MORNING CALL

October 26th, 2022

"Retest the threshold of 1,000 points, add more statements to correct rumors"

- Global stocks continue to increase
- Domestic stocks recovered but diverged, order matching continued to remain at a high level
- Global bond yields retreat
- Technical view and recommendations #HAX, #TLG
- Economic calendar
- Q&A

[Analysts]

Khang Tran ☎ (84-28) 6287-8037
✉ khang.lt@shinhan.com

Nhut Nguyen ☎ (84-28) 6287-7751
✉ nhut.nq@shinhan.com

Global Market Review - Week 24-28/10/2022

Major stock markets extend gains

- US stocks extend gains, the blue-chip Dow rose more than 300 points on Tuesday, and the S&P 500 and Nasdaq added 1.7% and 2.0%, respectively, as investors welcomed a slew of upbeat earnings results while fading Treasury yields brought some respite to growth stocks.
- European equity markets gained ground to close higher on Tuesday, with the German DAX rising more than 0.5% and the benchmark Stoxx 600 adding over 1% boosted by tech stocks following the release of major tech earnings stateside.
- The Nikkei 225 Index rose 1.02% to close at 27,250 while the broader Topix Index gained 1.06% to 1,907 on Tuesday, rising for the second straight session, with all sectors participating in the rally.
- Bond yields in the US and Europe were falling on Tuesday, as investors were hoping that the impact of high-interest rates on economic growth will force central banks to slow down monetary tightening. The yield on the 10-year Treasury note was down by around 15 bps to 4.08%. Meanwhile, Britain's 10-year gilt fell for a 2nd session to 3.6% as markets hoped new PM Sunak could offer more predictability and stability.
- WTI crude oil trades around $85 per barrel on Tuesday. US crude oil inventories are above estimates. API Crude Oil Stock Change in the United States increased to 4.52 Mln Bbl in the week of October 21 from -1.27 Mln Bbl in the previous week.

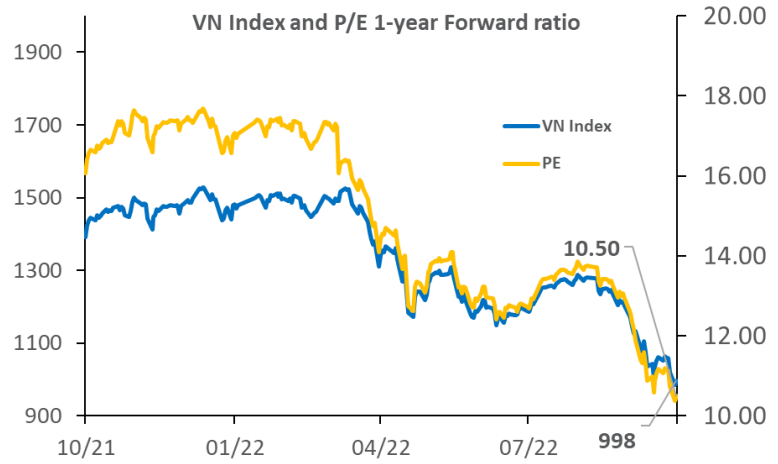
Market

	Close	%1D	%1M	%1Y
VN-Index	998	1.17%	-15.04%	-28.31%
S&P 500 Index	3,859	1.63%	5.58%	-15.64%
Dow Jones Index	31,837	1.07%	8.80%	-10.96%
GP 100	7,013	-0.01%	-0.11%	-3.63%
Nikkei 225	27,492	0.89%	4.01%	-5.55%
SHCOMP Index	2,976	-0.04%	-2.46%	-17.27%
STOXX 600	408	1.44%	4.85%	-14.32%
KOSPI Index	2,240	0.23%	0.87%	-26.53%
Hang Seng	15,166	-0.10%	-15.06%	-41.76%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	111.03	0.07%	-2.69%	18.18%
USD/VND	24,849.00	-0.02%	-4.56%	-8.43%
EUR/USD	0.99	-0.18%	3.53%	-14.21%
USD/CNY	7.27	-0.08%	-1.81%	-12.15%
Brent	92.66	-0.92%	10.23%	7.25%
WTI	84.68	-0.75%	10.39%	0.04%
Natural gas	5.69	1.39%	-17.56%	-3.25%
Coal	388.15	-0.47%	-10.81%	71.75%
Gold	1,650.62	-0.15%	1.74%	-7.94%

Vietnam Market Snapshot 25/10/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	997.70	10.50	11.55	1.17	751	12,607
HNX INDEX	208.02	13.17	-1.48	-0.71	78	1,049

Money flow and sector rotation (VND bn)

Sector	%1D	10/25/2022	10/24/2022	20-session Average
Financial Services	62.82	1,607	987	1,088
Real Estate	62.54	2,029	1,248	1,729
Health Care	50.79	24	16	16
Industrial Goods & Services	45.18	591	407	476
Construction & Materials	28.95	603	467	650
Chemicals	20.51	857	711	734
Basic Resources	17.38	958	816	831
Insurance	11.79	82	73	88
Banks	11.77	2,070	1,852	1,727
Media	10.39	2	2	2
Personal & Household Goods	9.40	147	135	147
Technology	3.68	137	132	130
Travel & Leisure	-2.0	39	40	60
Food and Beverage	-5.1	794	837	929
Retail	-14.8	497	584	455
Oil & Gas	-15.6	208	247	240
Utilities	-17.2	213	257	250
Automobiles & Parts	-21.4	95	121	110

Breaking News

Macro

Positive

- A spokesman for the Ministry of Public Security affirmed that some information spread on social networks that the investigation agency will continue to handle some large corporations and economic enterprises is "fake and untrue information".

