MORNING CALL

September 13th, 2022

Shinhan Securities

"Money flow is cautious in the buying direction"

- Global stocks opened in green
- Domestic stocks traded cautiously
- Update retail sector, expecting a jump from Iphone 14 introduction #FRT #MWG #DGW #PET
- Technical view and recommendations #POW #VSH
- Economic calendar
- Q&A

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Global Market Review - Week 12-16/09/2022

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Major stock markets continues to recover

- Wall Street continued the rally to 32,400 points when investors are optimistic about upcoming inflation data.
- European stocks started the week in the green. UK GDP grew less than expected, expanded 0.2%MoM in July from a 0.6% fall in the previous month, but below market forecast of a 0.4% rise.
- The administration of US President Joe Biden in October expands the list of export restrictions on semiconductors of China, used in the field of artificial intelligence (AI) and chip-making tools.
- This week, investors focus on the release of CPI data in the US and UK; as well as data on PPI, retail sales. The market expect that CPI will decrease in August.
- Crude oil prices balance around the threshold of 88 USD/barrel after the previous week of sharp decline. Natural gas prices also rebounded to $8.4/MMBtu.

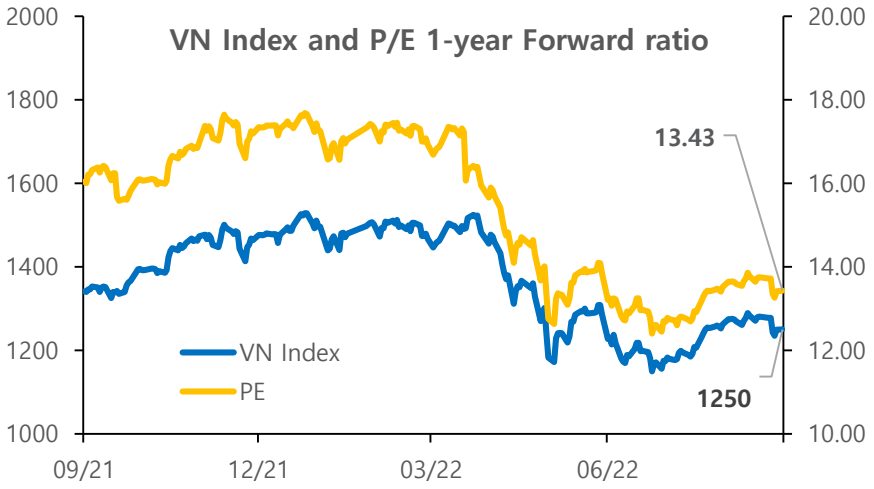
Market

	Close	%1D	%1M	%1Y
VN-Index	1,250	0.07%	-1.01%	-6.84%
S&P 500 Index	4,110	1.06%	-3.97%	-7.81%
Dow Jones Index	32,381	0.71%	-4.09%	-6.43%
Hang Seng	19,362	2.69%	-4.03%	-26.11%
Nikkei 225	28,568	0.09%	0.07%	-6.17%
SHCOMP Index	3,262	0.82%	-0.45%	-11.91%
STI Index	3,275	0.36%	0.17%	6.52%
KOSPI Index	2,427	1.78%	-3.06%	-22.09%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	108.14	-0.18%	2.37%	16.68%
USD/VND	23,514.00	0.01%	-0.51%	-3.24%
EUR/USD	1.01	0.12%	-0.26%	-14.20%
USD/CNY	6.93	0.45%	-2.51%	-6.80%
Brent	93.96	-0.04%	-4.27%	27.82%
WTI	87.77	-0.01%	-4.69%	24.58%
Natural gas	8.42	2.11%	-3.93%	61.02%
Coal	437.50	0.52%	7.32%	146.34%
Gold	1,726.08	0.09%	-3.01%	-3.77%

Vietnam Market Snapshot 12/09/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,249.62	13.43	0.84	0.07	410	10,748
HNX INDEX	283.08	16.94	-1.55	-0.54	59	1,402

Money flow and sector rotation (VND bn)

