MORNING CALL

October 13th, 2022

“Be optimistic but shouldn't get too excited”

- Global stocks traded struggling
- Domestic stocks rebounded strongly, the threshold of 1000 points was maintained
- Scenario for the market in the coming time
- 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 Jones Index shed 28.34 points, or 0.10%, to close at 29,210.85. The S&P 500 lost 0.33%, falling to 3,577.03. Investors now look ahead to the September consumer price index due later today.
- Stocks in Europe fell slightly, trading struggled. Investors grew concerned about the impact of central banks' aggressive tightening and stubbornly high inflation on the economy and earnings results
- Producer prices (PPI) in the US went up 0.4% mom in September, the first increase in three months, and twice the market expectation of a 0.2% rise. Cost of traveler accommodation services and food made the biggest upward pressure.
- Fed policymakers judged that the Fed needed to move to, and then maintain, a more restrictive policy stance in order to promote maximum employment and price stability. Also, officials agreed that hiking rates faster now would "prevent the far greater economic pain associated with entrenched high inflation", minutes from the September FOMC meeting showed.
- The yield on Britain's 10-year Gilt rose 15bps and topped 4.6% on Wednesday, moving back to 14-year highs, as investors were digesting mixed signals from the Bank of England officials about the quantitative easing. The Bank of England reiterated plans to end its programme of temporary gilt purchases on Friday.
- WTI crude futures fell more than 2% to $87 per barrel on Wednesday, extending losses into a third day on concerns about weaker oil demand.

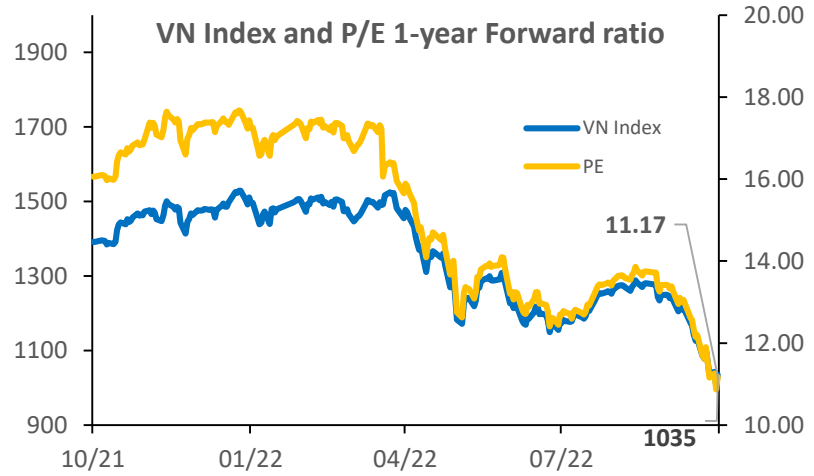
Market

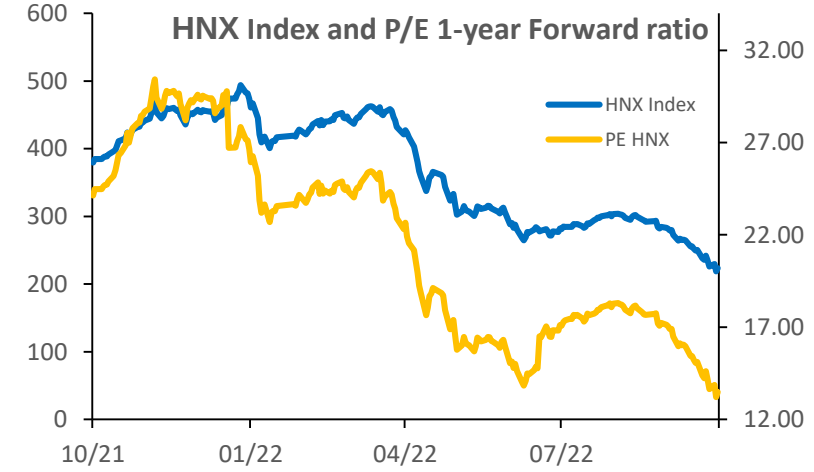
	Close	%1D	%1M	%1Y
VN-Index	1,035	2.84%	-17.11%	-25.66%
S&P 500 Index	3,577	-0.33%	-9.04%	-18.03%
Dow Jones Index	29,211	-0.10%	-9.79%	-15.03%
GP 100	6,826	-0.86%	-7.58%	-4.42%
Nikkei 225	26,368	-0.11%	-7.85%	-6.30%
SHCOMP Index	3,026	1.53%	-7.30%	-15.06%
STOXX 600	386	-0.53%	-8.37%	-16.18%
KOSPI Index	2,191	-0.50%	-10.54%	-25.58%
Hang Seng	16,701	-0.78%	-13.59%	-33.10%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	113.20	-0.11%	3.08%	20.32%
USD/VND	23,943.00	-0.08%	-1.79%	-4.99%
EUR/USD	0.97	0.15%	-2.53%	-16.18%
USD/CNY	7.17	-0.09%	-3.46%	-10.12%
Brent	92.39	-0.06%	-0.84%	11.07%
WTI	87.20	-0.08%	-0.13%	8.40%
Natural gas	6.44	0.08%	-22.26%	15.21%
Coal	403.00	3.03%	-7.89%	66.29%
Gold	1,674.80	0.10%	-1.61%	-6.59%

