MORNING CALL

September 23th, 2022

Shinhan Securities

“Money flow will divergent in the coming time”

- Global stocks struggled to recover
- Domestic stocks continue to hold the threshold of 1,200 points
- The wave of interest rate hikes by major central banks and Vietnam is no exception
- Technical view and recommendations #VCG
- Economic calendar
- Q&A

[Analysts]

Khang Tran ☎ (84-28) 6287-8037
✉ khang.lt@shinhan.com

Nhut Nguyen ☎ (84-28) 6287-7751
✉ nhut.nq@shinhan.com

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

Shinhan
Compassionate Finance

Major stock markets struggled to recover

- Wall Street struggles to make headway. The Dow lost around 100 point on Thursday, and the S&P 500 and Nasdaq fell roughly 0.5% each.
- Japan Intervenes to Support Yen for the First Time Since 1998. “The Japanese government has intervened in the foreign exchange market to sell dollars for yen to stem the Japanese currency's recent sharp falls”, top currency diplomat Masato Kanda said on Thursday, Reuters.
- Main stock market indexes in Europe traded in the red, as investors digested the wave of central banks raising interest rates to combat soaring inflation.
- The Chinese city of Chengdu lifted the blockade.
- Crude oil balance around 84 USD/barrel, as hopes of higher Chinese demand and geopolitical tensions more than offset global growth worries. Iron Ore Falls to Near 10-Month Low, about $98 per tonne.

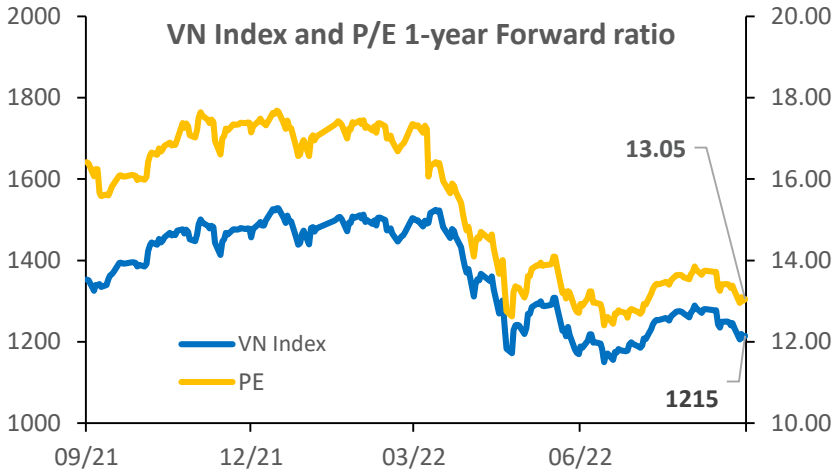
Market

	Close	%1D	%1M	%1Y
VN-Index	1,215	0.34%	-4.42%	-10.21%
S&P 500 Index	3,758	-0.84%	-8.98%	-15.53%
Dow Jones Index	30,077	-0.35%	-8.61%	-13.49%
Hang Seng	18,148	-1.61%	-6.95%	-25.96%
Nikkei 225	27,154	-0.58%	-4.57%	-8.39%
SHCOMP Index	3,109	-0.27%	-5.11%	-14.64%
STI Index	3,263	0.04%	0.52%	6.07%
KOSPI Index	2,312	-0.87%	-5.06%	-26.08%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	111.26	-0.09%	2.42%	19.52%
USD/VND	23,696.00	-0.03%	-1.20%	-3.98%
EUR/USD	0.98	0.04%	-1.30%	-16.18%
USD/CNY	7.08	-0.39%	-3.25%	-8.70%
Brent	90.52	0.07%	-9.68%	17.18%
WTI	83.67	0.22%	-10.74%	14.15%
Natural gas	7.24	2.12%	-21.26%	45.48%
Coal	435.65	-1.99%	4.14%	141.36%
Gold	1,673.60	0.14%	-4.26%	-3.97%

Vietnam Market Snapshot 22/09/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,214.70	13.05	4.15	0.34	701	16,706
HNX INDEX	265.64	16.04	0.55	0.21	91	2,008

Money flow and sector rotation (VND bn)

Sector	%1D	9/22/2022	9/21/2022	20-session Average
Financial Services	104.41	1,429	699	1,464
Automobiles & Parts	97.90	145	73	107
Health Care	68.23	20	12	23
Retail	60.93	590	366	669
Technology	59.56	122	77	148
Chemicals	54.39	650	421	1,075
Real Estate	52.58	2,104	1,379	2,196
Basic Resources	28.87	651	505	1,119
Travel & Leisure	28.35	77	60	108
Banks	20.42	1,127	936	1,629
Utilities	20.18	338	281	454
Food and Beverage	15.19	1,006	873	1,288
Personal & Household Goods	12.84	153	135	217
Oil & Gas	8.50	238	219	311
Media	5.65	5	4	7
Industrial Goods & Services	4.14	452	434	681
Construction & Materials	1.42	963	949	955
Insurance	-3.1	56	58	116

Breaking news

Macro

Positive

- In a report JP Morgan sent to clients on Wednesday (September 21), analysts said Vietnam will contribute 20% of total iPad and Apple Watch production, 5% of MacBooks and 65% of AirPods by 2025.

