MORNING CALL

October 28th, 2022

Shinhan Securities

“Can't stay out of phase forever, the index successfully tested the threshold of 1000 points”

- Global stocks rose slightly, but the momentum started to slow down
- Domestic stocks rebounded strongly with improved liquidity
- Technical view and recommendations
- Economic calendar
- Q&A

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

Major stock markets rallied, but momentum started to slow down

- The blue-chip Dow pushed about 170 points higher on Thursday, outperforming the S&P 500 and Nasdaq as investors digested better-than-expected US GDP data and a slew of upbeat results for its components.
- European equity markets closed slightly higher on Thursday, with the German DAX and the benchmark Stoxx 600 extending gains for the fourth session as gains in oil and gas stocks more than offset declines across mining and technology companies.
- The European Central Bank (ECB) has just announced a decision to raise interest rates by 75 basis points, thereby bringing the interest rate of countries using the common euro to 2%.
- US GDP rebounds in Q3. The US economy grew an annualized 2.6% on quarter in the three months to September, more than market expectations of 2.4% and rebounding from a contraction in the first half of the year. The biggest positive contributor to GDP was net trade as imports fell and exports grew sharply.
- WTI crude futures traded near $89 per barrel on Thursday after gaining about 4% in the previous two sessions, underpinned by data showing record US crude exports.

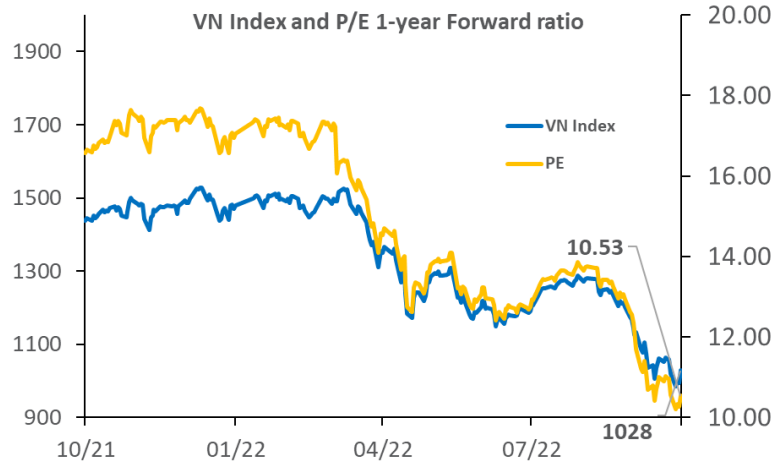
Market

	Close	%1D	%1M	%1Y
VN-Index	1,028	3.49%	-10.11%	-28.51%
S&P 500 Index	3,807	-0.61%	4.39%	-16.35%
Dow Jones Index	32,033	0.61%	9.95%	-9.74%
GP 100	7,074	0.25%	0.97%	-2.42%
Nikkei 225	27,011	-1.22%	3.20%	-6.28%
SHCOMP Index	2,983	-0.55%	-2.04%	-15.22%
STOXX 600	410	-0.03%	5.34%	-13.67%
KOSPI Index	2,286	-0.11%	5.39%	-24.04%
Hang Seng	15,428	0.72%	-10.57%	-39.63%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	110.61	0.02%	-1.77%	18.49%
USD/VND	24,836.00	0.00%	-4.43%	-8.38%
EUR/USD	1.00	0.02%	2.37%	-14.68%
USD/CNY	7.23	-0.77%	-0.73%	-11.57%
Brent	96.74	-0.23%	8.31%	14.73%
WTI	88.67	-0.46%	7.94%	7.08%
Natural gas	5.87	-0.02%	-14.47%	1.59%
Coal	385.60	-0.23%	-11.89%	72.64%
Gold	1,661.88	-0.09%	0.12%	-7.62%

Vietnam Market Snapshot 27/10/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,028.01	10.53	34.65	3.49	647	112,121
HNX INDEX	213.63	13.56	7.68	3.73	59	818

Money flow and sector rotation (VND bn)

