MORNING CALL

October 20th, 2022

"Struggling to test the trend, erratic fluctuations from the world currency market"

- Global stocks continue fell again
- Domestic stocks continued to struggle with declining liquidity
- Business results announcement season
- Technical view and recommendations
- Economic calendar
- Q&A

[Analysts]

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

Major stock markets fell again

- US stock futures fell on Thursday, with tech-heavy Nasdaq 100 futures losing about half a percent after Tesla plunged in late trading on softer-than-expected third-quarter revenue. S&P 500 futures also dropped 0.3%, while Dow futures drifted flat to slightly negativeHousing starts in the US slumped 8.1 percent in September 2022, amid soaring prices of materials and rising mortgage rates. European stock markets also closed in the red on Wednesday.
- Housing starts in the US fell 8.1% in September, amid soaring material prices and rising interest rates.
- The euro area's annual inflation rate rose to 9.9%, it was the highest rate since comparable records began in 1991, as the euro hit a 20-year low and the energy crisis deepened. In the same direction, the annual inflation rate in the UK rose to 10.1% in September from 9.9% in August, matching the 40-year high with upward pressure from food and energy.
- The United States 10-year Treasury yield, the benchmark for borrowing costs worldwide, moved towards the 4.1% mark, the highest since October 2008, with investors fretting about the prospects of a recession.
- WTI crude futures edged above $84 per barrel on Wednesday, rebounding from two-week lows, as the European Union's latest sanctions on Russian crude threatened to undermine a planned release of emergency oil reserves by the US.

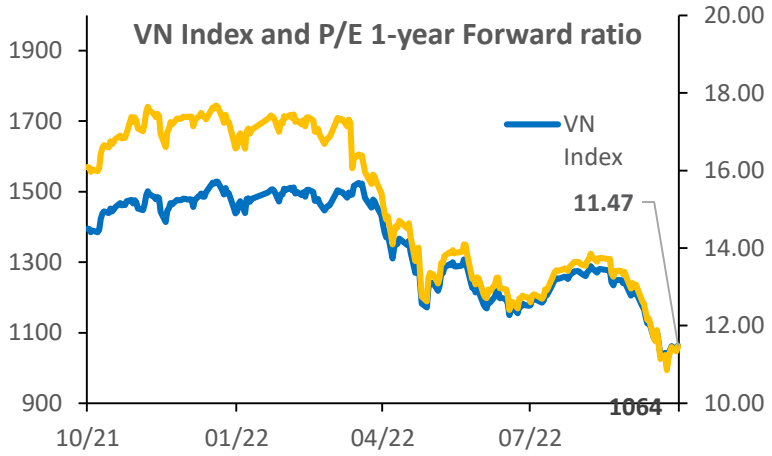
Market

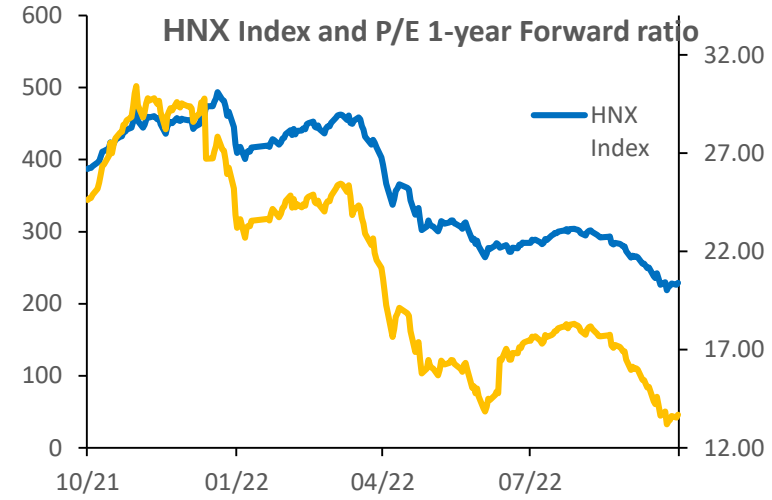
	Close	%1D	%1M	%1Y
VN-Index	1,064	1.15%	-11.76%	-23.77%
S&P 500 Index	3,720	1.14%	-4.61%	-17.69%
Dow Jones Index	30,524	1.12%	-1.60%	-13.91%
GP 100	6,937	0.24%	-4.14%	-3.89%
Nikkei 225	27,271	0.42%	-1.07%	-6.65%
SHCOMP Index	3,081	-0.13%	-1.11%	-14.25%
STOXX 600	400	0.34%	-1.97%	-14.67%
KOSPI Index	2,253	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 19/10/2022



