MORNING CALL

November 01th, 2022

“Struggling to test the trend, the leading group appeared”

- Global stocks traded struggling
- Domestic stocks were balanced and recovered above the reference level, even though selling was overwhelming at times
- Macroeconomic Update October and 10 months in 2022
- Technical view and recommendations #CTG #VNM #BMI
- Economic calendar
- Q&A

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Global Market Review - Week 01-04/11/2022

Major stock markets struggled to trade

- US stocks under pressure. The Dow Jones declined almost 100 points on Monday, while the S&P 500 and the Nasdaq lost 0.5% and 1.2%, respectively, as investors reassessed the outlook for growth and monetary policy, the Fed is poised to raise rates by 75 bps for a fourth time. European bourses swung between gains and losses on Monday, as investors digested a slew of economic releases while reassessing the outlook for monetary policy.
- China manufacturing sector unexpectedly shrinks. The official NBS Manufacturing PMI unexpectedly fell to 49.2 in October 2022 from 50.1, missing market forecasts of 50.0. This was the lowest reading since July, amid strict COVID restrictions in several big cities, with output, new orders, and export sales all falling.
- Euro Area GDP expanded 0.2% on quarter in the three months to September of 2022, following a 0.7% growth in Q2, in line with market expectations, flash estimates showed. It was the weakest GDP growth since the rebound from Covid-19 restrictions in Q2 2021 and indicators are pointing to a shift from expansion to a contraction in Q4. Year-on-year, Euro Area's GDP advanced by 2.1%, also in line with expectations.
- Annual inflation rate in the Euro Area continued to break record high levels and jumped to 10.7% in October of 2022 from 9.9% in September. Figures came higher than market forecasts of 10.2%. Prices of energy continue to have the biggest impact, followed by food, alcohol & tobacco.
- WTI crude extended losses below the $85 per barrel mark on Monday as lingering fears of a global recession and weak oil demand, especially in China, rattled investors.

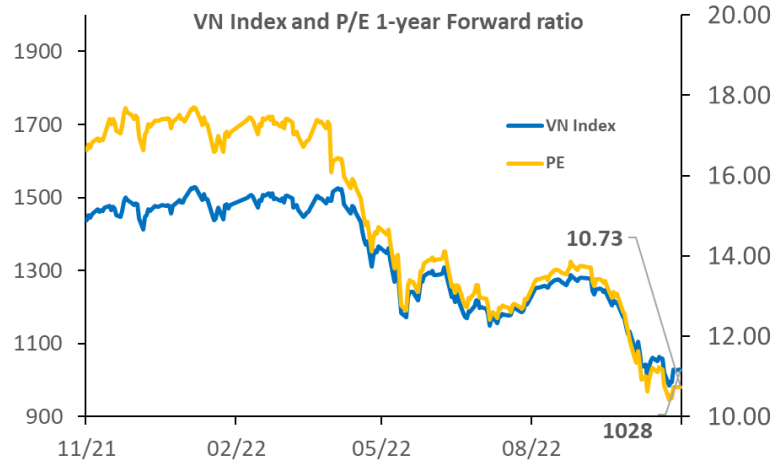
Market

	Close	%1D	%1M	%1Y
VN-Index	1,028	0.06%	-9.20%	-28.56%
S&P 500 Index	3,872	-0.75%	7.99%	-15.92%
Dow Jones Index	32,733	-0.39%	13.95%	-8.62%
GP 100	7,095	0.66%	2.91%	-2.66%
Nikkei 225	27,621	0.12%	6.49%	-6.84%
SHCOMP Index	2,893	-0.77%	-4.33%	-18.37%
STOXX 600	412	0.35%	6.28%	-13.92%
KOSPI Index	2,313	0.85%	7.31%	-22.35%
Hang Seng	14,687	-1.18%	-14.72%	-41.61%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	111.53	0.00%	-0.53%	18.80%
USD/VND	24,838.00	-0.04%	-3.93%	-8.39%
EUR/USD	0.99	0.07%	0.64%	-14.79%
USD/CNY	7.31	-0.72%	-2.59%	-12.42%
Brent	92.41	-0.43%	5.06%	9.09%
WTI	86.02	-0.59%	8.21%	2.34%
Natural gas	6.24	-1.75%	-7.72%	20.40%
Coal	356.30	-4.73%	-17.85%	59.45%
Gold	1,634.21	0.04%	-3.86%	-8.87%

Vietnam Market Snapshot 31/10/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,027.94	10.73	0.58	0.06	654	13,345
HNX INDEX	210.43	13.27	-3.31	-1.55	58	735

