MORNING CALL

October 14th, 2022

"The sentiment was relieved after the US CPI data just released"

- Global stocks traded rebounded despite a hotter-than-expected US inflation
- Domestic stocks continue to recover, with low liquidity
- Technical view and recommendations
- Economic calendar
- Q&A

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

Major stock markets rallied sharply

- US stock futures steadied on Friday after the major averages staged a dramatic reversal rally during Thursday's session, as investors shifted their focus to earning reports from major banks for insights on the state of the economy. Futures contracts tied to the three major indexes were all hovering near breakeven. In regular trading on Thursday, the Dow and S&P 500 rallied 2.83% and 2.6%.
- European stocks recovered at the end of the session, tracking a historic reversal rally on Wall Street overnight despite a hotter-than-expected US inflation.
- The US inflation rate fell less than expected. The annual inflation rate in the US fell to 8.2% in September, compared with 8.3% in August but above market expectations of 8.1%. Core inflation excluding food and energy, rose 6.6%YoY, new 40-year high, sign that inflationary pressures remain elevated.
- 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.
- WTI crude oil futures pared earlier losses and traded above $89 a barrel on Thursday, pausing three sessions of losses to watch the dollar index weakness (DXY).

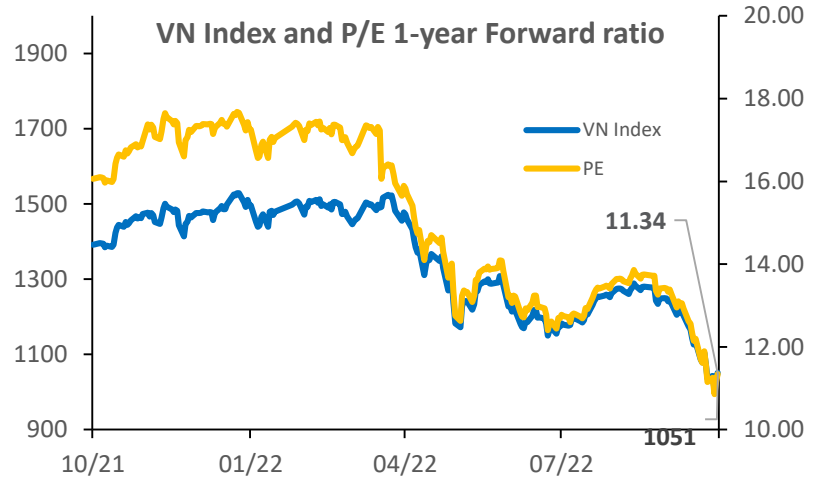
Market

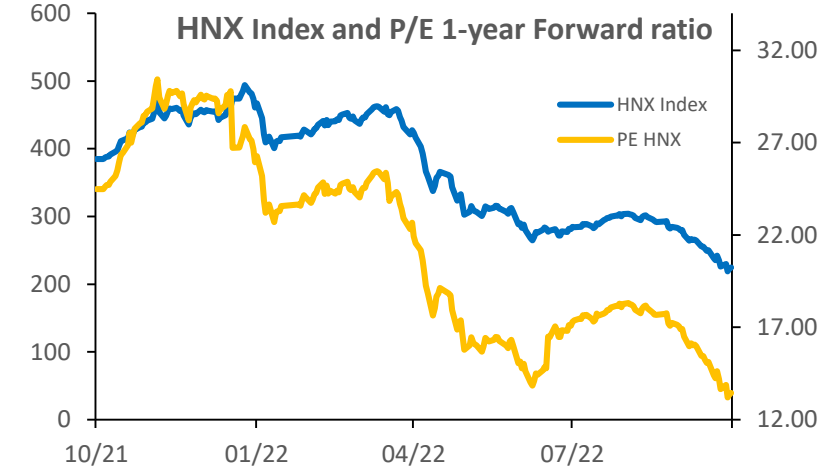
	Close	%1D	%1M	%1Y
VN-Index	1,051	1.56%	-15.30%	-25.53%
S&P 500 Index	3,670	2.60%	-7.00%	-17.31%
Dow Jones Index	30,039	2.83%	-3.52%	-13.96%
GP 100	6,850	0.35%	-5.87%	-4.96%
Nikkei 225	26,833	2.27%	-3.54%	-6.02%
SHCOMP Index	3,016	-0.30%	-6.83%	-15.23%
STOXX 600	389	0.85%	-6.79%	-16.48%
KOSPI Index	2,204	1.89%	-8.62%	-26.27%
Hang Seng	16,389	-1.87%	-13.04%	-34.35%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	112.58	0.19%	2.67%	19.82%
USD/VND	24,120.00	-0.73%	-2.33%	-5.68%
EUR/USD	0.98	-0.05%	-2.10%	-15.75%
USD/CNY	7.17	0.07%	-3.33%	-10.34%
Brent	94.44	-0.14%	0.36%	12.43%
WTI	88.90	-0.24%	0.47%	9.33%
Natural gas	6.71	-0.52%	-26.42%	17.92%
Coal	393.50	-2.36%	-10.44%	61.70%
Gold	1,663.01	-0.20%	-2.02%	-7.40%