Sector	%1D	10/27/2022	10/26/2022	20-session Average
Banks	123.18	2,092	938	1,781
Retail	107.17	478	231	445
Basic Resources	83.49	710	387	822
Media	77.58	3	2	2
Financial Services	67.52	1,142	682	1,064
Utilities	67.42	188	112	233
Insurance	59.69	72	45	76
Chemicals	58.16	710	449	719
Oil & Gas	47.73	201	136	237
Technology	46.45	81	55	122
Real Estate	44.19	2,014	1,397	1,718
Health Care	40.02	21	15	16
Food and Beverage	36.53	740	542	874
Automobiles & Parts	33.28	88	66	100
Construction & Materials	29.75	443	341	564
Travel & Leisure	21.86	26	21	57
Personal & Household Goods	19.46	100	83	142
Industrial Goods & Services	16.70	372	319	470

Breaking News

Macro

Positive

- In 2023, the Ministry of Finance estimates that investment and development spending will be nearly VND 730,000 billion (+38% YoY). In addition, the Ministry of Finance also estimates the total balance of state budget revenue in 2023 at VND 1,620.7 trillion (+0.4% YoY).

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

- VRE, In Q3, total consolidated net revenue reached VND 2,005 billion, up nearly 155% over the same period. In which, investment real estate leasing (commercial center business) recorded a revenue of VND 1,837 billion, an increase of more than 152% compared to the same period in 2021 and 2% higher than that of the third quarter of 2019 (before the outbreak of COVID-19).

  With this result, Vincom Retail recorded VND 794 billion in consolidated after-tax profit in the third quarter, 33 times higher than the same period last year and VND 1,944 billion in after-tax profit after 9 months, achieving more than 80% of the year plan, up 63% compared to the same period last year.
- NTL, In the third quarter of 2022, Lideco recorded revenue of VND 115.2 billion, down 26.7% over the same period and profit after tax of VND 13.2 billion, down 82.2% over the same period last year. In which, gross profit margin dropped sharply from 60.9% to only 20.9%.

  Accumulated in the first 9 months of 2022, the Company recorded revenue of VND 322.9 billion, up 2% over the same period and profit after tax reached VND 105.2 billion, down 24.2% over the same period last year.
- HAG, In the third quarter of 2022, Hoang Anh Gia Lai recorded a revenue of VND 1,441.4 billion, up 160.1% over the same period and profit after tax of VND 360.74 billion, up 14.21 times over the same period last year. . In which, gross profit margin dropped sharply from 31.9% to only 19.5%.

  In the first 9 months of the year, Hoang Anh Gia Lai recorded revenue of VND 3,471.5 billion, up 154.5% and profit after tax recorded VND 890.5 billion, up 20.24 times over the same period. Notably, administrative expenses unexpectedly recorded negative 1,136.8 billion compared to the same period negative 314.4 billion. In which, mainly because the Company reversed the provision of VND 1,250 billion compared to the same period of VND 759.1 billion. If excluding administrative expenses, the company's main profit in the first 9 months of the year will record a loss of VND 682.82 billion.

- PNJ, Phu Nhuan Jewelry JSC announced to pay cash dividend at the rate of 8%, ex-dividend date is October 28th.

Recommended stocks

Updated date **28/10/2022**

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
FRT	Watch							Breaking above 10-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%	16.2	8	-1.22%	18/10/2022	
NTP	Hold	37.4	40	35	7%	-6%	35.7	8	-4.55%	18/10/2022	
NT2	Hold	26.3	29	25	10%	-5%	26.6	7	1.14%	19/10/2022	

Technical view



Trend: Threshold of 1000 points holds

- The index can't stay out of phase forever in the context of global stocks rallying when the USD and bond yields cooled down recently. The strong rise today partially offset the sharp decline of the previous market. Technical indicators improved when MACD crossed back to the signal line and RSI rose to 40. “Positive divergence” signal is supporting the index's recovering inertia. Order matching also improved significantly compared to the previous session and exceeded 20 session average. However, the index is also quite close to resistance level around 1,040 – 1,050 points, corresponding to 10-day MA. Therefore, investors can reduce the proportion of stocks and limit excitement.

Scenarios:

- Positive (60%): 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 (40%): 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.

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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