MORNING CALL

October 19th, 2022

"Profit-taking pressure increased, the index retreated to create more momentum"

- Global stocks continue to gain momentum, but it is difficult to conquer higher levels
- Domestic stocks gained slightly, gaining momentum shrank towards the end of the session
- Bloomberg forecasts a high probability of the US economy going into recession
- 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 continue to increase

- The Dow gained over 300 points while the S&P 500 and Nasdaq were up around 1% in volatile trading as investors were weighing the prospects of more aggressive tightening by the Fed while waiting for more updates on corporate earnings. Goldman Sachs, which rose 2%, joined other big US banks in reporting quarterly results that surprised markets on the upside. European equity markets extended gains for the fourth session on Tuesday, with the German DAX adding 1% and the benchmark Stoxx 600 up almost 0.5% led by an over 4% gain in automobiles & parts and construction & materials companies.
- The NAHB housing market index in the US fell for the 10th straight month to 38 in October of 2022, half the level it was just six months ago and below market forecasts of 43. This was the lowest reading since August 2012, with the exception of the onset of the pandemic in the spring of 2020, due to rising interest rates, building material bottlenecks, and elevated home prices.
- Prices for iron ore cargoes with a 63.5% iron content for delivery into Tianjin fell to $95 per tonne in mid-October, the lowest in 11 months, after Chinese President Xi Jiping re-emphasized the importance of the country's zero-Covid policy in his speech during the Communist Party Congress in Beijing.
- WTI crude futures bottomed around the $82 per barrel mark, a dramatic reversal from its daily highs of $86.5, as fears about a potential global recession-driven. China's fuel demand outlook weighed on sentiment after the world's top crude oil importer delayed the release of several economic indicators.

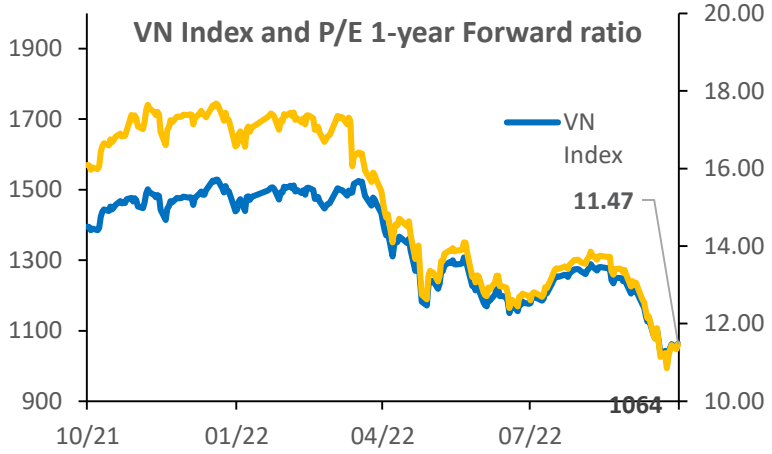
Market

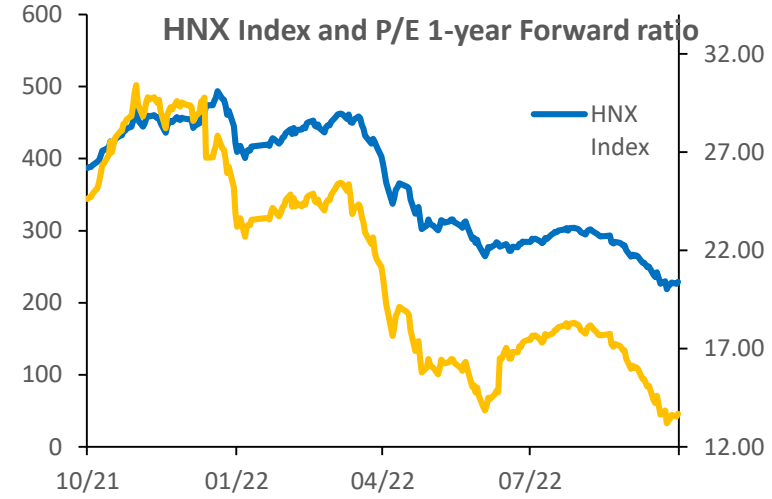
	Close	%1D	%1M	%1Y
VN-Index	1,064	1.15%	-11.76%	-23.77%
S&P 500 Index	3,720	1.14%	-4.61%	-17.69%
Dow Jones Index	30,524	1.12%	-1.60%	-13.91%
GP 100	6,937	0.24%	-4.14%	-3.89%
Nikkei 225	27,271	0.42%	-1.07%	-6.65%
SHCOMP Index	3,081	-0.13%	-1.11%	-14.25%
STOXX 600	400	0.34%	-1.97%	-14.67%
KOSPI Index	2,253	0.14%	-4.36%	-25.62%
Hang Seng	16,915	1.82%	-8.89%	-34.41%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	111.99	-0.12%	2.06%	19.48%
USD/VND	24,430.00	-0.45%	-3.12%	-6.84%
EUR/USD	0.99	-0.03%	-1.69%	-15.28%
USD/CNY	7.20	-0.08%	-2.74%	-10.73%
Brent	90.89	0.96%	-1.21%	6.83%
WTI	84.03	1.46%	-1.98%	1.29%
Natural gas	5.72	-0.45%	-26.23%	12.40%
Coal	387.85	-1.10%	-11.65%	62.04%
Gold	1,651.81	-0.02%	-1.43%	-6.64%

