MORNING CALL

November 08th, 2022

“Confidence is lost, it takes time for the market to consolidate”

- Global stocks regained the green at the end of the week
- Domestic stocks fell, many stocks hit the floor
- Information that is dominating and scenarios for the market
- Technical view and recommendations #TNG
- 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 07-11/11/2022

Major stock markets continue to be green

- Wall Street rose on Monday as investors turned optimistic ahead of the latest inflation report and the midterm elections later this week. On the corporate side, Facebook-parent Meta jumped by over 4% on plans for job cuts.
- European stock indexes rebounded after a weak opening on Monday, led by travel shares, after Ryanair posted its largest ever after-tax profit for the first half of its financial year and said it expected to return to pre-Covid annual profit levels this year.
- The S&P Global Eurozone Construction PMI declined to 44.9 in October 2022 from 45.3 in the previous month, signaling a sixth consecutive monthly contraction in output. The housing sector contracted by the most since May 2020 and commercial projects declined at a faster pace, while the downturn at civil engineering firms weakened to the slowest in five months, according to Markit Economics.
- China's exports and imports unexpectedly shrank in October 2022, as high inflation and rising interest rates hurt global demand while COVID curbs at home disrupted output and consumption. China's trade surplus was at USD 85.2 billion in October 202, little changed from a surplus of USD 84.8 billion in the same month the prior year, missing market forecasts of a surplus of USD 95.95 billion, showing that a further loss of momentum in the Chinese economy.
- WTI crude futures were trading around $93 per barrel on Monday, hovering at levels not seen since late August, as investors weighted tight supplies against a gloomy outlook for demand. On top of that, a weaker dollar and general risk appetite also lent optimism to bulls

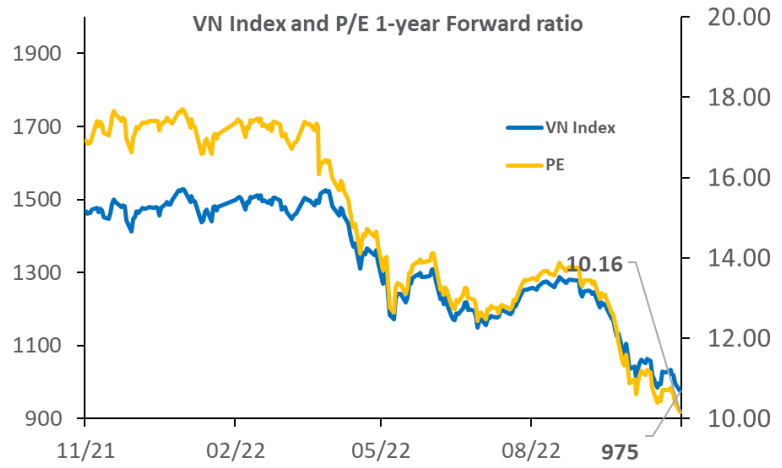
Market

	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	27,414	0.79%	1.10%	-7.42%
SHCOMP Index	3,071	2.43%	1.53%	-12.05%
STOXX 600	417	1.81%	6.46%	-13.75%
KOSPI Index	2,366	0.75%	5.97%	-20.31%
Hang Seng	16,161	5.36%	-8.90%	-35.02%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	111.14	0.23%	-1.47%	17.83%
USD/VND	24,865.00	-0.03%	-3.97%	-8.76%
EUR/USD	0.99	-0.24%	1.94%	-14.27%
USD/CNY	7.19	1.62%	-0.96%	-10.97%
Brent	97.07	-1.52%	-0.87%	17.32%
WTI	90.87	-1.88%	-1.91%	11.81%
Natural gas	6.97	8.95%	3.33%	26.41%
Coal	349.50	-0.43%	-13.49%	126.58%
Gold	1,673.09	-0.52%	-1.28%	-8.28%

Vietnam Market Snapshot 07/11/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	997.15	10.40	-22.66	-2.22	753	12,909
HNX INDEX	204.56	12.99	-6.18	-2.93	77	992

Money flow and sector rotation (VND bn)

Sector	%1D	11/7/2022	11/4/2022	20-session Average
Utilities	3.54	177	171	189
Food and Beverage	3.45	823	796	751
Travel & Leisure	1.25	41	40	41
Automobiles & Parts	-0.9	92	92	80
Technology	-4.3	139	145	103
Health Care	-5.3	12	12	15
Chemicals	-6.5	507	542	664
Oil & Gas	-10.4	115	129	207
Financial Services	-13.8	1,131	1,312	1,040
Insurance	-16.6	58	70	62
Construction & Materials	-18.6	452	556	480
Basic Resources	-19.7	822	1,023	878
Retail	-23.6	440	576	435
Real Estate	-35.4	967	1,498	1,499
Industrial Goods & Services	-41.3	399	679	428
Banks	-42.9	2,029	3,554	1,881
Personal & Household Goods	-46.7	92	174	130
Media	-49.2	1	2	1

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.