Vietnam Market Snapshot 12/10/2022





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,034.81	11.17	28.61	2.84	616	11,472
HNX INDEX	223.43	13.49	4.65	2.13	54	881

Money flow and sector rotation (VND bn)

Sector	%1D	10/12/2022	10/11/2022	20-session Average
Financial Services	21.65	1,135	933	1,185
Food and Beverage	14.81	1,011	881	1,133
Retail	14.51	424	370	499
Real Estate	7.22	2,028	1,892	1,990
Personal & Household Goods	2.46	125	122	169
Basic Resources	1.78	899	883	854
Construction & Materials	-5.6	526	557	932
Chemicals	-6.7	715	766	785
Technology	-18.9	120	147	133
Industrial Goods & Services	-21.9	353	452	523
Media	-28.3	1	2	4
Travel & Leisure	-28.4	58	81	84
Insurance	-28.4	60	84	122
Banks	-29.6	1,741	2,471	1,600
Oil & Gas	-29.8	207	296	257
Health Care	-31.1	11	16	19
Automobiles & Parts	-31.5	76	111	125
Utilities	-33.7	182	275	350

Breaking News

Macro

Positive

- Standard Chartered raises its forecast for Vietnam's GDP growth in 2022 to 7.5%.
- According to data from the ASEAN Automobile Association (AAF), in the first eight months of 2022, Vietnam's automobile sales ranked fourth in Southeast Asia, with 262,940 vehicles. Leading the way continues to be Indonesia with 658,232 vehicles.

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

- NLG, Mr. Nguyen Xuan Quang, Chairman of the Board of Directors of Nam Long Investment JSC, registered to buy 2 million NLG shares by order-matching/put-through method, from October 14 to November 12, 2022. At the same time, his two sons, Nguyen Hiep and Nguyen Nam, each registered to buy 2 million NLG shares.
- VGC, Viglacera estimated a profit of more than VND 2,000 billion in the first 9 months, exceeding 21% of the whole year plan in 2022. For Q3 alone, pre-tax profit was estimated at VND 317 billion, a sharp decrease compared to the VND 843 billion achieved in the second quarter. The company said that in the fourth quarter, the real estate sector will focus on promoting infrastructure development, boosting business, creating conditions for the expansion of new development of industrial parks and housing for the next year 2023 and subsequent years.
- BAF, The remarkable move of BAF stock took place after Chairman Truong Sy Ba shared about his pig breeding business. Specifically, the President of BAF revealed a proprietary formula of nutrition in livestock, only produced to supply interal pigs and not commercially sold to the market. BAF pigs can be called vegetarian pigs!.
- HHV, Resolution of the Board of Directors of Deo Ca transport infrastructure investment has just approved the offering of 267.4 million shares to existing shareholders at a ratio of 1:1. Selling price is 10,000 VND/share. Time to register to buy and receive money from 1/11 to 1/12. After the issuance, the charter capital of the enterprise will double, reaching VND 5,347 billion.

Technical view



Trend: Threshold of 1000 points holds

- The pessimism seems to have reached the extreme level and is easy to stimulate short-term bottom-fishing demand. The index has continuously dropped recently and fell to low levels, in the context of global stocks more optimistic about monetary policy will be less tight. With a sharper decline than other stock markets, it is easy to promote a recovery for Vietnamese stocks, however, it should be noted that today's order matching is still low, showing that the recovery trend is in favor of "supply is exhausted" and has not yet reflected strong money flow. More signals will be needed in the next sessions for confirmation, but for now, we can be optimistic about 1000 points as "hard support" for the trend.

Scenarios:

- Positive (60%): The index kept the important support at 1000 points and recovered to 1,080 – 1,100 points to retest the dropping gap as well as MA10.
- Less positive (40%): The index broke through 1000 points, activating the strong downward momentum and the falling inertia will continue. At this time, the falling momentum can find the area of 930 points and lower to the threshold of 880 points.

Market scenario





Positive

- The index kept the strong support area around 1000 points and created a recovery rhythm to fill the dropping gap on October 7th, also corresponding to MA10 around 1,080 points (1).
- More positively (2) , the index successfully tested and surpassed MA10, around the threshold of 1100 points, there is a high probability that it will continue to surpass the old bottom (1,150 points) and move towards the target of 1,200 points.

Less positive

- The index broke through 1000 points, sending out a strong drop of inertia signal, and now we should look at the weekly chart. It can be seen that the index has a box of oscillation around 1,020 – 930 points in the period of 2019 – 2020 and this will be a strong support for the trend. Falling inertia can cause the index to find the bottom edge of the box, around the threshold of 930 points (1).
- However, at a more negative level, the index might break the box and find a lower level around 880 points (2), corresponding to the bottom set in 2018

Recommended portfolio

Updated date **13/10/2022**

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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