Less positive

- State Bank to increase operating interest rates from September 23
  - ✓ Refinancing interest rate: 5.0%/year.
  - ✓ Rediscount interest rate: 3.5%/year.
  - ✓ Interest rates for overnight loans in interbank electronic payments and loans to cover capital shortfalls in clearing payments by the State Bank for credit institutions and foreign bank branches: 6.0%/year.
- In the first week of September, some banks increased their VND deposit interest rates.

Business news

- DXG, Chairman of Dat Xanh reported buying 5 million shares in the period from August 23 to September 21, ahead of the extraordinary General Meeting of Shareholders.
- PNJ, Phu Nhuan Jewelry Joint Stock Company announced business results in August with 2,328 billion VND in net revenue, 14 times higher than the same period last year, profit after tax reached 79 billion VND. Accumulating 8 months, net revenue reached 23,049 billion VND, up 87.6% over the same period in 2021; profit after tax is 1,246 billion VND, up 66.1%
- BSR, Revenue in the first 8 months of the year is estimated at more than 113,000 billion VND, up 86% over the same period, in August alone, it earned 14,500 billion VND.

- HT1, Ha tien 1 Cement announces to pay cash dividend at the rate of 6%, ex-right date is September 23th
- IDI, Fisheries IDI announced to pay a cash dividend at the rate of 15%, the ex-rights date is September 23rd.

The wave of interest rate hikes from major central banks



Bond Market

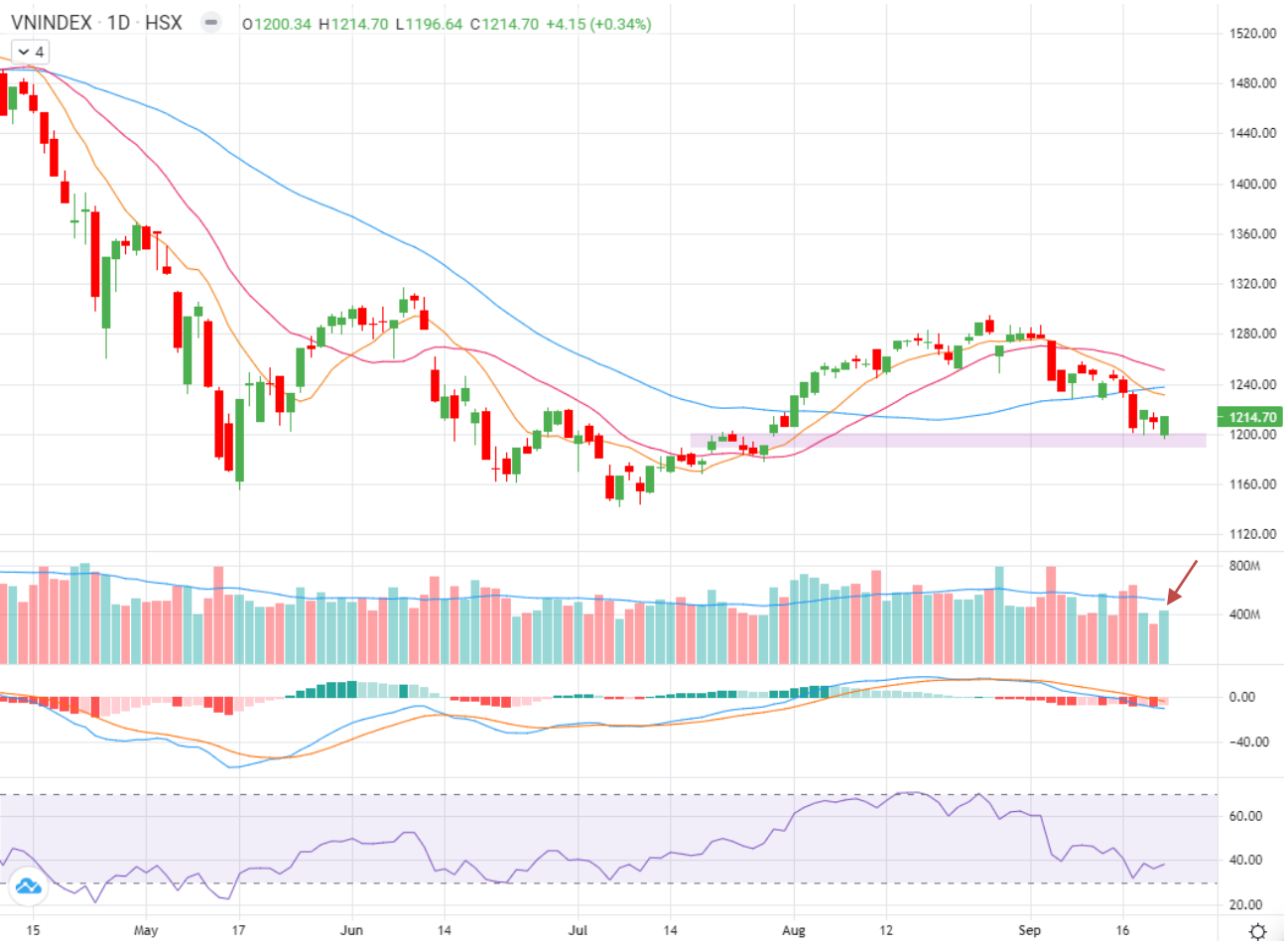
- The US 10-year Treasury note yield briefly broke above the 3.6% mark for the first time since April 2011
- Iceland 10 Year Government Bond Yeld increased to a near 4-year high of 5.944%
- Belgium 10 Year Government Bond Yeld increased to a 8-year high of 2.571%
- South Africa's 10-year government bond yield approached a two-month high of 10.6%.
- India 10 Year Government Bond Yeld increased to a 4-week high of 7.312%

