MORNING CALL

October 12th, 2022

"It's always darkest before the dawn"

- Global stocks are diverged, BOE continues to intervene to support the market
- Domestic stocks dropped again, testing the psychological threshold of 1000 points
- Past events of the banking industry and market reaction #ACB, #BID
- Technical view and recommendations
- Economic calendar
- Q&A

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Global Market Review - Week 10-14/10/2022

Major stock markets struggled to trade

- The Dow added more than 300 points on Tuesday afternoon, lifted by Amgen, which surged 6% after Morgan Stanley upgraded the drugmaker's stock to overweight. At the same time, the S&P 500 and the Nasdaq bounced back from intraday low.
- Equities in Europe extended losses for a fifth consecutive session on Tuesday, with the DAX 40 and the STOXX 600 falling over 0.5% each. Investors grew concerned about the impact of central banks' aggressive tightening and stubbornly high inflation on the economy and earnings results
- IMF downgrades GDP outlook for 2023. The world's economy is seen expanding 3.2% this year, in line with its July forecast, but expects it to grow at a slower 2.7% in 2023, down from 2.9% earlier predicted. The institution cited high inflation, tightening financial conditions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic as main challenges while warning that "the worst is yet to come". On the price front, global inflation is forecasted to rise to 8.8% in 2022 but to decline to 6.5% in 2023 and to 4.1% by 2024.
- The yield on Britain's 10-year Gilt retreated to 4.4% on Tuesday, after briefly approaching a fourteen-year high of 4.5% early in the session, as the BoE intervened again in the bond market.
- WTI crude futures fell nearly 3% to below $89 per barrel on Tuesday, extending the decline from the one-month high of $93 with pressure from a continuously appreciating dollar and demand woes from major consumers.

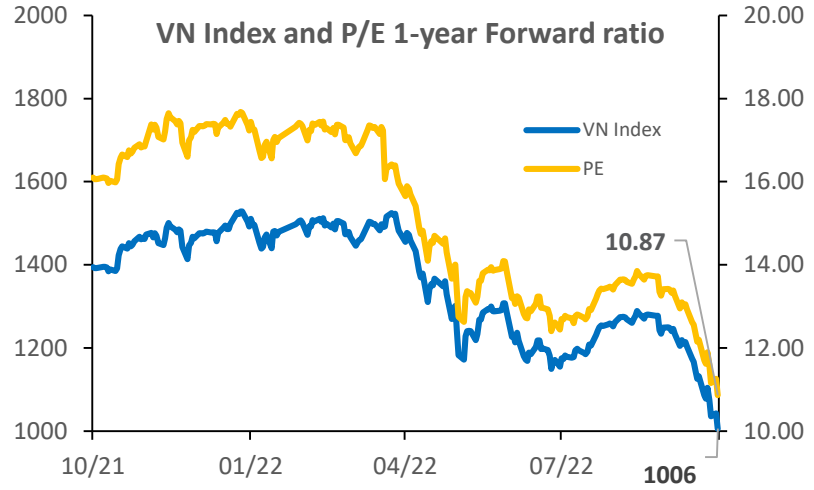
Market

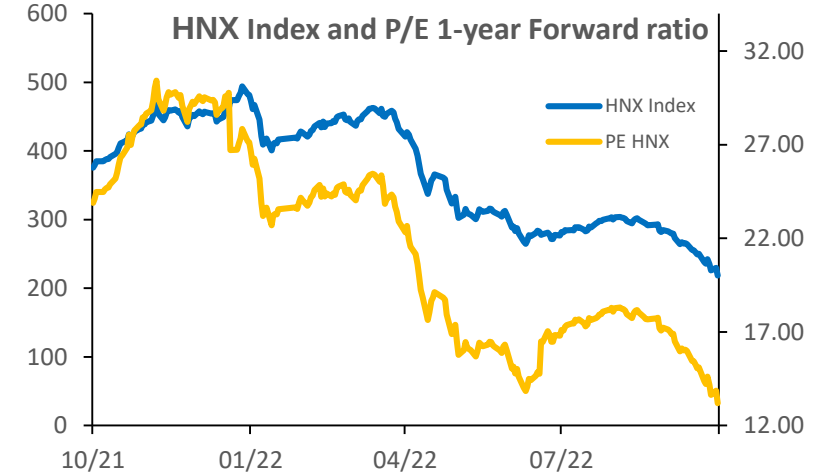
	Close	%1D	%1M	%1Y
VN-Index	1,006	-3.48%	-19.48%	-27.86%
S&P 500 Index	3,589	-0.65%	-12.69%	-17.51%
Dow Jones Index	29,239	0.12%	-9.70%	-14.95%
GP 100	6,885	-1.06%	-7.87%	-3.44%
Nikkei 225	26,390	-0.04%	-7.54%	-6.52%
SHCOMP Index	2,980	0.19%	-8.65%	-15.99%
STOXX 600	388	-0.56%	-9.30%	-15.15%
KOSPI Index	2,185	-0.31%	-8.35%	-25.07%
Hang Seng	16,832	-2.23%	-13.07%	-32.57%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	113.38	0.14%	4.66%	19.96%
USD/VND	23,925.00	-0.20%	-1.72%	-4.88%
EUR/USD	0.97	-0.04%	-4.13%	-15.84%
USD/CNY	7.17	-0.19%	-3.38%	-10.02%
Brent	93.78	-0.54%	-0.23%	12.42%
WTI	88.66	-0.77%	1.00%	9.95%
Natural gas	6.59	-0.12%	-20.14%	19.67%
Coal	391.15	1.20%	-10.13%	59.98%
Gold	1,665.38	-0.06%	-3.43%	-5.39%

