MORNING CALL

October 07th, 2022

"Falling momentum has not stopped, adding new unknowns from geopolitical tensions"

- Global stocks fell again, trading struggled
- Domestic stocks continued to plummet, many stocks fell to the floor
- Geopolitical tensions are back
- Technical view and recommendations
- Economic calendar
- Q&A

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

Major stock markets struggled to trade

- US Stocks remain under pressure. The Dow fell 1.15% on Thursday, the S&P 500 also slid more than 1% as investors considered a range of economic releases in reassessing the outlook for the Fed's monetary policy.
- Major bourses in Europe continue to decline slightly, with both the DAX and the STOXX 600 falling nearly 0.3%, as a rise in oil prices prompted by an output cut by OPEC+ raised further concerns. Retail Sales In the Euro Area decreased 0.30 percent in August of 2022 over the previous month, according to Eurostat.
- The number of Americans filing new claims for unemployment benefits rose by 29,000 to 219,000 in the week that ended October 1st, sharply above expectations of 203,000, suggesting some loosening in labor market conditions. A separate report on Thursday from global outplacement firm Challenger, Gray & Christmas showed U.S.-based employers announced 29,989 job cuts in September, a 46.4% jump from August.
- The Baltic Dry index (BDI), which measures the cost of shipping goods worldwide, fell slightly by 0.2% to 1,992 points on Thursday, after four consecutive sessions of gains that sent the index to the highest in 10 weeks.
- WTI crude futures were trading around the $88 per barrel mark, close to levels not seen in more than three weeks, after OPEC+ agreed on a bigger-than-expected output cut, squeezing supplies in an already tight market

