MORNING CALL

October 21th, 2022

Shinhan Securities

"Moving sideways with low liquidity, indecisive trend is still there"

- Global stocks have difficulty in recovering and falling again
- Domestic stocks continued to struggle with low liquidity
- Business results announcement season, the profit of the securities industry went down
- Technical view and recommendations
- Economic calendar
- Q&A

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

Major stock markets fell again

- US stock futures extended declines on Friday, weighed down by heavy losses in digital ad-based technology companies in after-hours trading as Snap's quarterly report disappointed markets. The Dow Jones Industrial Average fell 90.22 points, or 0.30%, to 30,333.59. The S&P 500 fell 0.8% to 3,655.78. Nasdaq Composite lost 0.61% to close at 10,614.84.
- The Stoxx 600 index temporarily closed 0.25% higher, with all major exchanges positive.
- The Nikkei 225 in Japan fell 0.24% in early trading and the Topix lost 0.33%. The Japanese yen continued to weaken and touched 150.28 overnight after touching 150 against the dollar on Thursday.
- British Prime Minister announced his resignation after 6 weeks in office.
- Existing home sales in the US fell 1.5% to a seasonally adjusted annual rate of 4.71 million in September of 2022, the lowest since May 2020.
- WTI crude futures were trading above $86 per barrel mark on Thursday as prospects of tight global supplies continued to lend optimism to bulls.

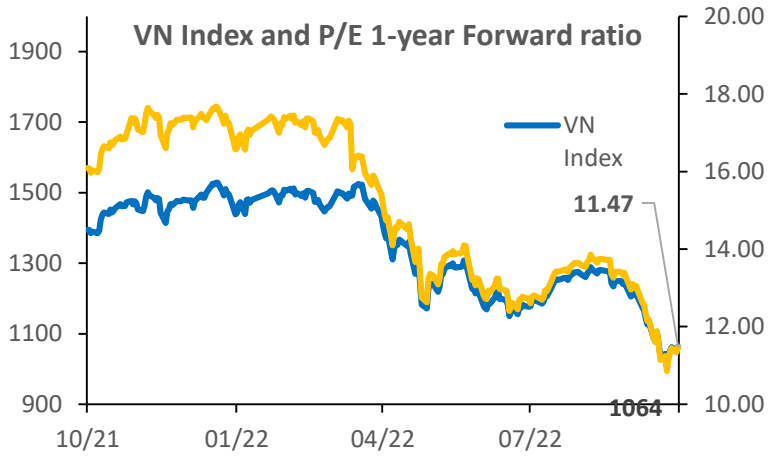
Market

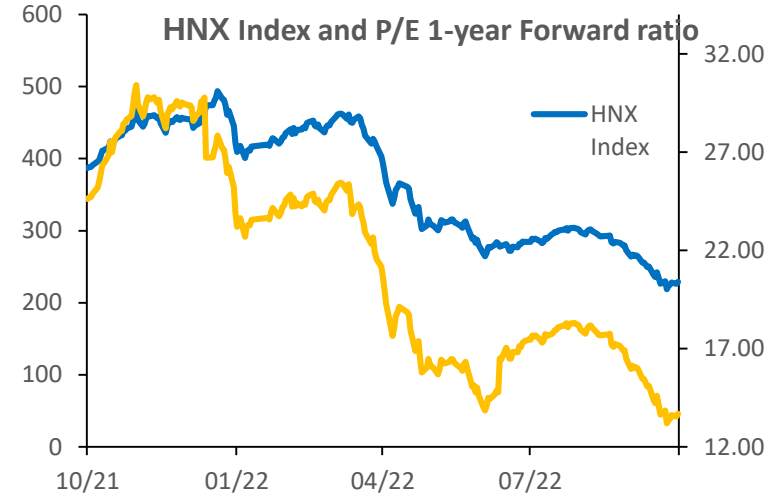
	Close	%1D	%1M	%1Y
VN-Index	1,064	1.15%	-11.76%	-23.77%
S&P 500 Index	3,720	1.14%	-4.61%	-17.69%
Dow Jones Index	30,524	1.12%	-1.60%	-13.91%
GP 100	6,937	0.24%	-4.14%	-3.89%
Nikkei 225	27,271	0.42%	-1.07%	-6.65%
SHCOMP Index	3,081	-0.13%	-1.11%	-14.25%
STOXX 600	400	0.34%	-1.97%	-14.67%
KOSPI Index	2,253	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 20/10/2022





	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

Update business results



- DGC, Chemical giant DGC had another booming quarter. Specifically, in the period, DGC reported revenue of nearly VND 3.7 trillion, up 75% over the same period. Cost of goods sold only increased by 40%, to more than VND 2 trillion. As a result, DGC achieved gross profit of more than VND 1.6 trillion, 2.5 times higher than the same period last year.

  After 9 months of 2022, DGC achieved revenue, profit after tax and net profit of VND 11.3 trillion, VND 4.9 trillion and VND 4.5 trillion, respectively, up 86%, 4.4 and 4.2 times the same period. This result corresponds to more than 93% of the revenue plan and nearly 41% of the profit target set at the 2022 Annual General Meeting of Shareholders.

- QTP, In the third quarter of 2022, QTP recorded net revenue of more than VND 3,141 billion, up 59% over the same period last year. Cost of goods sold also increased by 57%, to more than VND 2,906 billion, gross profit reached VND 235 billion, up 94%, mainly due to increased commercial power output and efficient market operation.

