MORNING CALL

September 30th, 2022

Shinhan Securities

"Be patient when the market context is not clear"

- Global stocks struggled to find direction
- Domestic stocks continued to decline
- Economic update for Quarter III and 9M2022, highest GDP growth of 9 months in over 10 years
- Technical view and recommendations #VCG
- Economic calendar
- Q&A

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

Major stock markets fell again

- Dow Jones was losing more than 400 points while the S&P 500 and the Nasdaq tumbled 1.9% and 2.8%, respectively. The tech sector was among the top losers, led by a slump in Apple after Bank of America downgraded the tech stock to neutral. The number of Americans filing new claims for unemployment benefits fell by 16,000 to 193,000 in the week that ended September 24, and well below market expectations of 215,000.
- Equity markets in Europe fell back into negative territory on Thursday, as the boost from the Bank of England's surprise bond-buying operation faded and as worries about the global economy, aggressive monetary policy tightening, and Europe's energy standoff with Russia continued to weigh on investors' mood. The economic sentiment indicator in the Euro Area slumped 3.6 points from a month earlier to 93.7 in September 2022, the lowest level since November 2020 and below market expectations of 95.0.
- Russia to annex four Ukrainian regions. President Vladimir Putin will claim territory on Friday in escalation of conflict with Kyiv.
- 'Do not bet': China's central bank warns against yuan speculation, according to CNBC.
- WTI crude futures were trading around $83 per barrel, bouncing off their daily lows of about $80 amid growing speculation that OPEC+ could intervene in markets by cutting again next week.

