Analysts]

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Global Market Review - Week 05-09/09/2022

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Major market continued to fall

- Wall Street continued to have a declining week, reaching 31,300 points. US job growth slowed in August, while the unemployment rate rose to 3.7%, the highest since February.
- China locked down the city of Chengdu with more than 21 million people as the number of new Covid cases increased.
- Russian energy group Gazprom has announced that the Nord Stream 1 pipeline would remain locked until the turbine was repaired.
- Crude oil lost more than 6% to $87 per barrel, due to economic recession concerns and the impact of the new blockade in China, in addition, the supply can increase significantly when the nuclear agreement in Iran was restored.

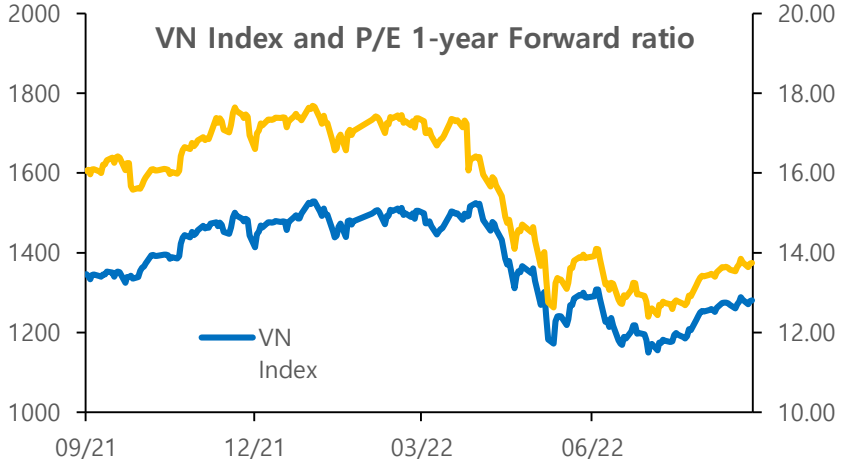
Market

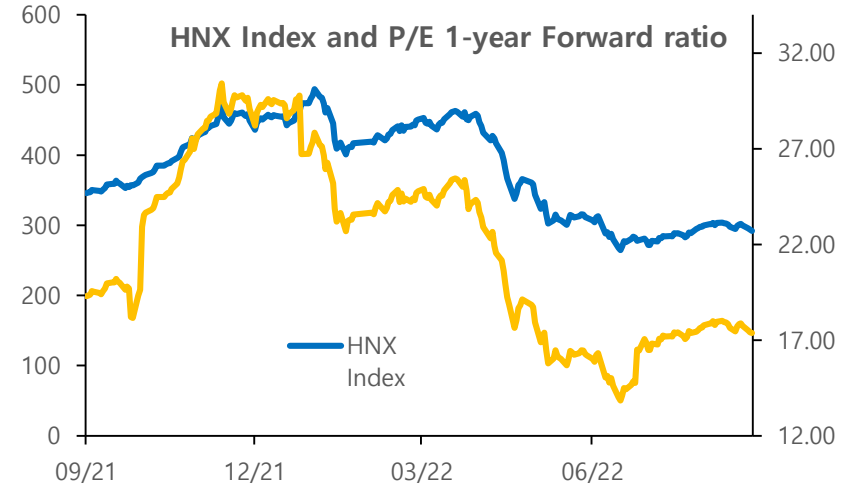
	Close	%1D	%1M	%1Y
VN-Index	1,281	0.09%	3.99%	-4.06%
S&P 500 Index	3,924	-1.07%	-5.33%	-13.48%
Dow Jones Index	31,318	-1.07%	-4.53%	-11.45%
Hang Seng	19,452	-0.74%	-3.71%	-24.90%
Nikkei 225	27,651	-0.04%	-1.86%	-5.07%
SHCOMP Index	3,186	0.05%	-1.26%	-11.04%
STI Index	3,206	-0.57%	-2.35%	3.95%
KOSPI Index	2,422	0.51%	-2.78%	-24.35%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	109.90	0.34%	3.08%	19.41%
USD/VND	23,444.00	0.03%	-0.38%	-2.90%
EUR/USD	0.99	-0.30%	-2.54%	-16.39%
USD/CNY	6.90	0.10%	-2.14%	-6.43%
Brent	94.58	1.68%	-0.36%	30.26%
WTI	88.25	1.59%	-0.85%	27.36%
Natural gas	8.98	2.19%	11.33%	90.53%
Coal	435.00	1.79%	7.81%	145.07%
Gold	1,709.61	-0.15%	-3.71%	-6.23%

