MORNING CALL

November 07th, 2022

"Retest the threshold of 1000 points, expect China to ease the blockade"

- Global stocks regained the green at the end of the week
- Domestic stocks continued to drop but the demand still managed to keep the threshold of 1,000 points
- Expectations of easing Covid restrictions from China boost commodity market recovery
- Waiting for the midterm elections in the US
- Technical view and recommendations #BMI
- Economic calendar
- Q&A

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

Major stock markets recovered at the end of the week

- US stocks swung to the upside Friday following a volatile session in the wake of a mixed jobs report, with the Dow gaining 1% and the S&P and Nasdaq about 1.2% each. US employers hired more workers than expected in October, but unemployment rose more than Wall Street forecasted.
- European equity markets closed the week on a strong note, with the benchmark Stoxx 600 rebounding almost 2% to a seven-week high, as investors digested the latest central bank meetings and solid corporate earnings. Asian stocks also traded positively with China leading the way on hopes of an imminent easing of COVID-19 restrictions. Shanghai surged 5.3% and Hang Seng also climbed 8.7%, Nikkei alone traded around reference.
- The US Labor Department said on Wednesday that the unemployment rate in the US rose to 3.7% in October, even though business owners hired more workers. The US economy added 261,000 jobs, higher than the market forecast of 200,000. Wages increased by 4.7% in October compared to the same period in 2021, after having increased by 5% in September. According to experts, the reason why job growth in the US is still sustainable despite domestic demand has been decrease in the context of rising interest rates, is due to companies recruit new employees to replace those who quit.
- Within the framework of a visit to Beijing, on November 4, German Chancellor Olaf Scholz announced that an agreement had been reached for foreign experts in China to be vaccinated against COVID-19 of the US-German joint venture Pfizer-BioNTech
- WTI crude futures surged more than 4% toward the $92 per barrel mark, a level not seen since late August, as headlines suggesting that China could relax its coronavirus-induced restrictions in the coming months lifted the outlook for demand.

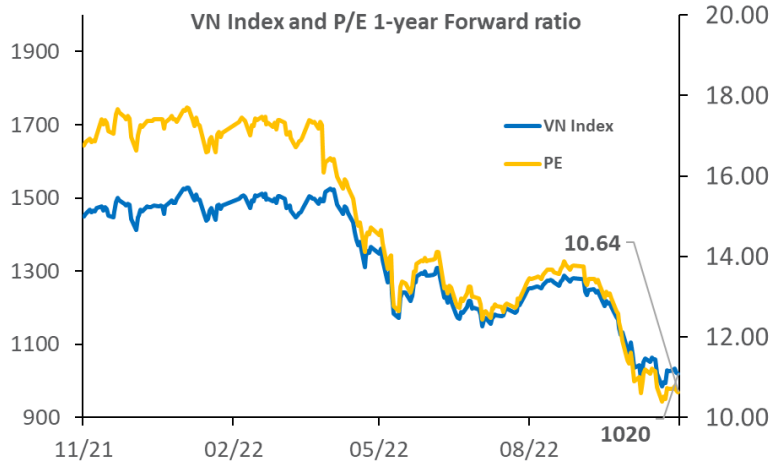
Market

	Close	%1D	%1M	%1Y
VN-Index	997	-2.22%	-3.74%	-31.54%
S&P 500 Index	3,771	1.36%	3.60%	-19.73%
Dow Jones Index	32,403	1.26%	10.60%	-10.80%
GP 100	7,335	2.03%	4.92%	0.42%
Nikkei 225	27,407	0.76%	1.07%	-7.44%
SHCOMP Index	3,071	2.43%	1.53%	-12.05%
STOXX 600	417	1.81%	6.46%	-13.75%
KOSPI Index	2,365	0.71%	5.92%	-20.35%
Hang Seng	16,161	5.36%	-8.90%	-35.02%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	111.12	0.22%	-1.49%	17.81%
USD/VND	24,865.00	-0.03%	-3.97%	-8.76%
EUR/USD	0.99	-0.26%	1.92%	-14.29%
USD/CNY	7.19	1.62%	-0.96%	-10.97%
Brent	97.11	-1.48%	-0.83%	17.37%
WTI	90.91	-1.84%	-1.87%	11.86%
Natural gas	6.97	8.95%	3.33%	26.41%
Coal	349.50	-0.43%	-13.49%	126.58%
Gold	1,672.62	-0.55%	-1.31%	-8.31%

