MORNING CALL

September 09th, 2022

Shinhan Securities

"Rebound challenge"

- Global stocks diverged, Japanese stocks surged
- Domestic stocks continue to decline
- Update Derivatives Contracts VN30F1M, Index approaches strong support zone, expect less volatile trading
- Technical view and recommendations #VGI
- Economic calendar
- Q&A

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

Global stocks rebound, Oil Prices Tumble

- Wall Street continued to rebound to 31,600 points. European stocks trade flat, while in Asia, Nikkei jumps more than 2% on positive economic data.
- Japan's Cabinet Office has announced that Q2 GDP adjusted for inflation increased by 0.9 percent from the previous quarter. This adjusted increase is higher than the previously announced increase of 0.5%. Thus, the Japanese economy recorded the third consecutive quarter of GDP growth.
- The ECB raised main interest rates by 75bps, following a 50bps rate hike in July, and matching expectations.
- US natural gas futures dropped below $8/MMBtu, the lowest in four weeks, as domestic supplies continue to break records. In Europe, TTF natural gas futures were trading around € 220 per megawatt hour, the lowest in a month, amid efforts from European governments to fix the energy crises, including gas-price caps and a suspension of power derivates trade.

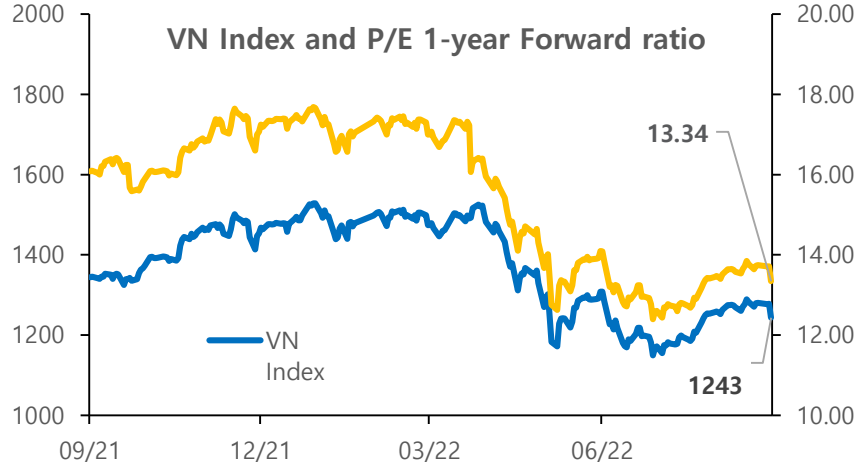
Market

	Close	%1D	%1M	%1Y
VN-Index	1,243	-2.68%	-1.08%	-6.78%
S&P 500 Index	3,980	1.83%	-3.87%	-11.83%
Dow Jones Index	31,581	1.40%	-3.81%	-9.85%
Hang Seng	19,044	-0.83%	-5.00%	-27.65%
Nikkei 225	27,880	1.64%	-1.31%	-7.62%
SHCOMP Index	3,246	0.09%	0.29%	-11.67%
STI Index	3,211	-0.41%	-1.84%	4.62%
KOSPI Index	2,388	0.47%	-4.23%	-24.51%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	109.79	-0.05%	3.15%	18.49%
USD/VND	23,593.00	-0.03%	-0.86%	-3.56%
EUR/USD	1.00	-0.20%	-2.07%	-15.49%
USD/CNY	6.97	-0.16%	-3.08%	-7.16%
Brent	88.73	0.83%	-8.19%	22.22%
WTI	82.76	1.00%	-8.81%	19.42%
Natural gas	7.92	0.99%	4.36%	61.17%
Coal	439.00	-2.50%	21.61%	147.74%
Gold	1,716.16	-0.13%	-4.07%	-4.09%

Vietnam Market Snapshot 08/09/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,243.17	13.34	-34.23	-2.68	600	14,415
HNX INDEX	284.05	17.00	-9.22	-3.14	81	1,486

Money flow and sector rotation (VND bn)

Sector	%1D	9/8/2022	9/7/2022	20-session Average
Travel & Leisure	1.67	158	156	117
Media	-8.3	5	6	7
Health Care	-12.2	21	24	29
Utilities	-19.0	432	533	391
Real Estate	-22.1	2,502	3,214	2,553
Food and Beverage	-23.4	1,154	1,507	1,356
Industrial Goods & Services	-25.0	802	1,070	802
Oil & Gas	-25.2	265	355	301
Chemicals	-27.6	1,070	1,478	937
Retail	-29.8	633	901	628
Personal & Household Goods	-35.3	193	299	238
Construction & Materials	-36.4	879	1,382	978
Financial Services	-40.8	1,352	2,282	1,790
Basic Resources	-41.5	1,090	1,864	1,326
Banks	-41.6	1,715	2,935	1,963
Automobiles & Parts	-47.0	125	235	110
Technology	-47.9	137	263	192
Insurance	-49.2	118	232	126

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Breaking news

Macro

Positive

- Recently, the IMF raised its growth forecast for Vietnam to 7% this year, up 1 percentage point from the forecast three months ago. This is the highest growth rate in the ASEAN-6 group.
- In the third quarter of 2022, the Ministry of Transport plans to start 6 projects and complete 2 projects.

