MORNING CALL

September 19th, 2022

Shinhan Securities

"Expecting that sentiment will be relieved when the worst news is announced"

- Global stocks continue to decline but have returned to strong support zone
- Domestic stocks retreated to the support level of MA50, around 1,230 points
- Inter-market update
- Technical view and recommendations
- Economic calendar
- Q&A

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Global Market Review - Week 19-23/09/2022

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Compassionate Finance

Major stock markets fell but have reached strong support levels

- US stock indices extended losses on last Friday, as the concerning warning from FedEx reaffirmed investors' worries about the darkening global growth outlook.
- European and Asian stocks also traded in the red. Retail sales in the UK sank 1.6% month-over-month in August of 2022, following a 0.4% rise in July.
- This week will be dominated by interest rates decisions by the major central banks including Federal Reserve, Bank of England and Bank of Japan. Besides, inflation data for Japan, Canada and flash PMI figures for US, UK, Euro Area will also released.
- WTI crude futures steadied near $85 per barrel on Friday but were still set to decline for the third straight week, as aggressive monetary tightening by major central banks and global recession fears dampened the demand outlook.

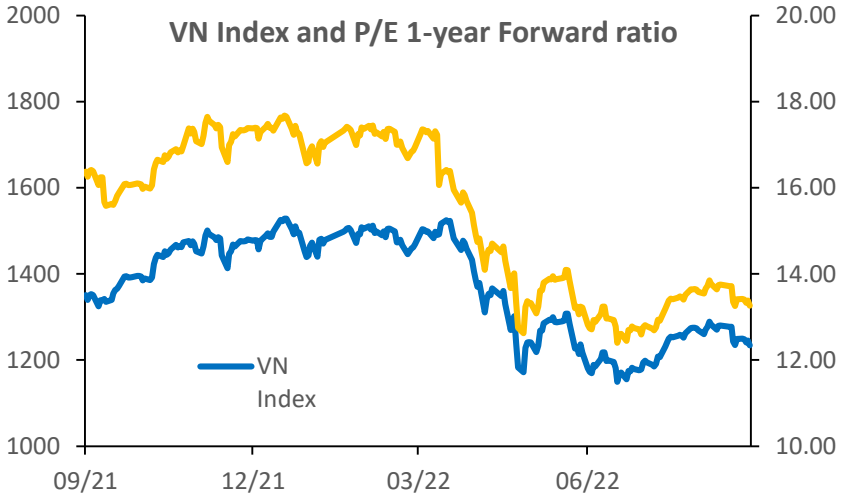
Market

	Close	%1D	%1M	%1Y
VN-Index	1,234	-0.93%	-2.77%	-8.77%
S&P 500 Index	3,873	-0.72%	-8.40%	-12.62%
Dow Jones Index	30,822	-0.45%	-8.56%	-10.88%
Hang Seng	18,762	-0.89%	-5.11%	-24.71%
Nikkei 225	27,568	-1.11%	-4.71%	-9.61%
SHCOMP Index	3,126	-2.30%	-4.04%	-13.49%
STI Index	3,268	0.01%	0.67%	6.42%
KOSPI Index	2,369	-0.56%	-4.94%	-24.55%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	109.58	-0.17%	1.30%	17.58%
USD/VND	23,652.00	-0.14%	-1.06%	-3.78%
EUR/USD	1.00	-0.01%	-0.22%	-14.59%
USD/CNY	6.99	0.11%	-2.85%	-7.58%
Brent	92.20	0.93%	-4.67%	22.38%
WTI	85.88	0.90%	-5.39%	19.33%
Natural gas	7.67	-1.21%	-17.84%	50.24%
Coal	439.00	-1.46%	8.40%	149.43%
Gold	1,678.02	0.18%	-3.95%	-4.88%

Vietnam Market Snapshot 16/09/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,234.03	13.26	-11.63	-0.93	474	15,510
HNX INDEX	272.88	16.49	-6.81	-2.43	62	1,623

Money flow and sector rotation (VND bn)