Money flow and sector rotation (VND bn)

Sector	%1D	10/31/2022	10/28/2022	20-session Average
Oil & Gas	139.76	293	122	235
Basic Resources	51.69	1,504	992	852
Automobiles & Parts	43.52	84	58	92
Retail	39.91	531	380	437
Personal & Household Goods	38.59	150	108	133
Technology	23.62	95	77	114
Utilities	17.42	175	149	216
Financial Services	16.92	1,218	1,042	1,047
Real Estate	15.88	1,620	1,398	1,652
Construction & Materials	4.15	483	464	528
Chemicals	3.30	648	627	702
Food and Beverage	2.04	670	656	821
Travel & Leisure	-7.8	27	29	51
Insurance	-7.8	65	71	70
Industrial Goods & Services	-8.4	411	449	453
Banks	-8.4	1,803	1,968	1,796
Media	-19.3	0	0	1
Health Care	-54.1	14	31	15

Breaking News

Macro

Positive

- Vietnam - China signed 13 cooperation documents between the two parties and two countries during the official visit of General Secretary Nguyen Phu Trong. Among these is a Memorandum of Understanding between the Ministry of Industry and Trade of Vietnam and the Ministry of Commerce of China on strengthening cooperation to ensure the supply chain between Vietnam and China.

Less positive

- The State Bank of Vietnam continues to increase the operating interest rate by 1%, effective from October 25.
- The State Bank of Vietnam (SBV) decided to adjust the USD/VND spot exchange rate band from ±3% to ±5% from October 17.



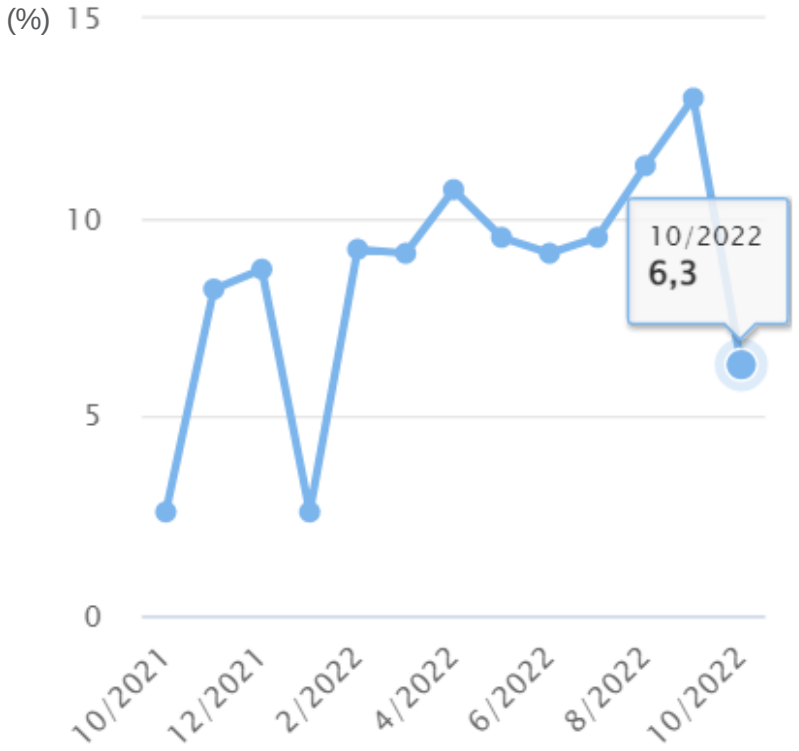
Business news

- PVD, According to the consolidated financial statements of the third quarter of 2022, PetroVietnam Drilling and Drilling Services Corporation recorded more than VND 1,242 billion of net revenue, up 23% over the same period last year. Cost of goods increased more, causing gross profit to decrease to VND 117 billion. Gross profit margin shrank from 12% in the same period last year to 9%. As a result, PVD lost VND 52 billion after tax. Accumulated 9 months, revenue reached VND 3,923 billion, up 54% over the same period. Deducting expenses, 9-month profit after tax VND -202 billion, while the same period in 2021 only lost about VND 13 billion.
- DIG, DIC Corp suddenly reported losses in the third quarter of 2022. DIG recorded revenue of VND 423.57 billion, down 21.3% over the same period and profit after tax recorded a loss of VND 0.97 billion compared to the same period of VND 42.27 billion. In which, gross profit margin decreased by 32.9% to 26.8%. In the first 9 months of the year, DIC Corp recorded revenue of VND 1,517.9 billion, down 8.3% over the same period and profit after tax recorded VND 141.7 billion, up 2.3% over the same period last year. Notably, the main business cash flow in the first 9 months was negative 2,380.3 billion.
- GEG, Revenue in the third quarter of 2022 reached more than VND 521 billion, up 67%. Although the cost of capital increased more than 2 times (nearly VND 303 billion), the company still grossed nearly VND 219 billion, a growth of 21% over the same period in 2021.