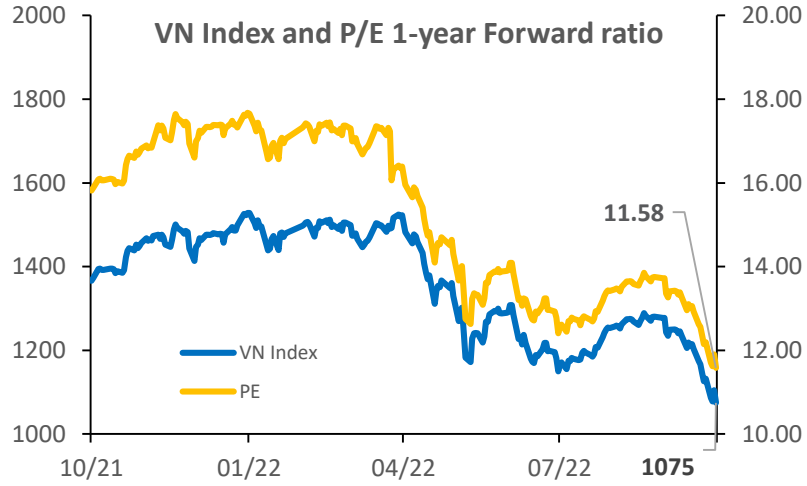
Market

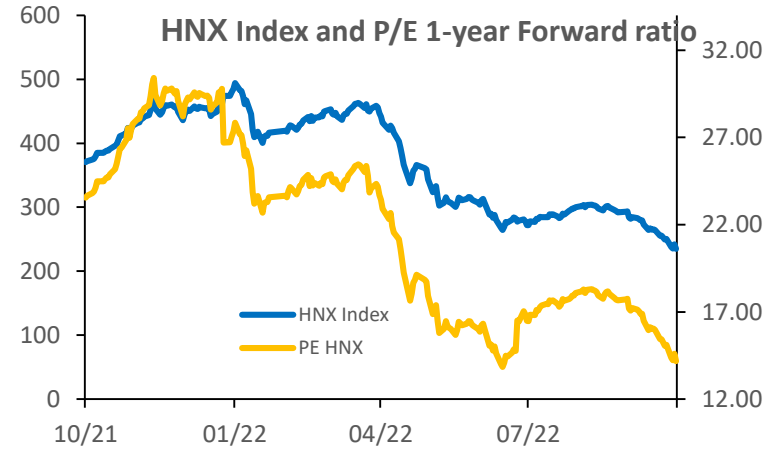
	Close	%1D	%1M	%1Y
VN-Index	1,075	-2.69%	-13.57%	-21.34%
S&P 500 Index	3,745	-1.02%	-5.91%	-14.89%
Dow Jones Index	29,927	-1.15%	-5.24%	-13.89%
Hang Seng	18,012	-0.42%	-5.42%	-27.08%
Nikkei 225	26,998	-1.15%	-1.57%	-2.46%
SHCOMP Index	3,024	-0.55%	-5.09%	-15.24%
STI Index	3,152	-0.05%	-1.85%	1.63%
KOSPI Index	2,224	-0.61%	-6.41%	-24.84%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	112.24	-0.02%	2.18%	19.13%
USD/VND	23,848.00	0.10%	-1.35%	-4.55%
EUR/USD	0.98	0.00%	-2.15%	-15.24%
USD/CNY	7.12	0.13%	-3.17%	-9.43%
Brent	94.51	0.10%	7.40%	15.33%
WTI	88.61	0.18%	8.14%	13.17%
Natural gas	6.84	-1.85%	-12.74%	20.54%
Coal	400.00	0.95%	-11.16%	65.29%
Gold	1,712.34	-0.01%	-0.35%	-2.47%

Vietnam Market Snapshot 06/10/2022





	Đóng cửa	PE	Tăng giảm	%1D	KLGD (triệu đơn vị)	GTGD (tỷ VND)
VNI NDEX	1,104.26	11.90	26.12	2.42	451	9,414
HNX INDEX	242.12	14.62	6.51	2.76	52	959

Money flow and sector rotation (VND bn)

Sector	%1D	10/6/2022	10/5/2022	20-session Average
Basic Resources	51.52	1,015	670	930
Construction & Materials	47.83	717	485	982
Health Care	42.83	14	10	20
Food and Beverage	42.67	1,079	757	1,181
Banks	41.70	1,700	1,200	1,382
Retail	35.00	392	290	541
Utilities	31.20	267	203	384
Automobiles & Parts	28.63	118	92	121
Insurance	27.34	86	67	122
Technology	22.82	112	91	127
Chemicals	15.18	668	580	821
Financial Services	6.23	941	886	1,245
Real Estate	6.08	1,723	1,624	1,955
Industrial Goods & Services	4.94	496	472	526
Personal & Household Goods	2.18	124	121	169
Media	1.71	1	1	5
Oil & Gas	-0.3	224	225	267
Travel & Leisure	-39.0	52	85	85

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Breaking News

Macro

Positive

- UOB Research ((Singapore) raised its 2022 growth forecast for Vietnam to 8.2%, from 7% previously announced.
- 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.
- 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.