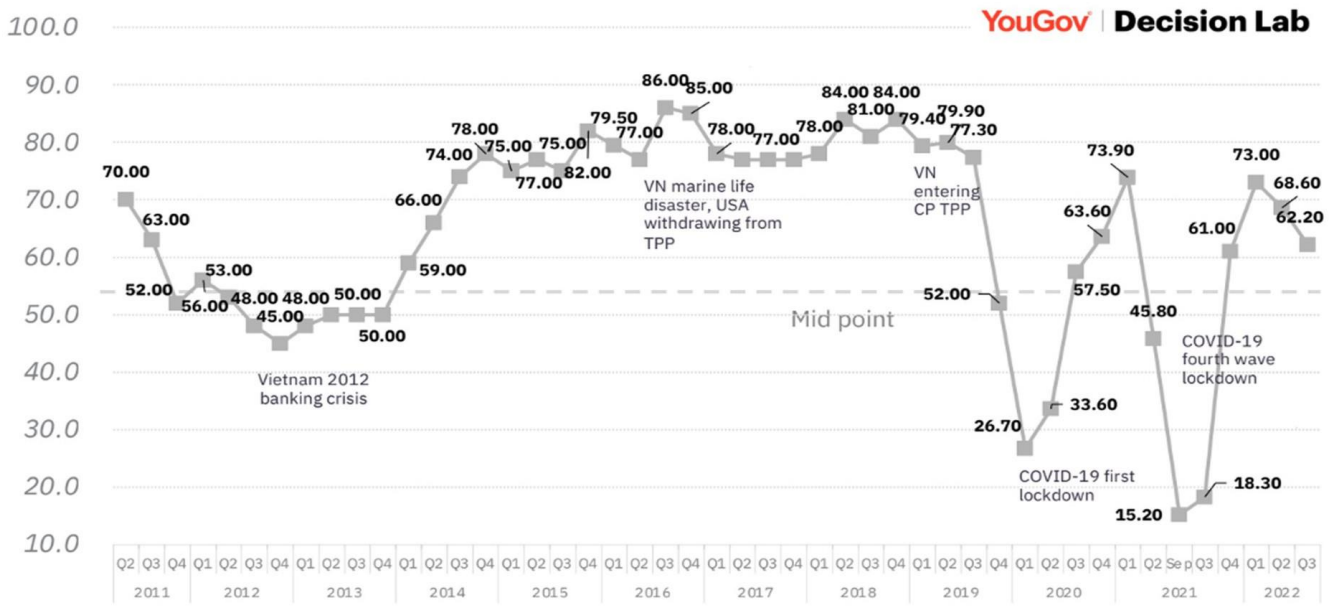


	Đóng cửa	PE	Tăng giảm	%1D	KLGD (triệu đơn vị)	GTGD (tỷ VND)
VNI NDEX	1,063.66	11.47	12.08	1.15	514	10,165
HNX INDEX	229.12	13.69	2.66	1.18	68	1,230

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

Macro News



EuroCham Business Climate Index (BCI) quarterly

The Business Climate Index (BCI) has just been released by the European Chamber of Commerce in Vietnam (EuroCham) showing that, in the context of the global economic downturn, European businesses' confidence in the investment environment Vietnam's investment and business in the third quarter of 2022 still maintained above average level.

- According to EuroCham, although in the third quarter of 2022, Vietnam's economy recorded a record growth of 13.67% over the same period last year, BCI reached 62.2 percentage points, a slight decrease compared to the first and second quarters of 2022. Explaining the above decline, EuroCham said, BCI fell at a time when global economic conditions remain unstable due to the escalating conflict in Ukraine, persistent inflationary pressures, and labor shortages in the world. worldwide and global growth stagnated.
- “Bright future is ahead. Vietnam offers great investment opportunities for European businesses and we are excited about the country's prospects in the medium to short term. Through the EU-Vietnam Free Trade Agreement and our shared commitment to sustainable development, Vietnamese and European companies have a lot of growth potential,” Alain Cany, President of EuroCham strongly said.
- “BCI dropped 6.4 points to 62.20 but this is still above average, showing that businesses still remain optimistic about future development prospects,” Thue Quist Thomasen, CEO of Decision Lab said..

