MORNING CALL

September 22th, 2022

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“Unknown factor suddenly appeared””

- Global stocks were on fire
- Domestic stocks were cautious with low liquidity
- Russia-Ukraine tensions returned, industries expect to benefit
- Technical view and recommendations #TAR #VCG
- Economic calendar
- Q&A

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

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Major stock markets slid

- US stock futures fell on Thursday after the Federal Reserve delivered another large interest rate hike, while investors assessed Fed Chair Jerome Powell's discussions on the outlook for rates and the economy
- Asian equity markets fell on Wednesday, taking cues from a negative lead on Wall Street as investors braced for another outsized interest rate hike from FED. Nikkei 225 decreased to a 9-week low of 27,066
- European stocks rebound slightly from previous drop.
- WTI crude rose on the back of Russia-Ukraine tensions but fell back at the end of the session as investors continued to worry about the economic outlook.

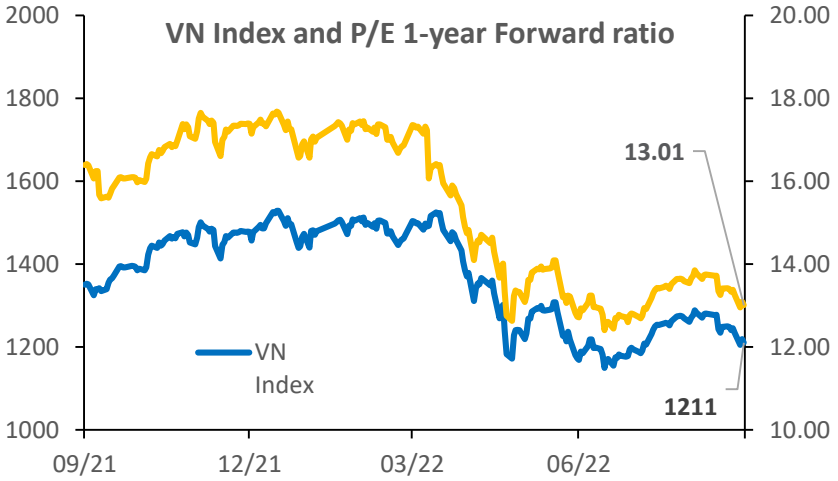
Market

	Close	%1D	%1M	%1Y
VN-Index	1,211	-0.69%	-3.96%	-10.37%
S&P 500 Index	3,790	-1.71%	-8.41%	-13.78%
Dow Jones Index	30,184	-1.70%	-8.71%	-11.89%
Hang Seng	18,445	-1.79%	-6.17%	-23.85%
Nikkei 225	27,044	-0.98%	-6.08%	-8.76%
SHCOMP Index	3,117	-0.17%	-4.90%	-14.09%
STI Index	3,262	-0.16%	-0.02%	7.01%
KOSPI Index	2,323	-1.03%	-5.66%	-26.03%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	111.61	0.87%	2.35%	19.42%
USD/VND	23,688.00	-0.08%	-1.17%	-3.92%
EUR/USD	0.98	-0.20%	-1.27%	-16.00%
USD/CNY	7.05	-0.45%	-2.86%	-8.28%
Brent	89.58	-0.28%	-7.15%	17.57%
WTI	82.71	-0.28%	-8.33%	14.51%
Natural gas	7.72	-0.71%	-20.21%	60.75%
Coal	444.50	0.73%	6.79%	147.63%
Gold	1,662.12	-0.70%	-4.27%	-6.00%

Vietnam Market Snapshot 21/09/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,210.55	13.01	-8.38	-0.69	701	16,706
HNX INDEX	265.09	16.01	-1.81	-0.68	91	2,008

Money flow and sector rotation (VND bn)

Sector	%1D	9/21/2022	9/20/2022	20-session Average
Technology	12.68	77	68	148
Construction & Materials	9.99	949	863	950
Food and Beverage	2.23	873	854	1,297
Automobiles & Parts	-3.9	73	76	105
Travel & Leisure	-5.9	60	64	109
Personal & Household Goods	-14.6	135	159	221
Real Estate	-15.4	1,379	1,631	2,209
Health Care	-15.7	12	14	24
Oil & Gas	-16.4	219	263	319
Banks	-20.7	936	1,180	1,650
Basic Resources	-20.8	505	637	1,131
Industrial Goods & Services	-25.1	434	580	694
Insurance	-26.1	58	78	118
Retail	-28.2	366	510	664
Utilities	-30.0	281	402	451
Chemicals	-42.2	421	729	1,072
Financial Services	-45.5	699	1,283	1,513
Media	-54.8	4	10	7

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Breaking news

Macro

Positive

- 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.

