MORNING CALL

October 05th, 2022

“Green color returned to global stocks, Vnindex looking for direction?

- Global stocks rebounded strongly, bounced back to the old bottom
- Domestic stocks continued to decline
- The RSI is falling below 20, has the market reached the “balanced” zone?
- Technical view and recommendations
- Economic calendar
- Q&A

[Analysts]

Khang Tran ☎ (84-28) 6287-8037
✉ khang.lt@shinhan.com

Nhut Nguyen ☎ (84-28) 6287-7751
✉ nhut.nq@shinhan.com

Global Market Review - Week 03-07/10/2022

Major stock markets rebounded strongly

- The Dow added almost 800 points on Tuesday, and the S&P 500 and Nasdaq rallied 2.9% and 3.2%, respectively, on hopes that weaker-than-expected US economic data would temper the extreme hawkish tone from the Fed. The number of job openings in the US dropped to 10.1 million in August of 2022 from a downwardly revised 11.2 million in the prior month.
- European stock indexes rose almost 3% Tuesday, benefitting from a buoyant mood across the globe, amid expectations that central banks could soon slow down monetary policy tightening. Both the DAX and the STOXX 600 gained almost 2%. Asian stocks also traded in the green with Nikkei 225 jumped 3%.
- The Reserve Bank of Australia (RBA) raised interest rates less than expected, by 25 basis points, half of market expectations.
- The US 10-year Treasury note yield fell below 3.6% on Tuesday, continues to decline from the high of 4%% hit on September 27th. The dollar index (DXY) weakened below the 111 mark, a level not seen in almost two weeks.
- WTI crude futures rose to above $85 per barrel on Tuesday after jumping more than 5% in the previous session, with prices remaining supported ahead of an OPEC+ meeting.

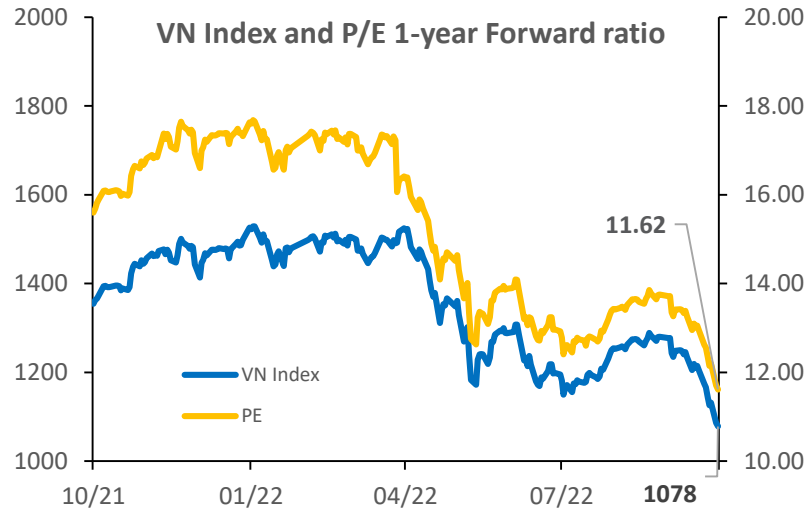
Market

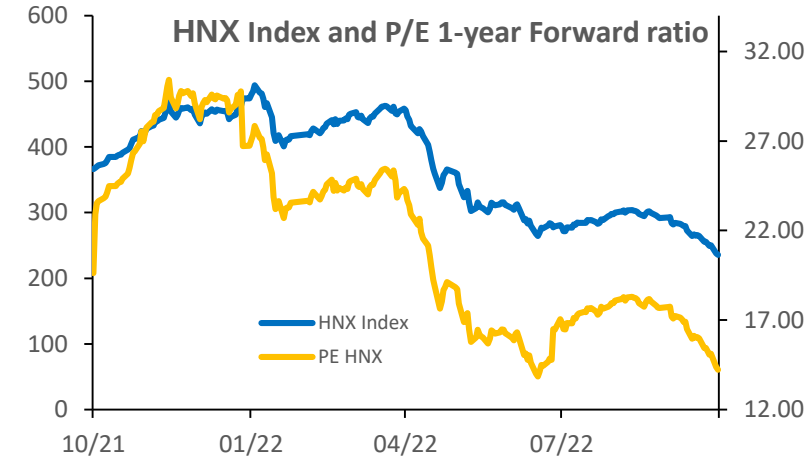
	Close	%1D	%1M	%1Y
VN-Index	1,078	-0.76%	-15.60%	-20.41%
S&P 500 Index	3,791	3.06%	-3.40%	-12.77%
Dow Jones Index	30,316	2.80%	-3.20%	-11.65%
Hang Seng	17,080	-0.83%	-12.20%	-28.94%
Nikkei 225	27,149	0.58%	-1.71%	-2.42%
SHCOMP Index	3,024	-0.55%	-5.09%	-15.24%
STI Index	3,139	1.02%	-2.38%	2.31%
KOSPI Index	2,219	0.42%	-7.70%	-25.10%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	110.20	0.12%	0.61%	17.27%
USD/VND	23,879.00	0.00%	-1.60%	-4.73%
EUR/USD	1.00	-0.11%	0.46%	-13.99%
USD/CNY	7.12	0.13%	-3.17%	-9.43%
Brent	91.76	-0.04%	-4.16%	11.14%
WTI	86.48	-0.05%	-0.45%	9.57%
Natural gas	6.80	-0.48%	-22.56%	7.79%
Coal	404.00	0.62%	-7.13%	68.33%
Gold	1,722.68	-0.20%	0.72%	-2.13%