Update business results



- FPT, In the first 9 months of the year, the Group's total revenue reached VND 30,975 billion, profit before tax was VND 5,665 billion, up 24% over the same period. Deducting expenses, FPT's 9-month profit after tax was VND4,856 billion, an increase of more than 28% compared to the same period in 2021. Earnings per share (EPS) in 9 months increased 30% to VND3,605.
- FMC, In the third quarter of 2022, Sao Ta's net revenue reached VND 1,752 billion, up 8% over the same period last year. Cost of goods sold increased lower, only 6%, resulting in gross profit of the enterprise reaching VND 190.9 billion, up 25%.

  Accumulated in the first 9 months, FMC announced net revenue of VND 4,491 billion, up 20% over the same period; profit after tax reached VND 240.5 billion, up 36% compared to the first 9 months of 2021. In which, revenue from selling seafood reached VND 4,327.7 billion, accounting for 96% of revenue.

Business News - Business Results Update

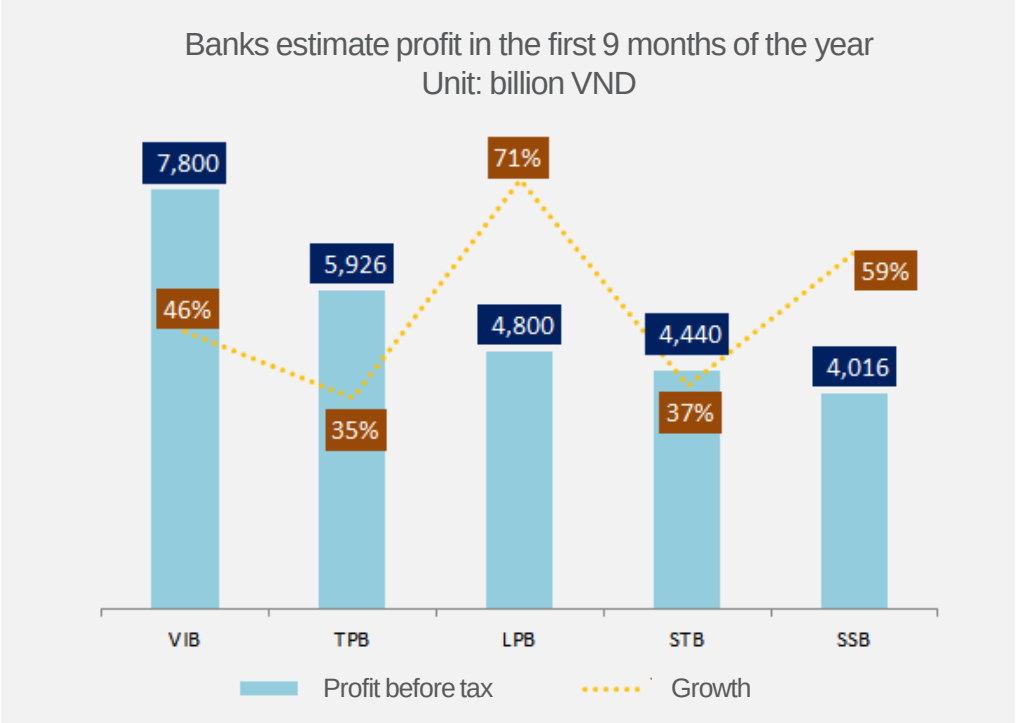
- DHG, DHG, DHG Pharma has just announced the consolidated financial statements for the third quarter of 2022 with net revenue of VND 1,162 billion, up 23% over the same period. Thanks to a slower increase in cost of goods, the company's gross profit earned VND 578 billion, a sharp increase compared to VND 459 billion in the third quarter of 2021. Profit after tax reached VND 262 billion, up 30% over the same period.

