MORNING CALL

October 17th, 2022

"Expectations accumulate to strengthen the recovery momentum"

- Global stocks are diverged
- Domestic stocks have a week of recovery after five consecutive weeks of decline
- Technical view and recommendations
- Economic calendar
- Q&A

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

Major stock markets diverge

- US stocks extended losses on Friday, with the Dow losing nearly 400 points, the S&P 500 and Nasdaq falling 2.1% and 3.1%, respectively. In the epicenter of the selloff was a report from the University of Michigan showing that US year-ahead inflation expectations increased for the first time in seven months. Even so, the Dow Jones ended the week still up 1.2%, while the S&P 500 fell 1.3% and the Nasdaq fell 3.1%. European stock indexes closed higher on Friday, trailing Wall Street, with Germany's DAX and Stoxx Euro 600 gaining more than 0.5%. Asian stocks had a mixed week while Shanghai rose 3.3%, while Hang Seng fell 6.5%, and the Nikkei index traded around reference.
- Prime Minister Liz Truss announced the reversal of the government's plan, the corporate income tax rate will increase from 19% to 25% from April 2023.
- US retail trade was unchanged in September, missing market expectations of a 0.2% advance, as high inflation and rising borrowing costs hit consumer demand.
- Next week's focus will be dominated by earnings reports, speeches by several Fed officials, and US housing data. In China, the 20th National Congress will take place and economic data will be released. Also, inflation rate data is due for the UK, Japan will be announced. Domestically, the focus is on the October derivatives contract expiration.
- Crude oil prices weakened for the week to around $86 a barrel, after China's increase in new Covid-19 infections and higher-than-expected U.S crude inventories raised concerns about global demand.

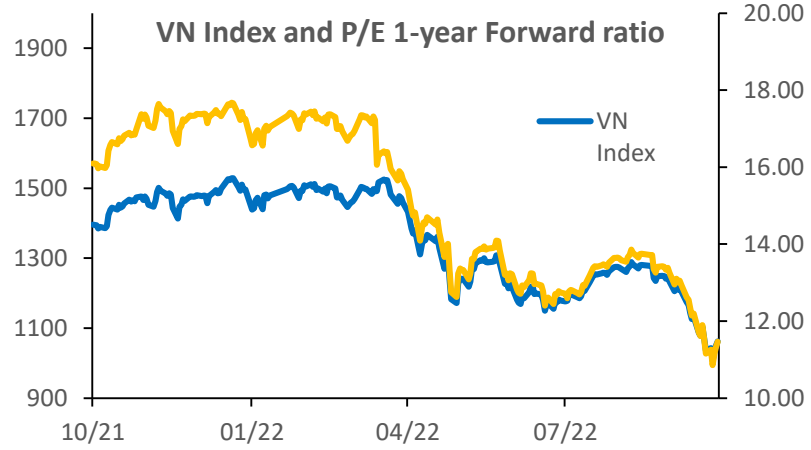
Market

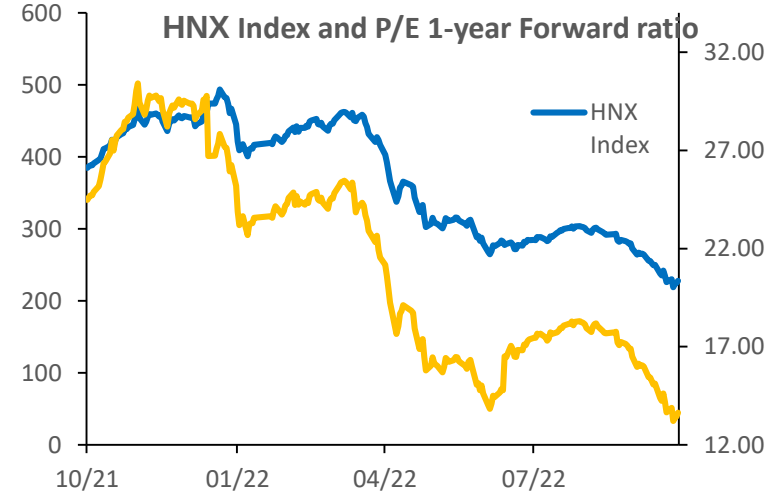
	Close	%1D	%1M	%1Y
VN-Index	1,062	1.03%	-13.95%	-23.76%
S&P 500 Index	3,583	-2.37%	-7.49%	-19.87%
Dow Jones Index	29,635	-1.34%	-3.85%	-16.04%
GP 100	6,859	0.12%	-5.22%	-5.19%
Nikkei 225	26,679	-1.52%	-3.22%	-8.22%
SHCOMP Index	3,072	1.84%	-1.74%	-14.01%
STOXX 600	391	0.56%	-4.15%	-16.63%
KOSPI Index	2,200	-0.59%	-7.69%	-27.05%
Hang Seng	16,588	1.21%	-11.59%	-34.52%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	112.97	-0.30%	2.92%	20.26%
USD/VND	24,115.00	0.02%	-2.17%	-5.66%
EUR/USD	0.98	0.29%	-2.73%	-16.02%
USD/CNY	7.19	-0.32%	-3.21%	-10.47%
Brent	92.59	1.05%	1.36%	9.11%
WTI	86.46	0.99%	1.59%	5.08%
Natural gas	6.28	-2.65%	-19.09%	16.12%
Coal	392.50	-0.25%	-11.64%	60.20%
Gold	1,648.93	0.27%	-1.61%	-6.57%

