MORNING CALL

September 29th, 2022

“Shelter from the storm and wait for the market to find a balance”

- Global stocks fell at the beginning of the day but rebounded later
- Domestic stocks continued to decline, the threshold of 1,150 points was lost
- Many uncertainties from the world market return
- Technical view and recommendations #TAR #PAN
- Economic calendar
- Q&A

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Global Market Review - Week 26-30/09/2022

Major stock markets fell at the beginning of the day but recovered towards the end of the session

- Dow Jones rebounded to the threshold of 29,600 points after losing the previous level of 29,000 points, thanks to the new move from the BOE.
- European stock indexes joined a global sell-off and fell around 1% Wednesday, with both the STOXX 600 and DAX 40 hitting fresh two-year lows, as investors worry about the impact of surging borrowing costs across the world on the economic outlook. FTSE 100 futures (UK Stocks) also fell nearly 1%.
- Asian stocks tumbled on Wednesday, taking cues from a negative lead on Wall Street.
- Bond yields in the US and Europe retreated after the Bank of England's (BOE) announcement that it will carry out temporary purchases of long-dated UK government bonds.
- Euro continues to fall to $0.95 in late September, fresh 20-year low. The yuan exchange rate broke the 7.2 yuan to 1 dollar mark to its lowest level in about 14 years.
- TTF gas contract prices jumped more than 10% to approach €210 per megawatt hour on Wednesday, after a 7% rise the day before, amid renewed concerns over supply from Russia.

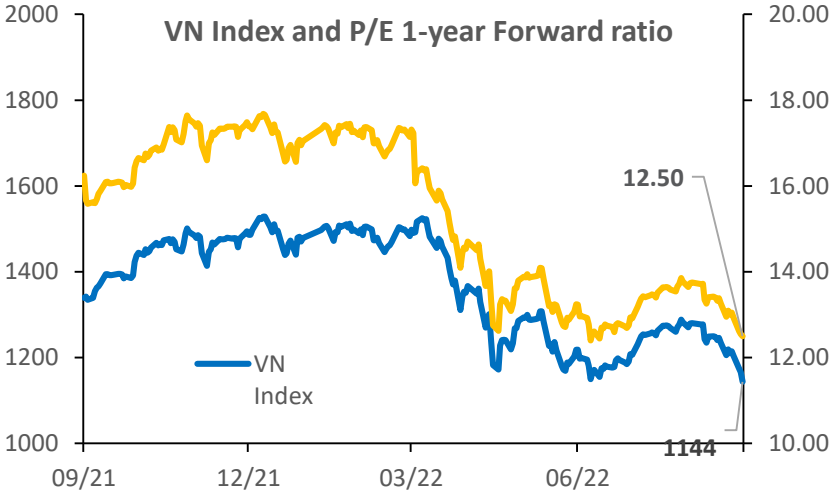
Market

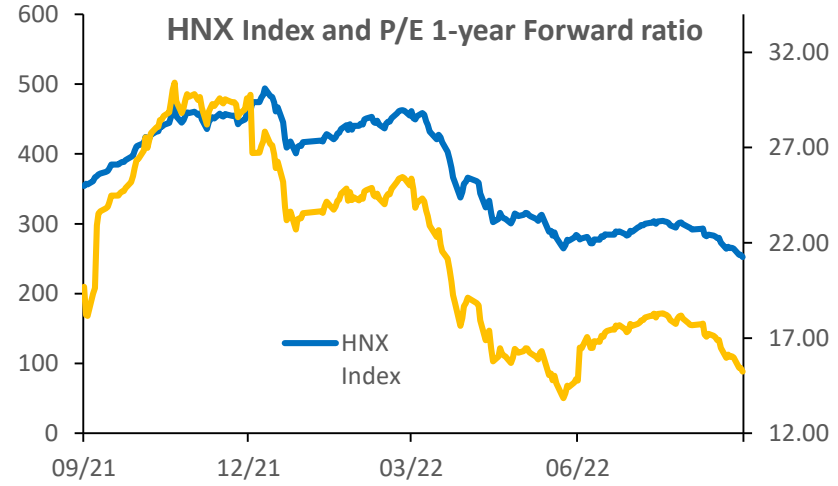
	Close	%1D	%1M	%1Y
VN-Index	1,144	-1.96%	-10.01%	-14.60%
S&P 500 Index	3,719	1.97%	-8.35%	-14.56%
Dow Jones Index	29,684	1.88%	-7.52%	-13.69%
Hang Seng	17,251	-3.41%	-13.85%	-30.06%
Nikkei 225	26,369	0.74%	-5.42%	-10.75%
SHCOMP Index	3,045	-1.58%	-6.04%	-13.89%
STI Index	3,116	-1.55%	-3.29%	1.37%
KOSPI Index	2,206	1.70%	-9.10%	-27.91%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	113.09	0.43%	3.91%	19.88%
USD/VND	23,740.00	-0.02%	-1.32%	-4.09%
EUR/USD	0.97	-0.37%	-2.98%	-16.37%
USD/CNY	7.20	-0.34%	-4.05%	-10.28%
Brent	88.85	-0.53%	-15.45%	12.98%
WTI	81.73	-0.51%	-15.75%	9.22%
Natural gas	7.00	0.62%	-25.18%	27.77%
Coal	436.00	-0.38%	4.46%	109.92%
Gold	1,654.34	-0.34%	-4.76%	-4.17%