  Accumulated 9 months of 2022, consolidated net revenue recorded VND 1,597 billion, up 70% over the same period. Gross profit margin remained high, reaching 50%. Profit before tax and profit after tax reached VND 386 billion and VND 349 billion, up by 68% and 66% respectively.
- NVL, At the end of the third quarter, No Va Real Estate Investment Group recorded net revenue of VND 3,279 billion, flat compared to the same period last year, gross profit of VND 1,410 billion, down 6%. Profit after tax is VND 736 billion, down 18%. In 9 months, NVL recorded VND 7,908 billion of consolidated revenue and more than VND 2,054 billion of consolidated profit after tax.

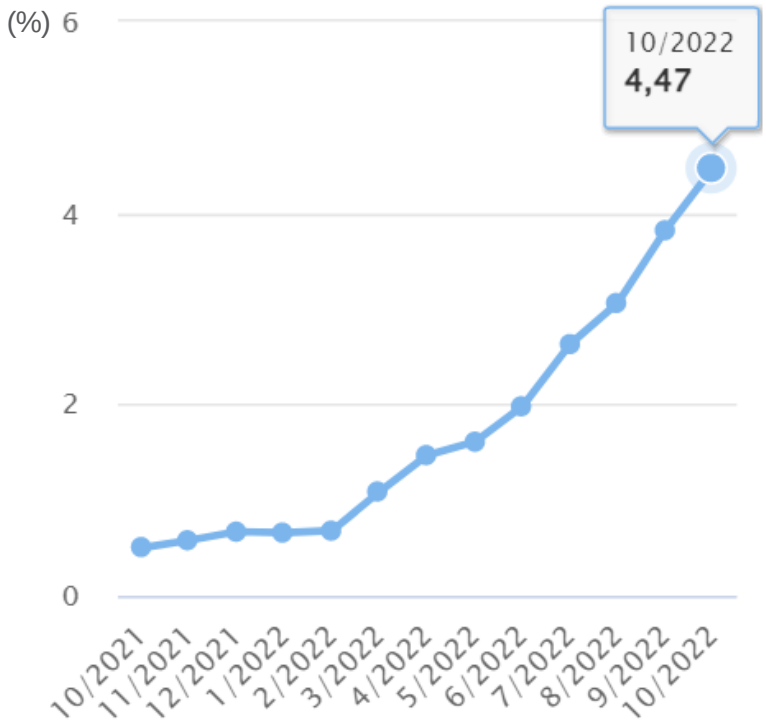
- PC1, Company announced to pay shares dividend at the rate of 15%, ex-dividend date is November 01th.

Macroeconomic Update for October 2022



Index of Industrial Production (IIP) YoY

The index of industrial production (IIP) in October 2022 is estimated to increase by 3% over the previous month and by 6.3% over the same period last year



Core Inflation YoY

Core inflation in October 2022 increased by 0.45% over the previous month and by 4.47% over the same period last year

Nguồn: gso.gov.vn

Consumer price index in October 2022

Figure 1: CPI increase/decrease in October 2022 (MoM)

