MORNING CALL

October 27th, 2022

Shinhan Securities

"Be cautious at the time when the domestic market is out of phase, more prosperity from the world market"

- Global stocks continue to increase
- Domestic stocks dropped slightly, liquidity dropped to low level again
- The dollar cools down
- Technical view and recommendations
- Economic calendar
- Q&A

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

Major stock markets extend gains

- US stock edged higher on Thursday as investors digested mixed earnings results, with megacap technology names (Meta, Alphabet, Microsoft …) so far disappointing market expectations. However, expectations that the Federal Reserve will turn less aggressive later this year kept markets supported.
- European equity markets extended gains into a third session on Wednesday, with both the German DAX and the benchmark Stoxx 600 rising almost 1% to 6-week highs, led by gains in mining stocks following a slew of strong earning reports.
- The Bank of Canada raised the target for its overnight rate by 50bps to 3.75% in October, less than expectations of a more aggressive 75bps increase, as signs are emerging that high-interest rates may put the economy into recession.
- The dollar index weakened below the 110 mark, a level not seen in five weeks.
- WTI crude futures rose above $87 per barrel on Wednesday, extending a 0.9% gain in the previous session as a weaker dollar boosted the appeal of greenback-priced commodities even after government data pointed to a large build in US crude stockpiles.

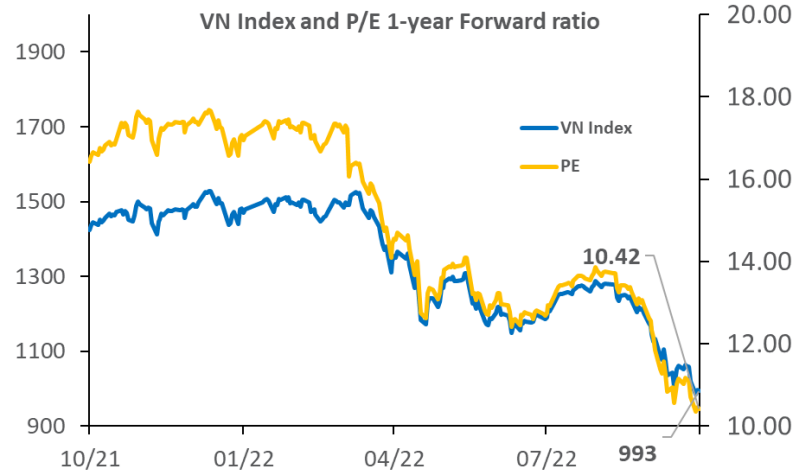
Market

	Close	%1D	%1M	%1Y
VN-Index	993	-0.44%	-14.85%	-30.19%
S&P 500 Index	3,831	-0.74%	4.80%	-16.27%
Dow Jones Index	31,839	0.01%	8.81%	-10.96%
GP 100	7,056	0.61%	1.02%	-2.72%
Nikkei 225	27,423	-0.03%	3.20%	-5.76%
SHCOMP Index	3,000	0.78%	-3.05%	-15.80%
STOXX 600	410	0.66%	5.68%	-13.44%
KOSPI Index	2,276	1.19%	2.36%	-24.76%
Hang Seng	15,318	1.00%	-14.24%	-40.23%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	109.56	-0.13%	-3.98%	16.80%
USD/VND	24,837.00	0.05%	-4.51%	-8.37%
EUR/USD	1.01	0.03%	5.11%	-13.09%
USD/CNY	7.17	1.33%	-0.50%	-11.01%
Brent	95.99	0.31%	11.27%	13.49%
WTI	88.19	0.32%	12.34%	6.69%
Natural gas	5.67	1.09%	-14.79%	-8.63%
Coal	386.50	-0.43%	-11.76%	73.05%
Gold	1,667.85	0.20%	2.39%	-7.18%

Vietnam Market Snapshot 26/10/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	993.36	10.42	-4.34	-0.44	448	8,048
HNX INDEX	205.95	13.04	-2.07	-1.00	44	623

Money flow and sector rotation (VND bn)