Vietnam Market Snapshot 14/10/2022





	Đóng cửa	PE	Tăng giảm	%1D	KLGD (triệu đơn vị)	GTGD (tỷ VND)
VNI NDEX	1,061.85	11.46	10.86	1.03	641	14,484
HNX INDEX	227.89	13.63	3.15	1.40	69	1,085

Money flow and sector rotation (VND bn)

Sector	%1D	10/14/2022	10/13/2022	20-session Average
Insurance	1,474.68	76	5	119
Automobiles & Parts	1,071.29	126	11	125
Basic Resources	713.45	820	101	795
Retail	331.61	621	144	477
Financial Services	323.07	1,272	301	1,142
Utilities	255.95	249	70	305
Chemicals	188.25	884	307	740
Industrial Goods & Services	158.46	489	189	502
Health Care	148.27	11	5	17
Construction & Materials	127.20	530	233	859
Food and Beverage	111.87	770	363	1,054
Real Estate	80.48	1,445	800	1,898
Personal & Household Goods	67.89	158	94	154
Banks	64.82	1,819	1,104	1,602
Travel & Leisure	23.21	56	46	70
Technology	12.73	83	74	129
Oil & Gas	-19.2	197	244	237
Media	-41.3	1	1	3

Breaking News

Macro

Positive

- The website delano.lu (Luxembourg) recently published an article stating that the Vietnamese economy is on the rise thanks to the open policy. Meanwhile, Sputnik news agency also gave an assessment on the possibility that Vietnam will become a "world factory".
- Binh Dinh Provincial People's Committee recently approved the consortium including Phu Tai Joint Stock Company (PTB), Truong Hai Trading Construction Joint Stock Company, Northern Service Development Investment Joint Stock Company as the investor of Van Ha Urban Area project in Nhon Phu ward, Quy Nhon city.

  The project has a total estimated investment capital of more than 2,932 billion VND, of which the investor's contributed capital is 480 billion VND, and the remaining 2,452 billion VND is mobilized capital. In the project implementation joint venture, PTB is the leading member with the expected capital contribution of VND 240 billion (50%).

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

- VHC, Dragon Capital group has just bought 300,000 more VHC shares to increase ownership from 4.9% to 5.06% of charter capital. Thus, after the transaction, Dragon Capital group became a major shareholder in Vinh Hoan.
- GEX, Mrs. Nguyen Lien Huong, the daughter of Mr. Nguyen Hoa Cuong, Chairman of the Board of Directors registered to buy 1 million shares, the transaction is expected to take place from October 19 to November 17.
- HDC, the two children of Mr. Doan Huu Thuan - Chairman of the Board, Doan Huu Ha An and Doan Huu Ha Vinh, registered to buy 100,000 shares respectively, the transaction is expected to be carried out from October 19 to November 17.
- TDM, Thu Dau Mot Water JSC recorded Q3 net revenue of VND 123 billion, up 26% over the same period. Profit margin improved from 47.8% to 51.6%. After deducting taxes and expenses, TDM achieved a profit after tax of more than VND 54.4 billion, up 110%.
- HAX, Hang Xanh Automotive Service Joint Stock Company has just announced its consolidated financial statements for the third quarter of 2022. In which, the company reported a net profit of more than VND 192 billion in 9 months, nearly 5.6 times higher than the same period last year, and broke the peak of net profit achieved in 2021 (160 billion dong). In Q3 alone, HAX recorded a net profit of nearly VND 57.5 billion, while the same period saw a net loss of more than VND 33 billion.

- CKG, Kien Giang Construction Investment Consultancy Group to pay shares dividend at the rate of 10%, ex-dividend date is October 19th.
- MPC, Minh Phu Seafood announced to pay cash dividends at the rate of 23% and rewards shares at the rate of 1:1, ex-rights date is October 20th.

Technical view



Trend: Accumulation

- The index successfully tested the psychological level of 1,000 points last week and gained strongly after that. The pessimism seems to have reached the extreme level and it is easy to promote short-term bottom-fishing demand. Vnindex closed the week above MA10 with a narrow candle body, meaning that the trade started to struggle more. The technical indicators have improved significantly, when the RSI has just exited the oversold area, it will further support the recovery inertia. It is likely that the next few sessions will shake for the market to retest the dropping gap on October 7 and it is also necessary for the index to accumulate more around MA10 to consolidate the gaining momentum. The nearest resistance for the retracement span is 1,080 points and higher is 1,120 points. Investors can accumulate positions in the correction sessions and limit excitement.

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.

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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