MORNING CALL

October 03th, 2022

“Many challenges for the market in finding direction”

- Global stocks struggle to retest the old bottom
- Domestic stocks temporarily hold the psychological threshold of 1,100 points
- Update Inter-market, struggling to find the direction
- Technical view and recommendations
- Economic calendar
- Q&A

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

Major stock markets struggled to retest the old bottom

- US stocks fell in volatile trading Friday, with the Dow closing down more than 500 points, the S&P 500 and Nasdaq shedding 1.5% each. For September, the Dow lost 8.8%, while the S&P 500 fell 9.3% and the Nasdaq tumbled 10.5%. European and Asian stocks also had a trading week in the red.
- The consumer price index in the Eurozone in September increased by 10% compared to the same period last year, after recording a 9.1% increase in August, according to data from the European Union Statistics Office (Eurostat), due to high energy prices. Recently, Russian company Gazprom PJSC has suspended the supply of natural gas to Italy starting from October 1.
- The yuan rallied against the dollar for the second consecutive session after Reuters reported that the People's Bank of China asked state-owned banks to support the yuan.
- President Zelensky said on September 30 that Ukraine is applying the accelerated process to become a member of the North Atlantic Treaty Organization (NATO), after Russia has just annexed four Ukrainian provinces.
- WTI crude futures were trading around $80 per barrel, investors are looking ahead to an OPEC+ meeting in October as weaker oil prices led to speculations that could another supply cut.

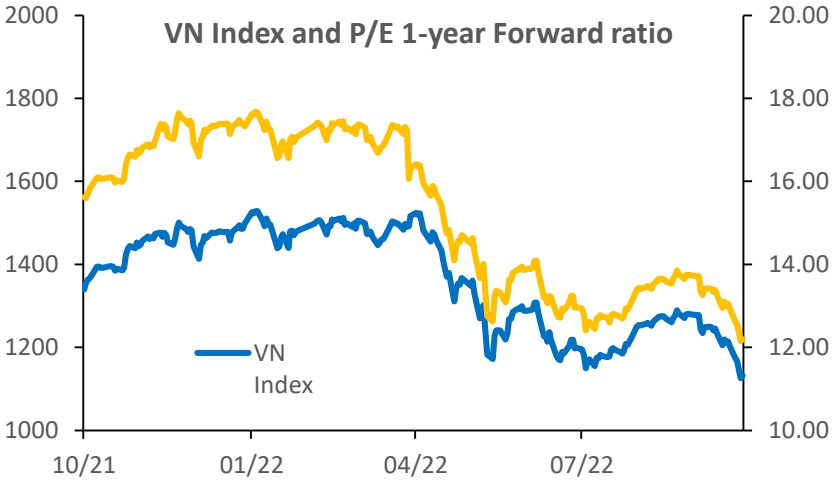
Market

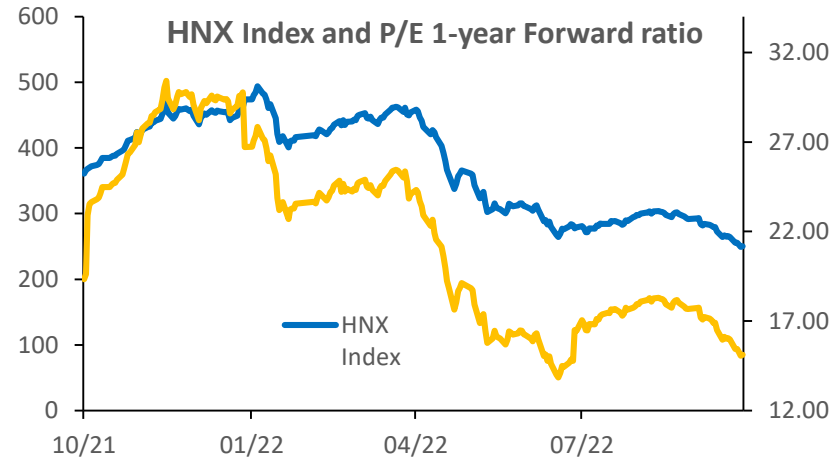
	Close	%1D	%1M	%1Y
VN-Index	1,132	0.54%	-11.59%	-15.19%
S&P 500 Index	3,586	-1.51%	-8.63%	-17.71%
Dow Jones Index	28,726	-1.71%	-8.28%	-16.32%
Hang Seng	17,223	0.33%	-11.46%	-29.92%
Nikkei 225	25,937	-1.83%	-6.20%	-9.85%
SHCOMP Index	3,024	-0.55%	-5.09%	-15.24%
STI Index	3,130	0.49%	-2.35%	2.59%
KOSPI Index	2,155	-0.71%	-10.54%	-28.61%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	112.12	-0.12%	3.14%	18.98%
USD/VND	23,861.00	-0.14%	-1.72%	-4.61%
EUR/USD	0.98	-0.13%	-2.51%	-15.35%
USD/CNY	7.12	0.13%	-3.17%	-9.43%
Brent	85.14	-2.34%	-11.76%	8.43%
WTI	79.49	-2.14%	-11.23%	5.94%
Natural gas	6.77	-1.57%	-25.87%	15.32%
Coal	407.70	-0.38%	-4.07%	87.02%
Gold	1,660.61	0.00%	-2.95%	-5.48%