  In the first 9 months of the year, QTP's net revenue reached over VND 8,155 billion, profit after tax reached VND 745 billion, up 31% and 88% respectively compared to the first 9 months of 2021.

- C4G, Transport Infrastructure: In the third quarter of 2022, Cienco4 recorded revenue of VND 668.16 billion, up 45.25% over the same period last year. Cost of goods sold also increased by 49.24% to VND 588.62 billion, so gross profit reached VND 79.55 billion, up 20% over the same period.

  In the first 9 months of the year, Cienco4 recorded a revenue of more than VND 2,047 billion, up 36.92% over the same period last year; profit after tax reached VND 110.1 billion, nearly double compared to 9 months of 2021.

- FMC, Fisheries: 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 190.9 billion dong, up 25%.

  Accumulated in the first 9 months, FMC announced net revenue of VND 4,491 billion, up 20% over the same period; profit before tax reached 247.3 billion dong and profit after tax reached 240.5 billion dong, up 36% compared to the first 9 months of 2021. In which, revenue from selling seafood reached 4,327.7 billion dong, accounting for 96% of revenue.

- VOS, In the third quarter of 2022, VOSCO recorded revenue of VND 711.86 billion, up 85.1% over the same period and profit after tax of VND 154.12 billion, down 17% over the same period last year. In which, gross profit margin dropped sharply from 45.5% to only 36.2%, due to the continuous decrease in sea freight rates.

  Accumulated in the first 9 months of 2022, VOSCO recorded revenue of VND 1,804.3 billion, up 87.1% and profit after tax of VND 469.78 billion, up 15% over the same period last year.

Securities industry profits go down



By the end of September 2022, the market capitalization on HOSE reached VND 4.5 million billion, down 5% compared to the end of the second quarter. The whole market capitalization also decreased by nearly VND 1 million billion compared to the second quarter, reaching VND 7.6 million billion in the third quarter. Market liquidity also dropped significantly with the average trading value per session on HOSE recorded in the third quarter of only VND 13,703 billion, down nearly 21% compared to the previous quarter.

- SSI, SSI Securities has just released its separate financial statements for the third quarter of 2022 with both revenue and profit dropping sharply compared to the same period last year. Specifically, SSI's operating revenue reached VND 1,286 billion, down 25%; profit after tax reached 309 billion dong, halving compared to the performance in the third quarter of 2021. In the first 9 months of the year, SSI brought in VND 4,824 billion in revenue, a slight decrease of 2% compared to the same period last year; profit after tax reached VND 1,965 billion, down 4%.
- HCM, Ho Chi Minh City Securities JSC announced its financial statements for the third quarter of 2022 with net revenue of VND 759 billion, down 31% over the same period and profit after tax of VND 165 billion, down 48% compared to the same period last year. Accumulated in the first 9 months, HSC's operating revenue decreased by 10% to VND 3,015 billion, 9 months' EAT decreased by 21% to VND 727 billion..
- VCI, Viet Capital Securities Joint Stock Company has announced its financial statements for the third quarter of 2022 with operating revenue of more than VND 561 billion, down 31% over the same period. Profit before tax is VND 153.2 billion, down 62% over the same period. Profit after tax also decreased by 63% over the same period, to VND 122.7 billion. Accumulated in the first 9 months, VCSC recorded operating revenue of VND 2,360 billion and pre-tax profit of VND 1,027 billion, down 8% and 19% respectively over the same period last year.
- SHS, the company recorded 3rd quarter operating revenue of VND 298 billion, down 47% over the same period, accordingly, profit after tax decreased by 64% over the same period, reaching VND 88 billion. In the first 9 months of the year, SHS recorded operating revenue of VND 932 billion, down 47% over the same period. Due to the big loss in the second quarter, the 9-month profit after tax was only VND 20 billion, down 98% over the same period.
- MBS, MBS's Q3 operating revenue dropped more than 16% to VND430 billion, MBS's pre-tax and post-tax profit both decreased by 34% y/y, reaching VND 151.9 billion and VND 121.2 billion, respectively. In the first 9 months of the year, MBS recorded an operating revenue of VND 1,552 billion, up slightly compared to the same period last year. Profit after tax increased by 6% over the same period, reaching nearly VND 442 billion.

Technical view



Trend: Continue to struggle

- Cautious sentiment still dominates investors as liquidity continues to remain low. Today's session is also the expiration of the derivative contract VN30F1M, so transactions are also more cautious. However, there was still demand when the market dropped to a low level so the index narrowed part of the session's drop and still remained above the 10-day MA. Overall, the accumulation is still going on and the shaking will continue in the coming sessions. The nearest resistance for the trend is around 1,100 points while the current support is around 1,040 – 1,050 points. Investors should be patient.

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 21/10/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
TNG	Hold	16.4	18	15	10%	-9%	17.1	3	4.27%	18/10/2022	
NTP	Buy	37.4	40	35	7%	-6%	37.6	3	0.53%	18/10/2022	
HAX	Hold	22	25	21	14%	-5%	22.25	2	1.14%	19/10/2022	
NT2	Hold	26.3	29	25	10%	-5%	25.6	2	-2.66%	19/10/2022	
TLG	Buy	56.5	61	53.5	8%	-5%	56.8	2	0.53%	19/10/2022	

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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