Sector	%1D	9/16/2022	9/15/2022	20-session Average
Travel & Leisure	156.30	277	108	117
Personal & Household Goods	122.51	375	169	228
Financial Services	81.81	1,561	859	1,613
Food and Beverage	79.14	1,740	971	1,331
Basic Resources	72.44	1,324	768	1,179
Technology	64.38	144	88	165
Health Care	59.96	34	22	26
Banks	59.12	1,771	1,113	1,784
Real Estate	50.04	2,443	1,628	2,346
Automobiles & Parts	43.00	90	63	104
Industrial Goods & Services	37.25	630	459	718
Insurance	35.41	79	59	118
Construction & Materials	33.65	1,272	951	927
Retail	24.20	667	537	666
Oil & Gas	19.66	326	273	317
Chemicals	10.73	1,101	994	1,044
Media	6.93	6	6	7
Utilities	-3.2	600	620	434

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Breaking news

Macro

Positive

- Standing Committee of the National Assembly gives opinions on the draft Petroleum Law (amended) and many delegate expect that the projects will be put into operation soon, increase reserves, bring higher revenue.
- The Ministry of Industry and Trade said that offshore wind power development in Vietnam is only in the first stage, so the implementation will face some difficulties. According to the research, Vietnam is a country with great potential for offshore wind power with about 600 GW, of which 260 GW of offshore wind power is fixed foundation and 338 GW is offshore wind power floating foundation.
    - ✓ Development Finance Corporation (DFC) wants to help Vietnam realize its target of 7,000MW of offshore wind by 2030.
- Power output in the first 8 months of the year increased by 5%, coal-fired power accounted for the largest proportion.

