# MORNING CALL

October 18th, 2022

## "Recovery momentum is still being supported"

- Global stocks gained strongly at the opening session of the week
- Domestic stocks trade in balance
- Iphone 14 continues to create heat in the market #FRT, #MWG, #DGW, #PET
- Technical view and recommendations #HAX, #TLG, #NT2, #NTP, #TNG
- Economic calendar
- Q&A


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# Global Market Review - Week 17-21/10/2022

## Major stock markets close sharply higher

- The Dow advanced 550 points on Monday, and the S&P 500 and Nasdaq added 2.6% and 3.4%, respectively, as strong earnings from Bank of America and the British government's U-turn on its fiscal plan boosted risk-taking.
- European equity markets extended gains for the third session on Monday, with the German DAX and the pan-European STOXX 600 up almost 2% led by banks, real estate and travel and leisure companies. Investors welcomed the news that UK Chancellor Hunt is reversing almost all tax measures set out in Prime Minister Truss's mini-budget.
- The yield on Britain's 10-year Gilt dropped further Monday, down by 40 basis points at 3.94%. The United States 10-year Treasury yield, the benchmark for borrowing costs worldwide, also fell to 3.9%, moving away from a 14-year peak of 4.1% touched last week.
- The dollar weakened across the board on Monday, bottoming around the 112 mark.
- WTI crude futures were trading around $85.5 per barrel on Monday as China's continuation of loose monetary policy offset fears of high inflation and energy costs. U.S. natural gas futures fell nearly 7% to $6/MMBtu on Monday, a three-month low, amid record domestic production.

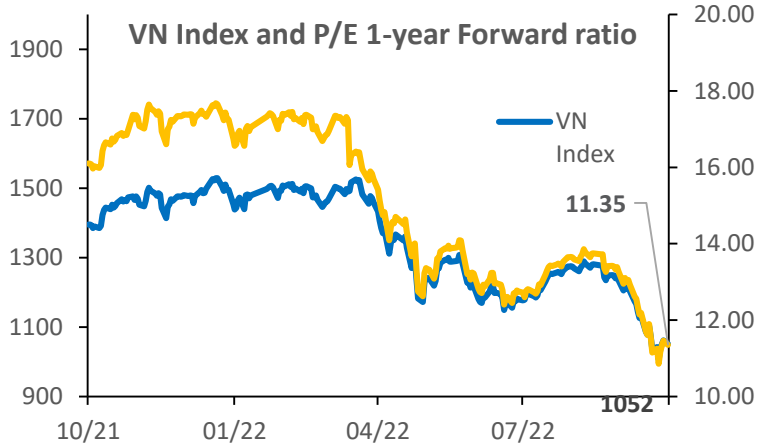
### Market

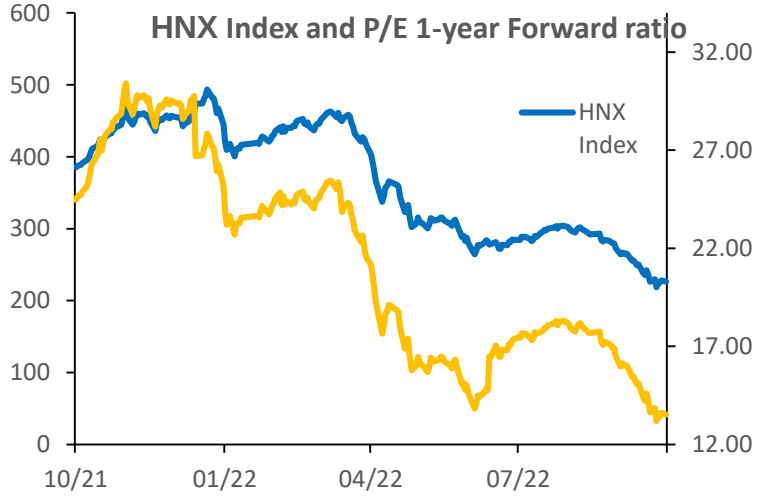
| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| VN-Index | 1,052 | -0.97% | -14.78% | -24.65% |
| S&P 500 Index | 3,678 | 2.65% | -5.04% | -17.74% |
| Dow Jones Index | 30,186 | 1.86% | -2.07% | -14.48% |
| GP 100 | 6,920 | 0.90% | -4.37% | -3.94% |
| Nikkei 225 | 27,154 | 1.41% | -1.50% | -6.45% |
| SHCOMP Index | 3,085 | 0.42% | -1.33% | -13.54% |
| STOXX 600 | 398 | 1.83% | -2.39% | -14.68% |
| KOSPI Index | 2,236 | 0.75% | -6.15% | -25.62% |
| Hang Seng | 16,613 | 0.15% | -11.45% | -34.62% |