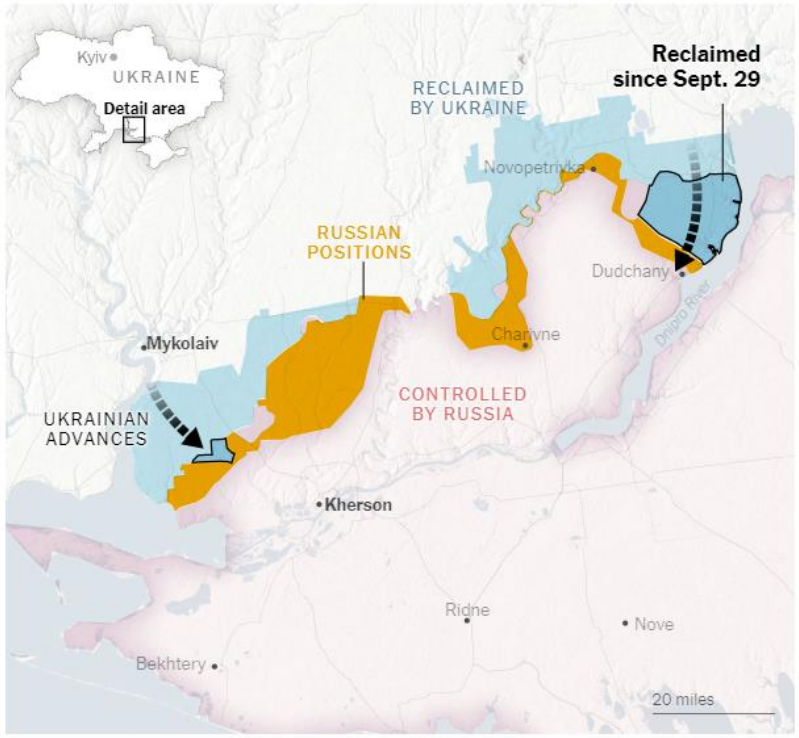


Business news

- FRT, by the end of September 2022, Long Chau drugstore chain has 788 stores, nearly double that of the end of 2021, with a target of 3,000 stores in the next 4 years.
- DPM, 9 months' profit is estimated at 5,300 billion dong, 3 times higher than the same period last year. The company's 9-month export volume reached about 155,000 tons, 3 times higher than the whole year plan.
- PET, In August 2022, Petrosetco recorded a revenue increase of 30.9% over the same period to VND 1,732 billion and profit before tax recorded an increase of 4.3% over the same period to VND 24 billion. However, it is worth noting that the gross profit margin decreased from 4.4% to 3.95%, showing that the distribution sector is growing slowly.
- HAX, Haxaco estimated a profit of 75 billion in the third quarter, being the first unit to sell Mercedes-Benz electric cars in the North.
- Viconship (VSC) will spend 600 billion dong to buy 49% capital of Vinaship (VNA).

- 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.

Geopolitical tensions are back



Source: Institute for the Study of War with American Enterprise Institute's Critical Threats Project. The New York Times

- KYIV, Oct 6 (Reuters) - Ukraine said its forces have retaken more settlements in Kherson, one of four partially Russian-occupied regions that President Vladimir Putin formally incorporated into Russia in Europe's biggest annexation since World War Two.
- With Russian forces retreating from front lines in the south and east, Ukrainian President Volodymyr Zelenskiy said in a late Wednesday address that Novovoskresenske, Novohryhorivka and Petropavlivka to the northeast of Kherson city had been "liberated".

US - North Korea



KCNA/AFP/Getty Images

- North Korea fired two suspected short-range ballistic missiles toward waters where a U.S. aircraft carrier had been deployed, ratcheting up tensions in the region.
- Previously, the US and Korea in recent weeks have increased joint military exercises with the participation of the US aircraft carrier USS Ronald Reagan, with anti-ship, anti-submarine content and many other activities.
- The missile launches off North Korea's east coast Thursday added to one of its biggest barrage of tests under leader Kim Jong Un, including its first launch of a rocket over Japan in five years, according to Bloomberg.

➢ The United States and many of its allies have condemned North Korea's missile launches as "provocative" and "destabilizing". The United Nations Security Council held a meeting on October 5 to discuss Pyongyang's missile launch.

Technical view



Trend: Pessimistic psychology dominates

- The market reversed and dropped sharply again today when there seemed to be a lack of demand to buy at high prices, along with pessimism that continued to dominate investors. Vnindex had to retreat to close in the red at 1,074 points. Trading volume increased compared to the previous session. The RSI partially recovered above 20 but soon cooled down again. The bearish signal today shows investors' sell-off, but from a technical point of view, the price is still not below the old bottom of 1,070 points created on October 4, so this is not necessarily a negative session. The index might still retest this level, except in the following sessions the index continues to close in red, which will lead to breach of the balance zone.

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 07/10/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VGI	Watch						30.1	Make a bottom before the market, bounce above MA20
BCM	Watch						90.2	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					

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Q&A

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