Sector	%1D	10/26/2022	10/25/2022	20-session Average
Media	1.36	2	2	2
Automobiles & Parts	-30.1	66	95	98
Real Estate	-31.2	1,397	2,029	1,650
Food and Beverage	-31.7	542	794	869
Oil & Gas	-34.6	136	208	223
Health Care	-38.8	15	24	15
Construction & Materials	-43.3	341	603	578
Personal & Household Goods	-43.4	83	147	141
Insurance	-44.5	45	82	79
Travel & Leisure	-45.9	21	39	58
Industrial Goods & Services	-46.0	319	591	457
Utilities	-47.3	112	213	228
Chemicals	-47.6	449	857	708
Retail	-53.6	231	497	428
Banks	-54.7	938	2,070	1,696
Financial Services	-57.6	682	1,607	1,032
Basic Resources	-59.6	387	958	781
Technology	-59.9	55	137	124

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

- PDR, At the end of the third quarter of 2022, Phat Dat Real Estate Development Joint Stock Company recorded a revenue of VND 1,260 billion, bringing 9 months of pre-tax profit up to VND 1,790 billion, up 28% compared to the same period in 2021. Main evenue from transferring shares at SG-KL Real Estate Joint Stock Company. Accordingly, in the third quarter of 2022, Phat Dat completed the transfer of 46% shares to partners and recorded VND 1,250 billion in financial revenue.
- NLG, In the first 9 months of the year, sales reached about VND 9,900 billion, double the same period last year. Accumulated 9 months, revenue reached VND 2,709 billion, 3.4 times higher than the same period. Profit after tax was nearly VND 276 billion, lower than the same period last year because financial revenue was no longer recorded. Besides, Nam Long Group has just confirmed that rumors related to the Izumi City project are incorrect.
- TDC, In the third quarter of 2022, Binh Duong Trade And Development JSC recorded a revenue of VND 1,505.3 billion, an increase of 574.6% over the same period and a profit after tax of VND 120.38 billion, an increase of 213.96 times over the same period. In which, gross profit margin decreased from 24.1% to 14.1%. Accumulated in the first 9 months of 2022, the Company recorded revenue of VND 2,304.5 billion, up 179.2% over the same period and profit after tax of VND 143.97 billion, up 285.4% over the same period last year.
- HHV, In the third quarter, the company recorded revenue of VND 563 billion, up 24.5% over the same period. Deducting from cost price, the company's gross profit increased slightly from 211 billion to VND 257.5 billion. Net profit reached more than VND 73 billion, down from VND 83 billion in the third quarter of 2021. Accumulated in the first 9 months, HHV recorded revenue of VND 1,478 billion, net profit of VND 213 billion.

- 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.

USD weakens



Background

- The dollar index weakened below the 110 mark, a level not seen in five weeks, on speculation that the Federal Reserve would slow the pace of interest rate hikes later this year amid mounting evidence of a sharp economic slowdown. This dollar's weakness was seen across the board, with some of the most pronounced selling activity against currencies such as the Australian and New Zealand dollars. The greenback also came under heavy selling pressure against the Chinese yuan amid reports of government intervention in currency markets.
- The euro strengthened past parity with the dollar on Wednesday, trading at the highest in six weeks and tracking a sharp retreat for the greenback amid increasing bets that the Federal Reserve will have to slow the pace of rate hikes to avoid overtightening.
- The Japanese yen steadied near 148 per dollar after rebounding sharply from a 32-year low of 151.94 on suspected intervention, but remained under pressure from the Bank of Japan's divergent monetary policy and the country's reliance on foreign goods. The BOJ is expected to maintain ultra-low interest rates when it meets later this week in a bid to support the economic recovery.

Technical view



Trend: Retest the threshold of 1000 points

- The cautious sentiment of investors returned when the SBV just raised the operating interest rate and the recent sharp drop of the index also made the cash flow hesitant on the buying side. In the context that global stocks continue to prosper, and there are more bright signals from the macro, however, perhaps the unknowns in the cash flow is putting pressure on domestic stocks, so the market is also difficult to rebound to a higher level. The threshold of 1,000 points will still be a challenge to conquer in the coming sessions. In general, industry groups will be quite differentiated in the current period and need to focus on the holding portfolio. The nearest support for the trend is around 950 points, while the resistance is now at 1,040 points.

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 27/10/2022

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
REE	Watch							Maintain above 20-day MA, MACD, RSI improve

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	-8.54%	18/10/2022	
NTP	Hold	37.4	40	35	7%	-6%	35	7	-6.42%	18/10/2022	
NT2	Buy	26.3	29	25	10%	-5%	26.3	6	0.00%	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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