### Currency & Commodity

| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| Dollar Index | 112.05 | 0.01% | 2.09% | 19.27% |
| USD/VND | 24,320.00 | -0.84% | -2.69% | -6.42% |
| EUR/USD | 0.98 | 0.07% | -1.76% | -15.18% |
| USD/CNY | 7.20 | -0.06% | -2.66% | -10.65% |
| Brent | 91.84 | 0.24% | 0.54% | 8.91% |
| WTI | 85.69 | 0.27% | 0.68% | 3.94% |
| Natural gas | 5.96 | -0.72% | -23.29% | 19.38% |
| Coal | 392.15 | -0.09% | -10.67% | 63.40% |
| Gold | 1,651.09 | 0.06% | -1.48% | -6.45% |

# Vietnam Market Snapshot 17/10/2022




| | Đóng cửa | PE | Tăng giảm | %1D | KLGD (triệu đơn vị) | GTGD (tỷ VND) |
|---|---|---|---|---|---|---|
| VNI NDEX | 1,051.58 | 11.35 | -10.27 | -0.97 | 497 | 9,549 |
| HNX INDEX | 226.46 | 13.53 | -1.43 | -0.63 | 48 | 949 |

## Money flow and sector rotation (VND bn)

| Sector | %1D | 10/17/2022 | 10/14/2022 | 20-session Average |
|---|---|---|---|---|
| Oil & Gas | 56.48 | 309 | 197 | 241 |
| Food and Beverage | 3.40 | 796 | 770 | 1,034 |
| Utilities | -10.4 | 223 | 249 | 292 |
| Real Estate | -14.8 | 1,231 | 1,445 | 1,863 |
| Technology | -16.3 | 70 | 83 | 124 |
| Chemicals | -16.9 | 735 | 884 | 722 |
| Construction & Materials | -17.1 | 439 | 530 | 814 |
| Banks | -17.5 | 1,501 | 1,819 | 1,620 |
| Retail | -21.1 | 490 | 621 | 470 |
| Media | -22.5 | 0 | 1 | 3 |
| Health Care | -23.4 | 9 | 11 | 17 |
| Basic Resources | -24.7 | 617 | 820 | 784 |
| Industrial Goods & Services | -24.8 | 368 | 489 | 490 |
| Travel & Leisure | -26.4 | 41 | 56 | 68 |
| Financial Services | -27.0 | 928 | 1,272 | 1,127 |
| Personal & Household Goods | -34.4 | 104 | 158 | 151 |
| Insurance | -45.7 | 41 | 76 | 115 |
| Automobiles & Parts | -49.7 | 63 | 126 | 124 |

# Breaking News

## Macro

**Positive**

- The IMF lowered its economic growth forecast for the Asian region, however, the Southeast Asia region is expected to have a strong recovery, especially Vietnam continues to be highly appreciated.
- Ninh Thuan proposes to exploit the full capacity of Trung Nam's 450MW solar power project.

**Less positive:**

- The State Bank of Vietnam (SBV) decided to adjust the USD/VND spot exchange rate band from ±3% to ±5%. This decision takes effect from October 17, 2022.
- The State Bank of Vietnam has increased operating interest rates since September 23rd. Accordingly, large banks began to sharply hike deposit rates.




## Business news

- SBT, TTC Sugar have just announced the documents of the Annual General Meeting of Shareholders for the period of 2022-2023. The company sets a revenue target of 17,017 billion VND, profit before tax is 850 billion VND. This plan is to reduce 7% and 19% respectively compared to the year 2021 - 2022. It is expected to pay dividends at the rate of 4-6% and issue nearly 126 million individual shares..
- HAG, the Company is piloting 100,000 chickens on an area of 2 hectares in Mang Yang district, Gia Lai province and is expected to put the product on the market in November 2022. The Company expects revenue from banana, pork and chicken products to bring large cash flow for the Company to repay debt and expand its business.
- VGT, Vinatex's 9-month consolidated profit reached VND 1,150 billion, reaching 124% of the plan. It is expected that in 2022, Vinatex will finish with a profit of VND 1,393 billion, up 46.5% compared to the plan. However, the garment industry is still facing difficulties when new sewing units receive production plans until mid-October, orders for November and December lack about 35% to 50% of capacity or have orders but fierce competition on the price.