Less positive:

- According to Mercantile Exchange of Vietnam, for the first time in history, the price of heating oil is higher the price of gasoline. Therefore, in the coming time, consumers may experience spending pressure due to rising commodity prices.
- 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

- Ho Chi Minh City Stock Exchange considered the possibility of compulsory delisting of Vietnam Airlines' shares. Due to the accumulated loss of more than 28,904 billion dong, the equity was negative 4,897 billion dong..
- C4G, Cienco4 have just issued a resolution approving the implementation of registration for listing their shares on the HNX.
- IDI, Seafood IDI announced to pay cash dividend at the rate of 15%, the ex-right date is September 23th.
- SZL, Sonadezi Long Thanh JSC announced to pay cash dividend at the rate of 40%, the ex-rights date is September 12th.
- GIL, Binh Thanh Import - Export Production & Trade JSC announced to pay stock dividend at the rate of 15%, the ex-rights date is September 9th.



Update Derivatives Contracts VN30F1M



VN30 Index Futures 01 month

1,264.1 ↓

-0.90 (-0.07%)

08/09/2022 14:59

Open	1,269.2	Foreign Buy	1,735
High	1,275.6	Foreign Sell	3,723
Low	1,263.4	Highest	1,568.0
Order Matching	295,182	Lowest	578.7
OI	46,318	Average Matching	126,607
Basis	-1.47	Beta	-

Trend: Near strong support zone

- The VN30F1M index on the 1-hour chart has dropped to the strong support zone around 1,260 points, this level has been tested many times ago and the index reacted well. The lower support in the daily chart is the area of 1,250 points, corresponding to MA50. In general, spreads between the two support levels is small, meaning that it will be harder for the index in the short term to broken support threshold. Technical indicators are also in the oversold zone.
- Open interest is 46,318 (below 50,000 indicates stability) and the spreads (basis) with the underlying market is not too high, only 1.5 points. This shows that VN30F1M and VN30 near the maturity date are balanced and there will be little volatility.

Scenarios:

- Positive (60%): The index kept the range of 1,250 – 1,260 points and recovered again. The resistance level for rebound wave is 1,280 points.
- Less positive (40%): The index breaking through the threshold of 1,250 points will activate selling force and drop to the target of 1,230 points.

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Technical view



VNI	1234.6 (-8.57 -0.69%)	VN30	1265.57 (-3.38 -0.27%)	HNX	282.15 (-1.91 -0.67%)	UPCOM	90.31 (-0.07 -0.08%)
599,611,824 CP	14,415.31 Tỷ	143,301,300 CP	5,044.95 Tỷ	80,567,740 CP	1,486.59 Tỷ	45,667,657 CP	847.75 Tỷ
151(6)	70	317(19)	Hết giờ GD	11(0)	1	18(0)	Hết giờ GD	73(7)	149	115(6)	Hết giờ GD	105(9)	475	171(15)	Hết giờ GD

Trend: Rebound efforts are difficult

- Although the index opened rose more than 7 points to 1,251 points, partially rebound from yesterday's strong drop, however, selling pressure continued to dominate and pushed the index to close in red, fell to a lower level and closed at 1,234 points. Creating two consecutive red candles increases the risk. The index is now approaching the short-term support zone around 1,220 points, so it is expected that there will be strong bottom-fishing force around this zone. Order matching has decreased compared to the previous session. Maintain a cautious strategy, wait for a rebound to reduce the proportion of stocks.

Scenarios:

- Positive (55%): Correction signal has appeared and the index will need to retest the support area around 1,220 points. If the trade is balanced, expected to the index will soon rebound and increase to the threshold of 1,320 points.
- Less positive (45%): 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

Updated date 09/09/2022

Unit: thousand VND

Trading portfolio

Ticker	Recommendation day	Buying price (+/- 1%)	Target	Cut loss	Upside	Current price	T+	Profit/Loss	Recommendation	Note
CTG	09/08/2022	28.5	32	27.5	12%	27.4	21	-6.1%	Hold	Open
GVR	09/08/2022	24.6	28	23.5	14%	25.8	21	1.6%	Hold	Open
HPG	15/08/2022	23.8	26.5	22.4	11%	23	17	-2.9%	Hold	Open

Today's watchlist

	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals

Position Closed

PDR	09/08/2022	53.5	60	52	12%	58.4	7	9.16%	Sell	18/08/2022
BVB	10/08/2022	14	15	13.5	7%	13.5	15	-3.57%	Sell	31/08/2022
HVN	10/08/2022	17.3	20	16.5	16%	16.85	18	-2.60%	Sell	07/09/2022
VGI	15/08/2022	33	38	31	15%	30.6	16	-7.27%	Sell	08/09/2022

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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