Less positive

- According to a survey with most of the leading economists of the Financial Times, the majority think the Fed will raise interest rates to more than 4% and keep at that level until after 2023 to prevent high inflation.
- 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

- FPT, FPT Corp. has just announced business results for the first 8 months of 2022, the revenue of FPT reached VND 27,060 billion (+24% YoY), EBT was VND 4,951 billion (+23.6%)
- 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.
- 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.

Russia-Ukraine tensions return



Politics

Putin Calls Up More Troops, Resumes Nuclear Threat Over Ukraine

updated 3 hours ago

Russia Hurries to Tighten Grip on Occupied Ukraine, Ups Stakes

Russian Oil Flows Dive, Hurting Putin's War Chest

Why Putin Can't Tap Fascism's Greatest Resource

https://www.bloomberg.com/asia



Background

- Putin issued an order of "partial mobilization" in Russia from the afternoon of September 21, emphasizing the goal of "liberating the Donbass", demanding legal status for pro-Russian Ukrainian militiamen.
- The "partial mobilization" order is only applied to reserve forces, mainly retired soldiers with certain military expertise and experience. This is the first time Russia has issued an order to mobilize its troops since World War II.
- Russian Defense Minister Sergei Shoigu said that the Russian military plans to mobilize an additional 300,000 servicemen in reserve to serve in the military operation in Ukraine.

➢ The issue of tension between Russia and Ukraine returned, especially the fear of nuclear risks began to appear. Previously, the market was assessing the risk of Russia using nuclear as low, however, after Putin's speech, this fear was higher.

➢ The USD is likely to be a haven against political instability. USD interest rates are high, holding gold is not profitable, so defensive assets that are gold will be less attractive than USD. The DXY index has just set a new high, the stronger USD will put pressure on the exchange rate.

Businesses benefit from tensions Russia - Ukraine

Tickers	Sectors	Comment	Impact
PVD, PVS, BSR	Oil	Russia is the third largest oil exporter in the world, after the United States and Saudi Arabia. Currently, Russia is supplying about 40% of the gas needs on the European Union (EU) market. Meanwhile, Ukraine benefits quite a lot as a transit station for Russian gas.	Direct
GAS, CNG	Gas		
DCM, DPM **DGC, LAS**	Fertilizers, chemicals	Russia is one of the world's largest suppliers of fertilizers and related raw materials such as sulfur. In addition, Russia is also the world's largest supplier of Urea, NPK, Ammonia, UAN and Ammonium Nitrate in 2021, the third largest exporter of Potassium, and the fourth largest Phosphate in the world. Any supply cut from Russia could lead to a rally in the commodities market. In 2020, Russia leads the world in fertilizer exports, reaching USD 7 billion, followed by China with USD 6.6 billion and Canada with USD 5.2 billion. In December 2021, Russia applied measures to limit the export of nitrogenous fertilizers until June 2022. Russia has also banned the export of Ammonium nitrate from February 2nd to April 1st, 2022.	Direct
HAH, GMD **PVT, VOS**	Port, freight	Disruption of supply chains when military conflicts broke out as well as threats of sanctions by countries caused a soar in freight rates and charter demand.	Indirect
NKG, HSG	Steel	Russia is ranked 2nd in steel exports to the EU (after Turkey). If this export volume is reduced due to the embargo, it will create opportunities for other exporters to enter this market, especially with the galvanized sheet group currently exporting a lot to this market.	Unclear
	Food	Both Russia and Ukraine are two "grain powers," contributing for nearly a third of wheat and barley exports and a fifth of corn trade in the world market.	High input costs are detrimental to the livestock industry

Góc nhìn kỹ thuật



Trend: Struggle and wait

- Liquidity continued to decline as investors limited opening new positions ahead of the Fed's policy meeting. The positive point is that there was still bottom-fishing demand at low prices during session, helping the index create a retreat candle at 1,210 points, narrowing part of the intraday drop. However, with a sharp drop in volume and the trend is still unclear. Meanwhile, technical indicators have not improved, as MACD is already below zero while RSI is still recovering weakly and has not yet surpassed 50. In general, the shaking will continue and the strategy is in favor of caution. Cash flow is expected to be quite differentiated in the coming time.

Scenarios:

- Positive (50%): Correction signal has appeared and the index will need to retest the support area around 1,190 - 1,200 points. If the trade is balanced, expected to the index will soon rebound and increase to the threshold of 1,300 points.
- Less positive (50%): If index drops again and breaks through 1,200 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 **22/9/2022**

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
TAR	Buy	27-27.4	30	25.6	11%	5%		Staying above MA10, liquidity improves
VCG	Watch							Confirmation break session on 14/09
FRT	Watch							Strong support, open a position when the price crosses 88

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
VSH	Hold	43.5	50	40	15%	8%	43.4	7	-0.23%	13/9/2022	Open
PAN	Buy	26	30	24.5	15%	6%	25.95	6	-0.19%	14/9/2022	Open
PVS	Hold	27	31	25	15%	7%	26.4	6	-2.22%	15/9/2022	Open

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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