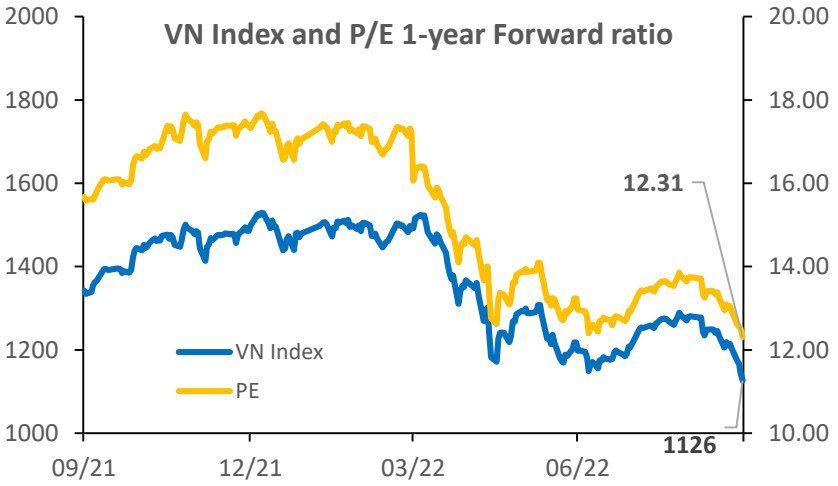
Market

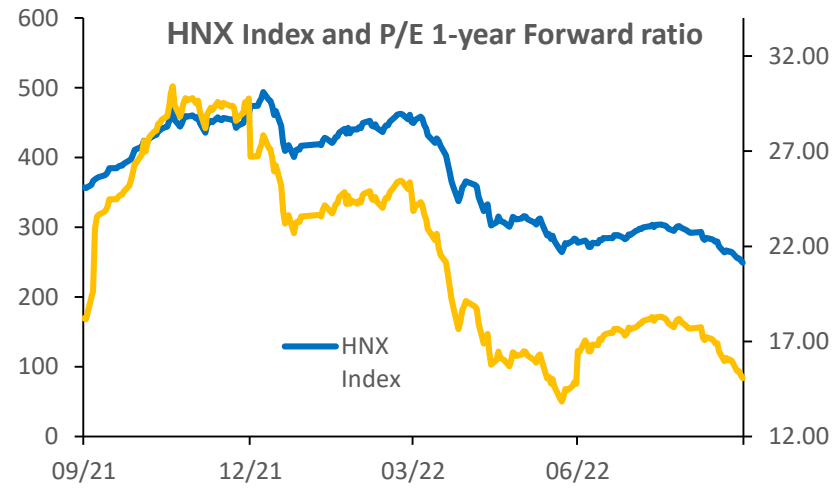
	Close	%1D	%1M	%1Y
VN-Index	1,126	-1.53%	-12.06%	-16.09%
S&P 500 Index	3,640	-2.11%	-9.68%	-16.49%
Dow Jones Index	29,226	-1.54%	-8.95%	-15.02%
Hang Seng	17,166	-0.49%	-13.97%	-30.15%
Nikkei 225	26,189	-0.88%	-6.77%	-11.08%
SHCOMP Index	3,041	-0.13%	-5.03%	-14.77%
STI Index	3,115	-0.04%	-3.31%	0.92%
KOSPI Index	2,156	-0.67%	-12.77%	-29.73%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	111.88	-0.33%	2.93%	18.73%
USD/VND	23,828.00	-0.37%	-1.68%	-4.51%
EUR/USD	0.98	0.06%	-2.32%	-15.19%
USD/CNY	7.12	1.06%	-3.03%	-9.18%
Brent	88.51	0.02%	-8.27%	12.72%
WTI	81.47	0.30%	-9.02%	8.58%
Natural gas	6.87	-0.10%	-24.76%	17.04%
Coal	435.75	-0.06%	3.08%	107.01%
Gold	1,662.67	0.13%	-2.83%	-5.37%