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- 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.

# Heat of Iphone 14




- In the past few years, Vietnam has been one of the countries that Apple focuses on investing in, and authorized retailers to sell genuine Apple products will benefit when the iPhone 14 is released.
- During the meeting to announce financial results at the end of July, CEO Tim Cook also said that Vietnam is one of the markets with the best growth rate of Apple globally.
- According to Counterpoint Research, Apple's market share in Vietnam increased from less than 2% in the first quarter of 2020 to 9.8% in the first quarter of 2022. Apple's continuous growth despite two years of the pandemic has confirmed the strong and stable attraction of Apple products to Vietnamese users.

## Iphone 14 continues to create heat in the market

- **FRT,** FPT Shop & F.Studio by FPT has informed that nearly 14,000 devices have been delivered to customers after more than 1 day of opening the new iPhone 14 Series, earning a record revenue of VND 400 billion.

  The FPT Shop side said it noticed a great effort from Apple Vietnam when the initial volume of goods this year had doubled last year. With such advantages, insiders forecast that this year's consumption and sales will continue to create record numbers at FPT Shop & F.Studio by FPT in particular and Vietnam in general.
- **MWG,** recorded at the TopZone store system, with the number of more than 70,000 customers registering to buy and more than 35,000 customers making a deposit after only 7 days of ordering, from October 7 to October 13, 2022, the number is double that of MWG. iPhone 13 series last year.

  On the first day of sale, the system sold 12,000 devices, equivalent to VND 300-350 billion. According to the plan, TopZone will continue to deliver the first batch until the end of November 2022.
- **PET,** Officially becoming an Apple dealer in June 2020, this year Petrosetco cooperates with Minh Tuan Mobile to open and sell iPhone 14 Series VN/A

# IMF lowers Asia's economic growth forecast

| | 2021 | Proj. 2022 | vs. July | Proj. 2023 | vs. July |
|---|---|---|---|---|---|
| **Asia** | 6.5 | 4.0 | -0.2 | 4.3 | -0.2 |
| | | | | | |
| Advanced | 3.7 | 2.3 | 0.0 | 2.0 | -0.2 |
| Australia | 4.9 | 3.8 | 0.0 | 1.9 | -0.3 |
| New Zealand | 5.6 | 2.3 | -0.4 | 1.9 | -0.7 |
| Japan | 1.7 | 1.7 | 0.0 | 1.6 | -0.1 |
| Hong Kong SAR | 6.3 | -0.8 | -1.3 | 3.9 | -0.6 |
| Korea | 4.1 | 2.6 | 0.3 | 2.0 | -0.1 |
| Taiwan Province of China | 6.6 | 3.3 | 0.1 | 2.8 | -0.1 |
| Singapore | 7.6 | 3.0 | -0.7 | 2.3 | -0.3 |
| Emerging market and developing* | 7.2 | 4.4 | -0.2 | 4.9 | -0.2 |
| Bangladesh | 6.9 | 7.2 | 0.8 | 6.0 | -0.7 |
| Brunei Darussalam | -1.6 | 1.2 | -4.6 | 3.3 | 0.7 |
| Cambodia | 3.0 | 5.1 | 0.0 | 6.2 | 0.0 |
| China | 8.1 | 3.2 | -0.1 | 4.4 | -0.2 |
| India** | 8.7 | 6.8 | -0.6 | 6.1 | 0.0 |
| Indonesia | 3.7 | 5.3 | 0.0 | 5.0 | -0.2 |
| Lao P.D.R. | 2.1 | 2.2 | 0.0 | 3.1 | 0.0 |
| Malaysia | 3.1 | 5.4 | 0.3 | 4.4 | -0.3 |
| Myanmar | -17.9 | 2.0 | 0.4 | 3.3 | 0.3 |
| Mongolia | 1.6 | 2.5 | 0.5 | 5.0 | -2.0 |
| Nepal | 4.2 | 4.2 | 0.1 | 5.0 | -1.1 |
| Philippines | 5.7 | 6.5 | -0.2 | 5.0 | 0.0 |
| Sri Lanka | 3.3 | -8.7 | -11.3 | -3.0 | -5.7 |
| Thailand | 1.5 | 2.8 | 0.0 | 3.7 | -0.3 |
| Vietnam | 2.6 | 7.0 | 0.0 | 6.2 | -0.5 |
| Pacific Island Countries*** | -1.9 | 0.8 | -1.1 | 4.2 | -0.7 |