Vietnam Market Snapshot 30/09/2022





	Đóng cửa	PE	Tăng giảm	%1D	KLGD (triệu đơn vị)	GTGD (tỷ VND)
VNI NDEX	1,132.11	12.20	6.04	0.54	729	17,135
HNX INDEX	250.25	15.11	0.84	0.34	75	1,348

Money flow and sector rotation (VND bn)

Sector	%1D	9/30/2022	9/29/2022	20-session Average
Travel & Leisure	148.07	119	48	99
Oil & Gas	103.68	294	144	289
Personal & Household Goods	90.16	267	140	184
Industrial Goods & Services	76.78	719	407	598
Technology	72.56	213	123	138
Basic Resources	68.43	876	520	1,047
Banks	64.10	1,694	1,032	1,447
Financial Services	61.52	1,560	966	1,346
Health Care	55.57	28	18	22
Media	51.23	6	4	6
Retail	48.92	580	389	589
Real Estate	37.78	2,590	1,880	2,075
Food and Beverage	37.34	1,318	960	1,252
Chemicals	31.46	975	741	936
Utilities	23.25	376	305	430
Automobiles & Parts	14.53	157	137	123
Insurance	2.05	144	141	138
Construction & Materials	-7.9	1,022	1,110	1,051

Breaking News

Macro

Positive

- From October 1st, the number of transportation business fees will be reduced. The fee for using railway infrastructure will be reduced by 50%, and the inland waterway reporting fee and the fee for entering and leaving inland waterway ports and terminals will be reduced by 50%.
- The consumption index of the whole processing and manufacturing industry (IIP) in September increased by 2.3% MoM and by 8.8% YoY. For 9 months, IIP increased by 9.7% YoY
- Some key industrial products in 9 months increased sharply compared to the same period last year such as Beer up 35.8%; processed seafood jumped by 20.4%; phone components increased by 17.3%; automobiles soared by 16.5%… In contrast, some products decreased over the same period such as Iron, and crude steel dropped by 13.7%; mobile phones down 5.8%; NPK compound fertilizer down 4.1%, etc

Less positive:

- The State Bank of Vietnam has increased operating interest rates since September 23rd. Accordingly, large banks began to sharply hike deposit rates.
- USD/VND exchange rate to the highest level ever.

Business news

- VIC, the Public Security Agency recommends that people do not investing in "Vinpearl E+ platform" and do not spread unauthorized information, infringe industrial property rights and protect Vinpearl's trademark.
- HPG, In 4Q2022, Hoa Phat Household Appliances Corporation started construction of the first household goods production center in Hoa Mac Industrial Park, Ha Nam province with the ambition of becoming a largest manufacturer of electrical & household appliances in Vietnam. The first products bearing Hoa Phat's mark such as: air coolers, water purifiers and coming soon, induction cookers, infrared cookers.
- LHG, Long Hau shares came under control from October 6, because the listing organization was late in submitting its 2022 semi-annual review financial report.

- SNZ, Sonadezi announced to pay cash dividends at the rate of 10%, ex-rights date is October 4.
- GMD, Gemadept announced to pay cash dividend at the rate of 12%, ex-dividend date is October 7th.
- NT2, Nhon Trach 2 Petroleum Power Company announced to pay cash dividend at the rate of 6.5%, ex-rights date is October 7.
- BCM, Becamex IDC Corp announced to pay cash dividends at the rate of 7%, ex-rights date is October 7.



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Inter-market update



- The major Wall Street indexes broke their old lows for the year in mid-June, when all three of the Dow Jones, S&P 500 and Nasdaq fell simultaneously. The recovery effort failed last week in the context of not having much good supporting information for the market.

Inter-market update



- Stock indexes in the European market have almost dropped below the old bottom level in 2022 and are still struggling to find direction. Although there are signs of recovery, it has not yet surpassed the old bottom. Germany's announced CPI in September increased by 10% over the same period last year, continuing to increase from 7.9% in August, the highest since 1950.