Vietnam Market Snapshot 29/09/2022



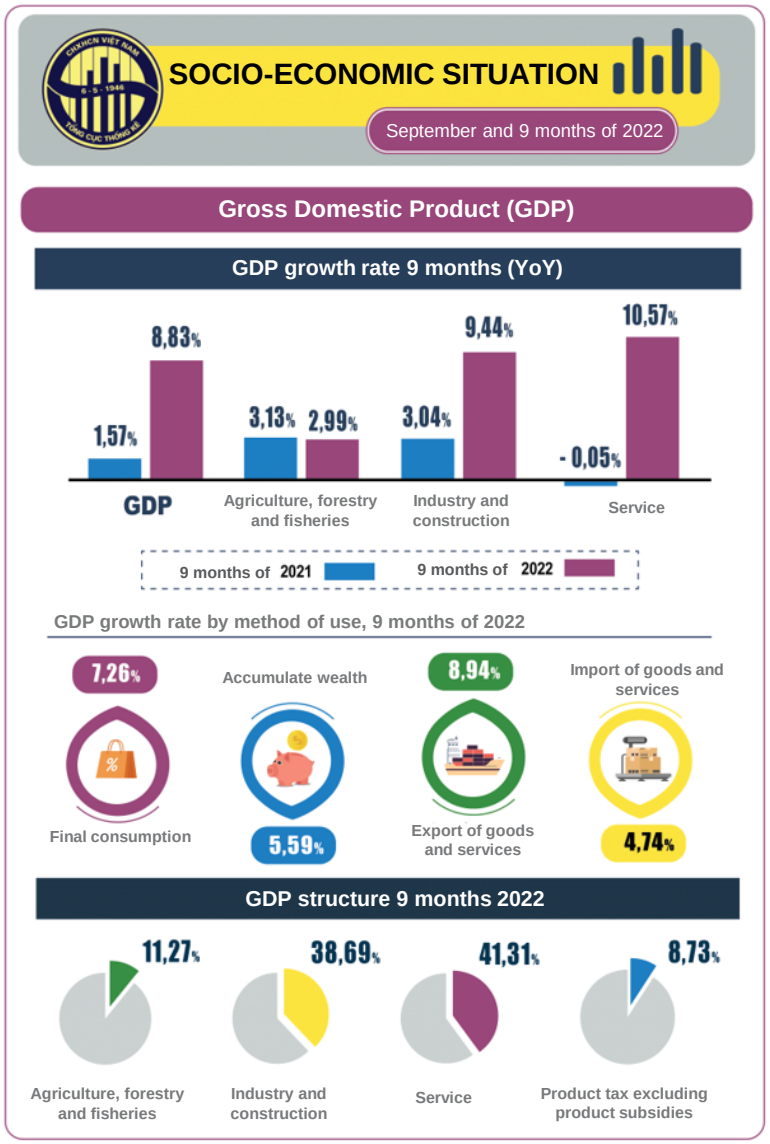


	Close	PE	Change	%1D	Trading volume. (mn stocks)	Trading value . (VND bn)
VNI NDEX	1,126.07	12.31	-17.55	-1.53	491	11,232
HNX INDEX	249.41	15.07	-2.94	-1.17	57	1,081

Money flow and sector rotation (VND bn)

Sector	%1D	9/29/2022	9/28/2022	20-session Average
Banks	13.13	1,032	913	1,432
Real Estate	6.89	1,880	1,759	2,054
Chemicals	4.57	741	709	933
Personal & Household Goods	4.22	140	134	182
Industrial Goods & Services	-1.4	407	413	594
Utilities	-9.3	305	336	437
Media	-10.3	4	5	6
Health Care	-17.1	18	22	21
Construction & Materials	-20.1	1,110	1,389	1,036
Retail	-26.0	389	526	597
Travel & Leisure	-26.0	48	65	97
Financial Services	-27.9	966	1,339	1,324
Insurance	-29.1	141	198	142
Technology	-31.0	123	179	136
Basic Resources	-31.8	520	763	1,039
Food and Beverage	-32.3	960	1,419	1,263
Automobiles & Parts	-38.7	137	223	119
Oil & Gas	-40.4	144	242	291

Economic update for Q3 and 9 months of the year



GDP in Quarter III and 9 months of 2022

- Gross domestic product (GDP) in the third quarter of 2022 is estimated to increase quite high at 13.67% compared to the same period last year because the third quarter of 2021 is the time when the Covid-19 epidemic broke out, seriously affecting production and business activities. In which, the agriculture, forestry and fishery sector increased by 3.24%; the industry and construction sector increased by 12.91%; service sector increased by 18.86%.
- GDP in 9 months of 2022 increased by 8.83% over the same period last year, the highest increase of 9 months in the period 2011-2022, production and business activities gradually regained growth momentum. Contributing to the main growth momentum of GDP was the service sector with the strongest growth of 10.57%, in which, the accommodation and food service industry increased the highest with an increase of 41.7%, reflecting the opening of the economy and activities such as restorative tourism.
- Regarding GDP use in 9 months of 2022, final consumption increased by 7.26% over the same period in 2021, accumulated assets increased by 5.59%. Here we see that final consumption growth is less than GDP growth, which reflects lower domestic consumption and tighter spending by people. Besides, the level of asset accumulation is showing signs of increasing but not too high, if this rate increases in the coming time, it may reflect that people "bury their capital" in gold and foreign currencies a lot in the context of higher risk of recession.
- Regarding the structure of the economy in 9 months of 2022, the service and industrial sectors still account for the largest proportion.

Source: General Statistics Office (GSO)

Economic update for Q3 and 9 months of the year

Figure 1: CPI increase/decrease in September 2022 (MoM)