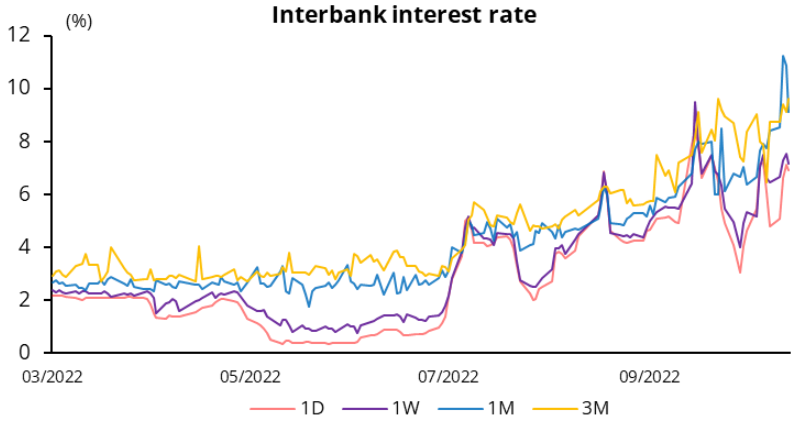
Business news

- HSG, Mr. Dinh Viet Duy, a member of the Board of Directors, registered to sell 50,000 shares to reduce his ownership from 0.02% to 0.01% of charter capital, the transaction is expected to take place from 9/11 to December 8th. Previously, Mr. Tran Quoc Pham, Deputy General Director, registered to sell 400,000 shares to reduce his ownership from 0.12% to 0.06% of charter capital, the transaction is expected to take place from November 7 to December 2.
- FMC, In October, the Company achieved sales of 19.43 million USD, accumulated in the first 10 months of the year was 201 million USD, up 13% over the same period last year. Reportedly, in the first 9 months of the year, the Company achieved revenue of 181.7 million USD, up 17.5% over the same period. Thus, the 10-month sales growth rate is lower than the 9-month sales growth rate.

  Accumulating 10 months, production of finished shrimp reached 1,783 tons, down 5% over the same period; production of finished agricultural products reached 98 tons, up 86%; finished shrimp consumption reached 1,490 tons, up 3%; and finished agricultural product consumption reached 204 tons, up 18% over the same period.

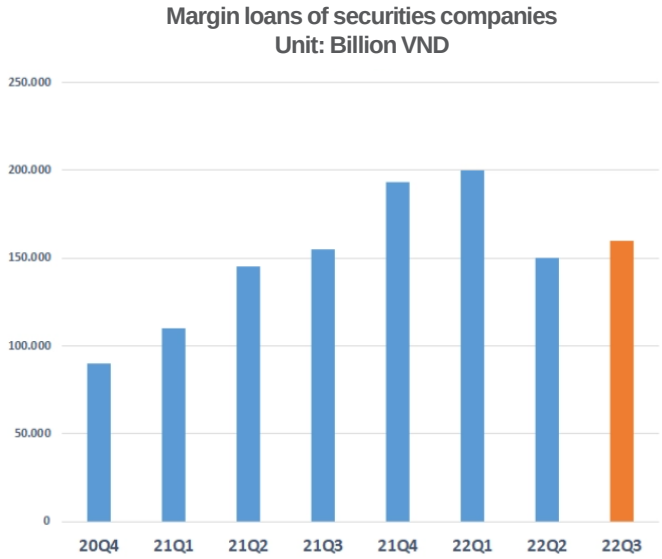
- PLX, Petrolimex announced to pay cash dividends at the rate of 12%, ex-rights date is November 09th.
- SZL, Sonadezi Long Thanh announced to pay cash dividends at the rate of 10%, ex-rights date is November 10th.

Information that dominates the market



Source: Bloomberg, SSV





Source: FiinTrade

- **Interbank interest rates** remained high, although they cooled down a bit at the beginning of the week. It is worth noting that 1-month interest rates are higher than 3-months, an inverted curve appears.
- **The USD/VND exchange rate** is still anchored at a high level after the State Bank loosened the band
- **Hidden numbers in cash flow:** Unexpectedly, loan balance in the whole market increased again in the third quarter after a sharp decline in the previous quarter. It is estimated that the outstanding loans of securities companies by the end of the third quarter of 2022 are about VND 160,000 billion, a slight increase of about VND 10,000 billion compared to the previous quarter (excluding 3-party loans). Out of 160,000 billion dong of outstanding loans, it is estimated that about 153,000 billion dong is margin loans, the rest is pre-sale. Margin balance in the whole market is estimated to increase by about 13,000 billion compared to the end of the previous quarter. Individual investors rarely dare to borrow, so this margin can be in large accounts or business owners. If stock prices plummet, assets will decline in value and pressure to release mortgages is unpredictable.