Vietnam Market Snapshot 04/10/2022





	Đóng cửa	PE	Tăng giảm	%1D	KLGD (triệu đơn vị)	GTGD (tỷ VND)
VNI NDEX	1,086.44	11.71	-45.67	-4.03	554	11,525
HNX INDEX	238.17	14.38	-12.09	-4.83	62	1,141

Money flow and sector rotation (VND bn)

Sector	%1D	10/3/2022	9/30/2022	20-session Average
Basic Resources	14.90	1,007	876	1,003
Banks	4.91	1,778	1,694	1,467
Automobiles & Parts	-5.6	148	157	127
Health Care	-12.9	24	28	22
Retail	-14.5	496	580	590
Food and Beverage	-18.1	1,079	1,318	1,245
Insurance	-20.9	113	144	133
Utilities	-24.6	284	376	430
Real Estate	-32.4	1,751	2,590	2,074
Financial Services	-33.1	1,043	1,560	1,342
Industrial Goods & Services	-33.8	476	719	588
Personal & Household Goods	-34.1	176	267	184
Chemicals	-35.1	633	975	917
Construction & Materials	-36.6	648	1,022	1,055
Technology	-41.7	124	213	135
Oil & Gas	-44.5	163	294	279
Travel & Leisure	-53.2	56	119	96
Media	-82.9	1	6	6

Breaking News

Macro

Positive

- IMF forecasts Vietnam's GDP growth in 2022 will be around 7-7.5%; average inflation is lower than the target of 4% and at the same time low compared to other countries in the world and the region; business activities are recovering strongly and widely.

Less positive:

- In September 2022, seafood exports were estimated at over 850 million USD, 36% higher than the same period last year. However, this is the first time after 7 months, seafood exports fell below 900 million USD.
- Export turnover of wood and wood products to the US market in September was 607 million USD, down 11% compared to August.4.
- Disbursement of ODA in 8 months is low, only reaching nearly 15.5% of the plan.
- 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

- CTD, Coteccons Construction JSC has just signed a contract with the Investor Le Phong Group to deploy the luxury apartment project The Emerald 68. In this project, CTD will play the role of developer and construction general contractor.
- POW, PV Power will contribute an additional VND 107 billion to increase the capital for PV Power REC to VND 270 billion, setting a target of developing 1,000 MW of renewable energy by 2035.
- FPT, FPT Semiconductor, a subsidiary of FPT Software under FPT Corporation have officially launched the first line of microchips applied in Internet of Things (IoT) products for the medical field. In the next two years, FPT Semiconductor plans to supply 25 million chip units to the global market. At the same time, the enterprise plans to bring to the market 7 more chip lines in 2023, serving a range of different fields.

- 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.

RSI indicator is below the 20 threshold



May 2011 and December 2011: The trade deficit was nearly 4.9 billion USD in the first 4 months of the year, the trade deficit from China alone was nearly 4 billion USD. Fear of inflation, world food prices rose to record levels, especially for cereals. Crude oil fell below the $100/barrel threshold, an unexpected increase in the number of people applying for unemployment benefits in the US for the first time..

August 2015: China devalued the yuan and its stock market dropped, leading to a decline in global stocks. Some ETFs were net withdrawn and had to sell shares. Crude oil fell from more than 51 USD/barrel to 41 USD/barrel.

April 3, 2020: Political tensions between the US and Iran in the first days of the year and especially the global outbreak of the Covid-19 pandemic have negatively affected the financial markets.

➢ The case of RSI falling below 20 is very rare in the past, this usually reflects a index shocking drop in the context of many big and global events. The market usually has rallies and gains better after that. Under current conditions, a larger market size could lead to stronger selling, but the RSI falling below 20 is still signaling that bottom-fishing demand can pay attention.

Technical view



Trend: Pessimistic sentiment dominates

- The market continued to decline as pessimism and caution still weighed on investor sentiment. The index dropped to close in red at 1,078 points even though it opened up more than 8 points. Selling pressure continued to dominate, making the recovery attempt in the session failed, however, bottom-fishing demand started to appear when the index dropped to low price range, reflected in improved liquidity compared to yesterday and 20 sessions higher than average. Although the global market is recovering well from the recent sharp drop, it seems that the domestic market needs a catalyst to support the trend, amid a lot of volatility. Continuing to maintain the observation position, maybe balance point is nearly found.

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.

Recommended portfolio

Updated date **05/10/2022**

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

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), Prelim UoM Consumer Sentiment	15 Treasury Currency Report (US)
16 IMF Meetings	17 ETF VFM VN30, SSIAM VNFin Lead ETF & VFMVN Diamond ETF Review	18	19 CPI, core CPI (UK)	20 Deadline for submission of 3rd quarter financial statements Maturity of Derivatives Contracts Flash PMI (German, French, UK)	21 FDI announcement	22
23	24	25	26 BOC Press Conference, Monetary Policy Report and Rate Statement	27 ECB Press Conference, Monetary Policy Statement	28	29
30 ETF VNM VN30 changes the proportion of the portfolio	31					

Shinhan Securities

Q&A

Shinhan Investment Network

SEOUL

Shinhan Investment Corp.
Shinhan Investment Tower
23-2, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH

Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000



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