MORNING CALL

September 16th, 2022

Shinhan Securities

"Cautious trading, gloomy market"

- Global stocks struggled
- Domestic stocks traded cautiously with order matching drop sharply
- Domestic and international news
- Technical view and recommendations #PVS,#PAN,
- Economic calendar
- Q&A

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

Major stock markets struggled

- Wall Street struggled around the threshold of 31,000 points. US retail sales unexpectedly recover in August, rose 0.3% in August, beating market expectations of no change.
- Asian stocks mixed, Japanese market slid because of record high trade deficit
- European stocks fell slightly. UK CPI in September recorded an increase of 9.9% year-on-year, lower than the 10.2% market forecast and lower than the 10.1% figure in July.
- WTI crude futures fell nearly 4% to trade at the $85 per barrel mark on Thursday after the US Department of Energy said that its plan of refilling the country's strategic oil reserves does not include a trigger price (below $80).

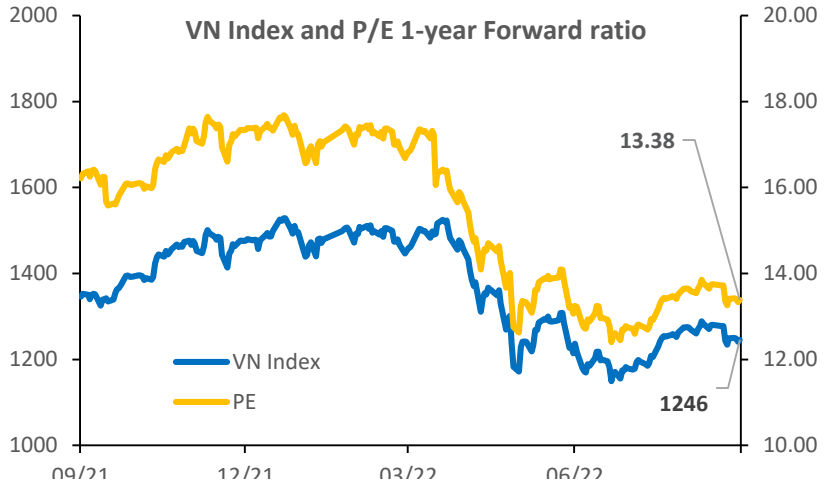
Market

	Close	%1D	%1M	%1Y
VN-Index	1,246	0.39%	-2.28%	-7.45%
S&P 500 Index	3,901	-1.13%	-9.21%	-12.93%
Dow Jones Index	30,962	-0.56%	-8.70%	-11.07%
Hang Seng	18,930	0.44%	-4.54%	-23.26%
Nikkei 225	27,615	-0.94%	-4.34%	-8.93%
SHCOMP Index	3,200	-1.16%	-2.38%	-11.29%
STI Index	3,268	0.31%	0.44%	6.64%
KOSPI Index	2,393	-0.36%	-5.54%	-23.54%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	109.69	-0.04%	3.00%	18.03%
USD/VND	23,618.00	-0.11%	-0.93%	-3.64%
EUR/USD	1.00	0.00%	-1.67%	-15.01%
USD/CNY	6.99	-0.47%	-3.16%	-8.04%
Brent	90.82	-0.02%	-1.65%	20.02%
WTI	85.05	-0.06%	-1.71%	17.13%
Natural gas	8.28	-0.54%	-11.26%	55.18%
Coal	445.50	0.29%	9.33%	150.99%
Gold	1,665.65	0.03%	-6.20%	-5.02%

Vietnam Market Snapshot 15/09/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,245.66	13.38	4.89	0.39	474	11,293
HNX INDEX	279.69	16.90	0.27	0.10	62	1,163

Money flow and sector rotation (VND bn)