Vietnam Market Snapshot 04/11/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	997.15	10.40	-22.66	-2.22	442	7,870
HNX INDEX	204.56	12.99	-6.18	-2.93	42	601

Money flow and sector rotation (VND bn)

Sector	%1D	11/4/2022	11/3/2022	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

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Breaking News

Macro

Positive

- Information from the Ministry of Finance shows that in the first 10 months of 2022, the Government's domestic and foreign loans reached VND 160,334 billion (equivalent to 23.8% of the 2022 plan) and debt repayments were about VND 241,040 billion (equal to 71.8% of the plan).
- Binh Duong province has agreed that the public investment plan in 2023 is VND 12,182 billion, of which the local budget is VND 9,040 billion. In 2022, the total public investment capital plan of Binh Duong has been allocated is 8,909 billion VND, distributed to 316 projects. However, by October 15, 2022, the public investment capital of Binh Duong province was disbursed VND 3,692 billion (reaching 41.4% of the plan).

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

- BSR, Information from Binh Son Refining and Petrochemical Joint Stock Company said that from the night of November 4 to the morning of November 5, 2022, Dung Quat oil refinery gradually increased its capacity to 112% to contribute to reducing the pressure on gasoline supply for the whole country. According to the assessment, the factory can increase and keep stable at 112% of capacity if it ensures additional raw materials and favorable weather conditions.
- VSH, Vinh Son - Song Hinh Hydropower JSC have just announced the 3rd quarter financial statements with impressive results. Accordingly, revenue reached VND 652 billion, nearly 2.3 times higher than the same period last year. COGS only increased slightly by 12% (VND 250 billion). As a result, after deduction, the company's gross profit is VND 402 billion, 6.2 times higher than the same period. Net profit is more than VND 220 billion while the same period loss is VND 42 billion.
- In 9 months, VSH's revenue reached more than VND 2.1 trillion, nearly 2.2 times higher than the same period last year. Profit before and after tax reached VND 970 billion and VND 882 billion, respectively, 3.1 and 3.5 times higher than the same period. Compared with the set target, the Company has exceeded 4% of the revenue plan and 68% of the profit target of the whole year.
- DPR, by the end of 10 months of 2022, the total area of rubber exploitation of DPR reached 4,780.26 hectares, completing 100% of the plan. The area of re-cultivation has reached 395.95 ha, exceeding 1% of the plan. In terms of output, exploited rubber output reached 8,496.21 tons, reaching 95% of the plan.
- In terms of business results, 10 months' pre-tax profit reached VND 191 billion, achieving 59% of the year's profit target. The company estimates that the whole year will reach VND 285 billion (equivalent to 87.5% of the plan).
- BCC, In Q3, BCC's net revenue increased by 12% yoy to over 982 billion dong, mainly from cement and clinker revenue. The increase in cost of goods and expenses was more than the increase in revenue, so BCC saw a net loss of more than VND 36 billion, while the same period only lost VND 6.3 billion.
- Accumulated in the first 9 months, BCC earned VND 3,299 billion in net revenue and more than VND 93 billion in net profit, up 6% and approximately at the beginning of the year, respectively