  Money flow in the market has been more severely affected since Mr. Trinh Van Quyet, Mr. Do Duc Nam or Mr. Do Thanh Nhan were arrested for alleged involvement in stock market manipulation. Besides the bond market, the drastic move of policy makers towards Tan Hoang Minh, or more recently in Van Thinh Phat, Tan Viet Securities..

Technical view



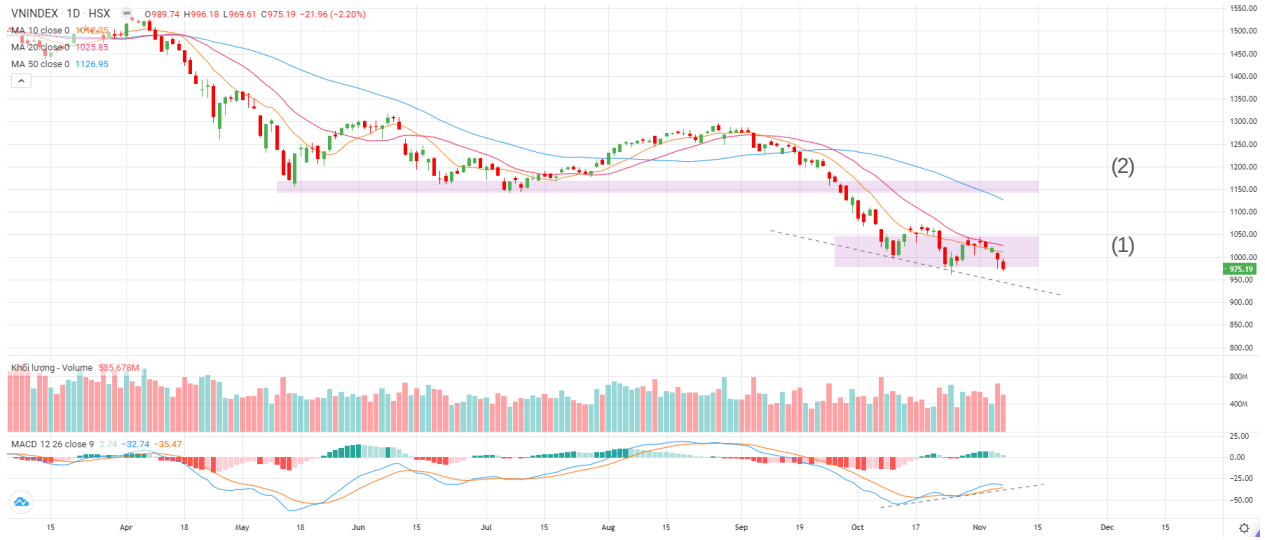
Trend: Continue to search for the bottom

- The selling pressure at the beginning of the session in real estate sector caused many stocks to fall to floor prices and were "white buyers" affecting investor sentiment, leading to a decline in other sectors. It can be seen that the selling still dominated in the session, making it difficult for the index to recover and had to close in red. The unknowns about the money flow are still unclear, but the general signal is that the cash flow is quite weak. Therefore, the current trading risk is at a high level, in the context that things are not yet clear. Although technical indicators are still showing positive divergence with the index's downtrend. But it seems that confidence has broken among investors and the index will need more time to consolidate. It is recommended to stay out of sight.

Scenarios:

- Positive (40%): The index balanced around 980 – 1,000 points and created a recovery pace to retest 1,050 points, better than 1,100 points.
- Less positive (60%): 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.

Scenario for the market





Positive

- The index accumulated in the box of 980 – 1,040 points and created a recovery rhythm to the upper edge of the box, ie the threshold of 1,040 points, also corresponding to the 20-day MA. (1)
- More positively, the index broke out of the box and continued its gaining momentum to 1,150 points, corresponding to the old bottom in July. (2)

Less positive

- The index broke through the lower edge of the box and the falling momentum may find the nearest support around 940 points, corresponding to the established short-term decreasing channel. (1)
- However, if the falling momentum is still strong, the index might break the channel and find a lower level of 880 points, corresponding to the old bottom in 2018, which has been tested 3 times in the past. (2)

Recommended stocks

Updated date 8/11/2022

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
BID	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
CTG	Buy	23.5	26	22	11%	-6%	23.35	6	-0.64%	31/10/2022	
VNM	Hold	77.5	85	74	10%	-5%	82.2	6	6.06%	31/10/2022	
TNG	Sell	16.2	18	15	11%	-7%	14	15	-13.58%	18/10/2022	Wait
NTP	Hold	37.4	40	35	7%	-6%	35	15	-6.42%	18/10/2022	
BMI	Sell	23.6	27	22.5	14%	-5%	22	4	-6.78%	02/11/2022	Sold

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

Shinhan Securities



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