MORNING CALL

November 04th, 2022

"Struggling trade still prevails, needs a breakout session to confirm"

- Global stocks continue to decline
- Domestic stocks struggled, liquidity fell to a low level
- Looking forward to the US midterm elections next week
- Technical view and recommendations #NT2
- 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 01-04/11/2022

Major stock markets continue to decline

- Major US stock indices fell further into negative territory Thursday as concerns of tighter monetary policy following yesterday's Federal Reserve rate hike prevailed. The ISM Services PMI fell to 54.4 in October of 2022 from 56.7 in September, and below market forecasts of 55.5, pointing to the slowest growth in the services sector since a contraction in May of 2020.
- European equity markets extended losses into a second day on Thursday, with both the DAX and the benchmark Stoxx 600 down 1% led by losses in auto stocks after carmakers BMW and Stellantis warned that rising inflation and interest rates would start to weigh on sales in the coming months.
- The Bank of England is set to raise interest rates by 75bps to 3% during its November 2022 meeting, which would be its largest rate hike since 1989, pushing borrowing costs to the highest since late-2008. The Norges Bank hiked its key policy rate by 25 bps to 2.5 percent during its November meeting, while markets had forecast a wider 50 bps increase. Still, The central bank also said the policy rate would most likely be raised further in December, amid an uncertain outlook.
- The dollar index extended gains to approach 113 on Thursday after the Fed said interest rates will be higher than previously expected and that it is very premature to talk about pausing the rate-hike cycle.
- Crude oil prices rose after the EIA report showed a decline in US weekly crude inventories. Data showed that US crude stocks declined by about 3.1 million barrels last week, defying expectations for a build of 367,000 barrels.

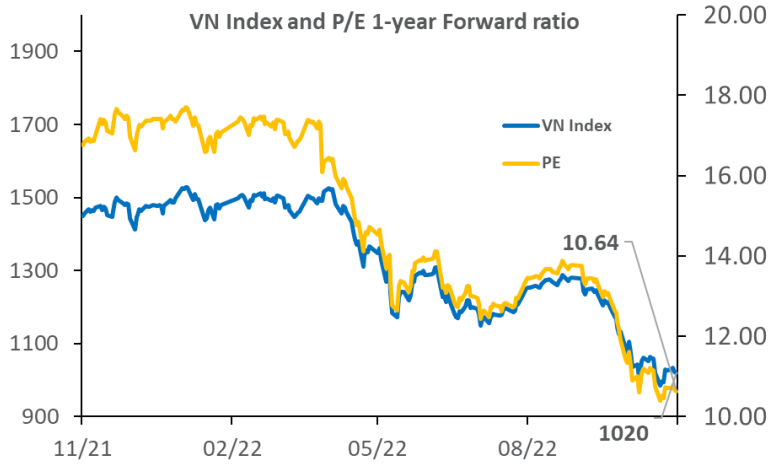
Market

	Close	%1D	%1M	%1Y
VN-Index	1,020	-0.33%	-5.41%	-29.59%
S&P 500 Index	3,720	-1.06%	1.13%	-20.18%
Dow Jones Index	32,001	-0.46%	8.51%	-11.50%
GP 100	7,189	0.62%	1.44%	-1.25%
Nikkei 225	27,301	-1.31%	4.14%	-7.52%
SHCOMP Index	2,998	-0.19%	-0.88%	-15.00%
STOXX 600	410	-0.93%	1.62%	-15.24%
KOSPI Index	2,331	0.06%	5.48%	-21.88%
Hang Seng	15,339	-3.08%	-10.19%	-39.19%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	112.90	-0.02%	2.58%	19.67%
USD/VND	24,858.00	-0.10%	-3.93%	-8.51%
EUR/USD	0.98	0.06%	-2.31%	-15.57%
USD/CNY	7.30	-0.16%	-2.54%	-12.26%
Brent	94.44	-0.24%	2.88%	17.26%
WTI	87.96	-0.24%	1.66%	11.61%
Natural gas	5.92	-0.99%	-13.47%	3.50%
Coal	351.00	-2.77%	-12.58%	122.86%
Gold	1,631.68	0.13%	-5.47%	-8.95%

Vietnam Market Snapshot 03/11/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,019.81	10.64	-3.38	-0.33	578	10,096
HNX INDEX	210.74	13.11	-0.92	-0.44	49	750

Money flow and sector rotation (VND bn)