Vietnam Market Snapshot 11/10/2022





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,006.20	10.87	-36.28	-3.48	672	12,874
HNX INDEX	218.78	13.20	-11.07	-4.82	78	1,178

Money flow and sector rotation (VND bn)

Sector	%1D	10/11/2022	10/10/2022	20-session Average
Media	177.54	2	1	4
Chemicals	29.49	766	592	795
Automobiles & Parts	29.07	111	86	127
Oil & Gas	28.87	296	229	268
Utilities	17.90	275	233	368
Real Estate	16.51	1,892	1,624	1,994
Insurance	9.73	84	76	123
Basic Resources	7.83	883	819	879
Banks	6.25	2,471	2,326	1,593
Technology	4.04	147	142	133
Health Care	3.96	16	15	20
Travel & Leisure	2.85	81	79	85
Construction & Materials	2.75	557	542	968
Food and Beverage	-5.1	881	929	1,160
Personal & Household Goods	-6.1	122	130	170
Industrial Goods & Services	-10.6	452	505	532
Financial Services	-11.1	933	1,049	1,224
Retail	-12.4	370	423	508

Breaking News

Macro

Positive

- Agefi,a famous Swiss French-language newspaper, recently published an article titled "Vietnam is Asia's new tiger", by Guy Mettan.

Less positive:



Many petroleum enterprises could not stand it because their business was at a loss, could not find a source of goods, so they had to put up banners saying "business losses, no money to import goods, hope consumers understand".

- The "shortage of gas" makes people miserable, their daily life is turned upside down when they have to go long distances, wait in line for a long time to find a gas station, the Ministry of Industry and Trade has announced that more than 100 stores are closed is uncommon among the 17,000 petrol stations.
- 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

- NVL, Bui Thanh Nhon and his wife transferred more than 94 million shares to NovaGroup, reducing their ownership rate to less than 5%, no longer being a major shareholder in Novaland.
- TNG, TNG Company announced third-quarter sales of VND 2,018 billion, up 18% over the same period last year. This is the company's record quarterly revenue. In which, export revenue accounted for 97% with VND 1,964 billion, the main markets include the US, France, and Russia. In 9 months, sales revenue reached VND 5,247 billion, up 29% over the same period and completing 88% of the year plan..
- POW, PV Power has just announced the production and business situation in September 2022 with total revenue estimated at VND 1,823 billion, exceeding 34% of the monthly plan, the power output of the plants in September reached 1,006 million kWh. Accumulating 9 months, the whole company produced 10,145 million kWh. Accordingly, the total revenue is estimated at more than VND 20,768 billion, in which, Nhon Trach 2 power plant is the unit with the largest contribution to the group's revenue.

- GVR, Vietnam Rubber Group to pay cash dividend at the rate of 4%, ex-dividend date is October 12th.
- VSA, VOSA Corporation announced to pay cash dividend at the rate of 25%, ex-rights date is October 14th.
- TCT, Tay Ninh Cable Car Tour Company announced to pay cash dividends at the rate of 5%, ex-rights date is October 14th.

Bank of England continues to support the market



Background

- On Tuesday, the Bank of England announced it will widen the scope of its daily gilts purchase operations to also include purchases of inflation-linked gilts.
- It follows an announcement on Monday of an increase in its long-dated, temporary, gilt market purchase program from a daily maximum limit of £5 billion to £10 billion for the rest of the week..

Theo https://www.bankofengland.co.uk/

- The Dollar Index cooled down and left 113 after this news, as well as the 10-year British bond yield also fell below the peak of 4.5%.
- Besides, US Treasury yields also fell below the threshold of 3.9%.

Banking industry events and market reaction





Background

- On August 21, 2012, information on arresting businessman Nguyen Duc Kien was confirmed to the press by a leader of the General Department of Crime Prevention and Control (Ministry of Public Security), with the alleged cause to investigate some irregularities in economic activities. Mr. Kien was formerly Vice Chairman of the Board of Directors of Asia Commercial Joint Stock Bank (ACB), a member of the founding Board of the bank.

- On November 29, 2018, the Investigative Police Agency of the Ministry of Public Security (C03) served the decisions and executed the arrest and search warrants for 4 suspects related to the case "violation of regulations on banking activities and other activities related to banking activities" occurred at the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV). Among the four defendants were prosecuted. Mr. Tran Bac Ha, former chairman of BIDV's board of directors.

Technical view



Trend: Continue to find the bottom

- Selling pressure continued to dominate, making it difficult for the index to recover and dropped to psychological support level around 1,000 points. Order matching increased above 20 session average. In general, the trend is still unclear, although the technical indicators are showing oversold signals, investor sentiment is quite weak due to many current uncertainties, so the money flow will be quite cautious important for buying up. Continue to maintain the strategy of caution and observation. The market still needs time to find direction. Maybe somewhere when the less positive information gradually reflects on the price, the market will almost find the balance.

Scenarios:

- Positive (30%): The index reacted well when retesting near 1,100 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 (70%): 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 1000 points.

Recommended portfolio

Updated date **12/10/2022**

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
NT2	Watch						26.1	Hold MA20 week
TLG	Watch						53.9	Hold MA20 week
BCM	Watch						84.5	Hold MA10 week, retesting old peak successfully
PVS	Watch						22.8	Make a bottom before the market
PVD	Watch						20.0	Make a bottom before the market

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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