Inter-market update



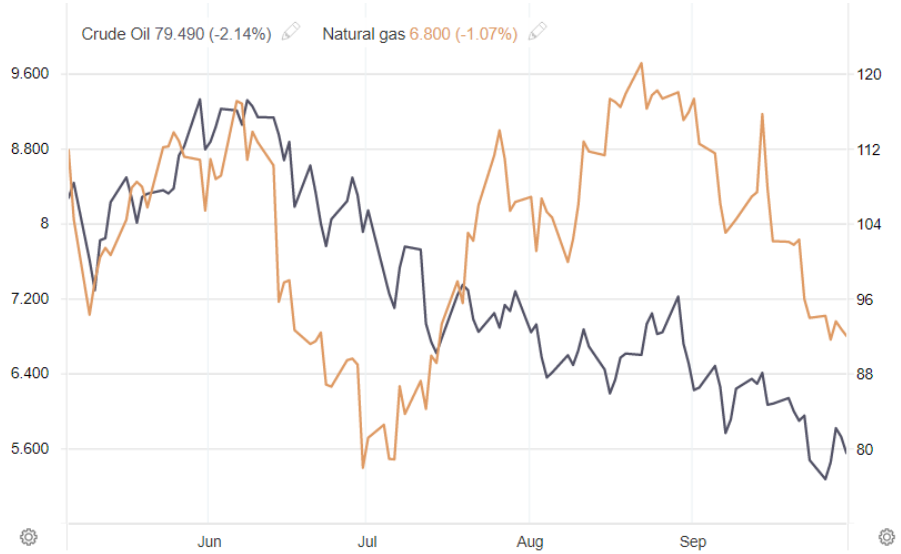


- The USD continuously went up, putting pressure on the exchange rate, but started to cool down thanks to the intervention from the governments of other countries.
- Recently, some central banks have begun to intervene to stabilize the market. The People's Bank of China (PBOC) has just announced that state-owned banks are ready to support the yuan or the Bank of England (BOE) announced to buy bonds.

➢ The exchange rate is expected to be stable, but the big context is that the fear of economic recession still dominates investor sentiment.

Inter-market update





- Steel and iron ore prices tend to recover as China begins to lift the blockade of some provinces and open up the economy, recently the blockade order in Chengdu city was lifted. However, the gloomy picture of the economic outlook still pushes down expectations of demand and lower prices again.

- Crude oil prices are affected by many parties, but the big context still depends on economic expectations. Investors are looking forward to the OPEC+ meeting in October, with many speculating that OPEC+ may cut supply to support prices.
- Natural gas prices have cooled down but remain high as tensions between Russia and Europe continue. Recently, the leak on the Nord stream 2 pipeline further escalated the tension.

Technical view



Trend: Retest the old bottom

- The index rebounded at the end of the week when approaching 1,100 points, which is also a strong psychological support level. Vnindex bounced up and closed at 1,132 points, ending a turbulent trading week. Order matching exceeded 20 session average. However, looking at the big picture, the index is still below the old bottom level of 1,150 points, so the recovering signal is not really strong enough and has not confirmed the short-term reversal point. The RSI has not yet surpassed 30, showing that the money flow is weak and the MACD is still below zero. Maintain the observation position and reduce the weight on the retracement wave. 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 03/10/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VGI	Watch						30.5	Make a bottom before the market, bounce above MA20
VHC	Watch						84.9	Hold MA50 week
BCM	Watch						90.6	Hold MA10 week, retesting old peak successfully

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

October 2022

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
25	26	27	28	29	30	1
2	3 ISM Manufacturing PMI (US)	4 JOLTS Job Openings (US)	5 OPEC Meetings ADP Non-Farm Employment Change. ISM Services PMI (US)	6 BOJ Gov Kuroda Speaks	7 Unemployment Rate (US)	8
9	10 CPI, PPI (China)	11 GDP (UK) PPI (US)	12	13 FOMC Meeting CPI, core CPI (US)	14 Retail Sales (US)	15 Treasury Currency Report
16	17 ETF VFM VN30, SSIAM VNFin Lead ETF & VFMVN Diamond ETF Review	18	19	20 Deadline for submission of 3rd quarter financial statements Maturity of Derivatives Contracts	21 FDI announcement	22
23	24	25	26	27 ECB Press Conference, Monetary Policy Statement	28	29
30 ETF VNM VN30 changes the proportion of the portfolio	31					

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Q&A

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