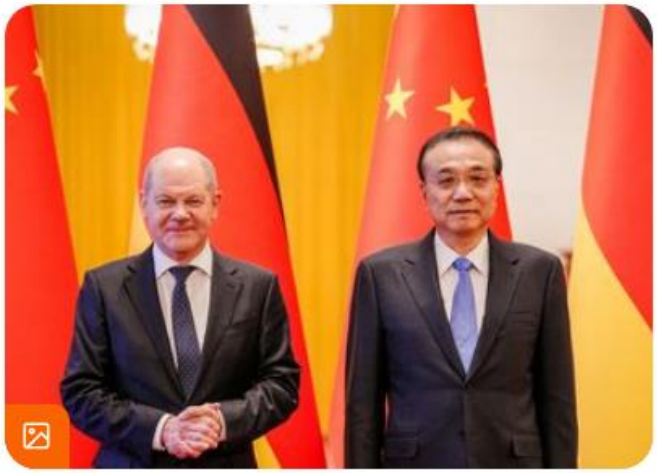
US midterm elections



- The midterm elections are the first nationwide referendum on the effectiveness of the president's executive capacity. Historically, the president's party has tended to underperform and lose ground during midterms due to voters' frustration with current affairs.
- Recent polling data from US media outlets shows that the Biden administration is disappointing. Disagree ratings for President Biden are high on issues including the economy, inflation and foreign policy.
- According to Professor Gordon Flake, Executive Director of the Perth USAsia Center at the University of Western Australia, if the Republicans control one or both the Senate and the House of Representatives in Congress, they could seriously impede the government's ability to acting President Joe Biden - which is seen as friendly with allied countries and more friendly to Asia.
- Under the Trump administration, the US has retreated from its leadership position in global trade and investment, most notably by withdrawing from the Trans-Pacific Partnership (TPP) just days after Mr. Trump took office and destroy this agreement. When Democrats took over Congress and the White House in 2020, there was a slight return to normal in terms of international relations and America's alliances in terms of foreign policy.

➢ Although the US midterm elections are often focused on domestic issues, analysts say this election will be important in terms of foreign policy, given a Republican victory will have a great influence on Asia.

Expectations of easing restrictions in China



Healthcare & Pharmaceuticals

German expats in China will have access to BioNTech vaccine, says Scholz

Reuters news

China Agrees to Approve BioNTech's Covid-19 Vaccine for Foreigners, German Chancellor Says

China agreed to approve BioNTech's Covid-19 vaccines for foreign residents, German Chancellor Olaf Scholz said, in what would mark the first mRNA vaccine for Covid-19 approved for use in China.

Wall street journal news

- Within the framework of a visit to Beijing, on November 4, German Chancellor Olaf Scholz announced that an agreement had been reached for foreign experts in China to be vaccinated against COVID-19 of the US-German joint venture Pfizer-BioNTech.
- Speaking at a press conference with Chinese Premier Li Keqiang, Scholz said China and Germany have different approaches to fighting COVID-19 but both countries have a common responsibility to eliminate the disease. "This also includes an approval of the BioNTech vaccine for expatriates in China. Of course, this can only be a first step. I hope that the circle of eligible persons can soon be widened to a general free ability of the BioNTech vaccine," said Scholz
- Pfizer-BioNTech's vaccine will be the first foreign-made COVID-19 vaccine to be deployed in China, as the government has so far opted to use only China-made COVID-19 vaccines. A spokesperson for BioNTech told Reuters that vaccines would be initially imported into China, provided that regulatory approval is granted.
- China has nine domestically developed COVID vaccines approved for use, more than any other country. But none has been updated to target the highly infectious Omicron variant, as Pfizer-BioNTech and Moderna have for boosters in many developed countries

➢ The announcement comes amid rumours that Beijing will soon lift its stringent COVID-19 lockdown policies, though there has been no official announcement to that effect.

Commodity market mostly recovered

Energy	Price	Day	%	Weekly
Crude Oil USD/Bbl	92.610	▲ 4.440	5.04%	5.36%
Brent USD/Bbl	98.740	▲ 4.070	4.30%	5.30%
Natural gas USD/MMBtu	6.4701	▲ 0.4951	8.29%	13.83%
Gasoline USD/Gal	2.7324	▲ 0.0385	1.43%	6.61%
Heating Oil USD/Gal	3.9148	▲ 0.0495	1.28%	4.52%

Metals	Price	Day	%	Weekly
Gold USD/t.oz	1680.54	▲ 51.39	3.15%	2.36%
Silver USD/t.oz	20.836	▲ 1.376	7.07%	8.37%
Copper USD/Lbs	3.7145	▲ 0.2580	7.46%	7.17%
Steel CNY/T	3529.00	▲ 5.00	0.14%	-1.18%
Iron Ore USD/T	89.00	▲ 4.00	4.71%	5.95%

https://tradingeconomics.com/commodities

Commodity markets were mostly bullish last week, as expectations that China could ease coronavirus restrictions in the coming months lifted the demand outlook.