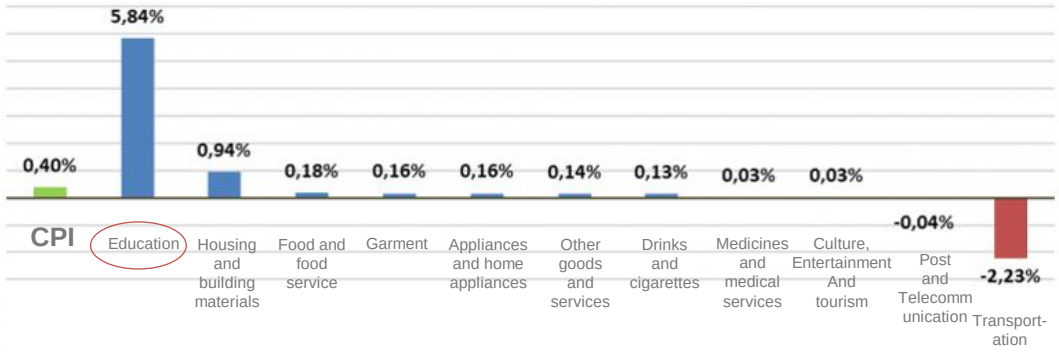
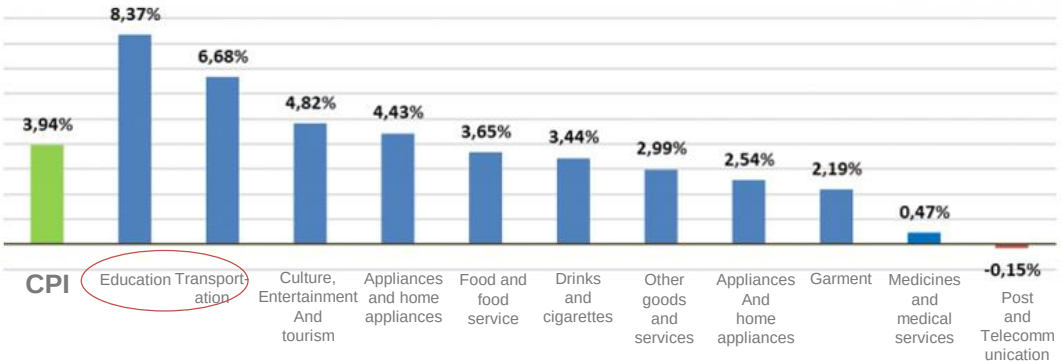


Figure 2: CPI increase/decrease rate in September 2022 (YoY)



Source: General Statistics Office (GSO)

