MORNING CALL

September 26th, 2022

Shinhan Securities

"Be patient and wait"

- Global stocks plummeted
- Domestic stocks retest the psychological threshold of 1,200 points
- Inter-market update
- Technical view and recommendations #VCG #PVS
- 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 sold off

- Dow Jones tumbled below the key 30,000 mark to close at levels not seen in almost two years, while the S&P 500 and the Nasdaq lost nearly 2% each, as a Fed-induced selloff intensified, putting all the three major averages on track for their second straight weekly decline.
- European equity markets fell sharply on Friday, with Germany's DAX down 2% to a 2-year low, Italy's IT40 also closed 3.4% down and France's CAC 40 slipped about 2.3%.
- The Nikkei Index fell 0.58% on Friday, hitting their lowest levels in over two months, while the Shanghai Composite also fell 0.66%, closing at their lowest levels in about four months, tracking losses on Wall Street.
- The dollar index (DXY) skyrocketed above the 113 level for the first time since May 2002.
- WTI crude futures plunged over 5% to around $79 per barrel, a level not seen since January, pressured by a worsening global economic outlook and a stronger dollar.

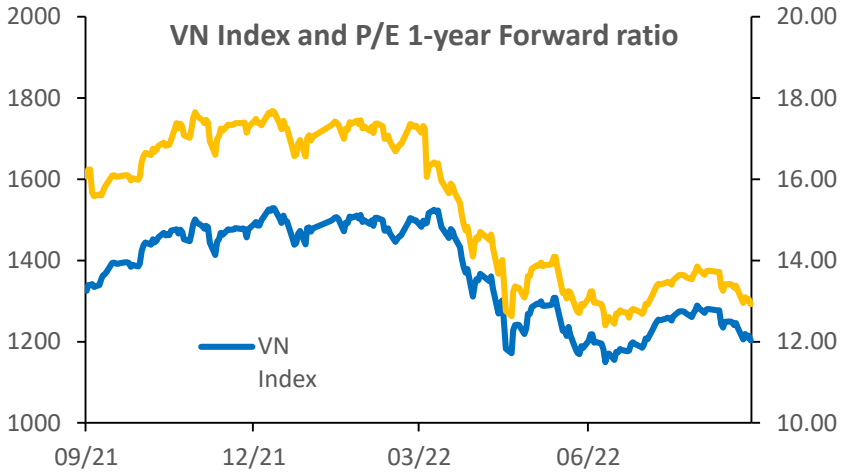
Market

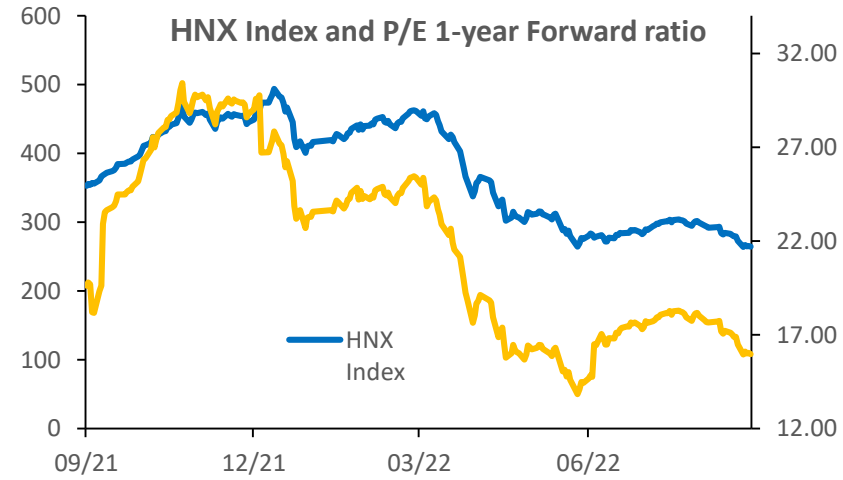
	Close	%1D	%1M	%1Y
VN-Index	1,203	-0.94%	-6.18%	-10.95%
S&P 500 Index	3,693	-1.72%	-8.98%	-17.11%
Dow Jones Index	29,590	-1.62%	-8.34%	-14.97%
Hang Seng	17,933	-1.18%	-11.09%	-25.87%
Nikkei 225	26,619	-1.97%	-6.45%	-10.19%
SHCOMP Index	3,088	-0.66%	-4.57%	-14.52%
STI Index	3,227	-1.10%	-0.69%	5.41%
KOSPI Index	2,251	-1.70%	-9.27%	-27.97%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	113.17	-0.02%	4.02%	21.27%
USD/VND	23,702.00	-0.03%	-1.16%	-3.95%
EUR/USD	0.97	-0.03%	-2.83%	-17.20%
USD/CNY	7.13	-0.70%	-4.11%	-9.39%
Brent	86.95	0.93%	-13.90%	11.35%
WTI	79.52	0.99%	-14.55%	7.49%
Natural gas	6.92	1.30%	-25.59%	34.57%
Coal	435.20	-0.10%	4.21%	134.10%
Gold	1,643.44	-0.03%	-5.45%	-6.10%

Vietnam Market Snapshot 23/09/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,203.28	12.93	-11.42	-0.94	701	16,706
HNX INDEX	264.44	15.97	-1.20	-0.45	91	2,008

Money flow and sector rotation (VND bn)