Vietnam Market Snapshot 31/08/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,280.51	13.74	1.12	0.09	499	12,702
HNX INDEX	291.92	17.38	-1.93	-0.66	68	1,641

Money flow and sector rotation (VND bn)

Sector	%1D	8/31/2022	8/30/2022	20-session Average
Insurance	164.52	228	86	116
Utilities	46.58	503	343	374
Food and Beverage	28.87	1,526	1,184	1,355
Travel & Leisure	26.58	85	67	120
Retail	19.21	723	606	594
Technology	12.17	168	149	205
Construction & Materials	9.05	728	667	977
Oil & Gas	0.71	341	339	283
Industrial Goods & Services	0.63	646	642	789
Media	-2.6	6	6	8
Basic Resources	-4.4	724	758	1,338
Financial Services	-7.2	1,123	1,209	1,909
Real Estate	-11.6	2,171	2,457	2,555
Personal & Household Goods	-12.9	224	257	239
Automobiles & Parts	-14.1	77	90	110
Banks	-18.2	1,391	1,702	2,033
Chemicals	-40.2	929	1,554	840
Health Care	-53.0	20	42	32

Breaking news

Macro

Positive

- Vietnam continued to have a trade surplus of nearly USD 4 billion in the first 8 months of the year. While the total export of goods reached more than USD 250 billion, an increase of more than 17% YoY.
- Industrial production in August continued the rapid recovery trend. Accumulated in the first 8 months of the year, IIP is estimated to increase by 9.4% YoY.
- CPI in August increased by 0.005% compared to the previous month, the average of 8 months increased by 2.58% YoY.
- 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 the tourism opening policy.
- Vietnamese seafood exporters take advantage of logistics costs to increase exports to the Chinese market.

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

- KBC, Kinh Bac Development Holding Corporation profit after tax decreased from VND 2,457 billion to VND 200 billion because the profit from the re-evaluation of ownership increased in Saigon - Da Nang Investment has not been recorded.
- BSR estimated a profit of VND 370 billion in July.
- GVR, parent company's profit after tax decreased by VND 141 billion to VND 2,071 billion after review.
- HSG, Hoa Sen Group JSC will issue shares to pay dividends, the rate of 20%, the last registration date is September 15th.
- SZL, Sonadezi Long Thanh JSC announced to pay dividends in 2021 in cash at the rate of 40%. The ex-rights date is September 12th.
- 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 9th.



Technical view



Trend: Attempt to fill the gap

- Attempts to fill the decreasing gap on August 29 were still unsuccessful, showing that selling pressure and caution prevailed. Trading volume also fell below the 20 session average. The risk will be higher if the accumulation but not the successful breakout continues. Technical indicators were showing that the index was in a short-term correction. The nearest support for the trend is 1,250 points and further is 1,220 points.

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 **5/9/2022** 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%	28.3	17	-0.70%	Hold	Open
GVR	9/8/2022	24.6	28	23.5	14%	26.4	17	7.32%	Hold	Open
HVN	10/8/2022	17.3	20	16.5	16%	17.3	16	0.00%	Hold	Open
BVB	10/8/2022	14	15	13.5	7%	13.4	16	-4.29%	Sell	Close
HPG	15/8/2022	23.8	26.5	22.4	11%	23	13	-3.36%	Hold	Open
VGI	15/8/2022	33	38	31	15%	32.2	13	-2.42%	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

September 2022

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
28	29	30	31	1 MSCI: New reviewed list is effective	2 FTSE Vietnam Swap UCITS ETF review	3
4	5	6 ETF FTSE VN announces portfolio	7	8 ECB meeting and announces Monetary policy & interest rates V.N.M ETF review	9	10
11	12	13 ETF VNM, ETF FTSE executes the transaction	14	15 Maturity of Derivatives Contracts	16	17
18	19	20 FTSE Russell releases market full year rating	21 Fed meeting and announces Monetary policy & interest rates	22	23 Announcement of FDI	24
25	26	27	28	29 Vietnam macroecnomic data	30	1

Q&A

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