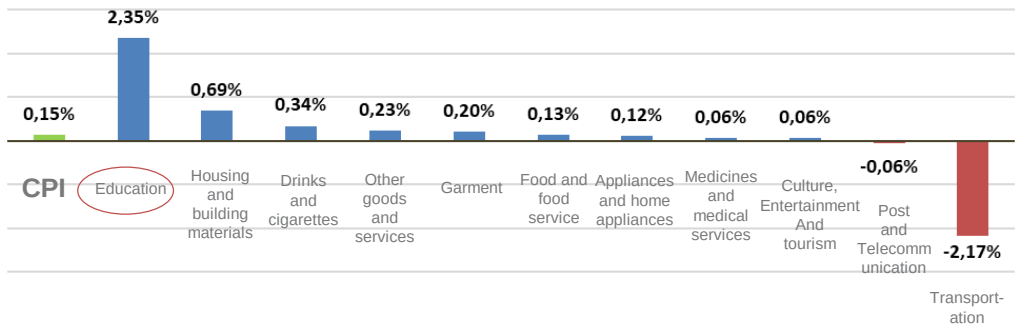
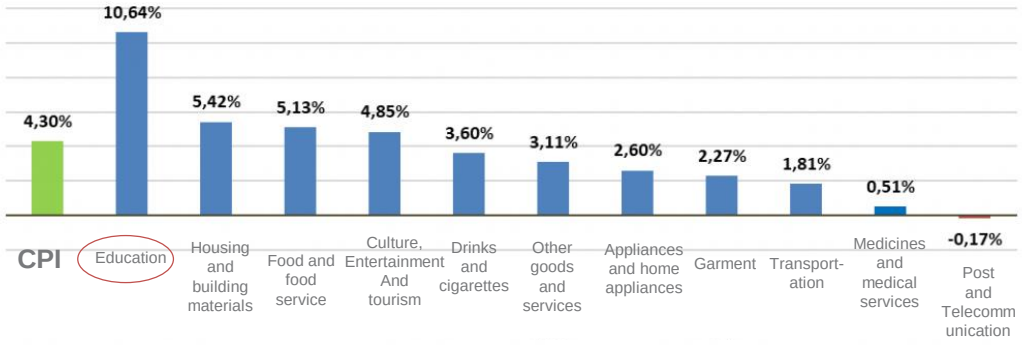


Figure 2: CPI increase/decrease rate in October 2022 (YoY)

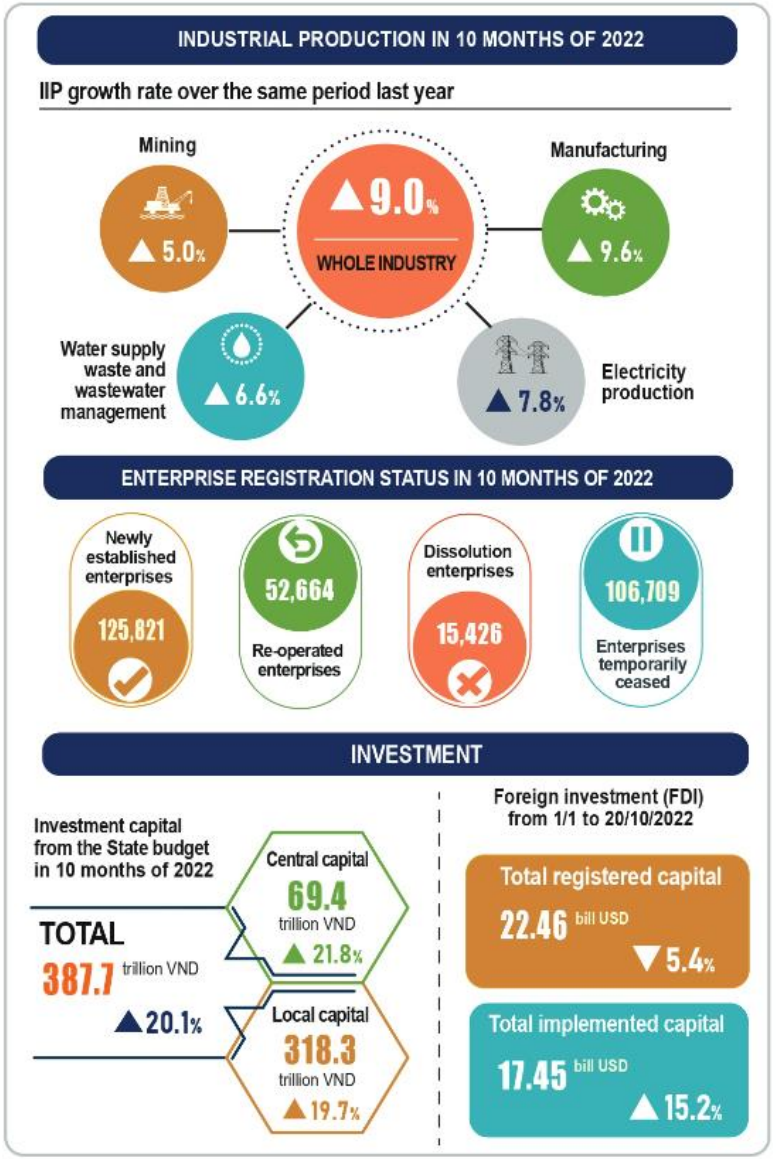


Source: gso.gov.vn

- Compared to the previous month, CPI in October 2022 increased by 0.15% (in urban areas by 0.24%; in rural areas by 0.04%). Among 11 main groups of consumer goods and services, 9 groups of goods increased in price compared to the previous month; 02 groups of discounted products.
- Education group price index in October 2022 increased the most with 2.35% compared to the previous month, because some provinces and centrally-run cities increased tuition fees. In addition, some non-public educational institutions must be self-sufficient in funding to adjust the increase in tuition fees in accordance with regulations. In addition, in the new school year, the demand for books and learning materials increases. Traffic group price index in October 2022 dropped the most with 2.17% compared to the previous month, mainly due to the influence of domestic petrol price adjustments on October 3, 11 and 21, 2022.