Sector	%1D	9/12/2022	9/9/2022	20-session Average
Retail	167.71	1,139	425	665
Oil & Gas	60.81	305	190	295
Chemicals	8.31	971	896	959
Automobiles & Parts	7.16	88	82	107
Basic Resources	3.35	1,365	1,321	1,309
Personal & Household Goods	0.17	141	141	230
Food and Beverage	-4.0	913	950	1,306
Health Care	-9.1	20	22	27
Media	-15.0	9	11	7
Travel & Leisure	-18.9	94	115	113
Real Estate	-23.2	1,632	2,124	2,454
Technology	-27.6	97	134	184
Industrial Goods & Services	-29.5	449	637	774
Construction & Materials	-43.5	541	958	932
Utilities	-45.7	316	581	398
Insurance	-48.1	72	138	123
Financial Services	-49.9	894	1,783	1,687
Banks	-54.2	923	2,016	1,911

Breaking news

Macro

Positive

- Revenue of technology product retailers are expected to experience a breakthrough during the back to school season in September, in addition to a boost from the upcoming iPhone 14 launch.
- The consortium of VinaCapital Group and EDF Company proposed to survey and implement a USD13 billion wind power project offshore Ba Ria - Vung Tau, with a total capacity of 3,000 MW.
- The promotion of disbursement of public investment in the last months of the year would promote many important projects with the scale of hundreds and thousands of billion dong to be put into operation.
- In August, the capital's economy recovered positively with the index of industrial production (IIP) increasing by 15.7%. Export turnover of goods reached USD 1.42 billion, up 10% over the same period last year.

Less positive

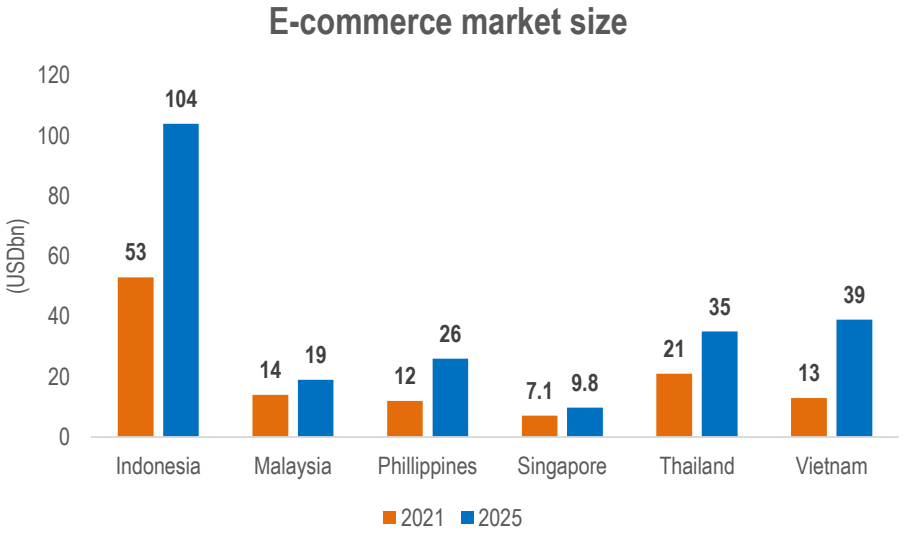
- In the first week of September, some banks increased their VND deposit interest rates.
- Inflation in export markets such as the US and EU has significantly affected orders and unit prices of textile, footwear and furniture enterprises from now until the end of the year.

Business news

- HAG was the only stock added to the MVIS Vietnam Index in the third quarter structure, APH and CEO were excluded.
- HPG, Hoa Phat Group announced that August sales volume reached 628,000 tons, up 19% compared to July and equivalent to the same period last year.
- PVT, in the first 6 months, PVTrans profit after tax reached VND 452 billion, equivalent to 94% of the year plan.
- HAX, Hang Xanh Auto is expected to issue nearly 49 million shares to existing shareholders to increase capital, ratio 100:86, price 12,000 VND/share.
- HSG, Hoa Sen Group announced to pay 20% stock dividend, ex-dividend date is September 14th.
- SZL, Sonadezi Long Thanh Joint Stock Company announced to pay a cash dividend at the rate of 40%, the ex-dividend date is September 12.
- HTI, Idico Infrastructure Investment and Development announces to pay cash dividend at the rate of 18%, ex-right date is September 19th.
- IDI, Fisheries IDI announced to pay a cash dividend at the rate of 15%, the ex-rights date is September 23rd.