Sector	%1D	11/3/2022	11/2/2022	20-session Average
Construction & Materials	46.62	520	355	498
Media	12.80	1	0	1
Personal & Household Goods	6.05	122	115	132
Automobiles & Parts	4.01	42	40	82
Financial Services	1.08	917	907	1,043
Insurance	-1.0	50	51	65
Oil & Gas	-3.7	117	121	224
Banks	-11.2	1,769	1,993	1,889
Industrial Goods & Services	-13.5	344	398	433
Food and Beverage	-15.7	504	597	765
Utilities	-17.9	141	172	203
Real Estate	-21.8	1,161	1,484	1,595
Technology	-31.2	62	90	105
Travel & Leisure	-35.1	33	51	47
Retail	-35.7	285	444	433
Basic Resources	-40.9	551	933	876
Chemicals	-61.6	338	879	689
Health Care	-75.0	8	30	15

Breaking News

Macro

Positive

- On November 1, 2022, FPT Software (a member company of FPT Corporation) and Julie Sandlau - the world's leading jewelry manufacturer, signed a strategic cooperation agreement on consulting and implementation Smart jewelry factory in Vietnam, expected to put into operation in 2023.
- Regarding the case of Van Thinh Phat Group Joint Stock Company and Ms. Truong My Lan, recently, Hanoi Department of Planning and Investment has announced to suspend asset fluctuations of 762 related companies.
- Former Deputy Minister Cao Minh Quang is about to stand trial in the loss of $3.8 million. The People's Court of Hanoi issued a decision on November 21 to open a first-instance trial in the case of a loss of more than $3.8 million in purchase of medicinal ingredients to prevent and control the influenza A H5N1 epidemic that occurred at the Ministry of Health and the Cuu Long Pharmaceutical JSC.

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

- MWG, Mobile World Investment Joint Stock Company has just informed shareholders regarding incorrect information on social networks about MWG's short-term investments. According to MWG, in the consolidated financial statements of the third quarter of 2022, the Company has an item "Short-term financial investment" with a value of VND 8,846 billion, including VND 7,235 billion as deposits at reputable and undisputed banks and VND 1,611 billion are investments in short-term bonds. MWG said that short-term bonds are bonds with collateral and commitment to buy back from the guarantor under the contract.
- TNG, TNG Investment and Trading Joint Stock Company, said that sales in October 2022 reached VND 570 billion, up 23% over the same period in 2021. Expected profit in October reached VND 25 billion. Accumulated 10 months, sales revenue reached VND 5,826 billion, up VND 1,286 billion over the same period, corresponding to an increase of 28%, completing 97% of the plan. Profit reached 255 billion VND, completing 91% of the year plan. The company expects November revenue to reach VND 500 billion.
- VHC, Vinh Hoan Joint Stock Company has just announced its business results for the third quarter of 2022. Accordingly, in the last quarter, this seafood export giant achieved VND 3,261 billion in net revenue, up 46.2% over the same period. Vinh Hoan's net profit reached VND 460 billion, an increase of 80% compared to the third quarter of 2021.

  Despite strong growth compared to the previous year's low base, Vinh Hoan recorded its lowest quarterly net profit since Q4 2021 in both absolute value and growth rate in the third quarter of 2022. This is because sales from the United States (VHC's most important export market) fell 41% qoq, reflecting high inventories and persistent inflation.
- HTN, The leaders of Hung Thinh Incons Joint Stock Company have just announced that they have registered to buy a large amount of HTN shares to increase their ownership rate. Specifically, Mr. Cao Minh Hieu, Vice Chairman of the Board of Directors of the Company registered to buy 600,000 HTN shares. The transaction is expected to be carried out from November 4 to December 3, 2022. At the same time, Mr. Thieu Le Binh, a member of the Board of Directors of Hung Thinh Incons, registered to buy 400,000 shares of HTN.

Technical view



Trend: Caution is back

- Although the market kept the balance quite well in the morning session, it showed that investors reacted well to the recent announcement of the Fed. However, the selling overwhelmed again in the afternoon so the index partially narrowed the intraday recovery and had to close in red. Order matching dropped below the 20-day average, showing the cautious sentiment of investors. The MACD is still showing good upward inertia while the RSI is starting to cool down a bit due to the indecisive demand in the current period. In general, the index is still testing the 10-day MA and the trend will still be struggling. The current strategy is more about holding.

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 3/11/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VGI	Watch							Breaking above 20-day MA, volume improves
FRT	Watch							Maintain above 20-day MA, MACD, RSI improve
PVS	Watch							Test MA20 day, volume improves

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
BMI	Buy	23.7	27	22.5	14%	-5%	23.7	1	0.00%	02/11/2022	
CTG	Buy	23.5	26	22	11%	-6%	24	3	2.13%	31/10/2022	
VNM	Buy	77.5	85	74	10%	-5%	78.3	3	1.03%	31/10/2022	
TNG	Hold	16.2	18	15	11%	-7%	16.3	12	0.62%	18/10/2022	
NTP	Hold	37.4	40	35	7%	-6%	35.5	12	-5.08%	18/10/2022	
NT2	Hold	26.2	29	25	11%	-5%	25.7	11	-1.91%	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

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



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