Sector	%1D	9/23/2022	9/22/2022	20-session Average
Insurance	571.68	375	56	129
Food and Beverage	36.70	1,375	1,006	1,273
Construction & Materials	30.04	1,252	963	973
Media	26.57	6	5	7
Oil & Gas	21.89	290	238	311
Health Care	13.15	22	20	23
Basic Resources	11.84	728	651	1,114
Industrial Goods & Services	-7.5	418	452	649
Banks	-9.8	1,016	1,127	1,590
Chemicals	-9.8	586	650	1,053
Utilities	-10.3	303	338	450
Personal & Household Goods	-15.0	130	153	206
Real Estate	-19.8	1,688	2,104	2,174
Financial Services	-23.8	1,090	1,429	1,449
Travel & Leisure	-25.8	57	77	105
Automobiles & Parts	-31.2	99	145	107
Technology	-31.6	84	122	145
Retail	-39.0	360	590	664

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Breaking news

Macro

Positive

- According to Nikkei Asia, Vietnam and Thailand, the world's second and third largest rice exporters, will hold meetings in October to negotiate a proposal to raise rice export prices.
- An increase in electricity price will be proposed when the average retail price increases from 1% due to fluctuating input parameters.
- The Asian Development Bank (ADB) maintained its growth forecast for Vietnam at 6.5% this year and 6.7% next year.

Less positive

- The State Bank of Vietnam has increased operating interest rates since September 23. Accordingly, large banks began to sharply increase deposit rates.
- USD/VND exchange rate to the highest level ever.
- High world raw material prices due to inflation will affect Vietnam's economy through production activities, when more than 30% of input materials for production activities are imported.

Business news

- PAN, Profit in 2022 is boosted by consolidation of VFG and growth of all business segments.
- PNJ, upgrade the implementation of sustainable development in the direction of ESG (Environmental – Social – Governance).
- PET, Petrosetco plans to offer 44.9 million shares to shareholders to raise 673 billion dong, this money will be used to repay the loan for goods payment to Apple.
- DGW, TCL phone company launches a new series of smartphones, exclusive distribution by Digiworld.

- VGC, Viglacera announced to pay cash dividend at the rate of 10%, ex-right date is September 27th.
- HDB, HDBank announced to pay dividend in shares at the rate of 25%, the ex-rights date is September 27rd.
- VPB, Vpbank announced bonus shares with the ratio 2:1, the ex-rights date is September 28rd.
- VSC, Vietnam Container Shipping announces to pay cash dividend at the rate of 10%, ex-right date is September 28th.



Inter-market update



All three main indexes on Wall Street have dropped to the old bottom level created in mid-June, bottom-fishing demand is re-entering in the short term as it seems that next week there won't be much negative information affecting the market.

Inter-market update



European stocks also plummeted along with Wall Street's decline and reached the old bottom set in July. The trend will be quite turbulent.

Inter-market update





The dollar index (DXY) skyrocketed above the 113 level, a 20-year high. When the money flow chooses a safe haven channel.

Crude oil lost the important level of 80 USD/barrel, pressured by a worsening global economic outlook and a stronger dollar.

Inter-market update





Steel prices recovered in China as the city of Chengdu was just lifted from the blockade.

BDI index recovered due to supply chain jams when tensions between Russia and Ukraine returned.

Technical view



VNI	1203.28 (-11.42 -0.94%)			HNX	264.44 (-1.20 -0.45%)			UPCOM	88.59 (0.04 0.05%)			VN30	1215.41 (-13.53 -1.10%)		
485,376,696 CP		11,293.00 Tỷ		60,408,799 CP		1,164.00 Tỷ		63,200,073 CP		789.96 Tỷ		105,437,696 CP		3,626.16 Tỷ	
162(9)	77	287(3)	Hết giờ GD	74(14)	159	104(5)	Hết giờ GD	208(35)	405	139(15)	Hết giờ GD	2(0)	1	27(0)	Hết giờ GD

Trend: Be patient and wait

- The index dropped to the psychological level of 1,200 points, which is also a strong support level and also quite risky if this zone is penetrated. In the context of high interest rates, large cash flow might consider choosing attractive investment channels, this puts short-term pressure on the stock market. Technical indicators are still sending correcting signals. However, there is a bright spot that some sectors that have fallen sharply recently have hit the oversold zone. Expecting that bottom-fishing demand will participate well and help the market to find a balance point and avoid a shock. However, the position should only be opened when the signal is clear. A cautious strategy throughout recent weeks is recommended, in line with the current movements of the market.

Scenarios:

- Positive (45%): 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 (55%): If index drops again and breaks through 1,200 points, it is likely to drop back to retest the old bottom at 1,150 points. At this time, the recovery wave is violated and the stock position should be minimized, standing outside and observing.

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 26/9/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VCG	Buy	25	29	24	14%	6%	25.2	Confirmation break session on 14/08
PVS	Sell	27		25			26.3	Recovered but failed to break MA10
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%	43.9	9	0.92%	13/9/2022	Open
PAN	Hold	26	30	24.5	15%	6%	26	8	0.00%	14/9/2022	Open
PVS	Sell	27	31	25	15%	7%	26.3	8	-2.59%	14/9/2022	Close
TAR	Hold	27.4	31	25.8	13%	6%	27.9	2	1.82%	22/9/2022	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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