Forecast of economic growth in the Asia-Pacific region
Source: IMF

## Overview

- Recently, the International Monetary Fund (IMF) lowered its economic growth forecast for Asia in 2022-2023 in the context of inflation exceeding the central bank's target in most countries.
- Based on slower-than-expected growth data in the second quarter of 2022, the IMF said that Asia's strong economic recovery at the beginning of this year is gradually losing momentum. The IMF has cut its growth forecast for the region Asia-Pacific to 4% this year and 4.3% next year, well below the 5.5% average over two decades. Even so, Asia remains a bright spot in an increasingly dismal global economy.

## Emerging economy is the bright spot

- The Southeast Asia region is expected to have a strong recovery. In Vietnam, the IMF predicts growth at 7% and will be slightly adjusted next year due to the increasing importance of Vietnam in the world's supply chain. Meanwhile, the Philippines is forecast to grow by 6.5% this year, and Indonesia and Malaysia to grow by 5%.
- For other Asian border markets, the growth outlook economics will be more challenging. Sri Lanka is still going through a severe economic crisis although authorities have reached an agreement with IMF on a program to help stabilize the economy.

# Technical view




## Trend: Balance trading

- The market dropped again right at the opening of the week, but the demand quickly joined to help the index narrow the drop in the session and close to create a long wick candle. The shake to retest the previous day's bullish gap is reasonable. The MACD continues to narrow the spread with the signal line and tends to cut up, besides, the RSI is also improving after getting out of the oversold area of 30. This implies that the recovery inertia is still being supported with the nearest resistance around 1,080 – 1,100 points. Investors can accumulate positions in 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.

# Recommended stocks

Updated date 18/10/2022

Unit: thousand VND

## Today's watchlist

| | Recommendation | Buying price (+/- 1%) | Target | Cut loss | Upside | Downside | Current price | Signals |
|---|---|---|---|---|---|---|---|---|
| HAX | Buy | 22.5 | 26 | 21.5 | 16% | -4% | 22.9 | Price maintains above MA20, MACD has crossed the signal with RSI improving > 50 |
| NT2 | Buy | 26.5 | 29 | 25.5 | 9% | -4% | 27.2 | Successfully retested MA10, still above MA20 weeks |
| NTP | Buy | 37 | 40 | 35 | 8% | -5% | 37.7 | MACD crosses the signal, RSI rises to 50, the volume spiked on October 14 |
| TNG | Buy | 16 | 18 | 15 | 13% | -6% | 16.4 | MACD crosses signal, RSI crosses oversold area (30), goes sideways with decreasing volume |
| TLG | Buy | 56.5 | 61 | 53.5 | 8% | -5% | 57.9 | MACD crosses signal, accumulates with decreasing volume, holds MA20 week |

## 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<br>ISM Manufacturing PMI (US) | 4<br>JOLTS Job Openings (US) | 5<br>OPEC Meetings<br>ADP Non-Farm Employment Change. ISM Services PMI (US) | 6<br>BOJ Gov Kuroda Speaks | 7<br>Unemployment Rate (US) | 8 |
| 9 | 10<br>CPI, PPI (China) | 11<br>GDP (UK)<br>PPI (US) | 12 | 13<br>FOMC Meeting<br>CPI, core CPI (US) | 14<br>Retail Sales (US), Prelim UoM Consumer Sentiment | 15<br>Treasury Currency Report (US) |
| 16<br>IMF Meetings | 17<br>ETF VFM VN30, SSIAM VNFin Lead ETF & VFMVN Diamond ETF Review | 18 | 19<br>CPI, core CPI (UK) | 20<br>Deadline for submission of 3rd quarter financial statements<br>Maturity of Derivatives Contracts<br>Flash PMI (German, French, UK) | 21<br>FDI announcement | 22 |
| 23 | 24 | 25 | 26<br>BOC Press Conference, Monetary Policy Report and Rate Statement | 27<br>ECB Press Conference, Monetary Policy Statement | 28 | 29 |
| 30<br>ETF VNM VN30 changes the proportion of the portfolio | 31 | | | | | |

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# Q&A

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