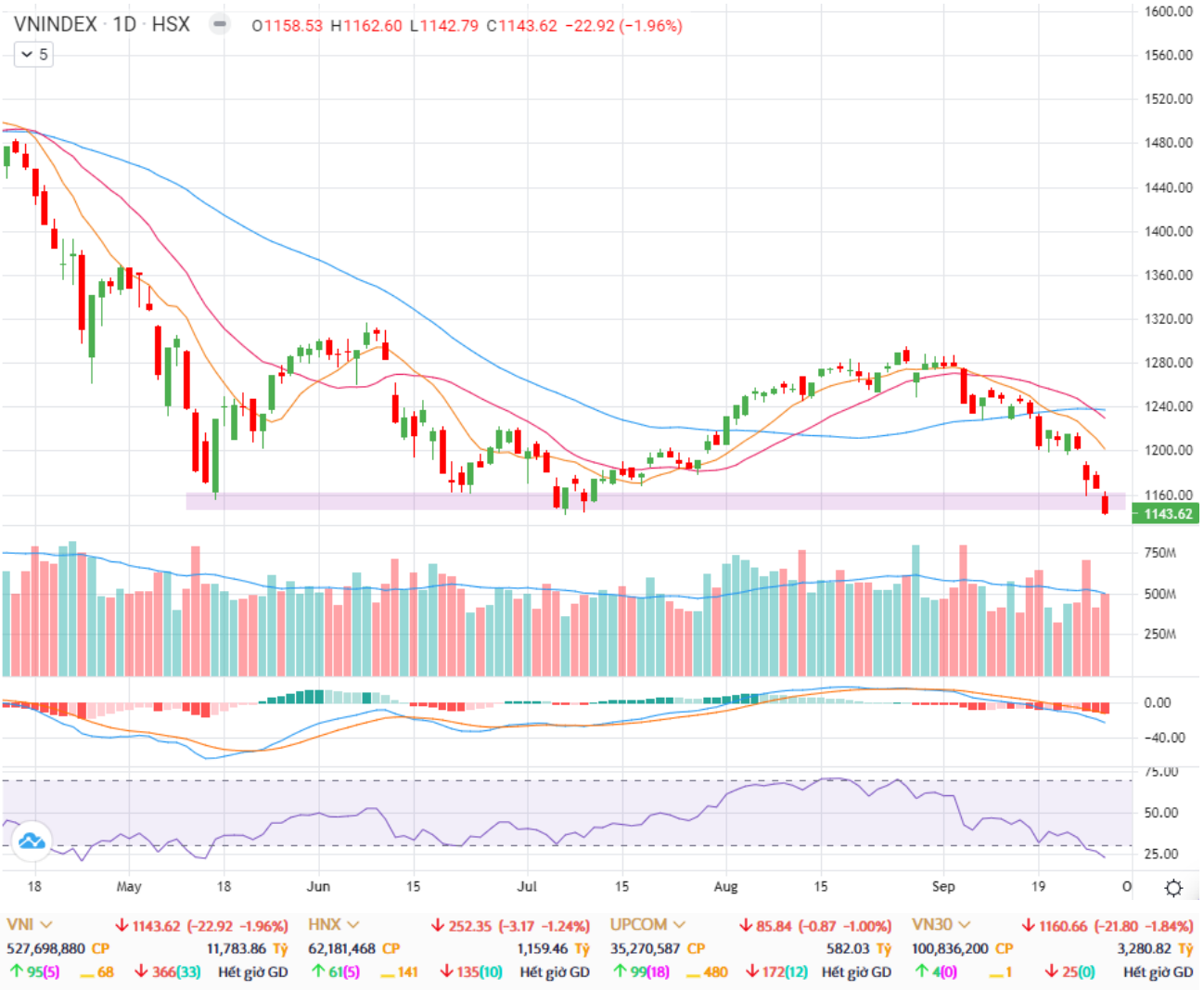
Consumer price index

- CPI in September 2022 increased by 0.4% compared to the previous month (urban areas increased by 0.55%; rural areas increased by 0.23%) and increased by 3.94% over the same period last year.
- Among 11 main groups of consumer goods and services, 9 groups of goods increased in price compared to the previous month; 2 groups reduced prices, of which transportation decreased by 2.23% due to the continuous decrease in gasoline prices in the adjustment periods in the month and the group of post and telecommunications decreased by 0.04%.

- **Product groups increase in price:**

- Education group in September 2022 saw the highest increase with 8.37% over the same period last year, due to some provinces and centrally-run cities increasing tuition fees for the new school year 2022-2023.
- The transportation group increased by 6.68% over the same period last year, of which gasoline price increased by 11.18% due to the increase of A95 gasoline price by 640 VND/liter; E5 gasoline increased by 1,070 VND/liter and diesel oil by 5,950 VND/liter.
- The culture, entertainment and tourism group increased by 4.82% due to the control of the Covid-19 epidemic, the price of tours and hotels and restaurants increased as domestic tourism demand increase.

Technical view



Trend: Shelter from the storm and wait

- Selling pressure still weighed on the market in the absence of supportive information and cautious demand on the buying side, besides that foreign investors still maintained their net selling momentum throughout. The index had difficulty rebounding and had to close in red at 1,126 points, away from the old bottom around 1,150 points. Although the RSI has fallen to the oversold zone, investor sentiment is currently quite weak. In general, the index's loss of 1,150 points pushes the risk higher. The strategy should still stand out and wait for the market to find an equilibrium. The nearest support for the trend is 1,100 points, while the resistance is now at 1,150 – 1,160 points.

Scenarios:

- Positive (40%): The index reacted well when retesting near 1,100 points and gaining momentum to 1,150 - 1,160 points. However, do not rush to open a position if the reversal signal is not clear, the recovery period to lower the proportion of stocks.
- Less positive (60%): The index broke through 1,100 points and the medium-term retracement wave was breached. At this time, the falling momentum can find the area of 1,025-1000 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 30/9/2022

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	12	-7.69%	14/9/2022	Close
TAR	Sell	27.4	31	25.8	13%	6%	25.3	6	-7.66%	22/9/2022	Close
VCG	Sell	25	28.5	23.6	14%	6%	24	5	-4.00%	23/9/2022	Close

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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