Sector	%1D	9/15/2022	9/14/2022	20-session Average
Travel & Leisure	35.87	108	79	110
Utilities	15.50	620	536	425
Chemicals	8.83	994	914	1,021
Personal & Household Goods	8.59	169	155	219
Health Care	0.17	22	21	26
Retail	-11.0	537	604	654
Industrial Goods & Services	-12.7	459	526	728
Media	-17.7	6	7	7
Insurance	-22.3	59	75	121
Real Estate	-22.8	1,628	2,109	2,403
Construction & Materials	-23.3	951	1,240	929
Banks	-31.0	1,113	1,613	1,803
Technology	-34.4	88	134	169
Oil & Gas	-36.9	273	432	315
Food and Beverage	-37.0	971	1,540	1,316
Automobiles & Parts	-39.0	63	103	105
Basic Resources	-45.2	768	1,400	1,188
Financial Services	-55.5	859	1,929	1,637

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Breaking news

Macro

Positive

- In the first 8 months of 2022, electricity output of whole system increased by 5% YoY to 181.92 billion kWh. The power sources contributing as follow:
  - ✓ Hydroelectricity was 63.25 billion kWh, equivalent to 34.8%
  - ✓ Coal power reached 71.67 billion kWh, equivalent to 39.4%
  - ✓ Gas turbines was 19.67 billion kWh, equivalent to 10.8%
  - ✓ Renewable energy reached 24.95 billion kWh, equivalent to 13.7% (of which solar power reached 18.82 billion kWh, wind power reached 5.84 billion kWh).
  - ✓ Imported electricity reached 1.91 billion kWh, equivalent to 1%.
- The national energy development strategy for 2045 prioritizes the use of renewable energy such as wind and solar.

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

- HBC, Hoa Binh Construction is the general contractor of the luxury hotel project with investment capital of EUR 30 million in Hungary.
- VSH, a subsidiary of Refrigeration Electrical Engineering (REE) wants to buy an additional 4 million shares to increase its ownership.
- TV2, TV2 and its partner want to do a VND 175,600 billion Green Hydro Center project in Quang Tri, which will include solar power plants, wind power plants, H2/NH3 production plants.
- 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.
- 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.



Technical view



VNI	1240.77 (-7.63 -0.61%)			VN30	1260.88 (-11.60 -0.91%)			HNX	279.42 (-2.17 -0.77%)			UPCOM	90.16 (-0.23 -0.26%)		
607,855,867 CP		14,351.72 Tỷ		149,818,035 CP		4,566.01 Tỷ		80,481,256 CP		1,739.95 Tỷ		35,133,435 CP		661.06 Tỷ	
120(3)	86	321(15)	Hết giờ GD	2(0)	4	24(0)	Hết giờ GD	57(2)	152	128(7)	Hết giờ GD	120(12)	491	141(10)	Hết giờ GD

Trend: Cautiously waiting to fill Gap

- The index continued the uptrend of the previous sessions to 1,247 points, but the cautious sentiment has driven the strong selling pressure pushing the index back to 1,245 points. As a result, VN Index close with a red candle and a narrow body. Besides that, volume dropped significantly, showing that the market is trading quietly. Currently, the attention of the market is focusing on the Fed meeting next week when it will reveal a new rate hike speed. Furthermore, VN Index not filling the gap is similar to the period of 30th Aug-6th Sep, so the trading strategy remains conservative. In the next period, the money flow will be differentiated solidly when technical indicators show that the correction has not ended.

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 **16/9/2022**

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
PVS	Buy	27.5	31	26	13%	5%	27.4	Pull back
PAN	Buy	26	30	24.5	15%	6%	26.4	Break confirmed 13/09
POW	Wait to Buy	14.5	16	13.8	10%	5%	14.45	When break 14.5
VHC	Wait to Buy	92	102	88	11%	4%	91.3	Good reaction around MA20, waiting for break 92

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
GVR	Hold	24.6	28	23.5	14%	4%	25.5	26	3.66%	9/8/2022	Open
HPG	Hold	23.8	26.5	22.4	11%	6%	23.6	22	-0.84%	15/8/2022	Open
VSH	Hold	43	50	40	16%	7%	44.6	3	3.72%	13/9/2022	Open

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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