Retail sector is expected to jump thanks to Iphone 14 announcement



Source: VnExpress, e-Conomy SEA 2021



- According to the e-Conomy SEA 2021 report of Google, Temasek, Bain & Company, the size of Vietnam's e-commerce market reached USD 13 billion last year and is expected to reach USD 39 billion by 2025. At that time, Vietnam is forecasted to surpass Thailand to become the second largest e-commerce market in Southeast Asia after Indonesia.
- Data from the General Statistics Office also showed that the total retail sales of consumer goods and services in August reached a higher scale and growth rate than the same period in previous years before the pandemic. Overall, for 8 months, this index increased by 19.3% over the same period in 2021.

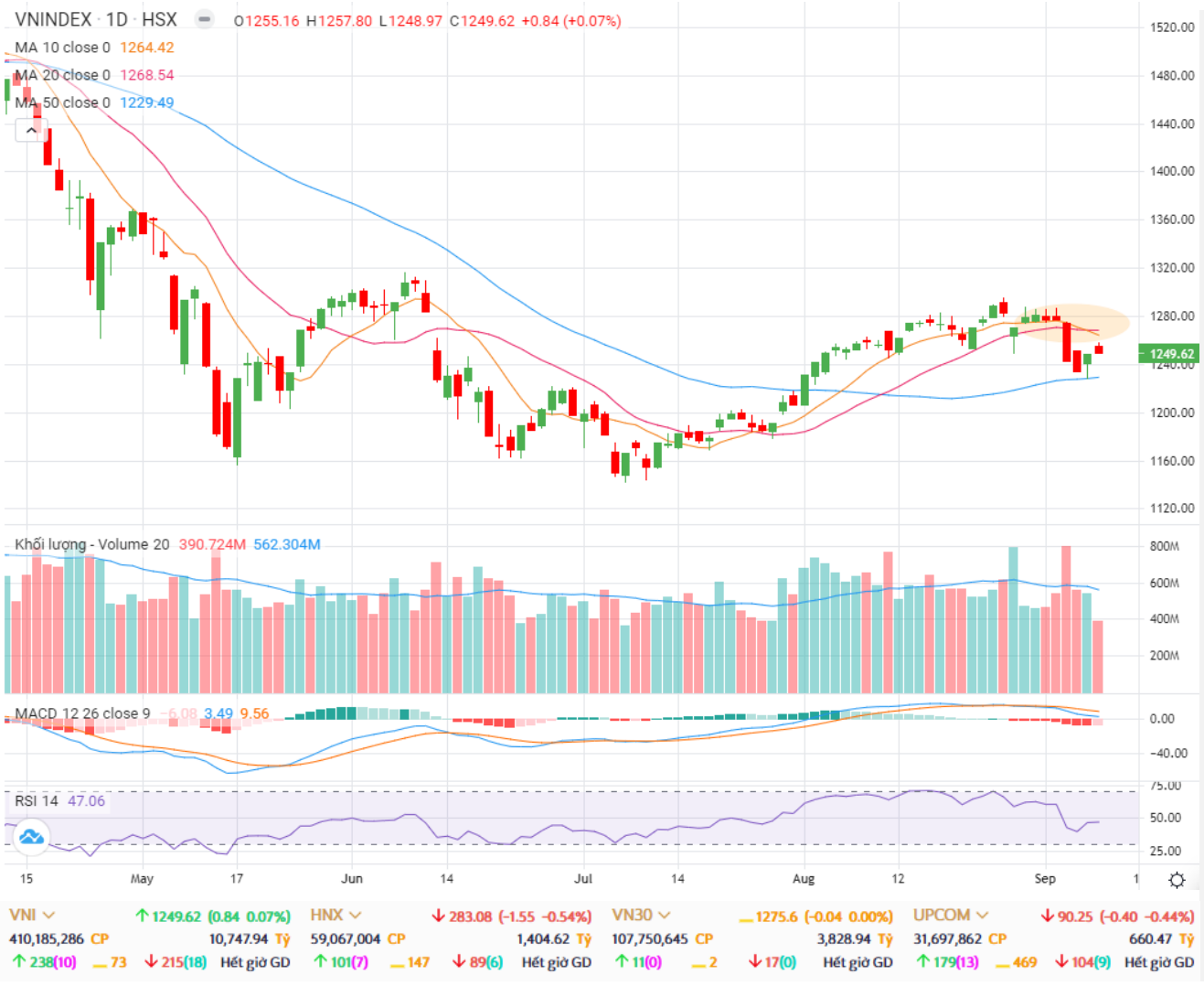
➢ The online purchasing power of Vietnamese people has not decreased much despite the influence of Covid-19 and rising inflation.