Vietnam Market Snapshot 12/10/2022





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,050.99	11.34	16.18	1.56	477	8,900
HNX INDEX	224.74	13.45	1.31	0.59	36	610

Money flow and sector rotation (VND bn)

Sector	%1D	10/13/2022	10/12/2022	20-session Average
Personal & Household Goods	4.43	131	125	167
Banks	-3.1	1,687	1,741	1,629
Utilities	-3.8	175	182	328
Industrial Goods & Services	-8.3	323	353	516
Travel & Leisure	-17.5	48	58	81
Insurance	-18.6	49	60	122
Basic Resources	-20.0	719	899	851
Retail	-22.9	327	424	489
Chemicals	-25.8	531	715	762
Food and Beverage	-27.4	734	1,011	1,121
Construction & Materials	-27.8	380	526	904
Health Care	-30.0	8	11	19
Technology	-36.8	76	120	132
Automobiles & Parts	-37.8	47	76	125
Real Estate	-38.4	1,250	2,028	1,971
Financial Services	-40.0	680	1,135	1,176
Oil & Gas	-44.2	116	207	249
Media	-74.9	0	1	4

Breaking News

Macro

Positive

- Recently, Ha Tinh Provincial People's Committee has issued a document to assign local departments and agencies to consider and have a plan to advise when VNECO has just proposed to invest in a wind power project of nearly VND 5,500 billion in Ky Anh district.

  The Ky Nam sea area has a very large amount of wind, with the average wind speed in the year reaching over 8m/s, in which, up to 9m/s in many months. This is the ideal wind speed for an efficient wind power project (average wind speed for wind power installation is 6.5m/s).

- Mr. Nguyen Trung Khanh, General Director of the Vietnam National Administration of Tourism shared at the Mekong Tourism Forum 2022 taking place on October 12 in Quang Nam: “It can be affirmed that Vietnam has succeeded in reopening tourism, recognized by UNWTO as the first Southeast Asian country to completely remove travel barriers related to COVID-19”.

  In the first nine months of 2022, Vietnam welcomed more than 1.6 million international arrivals, serving nearly 87 million domestic tourists, with a total revenue of about $16.5 billion.

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

- HAG, Hoang Anh Gia Lai Joint Stock Company issued a notice to reassure shareholders about normal business activities and the daughter of the Chairman of the Board of Directors has just registered to buy 1 million shares.
- PHR, In the separate financial statements for the third quarter of 2022, Phuoc Hoa Rubber recorded revenue of VND 322.28 billion, up 14.5% over the same period and profit after tax recorded VND 12.32 billion. , down 80.7% over the same period, due to the lack of dividends from associates. Gross profit margin decreased from 13.8% to 11.3%..
- NDN, Mr. Nguyen Quang Minh Khoa, a member of the Board of Directors cum Deputy General Director, registered to buy 500,000 shares to increase his ownership from 0.74% to 1.44% of charter capital, the transaction is expected to be implemented from October 17 until November 11.
- CAD, In the recent resolution of the 2022 Annual General Meeting of Shareholders, Cadovimex Seafood Import-Export and Processing JSC (Upcom: CAD) is expected to complete legal procedures to open bankruptcy proceedings for the company within the year 2022 after accumulated losses to nearly VND 1.4 trillion. This is a sad result for Cadovimex - a reputable seafood exporter, but has rapidly declined since the 2008 financial crisis, 14 years ago.

Technical view



Trend: Increase points in caution

- The index continued to rebound well today but the liquidity was low when cautious sentiment still dominated investors. However, Vnindex still closed at the highest level of the session. The RSI is showing a good recovery as it is close to breaking above the important level of 30 to get out of the oversold zone, while the MACD is also starting to narrow with the signal line. This implies that the recovery inertia will continue when the technical signals are consolidated. The market may have found a balance around 1,000 – 1,030 points, however, the uptrend will be accompanied by shaking sessions. The nearest resistance for this retracement is 1,070 points.

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.

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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