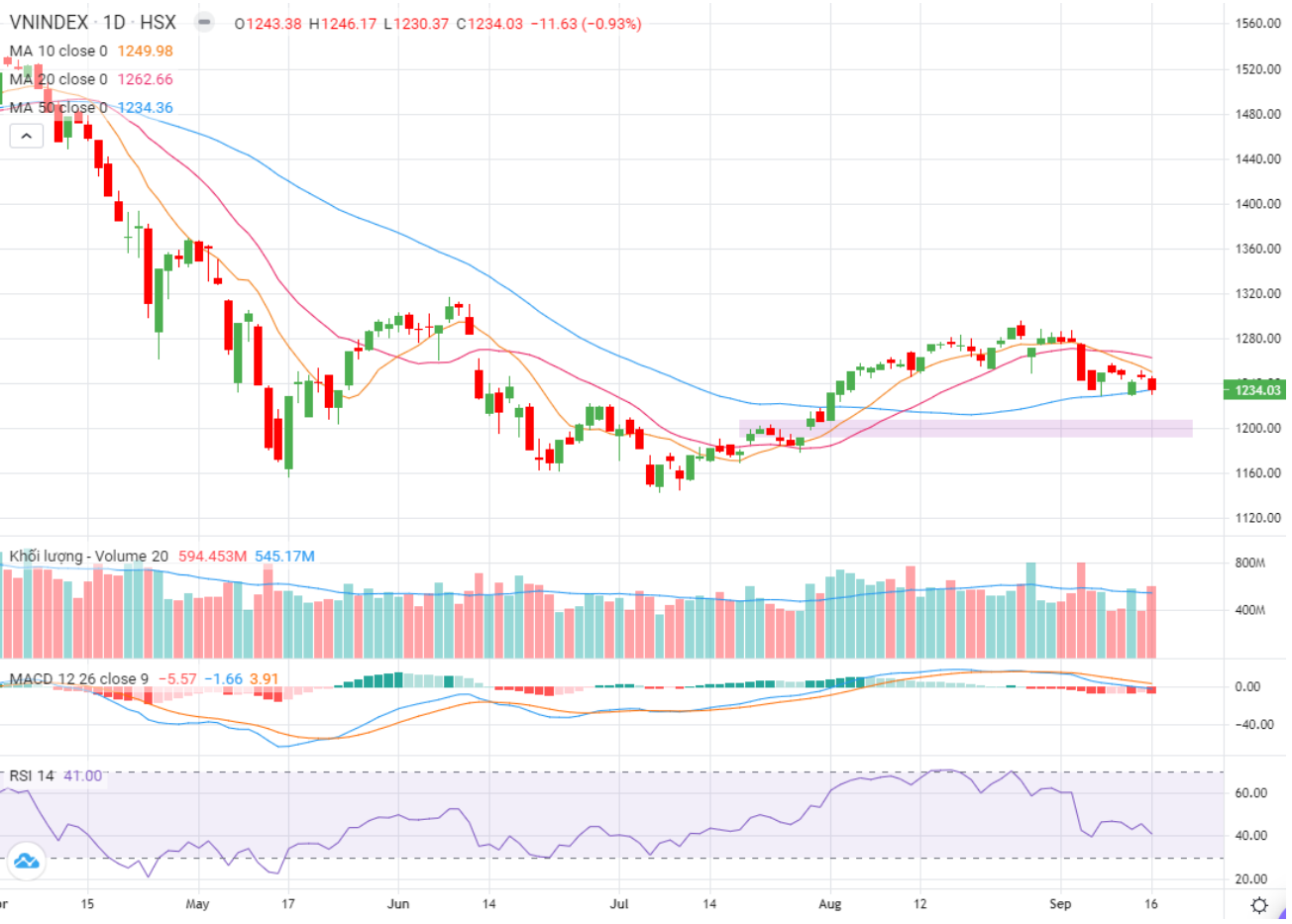
Less positive

- 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, by 2023, HAGL has 1,000 stores selling "pork eats banana" products, including franchise model. In addition, the company is experimenting with banana-eating jogging chickens, which are expected to launch later this year or next year.
- POW, PV Power's revenue in August reached VND 1,868 billion, up 3% over the same period and 16% higher than the plan. However, September revenue is expected to decrease as many factories enter the overhaul period.
- VHC, Vinh Hoan's revenue in August reached VND 1,270 billion, up 73% over the same period last year and up 6% from the previous month.
- DGC, Yellow phosphorus prices recovered 34.6% within a month due to drought in Sichuan, which accounts for 20% of China's P4 production. Revenue from yellow phosphorus products contributes more than 40% of the group's total revenue.
- HT1, Ha tien 1 Cement announces to pay cash dividend at the rate of 6%, ex-right date is September 23th .
- 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	↓ 1234.03 (-11.63 -0.93%)			VN30	↓ 1252.78 (-10.04 -0.80%)			HNX	↓ 272.88 (-6.81 -2.43%)			UPCOM	↓ 89.46 (-0.81 -0.90%)		
632,370,935 CP		15,510.08 Tỷ		166,224,470 CP		5,428.41 Tỷ		81,761,931 CP		1,624.56 Tỷ		50,590,447 CP		660.86 Tỷ	
↑ 95(3)	70	↓ 368(27)	Hết giờ GD	↑ 7(0)	1	↓ 22(0)	Hết giờ GD	↑ 49(1)	136	↓ 152(11)	Hết giờ GD	↑ 118(27)	398	↓ 237(35)	Hết giờ GD

Trend: Can retest the threshold of 1,200 points

- Cautiousness covered the market as investors were waiting for a new decision of the FED, low liquidity reflected this. The increasing selling pressure made it very difficult for the index to break out to a higher level and had to drop to the support area around 1,230 points (corresponding to 50-day MA). Technical indicators still show correcting signals, so the upcoming sessions will be quite shaky. Expecting bottom-fishing demand to participate well and help the market regain balance. The lower support for the trend is the psychological level of 1,200 points while the current resistance is at 1,250 points. Maintain a reasonable stock proportion and observe the market.

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 19/9/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
POW	Wait to Buy	14.6	16	13.8	10%	5%	14.45	When break 14.6
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%	24.6	27	0.00%	9/8/2022	Open
HPG	Hold	23.8	26.5	22.4	11%	6%	23	23	-3.36%	15/8/2022	Open
VSH	Hold	43.5	50	40	15%	8%	45.9	4	5.52%	13/9/2022	Open
PAN	Hold	26	30	24.5	15%	6%	26.6	3	2.31%	14/9/2022	Open
PVS	Buy	27	31	25.5	15%	6%	26.8	3	-0.74%	15/9/2022	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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