- Apple has just launched 4 versions of iPhone 14 on September 7, with expectation that iPhone 14, iPhone 14 Pro, iPhone 14 Pro Max will be available from mid-October, iPhone 14 Plus from mid-November.
- Vietnam is one of the countries that Apple has focused on investing in recently, authorized retailers to sell genuine Apple products will benefit when the iPhone 14 is released.

Retail sector is expected to jump thanks to Iphone 14 announcement

	Contributors	Achievements	Actual
FRT (FPT Retail)	FPT Shop F.Studio by FPT is Apple's official authorized store chain in Vietnam.	At the end of October 2021, FPT Shop achieved an "all-time record" when it collected nearly VND 200 billion on the first day of selling iPhone 13 series.	Less than 24 hours since the announcement of the iPhone 14 series (September 8th), FPT Shop and F.Studio have received nearly 15,000 registrations for early ownership at the system. Up to now (September 12), more than 26,000 customers have successfully registered.
MWG	Topzone	The company has planned to open 50 more Topzone stores to have a good preparation before the iPhone 14 product is officially launched on the market.	As of 5pm on September 9, there have been a total of more than 20,000 registered iPhone 14 series, it is expected that this number will continue to increase sharply in the coming days. Up to September 12th, the number of registered users has reached 30,000.
DGW	Distributor of Apple and Huawei products from 2020, besides Xiaomi.	The mobile phone segment recorded VND3,497 billion in revenue in the fourth quarter of 2021, up 57% YoY and accounting for the largest proportion (44.1%) of the revenue structure in the 4th quarter. Apple accounts for approximately 8.5%.	
PET	Petrosetco officially became Apple's authorized distributor in Vietnam since June 2020.	Petrosetco recorded a sharp increase in revenue thanks to the good result of distribution of Apple products in 3Q2021.	On August 5, the company continues to sign an authorized distribution contract of all Apple product lines in Vietnam market from 2022 to 2023.

Technical view



Trend: Cautious in the buying direction

- After the sharp declines last week, it seems that investor sentiment is still cautious, despite the inter-market graphics showing signs of improvement and global stocks opening the week in the green. The index dropped to close near reference at 1,249 points, although sometimes gained above 1,250 points during the session. Order matching fell to a low level. The RSI is rising again but still below the 50 level, while the MACD is still quite sloping down. Correction signal still seems to be there and expect the index will balance around 1,240 - 1,250 points to create rebounding motivation soon.

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 **13/9/2022**

Unit: thousand VND

Trading portfolio

Ticker	Recommendation day	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Status	Note
CTG	9/8/2022	28.5	32	27.5	12%		27.1	23	-4.91%	Sell	Close
GVR	9/8/2022	24.6	28	23.5	14%		25	23	1.63%	Hold	Close
HPG	15/8/2022	23.8	26.5	22.4	11%		23.8	19	0.00%	Hold	Close

Today's watchlist

	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VSH	42-43	50	40	16%	7%		Break confirmed on 09/09
POW	14.5	16	13.8	10%	5%		When break 14.5

Position Closed

PDR	9/8/2022	53.5	60	52	12%	3%	58.4	7	9.16%	Hold	18/08/2022
BVB	10/8/2022	14	15	13.5	7%	4%	13.5	15	-3.57%	Hold	31/08/2022
HVN	10/8/2022	17.3	20	16.5	16%	5%	16.85	18	-2.60%	Hold	07/09/2022
VGI	15/8/2022	33	38	31	15%	6%	30.6	16	-7.27%	Sell	08/09/2022

Economic calendar

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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

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Q&A

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