MORNING CALL

September 27th, 2022

Shinhan Securities

“Risks increase when the index drops below the old bottom”

- Global stocks continue to decline
- Domestic stocks lost the threshold of 1,200 points, what scenario for the market?
- Technical view and recommendations #VSH
- Economic calendar
- Q&A

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Global Market Review - Week 23-30/09/2022

Major stock markets continue to decline

- US stocks fall for 5th session. Wall Street extended losses during the volatile session on Monday, with the Dow closing down more than 300 points. European equity markets closed in the red after attempting a rebound on Monday, extending losses for a third consecutive session.
- British pound hits all-time low, GBP/USD drops to 1.0338, after the government announced several rounds of tax cuts, in an attempt to boost economic growth.
- Japan Manufacturing PMI decreased to 51.0 in September of 2022 from a final 51.5 in August, a 20-month low.
- Oil prices fell almost 3% to a near 9-month low on Monday, with WTI crude futures trading below $77 per barrel, pressured by a worsening global economic outlook and a stronger dollar. Gold prices weakened past $1,630 an ounce on Monday, hitting the lowest levels since April 2020.

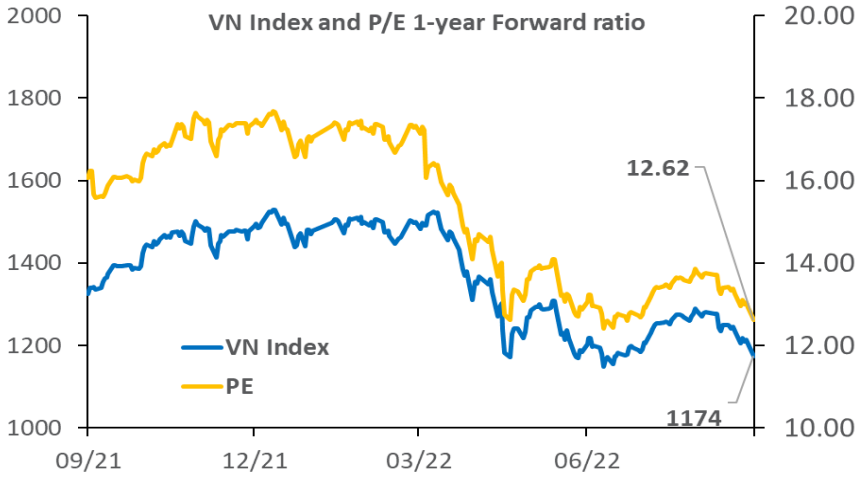
Market

	Close	%1D	%1M	%1Y
VN-Index	1,174	-2.40%	-8.44%	-11.37%
S&P 500 Index	3,655	-1.03%	-9.92%	-17.97%
Dow Jones Index	29,261	-1.11%	-9.36%	-15.91%
Hang Seng	17,855	-0.44%	-11.48%	-26.25%
Nikkei 225	26,660	0.87%	-6.92%	-11.84%
SHCOMP Index	3,051	-1.20%	-5.72%	-14.84%
STI Index	3,182	-1.40%	-2.08%	2.63%
KOSPI Index	2,214	-0.32%	-10.77%	-29.35%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	113.76	-0.30%	4.56%	21.82%
USD/VND	23,717.00	-0.06%	-1.29%	-4.01%
EUR/USD	0.96	0.26%	-3.63%	-17.62%
USD/CNY	7.14	-0.12%	-3.72%	-9.53%
Brent	84.28	0.26%	-16.55%	5.97%
WTI	76.81	0.13%	-17.46%	1.80%
Natural gas	7.00	1.39%	-24.71%	22.66%
Coal	438.00	0.64%	4.94%	141.32%
Gold	1,629.30	0.43%	-6.21%	-6.91%

Vietnam Market Snapshot 26/09/2022





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,174.35	12.62	-28.93	-2.40	701	16,706
HNX INDEX	255.68	15.44	-8.76	-3.31	91	2,008

Money flow and sector rotation (VND bn)