Vietnam Market Snapshot 18/10/2022





	Đóng cửa	PE	Tăng giảm	%1D	KLGD (triệu đơn vị)	GTGD (tỷ VND)
VNI NDEX	1,063.66	11.47	12.08	1.15	514	10,165
HNX INDEX	229.12	13.69	2.66	1.18	68	1,230

Money flow and sector rotation (VND bn)

Sector	%1D	10/18/2022	10/17/2022	20-session Average
Media	124.87	1	0	3
Insurance	62.48	67	41	115
Personal & Household Goods	49.15	155	104	151
Automobiles & Parts	46.61	93	63	124
Real Estate	43.34	1,765	1,231	1,869
Construction & Materials	38.26	608	439	801
Basic Resources	28.59	794	617	791
Industrial Goods & Services	27.51	469	368	484
Technology	23.79	86	70	125
Financial Services	23.34	1,145	928	1,120
Health Care	20.65	10	9	17
Food and Beverage	14.02	908	796	1,037
Travel & Leisure	6.91	44	41	67
Chemicals	4.39	767	735	724
Banks	-13.2	1,303	1,501	1,626
Utilities	-13.7	192	223	281
Retail	-24.1	372	490	463
Oil & Gas	-26.2	228	309	239

Breaking News

Macro

Positive

- To strengthen cooperation, OECD and Southeast Asian countries agreed to establish business networks for the first time.

  This is one of the results after discussion at the OECD - Southeast Asia Ministerial Forum on the afternoon of October 17. This network was established to strengthen cooperation between the business community as well as dialogue between businesses and governments of other countries in an effort to promote economic recovery and development in Southeast Asia.

- According to the Civil Aviation Administration of Vietnam, the Hanoi - Ho Chi Minh City route has just entered the top 4 busiest domestic routes in the world, based on OAG's statistics

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 - Update business results

- HBC, the Company has just successfully issued 5 million individual shares at the price of 32,500 VND/share to Sanei Architecture Planning Co., Ltd to raise VND 162.5 billion. Shares will be restricted from being transferred for 1 year from the closing date of the offering.
- PTB, Phu Tai's 9-month consolidated revenue and profit before tax reached more than VND 5.2 trillion and more than VND 521 billion, respectively, up 9.5% and 5.7% over the same period. Compared to the year plan, PTB achieved 72.4% of the revenue target and 66% of the pre-tax profit target.
- IJC, IJC's 9-month consolidated revenue was estimated at VND 1,782 billion, down 24% compared to the same period last year, achieving 63% of the plan. Profit after tax reached VND 483 billion, down 13% over the same period, fulfilling 71% of the plan. For the third quarter of 2022 alone, profit is estimated at VND 119.67 billion, up 44.7%.
- TRC, In the third quarter, corporate net revenue reached VND 124.8 billion, up 37% over the same period last year. However, due to a sharp increase in cost of goods, along with an increase in operating expenses, profit after tax decreased by 62% to VND 12.3 billion. Gross profit margin decreased from 31.4% to 20.5%. In the first 9 months of 2022, TRC's net revenue increased 29% to VND 340.8 billion, but profit after tax decreased by 22% to VND 45.9 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.

Bloomberg forecasts 100% of the US economy will be in recession



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Economics

Forecast for US Recession Within Year Hits 100% in Blow to Biden

- Bloomberg Economics sees near certainty downturn will start
- Tightening conditions, inflation, hawkish Fed weigh on outlook

- The forecast will be unwelcome news for President Biden, who has repeatedly said the US will avoid a recession and any downturn will be "very mild", as he sought to reassure Americans. that the economy is standing strong under his administration.
- Not all experts are 100% sure about the US recession. A separate Bloomberg survey of 42 economists forecast a 60% chance of the US economy contracting in the next 12 months. However, this number is also bleak compared to the forecast a month earlier (at that time it was 50%)..
- Another poll of economists conducted by the Wall Street Journal on October 17 found the probability of a recession in the US in a year is 63%.

Background

- According to a new forecasting model by Bloomberg economists, there is a 100% probability that the US economy will enter a recession in the next 12 months.
- Specifically, the forecast model released by two economists of Bloomberg, Anna Wong and Eliza Winger on October 17, is based on 13 financial indicators. This model predicts that the US economy will 100% certainly enter a recession in the next 12 months. What's worse is that the recession could happen even sooner, with a 73% chance of happening within 11 months and a 25% chance of happening within 10 months.
- The results are somewhat worse than the last time Bloomberg ran this model. At that time, there is a 65% chance that the US economy will have a recession within 12 months.

Technical view



Trend: Balance trading

- The market continued the recovery of the previous session, however, profit-taking pressure returned so the index narrowed part of its gain and closed with a narrow candle body, meaning that the trade was struggling. Order matching was higher than yesterday. The MACD has crossed the signal line while the RSI continues to improve. In general, short-term correcting shaking is reasonable for the index to consolidate the recovering momentum. The nearest resistance for the trend is 1,100 points while the raised support is 1,040-1,050 points. Investors can take advantage of the correction to accumulate stocks 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 19/10/2022

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%	22.7	Price maintains above MA20, MACD has crossed the signal with RSI improving > 50
NT2	Buy	26.5	29	25.5	9%	-4%	27	Successfully retested MA10, still above MA20 weeks
NTP	Buy	37	40	35	8%	-5%	37.5	MACD crosses the signal, RSI rises to 50, the volume spiked on October 14
TNG	Buy	16	18	15	13%	-6%	17	MACD crosses signal, RSI crosses oversold area (30), goes sideways with decreasing volume
TLG	Buy	56.5	61	53.5	8%	-5%	57.1	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 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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