Interest rate

- FED to hike rates by 75bps for 3rd, pushing borrowing costs to the 3%-3.25% range, the highest since 2008.
- The Bank of England raised its key interest rate by 50bps to 2.25% during its September 2022 meeting, the 7th consecutive rate hike, and pushing borrowing costs to the highest since 2008.
- The Norges Bank raised its key policy rate by 0.5 percentage point to 2.25 percent during its September meeting, pushing up borrowing costs to the highest level since November 2011.
- The Swiss National Bank raised its policy rate by 75bps to 0.5% in its September meeting, lifting borrowing costs to positive territory for the first time since 2011.
- The central bank of Taiwan increased its key discount rate by another 12.5 bps to 1.625% in September of 2022, in line with market forecasts and pushing borrowing costs to the highest since 2016.
- Indonesia's central bank raised its policy rate by 50 bps to 4.25 percent during its September meeting, a move that surprised markets expecting a 25 bps rate hike
- The central bank of the Philippines raised its key overnight borrowing rate by 50 bps to 4.25% at its September meeting, in line with market expectations. It was the fifth rate hike this year

➢ The State Bank of Vietnam raised its refinancing rate by 100 basis points to 5.0 percent during a September meeting, the first interest rate hike since October 2011.

Tecnical View



VNI	1214.7 (4.15 0.34%)			HNX	265.64 (0.55 0.21%)			UPCOM	88.55 (0.32 0.36%)			VN30	1228.94 (0.74 0.06%)		
473,554,639 CP		11,666.71 Tỷ		61,261,587 CP		1,203.56 Tỷ		38,789,454 CP		663.92 Tỷ		118,934,550 CP		4,148.56 Tỷ	
254(7)	79	204(8)	Hết giờ GD	100(9)	161	76(6)	Hết giờ GD	184(10)	460	108(7)	Hết giờ GD	17(0)	6	7(0)	Hết giờ GD

Trend: Divergent cash flow

- The index once again maintained the psychological level of 1,200 points, rebounded and closed in green at 1,214 points. Many industry groups have dropped sharply recently, reaching the oversold zone and stimulating bottom-fishing demand in the short term. However, this could be a technical retracement signal when order matching is still low. The RSI increased slightly but still below 50. Therefore, the money flow will be quite differentiated next time when the general index is still in correcting trend. Current resistance is around 1,240 points, while the nearest support is around 1,190 – 1,200 points. The strategy focuses on stocks that keep a strong trend, taking advantage of the rebound to structure the group of stocks that have broken the trend.

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 **24/9/2022**

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VCG	Buy	25-25.5	29	24	14%	6%	25.8	Confirmation break session on 14/08
FRT	Watch						86.7	Strong support, Open position when price breaks 88
REE	Watch						84.4	Open position when price breaks 86 with volume above 20 session average

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%	45.5	8	4.60%	13/9/2022	Open
PAN	Hold	26	30	24.5	15%	6%	26.5	7	1.92%	14/9/2022	Open
PVS	Hold	27	31	25	15%	7%	26.3	7	-2.59%	15/9/2022	Open
TAR	Hold	27.4	31	25.8	13%	6%	28.5	1	4.01%	16/9/2022	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

Shinhan Investment Network

SEOUL

Shinhan Investment Corp.
Shinhan Investment Tower
23-2, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH

Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000



Compliance Notice

- Analyst Certification: We/I hereby certify the information and material presented in this report are accurate expressions of their views, and that we/I have not received internally or externally wrongful pressure to express such views.
- All opinions and estimates regarding the company and its securities are accurate representations of the covering analyst's judgments as of this date and may differ from actual results.
- This report is intended to provide information to assist investment decisions only and should not be used or considered an offer or the solicitation of an offer to sell or to buy any securities. Stock selection and final investment decisions should be made at the client's own discretion.
- This report is distributed to our clients only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.

Disclaimers

- This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of Shinhan Securities Vietnam Ltd.., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of Shinhan Securities Vietnam Ltd.
- This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. Shinhan Securities Vietnam Ltd. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Shinhan Securities Vietnam Ltd.., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or Shinhan Securities Vietnam Ltd. The final investment decision is based on the client’s judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.
- Copyright ⓒ 2020 Shinhan Securities Vietnam Ltd. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of Shinhan Securities Vietnam Ltd.