Sector	%1D	9/26/2022	9/23/2022	20-session Average
Retail	150.25	900	360	648
Technology	120.64	185	84	136
Automobiles & Parts	112.67	212	99	104
Banks	107.58	2,110	1,016	1,530
Chemicals	95.03	1,144	586	1,009
Industrial Goods & Services	76.87	740	418	632
Real Estate	74.95	2,953	1,688	2,132
Financial Services	66.34	1,813	1,090	1,420
Utilities	66.10	504	303	437
Personal & Household Goods	59.41	207	130	199
Basic Resources	56.22	1,137	728	1,078
Travel & Leisure	55.50	89	57	98
Oil & Gas	25.61	365	290	305
Food and Beverage	25.54	1,727	1,375	1,253
Construction & Materials	22.39	1,532	1,252	987
Health Care	-11.5	20	22	22
Media	-12.3	5	6	6
Insurance	-32.9	252	375	133

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.

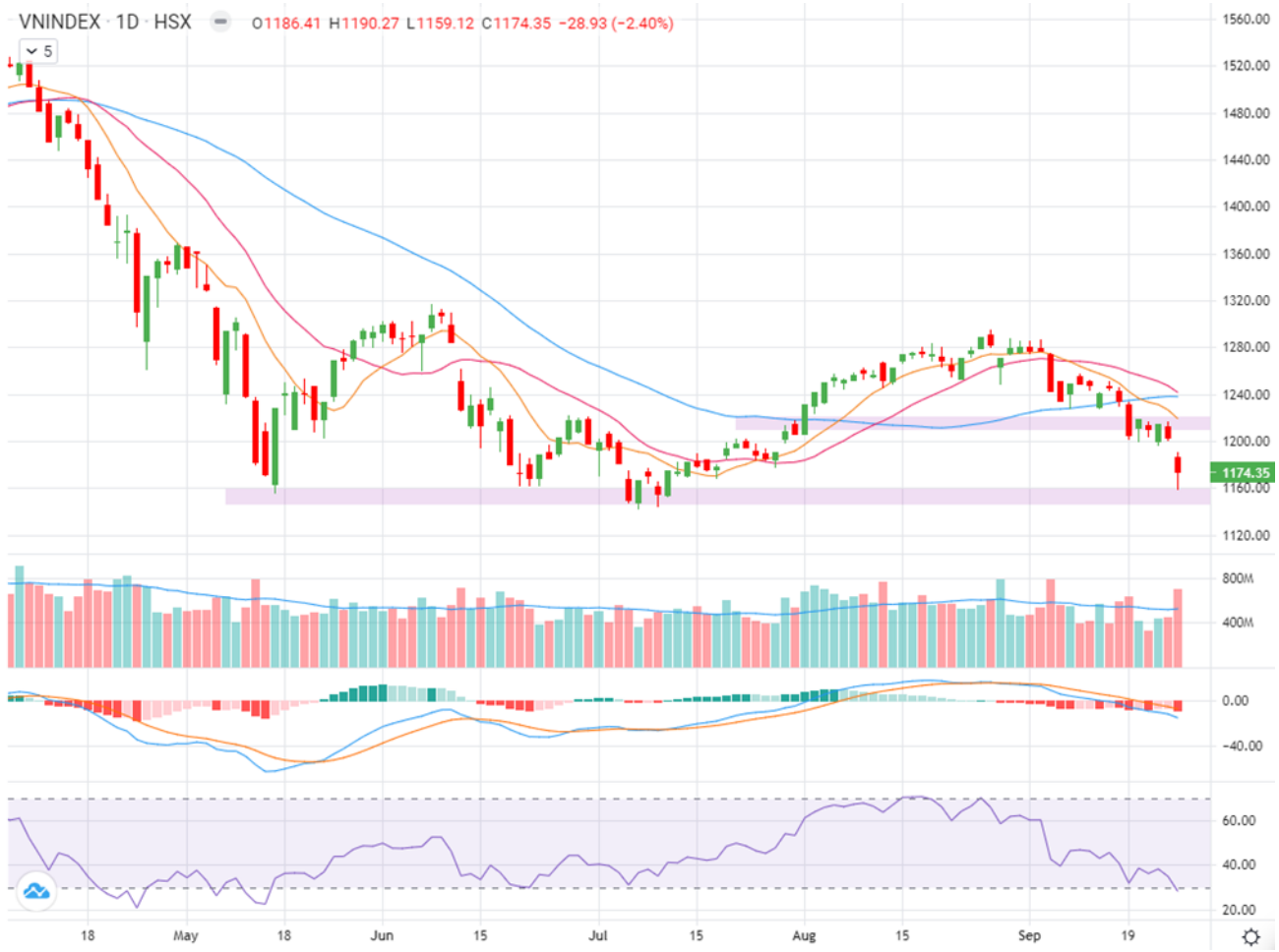
Business news

- VSH, Thuong Kon Tum Hydropower Plant stored water beyond the boundary, causing flooding of more than 25 hectares of trees and vegetation.
- GAS, In the first three quarters, PV Gas is expected to reach VND 76,500 billion in revenue (up 30% over the same period) and VND 14,000 billion in pre-tax profit (up 61.8% over the same period).
- GEG, Gia Lai Electric wants to raise another VND642 billion from the offering of dividend preference shares (private placement). The proceeds are used to contribute capital to subsidiaries or associates and supplement working capital.

- 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.



Technical view



VNI	1174.35 (-28.93 -2.40%)	HNX	255.68 (-8.76 -3.31%)	UPCOM	86.68 (-1.91 -2.15%)	VN30	1187.22 (-28.19 -2.32%)
757,086,377 CP	17,552.32 Tỷ	87,734,284 CP	1,846.12 Tỷ	41,802,124 CP	718.37 Tỷ	188,549,915 CP	5,769.12 Tỷ
42(7)	31	462(46)	Hết giờ GD	41(2)	132	164(13)	Hết giờ GD	76(10)	431	245(17)	Hết giờ GD	2(0)	1	27(0)	Hết giờ GD

Trend: Be patient and wait

- The market was sold strongly at the opening of the week, following a wave of sell-off from global stock markets, pushing the index to create a gap down and close at 1,174 points. Trading value increased and exceeded 20 session average. The positive point is that bottom-fishing demand appeared when the index fell to the old bottom of 1,150 points, helping Vnindex close to create a hammer candle, narrowing a part of the drop in the session. The RSI also fell to the oversold zone, so the selling pressure may ease in the following sessions. However, the big picture is still unclear and it will take time for the market to find a balance point. The strategy remains cautious and observant.