Vietnam Market Snapshot 28/09/2022





	Close	PE	Change	%1D	Trading volume. (mn stocks)	Trading value . (VND bn)
VNI NDEX	1,143.62	12.50	-22.92	-1.96	527	11,783
HNX INDEX	252.35	15.24	-3.17	-1.24	62	1,159

Money flow and sector rotation (VND bn)

Sector	%1D	9/28/2022	9/27/2022	20-session Average
Technology	103.16	179	88	137
Insurance	75.26	198	113	140
Construction & Materials	58.09	1,389	879	1,014
Basic Resources	51.55	763	503	1,051
Retail	49.57	526	352	607
Financial Services	48.68	1,339	901	1,336
Travel & Leisure	38.64	65	47	98
Food and Beverage	33.65	1,419	1,062	1,274
Utilities	31.62	336	256	438
Chemicals	3.67	709	684	974
Automobiles & Parts	1.99	223	219	117
Health Care	1.91	22	21	23
Oil & Gas	-7.6	242	262	301
Real Estate	-9.0	1,759	1,932	2,083
Media	-10.0	5	5	6
Industrial Goods & Services	-10.4	413	461	606
Banks	-19.9	913	1,139	1,466
Personal & Household Goods	-33.3	134	202	188

Breaking news

Macro

Positive

- On the morning of September 26, Prime Minister Pham Minh Chinh chaired a nationwide online conference on accelerating the disbursement of public investment capital and implementing three national target programs.
- 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.

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

- HAG, HAGL announced a new issuance plan of VND 1,700 billion, prioritizing capital for banana farming company.
- MWG, According to sharing of MWG, the Bach Hoa Xanh chain has ended the process of changing the layout and closing inefficient stores. In August 2022, Mobile World achieved revenue of more than VND 10,400 billion and a profit of VND 295 billion, up 60% and 33% respectively over the same period.
- C4G, Cienco4 won the contract to construct the tunnel at the Ring 2.5 intersection with Giai Phong road.
- NLG, Nam Long plan to issue more than 1.14 million ESOP shares on October 20.
- HAH, Hai An Transport & Stevedoring JSC is applied arrears and tax fines of VND 508 million.

- VPB, Vpbank announced bonus shares with the ratio 2:1, the ex-rights date is September 28.
- VSC, Vietnam Container Shipping announces to pay cash dividend at the rate of 10%, ex-right date is September 28.
- ITC, Intresco announces to pay stock dividend at the rate of 10%, ex-right date is September 30.

Russia-Ukraine Tensions (update)



Source: Guardian - Institute for the Study of War (ISW), compiled: Tuoitre.vn

The four regions of Luhansk, Donetsk, Zaporizhzhia and Kherson, account for about 15% of Ukraine's territory

Background

- Pro-Russian authorities in four Ukrainian provinces, Luhansk, Donetsk, Zaporizhzhia and Kherson, announced on September 27 that they had counted all the votes in the referendum from September 23 with the results of 93.11%, 87.05% , 98.42% and 99.23%, respectively of voters voted in favor of joining Russia.
- "Saving the people in the territories where the referendum is taking place is the focus of the attention of the whole society and the country," Russian President Vladimir Putin said earlier.
- Meanwhile, the United Nations vowed to maintain its "commitment" to Ukraine's "territorial integrity" within its "recognized" borders. Ukraine and Europe also oppose the referendums, insisting they do not recognize the results of the votes. Ukraine's President Volodymyr Zelensky has insisted Kiev will protect its citizens in Russian-controlled areas and called the referendums "a farce“
- The head of the Russian parliament upper house said that the lower house may consider merging four regions in Ukraine on October 4.

➢ Tensions will continue to escalate if Ukrainian President Volodymyr Zelensky refuses to negotiate and remains resolute.

➢ The hostilities can end if both find common ground.

Russia-Europe Tensions (update)



Nord Stream 1 and 2 pipeline diagram from Russia to Europe, compiled: baodautu.vn