Agricultural	Price	Day	%	Weekly
Soybeans USd/Bu	1451.50	▲ 24.75	1.73%	4.59%
Wheat USd/Bu	847.75	▲ 7.25	0.86%	2.23%
Lumber USD/1000 board feet	435.00	▲ 0.00	0.00%	-6.85%
Palm Oil MYR/T	4367.00	▲ 30.00	0.69%	9.48%
Cheese USD/Lbs	2.0770	▼ 0.0080	-0.38%	-3.75%
Milk USD/CWT	20.88	▲ 0.01	0.05%	-4.35%
Rubber USD Cents / Kg	124.90	▲ 3.60	2.97%	6.48%
Orange Juice USd/Lbs	227.80	▲ 6.65	3.01%	9.94%
Coffee USd/Lbs	175.75	▲ 3.55	2.06%	3.50%
Canola CAD/T	926.40	▲ 14.50	1.59%	1.90%
Sugar USd/Lbs	18.71	▲ 0.24	1.30%	6.43%
Cotton USd/Lbs	85.67	▲ 3.50	4.26%	18.87%
Tea USD/Kgs	3.05	▲ 0.00	0.00%	7.77%
Cocoa USD/T	2434.00	▲ 62.00	2.61%	5.73%
Wool AUD/100Kg	1273.00	▲ 0.00	0.00%	-2.08%
Oat USd/Bu	388.2703	▲ 3.7703	0.98%	5.94%
Rice USD/cwt	17.3100	▲ 0.1250	0.73%	7.35%

Technical view



VNI	997.15 (-22.66 -2.22%)		HNX	204.56 (-6.18 -2.93%)		UPCOM	74.26 (-1.40 -1.85%)		VN30	997.92 (-25.88 -2.53%)	
753,114,300 Shares	12,909.68 Billion		77,260,814 Shares	992.96 Billion		43,566,305 Shares	435.85 Billion		267,862,200 Shares	5,722.10 Billion	
56(4)	46	410(71) Release	35(11)	144	157(33) Release	96(19)	420	237(47) Release	4(0)	3	23(5) Release

Trend: Caution is back

- The index once again returned to test 1,000 points. Investor sentiment is currently quite cautious in the context of weak money flow. However, there was still bottom-fishing demand to help the index narrow the drop in the last session of the week and the support level around 1,000 points continued to play a good role. Technical indicators are not too bad and are still supporting the recovery momentum. However, it should also be noted that the cash flow will be very diverged in the coming time, that is, the index may not drop sharply but there will be sectors that have a stronger decline than the index, so the current strategy favors concentration for the holding portfolio.The nearest support for the trend is 980 points, while resistance is now at 1,040 points.

Scenarios:

- Positive (60%): The index balanced around 1,000 points and created a recovery pace to retest 1,050 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 7/11/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VGI	Watch							Retest the 10-day MA, the volume improves
BID	Watch							Retest the 10-day MA, the volume improves
MBB	Watch							Retest the 10-day MA, the volume improves

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
BMI	Sell	23.6	27	22.5	14%	-5%	22	3	-6.78%	02/11/2022	
CTG	Hold	23.5	26	22	11%	-6%	24.5	5	4.26%	31/10/2022	
VNM	Hold	77.5	85	74	10%	-5%	80	5	3.23%	31/10/2022	
TNG	Hold	16.2	18	15	11%	-7%	15.3	14	-5.56%	18/10/2022	
NTP	Hold	37.4	40	35	7%	-6%	35.4	14	-5.35%	18/10/2022	

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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Q&A

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