Scenarios:

- Positive (45%): Corrective signal has appeared and the index will need to retest the support area around the old bottom at 1,150 points. If the trade is balanced, it is expected that soon there will be a recovery span to the threshold of 1,200 - 1,220 points.
- Less positive (55%): If the index drops again and breaks through 1,150 points, at this time, the medium-term recovering wave is breached, the risk increases and the index might fall to 1,100 points, or lower 1,025 points.

Technical view





Positive

- The market found a balance point and still held the old bottom at 1,150 points, this is a strong support level and has been tested many times in the past, so it will be quite risky if it is penetrated. Resistance for the next recovery span is 1,200 – 1,220 points.
- More optimistically, the index's breakout to 1,250 points will continue its recovery and move towards the target at 1,325 points.

Less positive

- The index breaching the bottom of 1,150 points will signal that the medium-term recovering wave is violated, at this time, we need to look at the weekly chart. The nearest support for the trend is the psychological level of 1,100 points, however, this level will not be really strong. The index may fall to the area of 1,025 points, corresponding to the old peak that has been tested 3 times before.

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 28/9/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VSH	Sell	43.5		41			40.85	Hit stop loss, lose MA20
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	Sell	43.5	50	41	15%	8%	40.85	11	-6.09%	13/9/2022	Close
PAN	Hold	26	30	24.5	15%	6%	25.9	10	-0.38%	14/9/2022	Open
TAR	Hold	27.4	31	25.8	13%	6%	28.5	4	4.01%	22/9/2022	Open
VCG	Hold	25	28.5	23.6	14%	6%	26	3	4.00%	23/9/2022	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

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Q&A

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