- Compared to the same period last year, CPI in October 2022 increased by 4.3%. Of the 11 main consumer goods groups, there are 10 groups of increasing prices and 1 group of decreasing prices.
  - ✓ Education group in October 2022 had the highest increase with 10.64% over the same period last year because some provinces and centrally-run cities increased tuition fees for the 2022-2023 school year.
  - ✓ Housing and building materials group increased by 5.42% due to the increase in prices of housing maintenance materials and rental housing.
  - ✓ The group of food and catering services increased by 5.13% along with the group of culture, entertainment and tourism with an increase of 4.85%, mainly due to the control of the Covid-19 epidemic, which increased out-of-home dining services and food prices. Prices of tours, hotels and restaurants increase when domestic tourism demand recovers.
  - ✓ Particularly, the postal and telecommunications group decreased by 0.17% due to the decrease in the price of smartphone accessories.

Macroeconomic update 10 months 2022







Source: gso.gov.vn

Technical view



Trend: Accumulate to build momentum

- The decline in steel profit in Q3 created short-term selling pressure in this group and affected the overall market. However, the demand was quite good below MA10 today, helping the index narrow down the drop and close in green. Order matching continued to maintain a high level above 20 session average. In general, the index is still testing the 10-day MA for recent strong rally, shaking sessions will help reinforce the recovering momentum. The lead came from the Banking group, while the negative direction was still dominated by Real Estate, Building Materials. Technical indicators are improving, further supporting the recovery inertia. However, perhaps the cash flow will still be divided in the coming time.

Scenarios:

- Positive (60%): The index balanced around 1,000 – 1,020 points and created a recovery pace to retest 1,080 points, better than 1,100 points.
- Less positive (40%): The index continued to drop, losing the threshold of 980 points. At this time, the risk increases and the falling momentum can find the area of 940 - 950 points and lower to the threshold of 880 points.

Recommended stocks

Updated date 1/11/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
BMI	Buy	24	27	22.5	13%	-7%	24.85	MA10 crosses MA20, Successfully tested MA10-day support
REE	Watch							Maintain above 20-day MA, MACD, RSI improve
REE	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
CTG	Buy	23.5	26	22	11%	-6%	24.6	1	4.68%	31/10/2022	
VNM	Buy	77.5	85	74	10%	-5%	78.5	1	1.29%	31/10/2022	
TNG	Hold	16.2	18	15	11%	-7%	15.8	10	-2.47%	18/10/2022	
NTP	Hold	37.4	40	35	7%	-6%	35.1	10	-6.15%	18/10/2022	
NT2	Hold	26.3	29	25	10%	-5%	25.4	9	-3.42%	19/10/2022	

Economic calendar

November 2022

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
30	31	1 ISM Manufacturing PMI JOLTS Job Openings	2 ADP Non-Farm Employment Change Monetary Policy Meeting (BoJ)	3 FOMC Statement Federal Funds Rate BOE Monetary Policy Report ISM Services PMI (US)	4 Non-Farm Employment Change, Unemployment Rate (US)	5
6	7 Trade Balance, Unemployment Rate (China)	8 Congressional Elections (US)	9 Crude Oil Inventories (US) CPI, PPI y/y (China)	10 CPI, Core CPI (US) Unemployment Claims	11 Portfolio Structure Announcement (MSCI) GDP (UK) Prelim UoM Consumer Sentiment (US)	12 Treasury Currency Report (US)
13	14 Announcement deadline reviewed Q3/2022 financial statements. Monetary Policy Report Hearings (UK)	15 Monetary Policy Meeting (Australia)	16 CPI (UK) Retail Sales (US)	17 Expiration of futures contract VN30F1M Housing Starts (US)	18 Existing Home Sales (US)	19
20	21 Flash Manufacturing and Services PMI (UK, French, German)	22 Ishare MSCI review	23 Flash Manufacturing and Services PMI (US)	24 FOMC Meeting Minutes	25 Tokyo Core CPI y/y	26
27	28	29 CB Consumer Confidence (US) Monthly macroeconomic data release	30 Prelim GDP q/q (US)	1	2	3

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