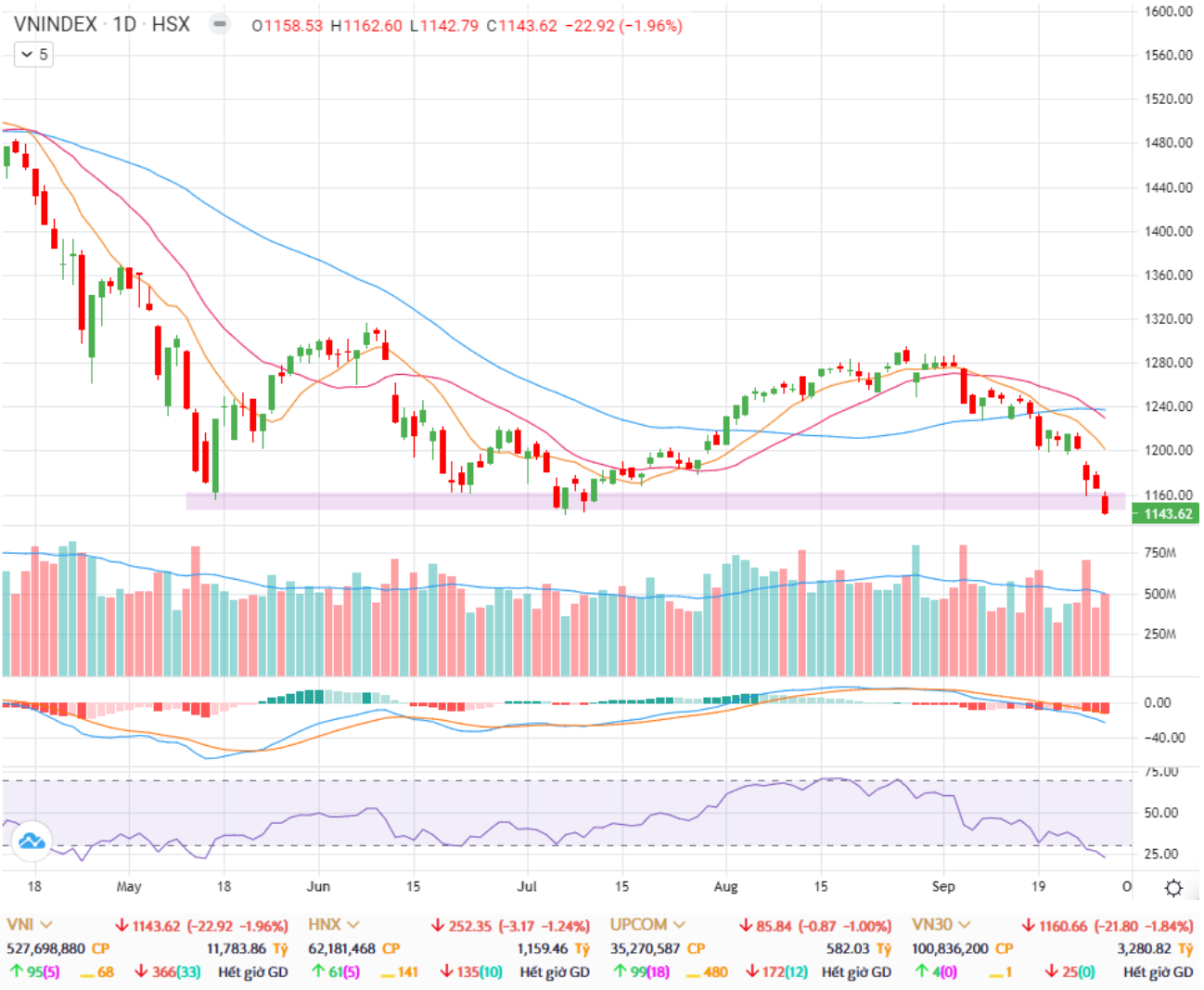
Background

- The Nord Stream 1 and Nord Stream 2 pipelines are designed to transport natural gas from Russia to Europe. Each pipeline includes 2 large air ducts. Danish and Swedish officials said that three of the four pipelines are experiencing leaks.
- The Nord Stream 2 pipeline was built with the main goal of transporting gas supplied from Russia to Europe, but is currently not in operation due to the influence of sanctions. Previously, Nord Stream 2 located under the Baltic Sea was expected to help double the amount of gas transported from Russia to Germany.
- Danish authorities say the leak on the Nord Stream 2 pipeline is very large and could take at least a week to be fixed. Vessels passing through the affected area may lose buoyancy. In addition, with a lot of methane leaking out, the area is at high risk of an explosion.

➢ Officials in Germany, Denmark and Poland simultaneously voiced that this was a targeted attack and warned about the security of European energy infrastructure. European authorities are investigating the incident.

➢ Khủng hoảng năng lượng tiếp tục leo thang ở châu Âu, đặc biệt là vấn đề khí đốt khi các nước đang vào mùa đông.

Technical view



Trend: Shelter from the storm and wait

- The index continued to drop today and closed below the threshold of 1,150 points to 1,143 points with selling continued to dominate so the market was in red. The bright spot is that today's match order is still lower than the 20-day average, showing that the selling supply is decreasing and not necessarily a real "bottom-breaking" session. The RSI has also reached the oversold level. However, closing below the important support level also pushed the risk higher. In the context of world instability, the index might not drop sharply but it might drop slowly. Therefore, trading will be quite difficult, it is recommended to stand stay outside and observe, wait for the market to find a balance.

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.

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 **29/9/2022**

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
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
PAN	Sell	26	30	24.5	15%	6%	24	11	-7.69%	14/9/2022	Close
TAR	Sell	27.4	31	25.8	13%	6%	25.3	5	-7.66%	22/9/2022	Close
VCG	Hold	25	28.5	23.6	14%	6%	24	4	-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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