  Accumulated in the first 9 months of 2022, DHG achieved more than VND 3,346 billion in revenue and VND 752 billion in profit after tax, up 15% and 24% respectively compared to the first 9 months of last year. This is also the quarter that recorded a record profit in the history of DHG Pharma's operations.
- VNS, In the third quarter, VNS recorded net revenue of VND 353.2 billion, 15.4 times higher than the same period last year. Cost of goods sold also increased by 164% to VND 262.8 billion, resulting in a gross profit of the enterprise of VND 90.3 billion (previous year's gross loss was more than VND 99 billion due to operating below cost).

  Accumulated in the first 9 months of 2022, taxi businesses recorded net revenue of VND 209.7 billion (the same period of loss of VND 96.3 billion) and profit after tax of VND 129.8 billion (same period's loss of VND 188 billion).
- DRC, In the third quarter, net revenue of Da Nang Rubber reached VND 1,352 billion, up 146% over the same period last year. Cost of goods sold also increased by 41.4%, resulting in gross profit of the enterprise reaching VND 228.7 billion, up 70.7%. DRC gross profit margin also increased from 14.4% to 16%

  Accumulated in the first 9 months, Da Nang Rubber's net revenue reached VND 3,784 billion, up 85% and profit after tax reached VND 226.6 billion, up 11% over the same period last year.
- DHA, Q3/2022, Hoa An JSC recorded net revenue of VND 93 billion and net profit of VND 19 billion, up 37% and 11% respectively over the same period. In which, profit margin decreased from 29% to 26%. Financial investment portfolio is over VND 222 billion and is temporarily losing more than VND 30 billion at HPG.

The first banks to estimate 9 months profit



Source: Vietstock

- VIB is estimated to reach VND 7,800 billion in pre-tax profit, up 46% over the same period in 2021 and has completed more than 74% of the full year plan. Particularly for the third quarter profit before tax, this bank reached VND 2,780 billion.
- TPBank (TPB), estimated pre-tax profit reached VND 5,926 billion, up 35% over the same period and fulfilled more than 72% of the whole year plan. In which, TPB recorded total operating income of 11,951 billion dong, up more than 20% over the same period. The bank's service income also increased by more than 78% over the same period, bringing in VND 1,876 billion in revenue. Service income prospered thanks to a rapid increase in service fees and payment activities compared to 202.
- LienVietPostBank estimated the profit of the first 3 quarters of the year reached more than 4,800 billion dong, up 71% over the same period. This is also the bank with the strongest profit growth up to now. LPB said that pre-tax profit has reached the target and is marginally better than the full year plan in 2022 after only 9 months thanks to a strong increase in net interest income compared to the same period last year, mainly from retail credit and interest income from COVID-19 structural loans from customers who have resumed business operations.
- STB, In exchange with Government Information, Mr. Duong Cong Minh, Chairman of Sacombank's Board of Directors shared about the restructuring process as well as revealed the business results of the first 9 months of this year. Accordingly, he said the profit before tax in the first 9 months of the year reached VND 4,440 billion, fulfilling more than 84% of the year plan, of which the proportion of non-interest income was 39.4%.

Technical view



Trend: Continue to struggle

- The trade continued to struggle with caution prevailed and pushed the index down again. Liquidity seems to have disappeared today, showing investors' hesitation. However, the index is still balancing and above 10-day MA, meaning that the accumulation signal is still there and the trend is not too bad. The MACD has crossed the signal line along with the RSI moving up. This shows that the technical indicators have improved and are supporting the recovery inertia. The nearest resistance for the trend is 1,100 points. The shaking sessions will continue and the money flow is likely to diverge in the coming time.

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 20/10/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
TNG	Buy	16	18	15	13%	-6%	16.5	MACD crosses signal, RSI crosses oversold area (30), goes sideways with decreasing volume
TLG	Buy	56.5	61	53.5	8%	-5%	57.3	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
HAX	Mua	22	25	21	14%	-5%	22	1	0.00%	19/10/2022	
NT2	Mua	26.5	29	25.5	9%	-4%	26.6	1	0.38%	19/10/2022	
NTP	Mua	37	40	35	8%	-5%	37.5	2	1.35%	18/10/2022	

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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