  Lieutenant General To An Xo said that the authorities are actively verifying, investigating, and strictly handling those who report false information related to large corporations and economic enterprises.

Less positive

- The State Bank of Vietnam continues to increase the operating interest rate by 1%, effective from October 25. Whereby:
  - ✓ Refinance interest rate increased from 5.0%/year to 6.0%/year
  - ✓ Rediscount interest rate from 3.5%/year to 4.5%/year
  - ✓ The interest rate for overnight loans in interbank electronic payments and loans to cover capital shortfalls in clearing payments by the SBV for credit institutions increased from 6.0%/year to 7.0%/year.
- The State Bank of Vietnam (SBV) decided to adjust the USD/VND spot exchange rate band from ±3% to ±5% from October 17.

Business news

- TLH, In the third quarter of 2022, Tien Len Steel recorded a revenue of VND 1,159.28 billion, up 27.5% over the same period and profit after tax of VND 6.8 billion, down 93.6% over the same period last year. In which, gross profit margin dropped sharply from 17.7% to only 4.9%. The main reason is due to the high cost of capital along with sudden financial expenses.

  Accumulated in the first 9 months of 2022, Tien Len Steel recorded revenue of VND 3,662.7 billion, up 11.6% over the same period and profit after tax recorded VND 121.78 billion, down 71.2% over the same period last year.
- PNJ, PNJ recorded a net revenue of the third quarter of 2022 reaching VND 7,364 billion (up 739.7% over the same period). Profit after tax reached VND 252 billion compared to -160 billion VND in the same period in 2021, due to the closure of many stores because of Covid.
- In 9 months, PNJ's net revenue and profit after tax reached VND 25,574 billion (up 104.4% over the same period) and VND 1,340 billion (up 132.7% over the same period). Accordingly, PNJ has successfully completed its 2022 profit plan after only 9 months. A representative of PNJ said that the company's revenue mainly comes from retail channels.

- BMP, Binh Minh Plastic JSC announced to pay cash dividend at the rate of 31%, ex-dividend date is October 26th.
- HTN, Hung Thinh Incons JSC announced to pay cash dividend at the rate of 12%, ex-dividend date is October 27th.
- PNJ, Phu Nhuan Jewelry JSC announced to pay cash dividend at the rate of 8%, ex-dividend date is October 28th.

Technical view



Trend: Retest the threshold of 1000 points

- The index regained green today but the cash flow was quite divergent, there were still sectors and stocks that dropped strongly during the session. This shows that the recovery is not synchronized and the money flow signal is still weak. Especially, the selling force in the afternoon session was still overwhelming so the index narrowed part of the gain. Order matching improved compared to yesterday and above the 20 session average. The RSI started to regain its upward momentum and bounced back to the oversold level of 30. However, the trend is still unclear in the context that the State Bank has just raised the operating interest rate, investors should take advantage of the recovery to restructure portfolio, remain cautious with the market.

Scenarios:

- Positive (55%): The index was balanced around 980 points and created a recovery pace to test at 1,040 points, better than the 1,100 area.
- Less positive (45%): The index continued to drop, losing the threshold of 980 points. At this time, the falling momentum can find the area of 940 - 950 points and lower to the threshold of 880 points.

Recommended stocks

Updated date **26/10/2022**

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VNM	Watch							Breaking back to MA10, leading the index

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%	15.7	6	-4.27%	18/10/2022	
NTP	Hold	37.4	40	35	7%	-6%	35	6	-6.42%	18/10/2022	
HAX	Sell	22	25	21	14%	-5%	19.6	5	-10.91%	19/10/2022	
NT2	Hold	26.3	29	25	10%	-5%	26.3	5	0.00%	19/10/2022	
TLG	Sell	56	61	53.5	9%	-4%	53	5	-5.36%	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					

Shinhan Securities

Q&A

Shinhan Investment Network

SEOUL

Shinhan Investment Corp.
Shinhan Investment Tower
23-2, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH

Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000



Compliance Notice

- Analyst Certification: We/I hereby certify the information and material presented in this report are accurate expressions of their views, and that we/I have not received internally or externally wrongful pressure to express such views.
- All opinions and estimates regarding the company and its securities are accurate representations of the covering analyst's judgments as of this date and may differ from actual results.
- This report is intended to provide information to assist investment decisions only and should not be used or considered an offer or the solicitation of an offer to sell or to buy any securities. Stock selection and final investment decisions should be made at the client's own discretion.
- This report is distributed to our clients only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.

Disclaimers

- This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of Shinhan Securities Vietnam Ltd.., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of Shinhan Securities Vietnam Ltd.
- This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. Shinhan Securities Vietnam Ltd. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Shinhan Securities Vietnam Ltd.., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or Shinhan Securities Vietnam Ltd. The final investment decision is based on the client’s judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.
- Copyright ⓒ 2020 Shinhan Securities Vietnam Ltd. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of Shinhan Securities Vietnam Ltd.