MORNING CALL

November 09th, 2022

“The downtrend is weakening and the market is expected to find a balance soon”

- Global stocks continue to gain
- Domestic stocks regain the green color, many stocks rebound
- Seafood exports are expected to recover in October #VHC, #FMC, #MPC
- Technical view and recommendations #VNM
- Economic calendar
- Q&A

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Global Market Review - Week 07-11/11/2022

Major stock markets continue to be green

- The Dow added more than 300 points on Tuesday, while the S&P 500 and Nasdaq went up over 0.5% as investors awaited the outcome of the midterm elections while also bracing for a critical CPI reading later this week. Recent data suggest Republicans gained ground, and analysts anticipate a split government, with the GOP likely to win the House and possibly the Senate, thus placing a check on the Democratic policy agenda.
- European equity markets rose on Tuesday, with the German DAX rising to the 13,680 level for the first time since August and the benchmark Stoxx 600 up more than 0.5% to 8-week highs. Tech shares led gains in the Old Continent, up around 3%, while oil and gas stocks fell more than 1.5%. Among single stocks, Danish jewelry maker Pandora jumped more than 10% on upbeat quarterly results and US-German biotech firm Qiagen climbed almost 7% after rising its outlook for the full year.
- Cryptocurrencies fell sharply on Tuesday as concerns about FTX's insolvency sent shockwaves through crypto markets. In the latest developments, Binance Chief Executive Changpeng Zhao said the company had signed a non-binding agreement to buy rival FTX's unit to cover a liquidity crunch at the latter.
- The Reuters Tankan sentiment index for manufacturers in Japan deteriorated further to 2 in November 2022, posting the lowest reading since January 2021 as a weak yen pushed up input costs and risks of a global slowdown intensified.
- The dollar index weakened below 110 while the 10-Year Treasury yield was slightly down.
- WTI crude futures fell more than 1% to below $91 per barrel on Tuesday, extending a 0.9% fall in the previous session as China reaffirmed its commitment to the zero-Covid policy that has dampened demand in the world's top crude importer.

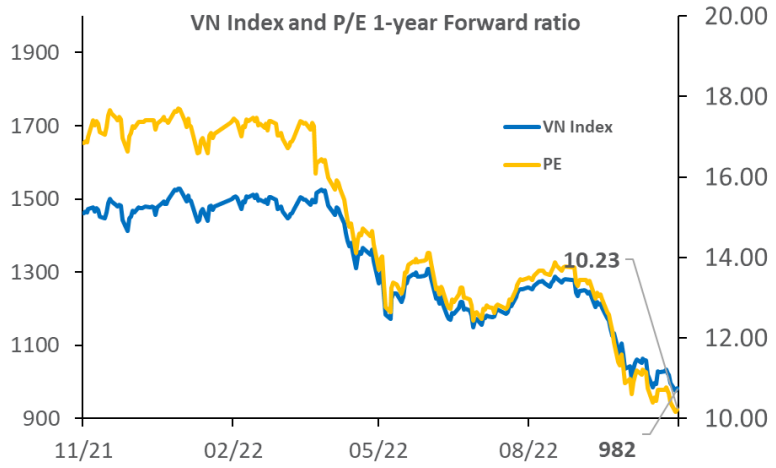
Market

	Close	%1D	%1M	%1Y
VN-Index	982	0.66%	-5.24%	-32.83%
S&P 500 Index	3,828	0.56%	5.18%	-18.58%
Dow Jones Index	33,161	1.02%	13.19%	-8.98%
GP 100	7,306	0.08%	4.51%	0.44%
Nikkei 225	27,892	0.07%	2.86%	-4.76%
SHCOMP Index	3,064	-0.43%	1.33%	-12.62%
STOXX 600	422	0.78%	7.64%	-12.66%
KOSPI Index	2,416	0.72%	8.21%	-18.44%
Hang Seng	16,557	-0.23%	-6.67%	-33.27%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	109.64	-0.44%	-2.80%	16.57%
USD/VND	24,853.00	0.04%	-3.93%	-8.83%
EUR/USD	1.01	-0.03%	3.80%	-13.13%
USD/CNY	7.23	0.00%	-1.05%	-11.59%
Brent	95.36	-2.61%	-2.61%	14.30%
WTI	88.79	-0.13%	-4.16%	5.51%
Natural gas	6.32	3.00%	-6.31%	26.97%
Coal	339.00	-1.71%	-12.13%	107.98%
Gold	1,711.18	-0.07%	2.55%	-6.59%

Vietnam Market Snapshot 08/11/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	981.65	10.23	6.46	0.66	660	10,373
HNX INDEX	199.77	12.69	1.21	0.61	56	840

Money flow and sector rotation (VND bn)

Sector	%1D	11/8/2022	11/7/2022	20-session Average
Media	53.15	2	1	1
Health Care	46.66	17	12	15
Real Estate	43.67	1,389	967	1,474
Utilities	15.43	205	177	186
Basic Resources	10.53	908	822	879
Construction & Materials	3.47	468	452	475
Banks	1.75	2,065	2,029	1,860
Travel & Leisure	-6.9	38	41	39
Insurance	-8.1	54	58	60
Industrial Goods & Services	-8.9	363	399	424
Oil & Gas	-15.1	98	115	198
Personal & Household Goods	-17.1	77	92	128
Food and Beverage	-18.9	667	823	740
Automobiles & Parts	-19.8	73	92	78
Retail	-22.1	343	440	433
Chemicals	-26.0	375	507	645
Financial Services	-26.1	835	1,131	1,035
Technology	-40.9	82	139	99

Breaking News

Macro

Positive

- Ho Chi Minh City Real Estate Association (HOREA) proposed the Government and State Bank to consider extending the ceiling (room) of credit by 1-2% to have more credit capital of about 100-200 thousand billion VND to support the economy in the peak period at the end of the year.
- Within the framework of the Global CSR & ESG Conference 2022 taking place in Hanoi from November 3 to 4, Vietnam Dairy Products Joint Stock Company is a Vietnamese enterprise honored in two major categories including the award "CSR and ESG Leading Enterprise" " – (Golden Rank) and "Typical CSR Enterprise of Vietnam" (Platinum Rank).

  Contributing to the theme "Beyond Net Zero & ESG" of the Conference, Vinamilk brought a presentation about the Vinamilk Green Farm Ecological Farm model and the roadmap to build a sustainable dairy industry.

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.



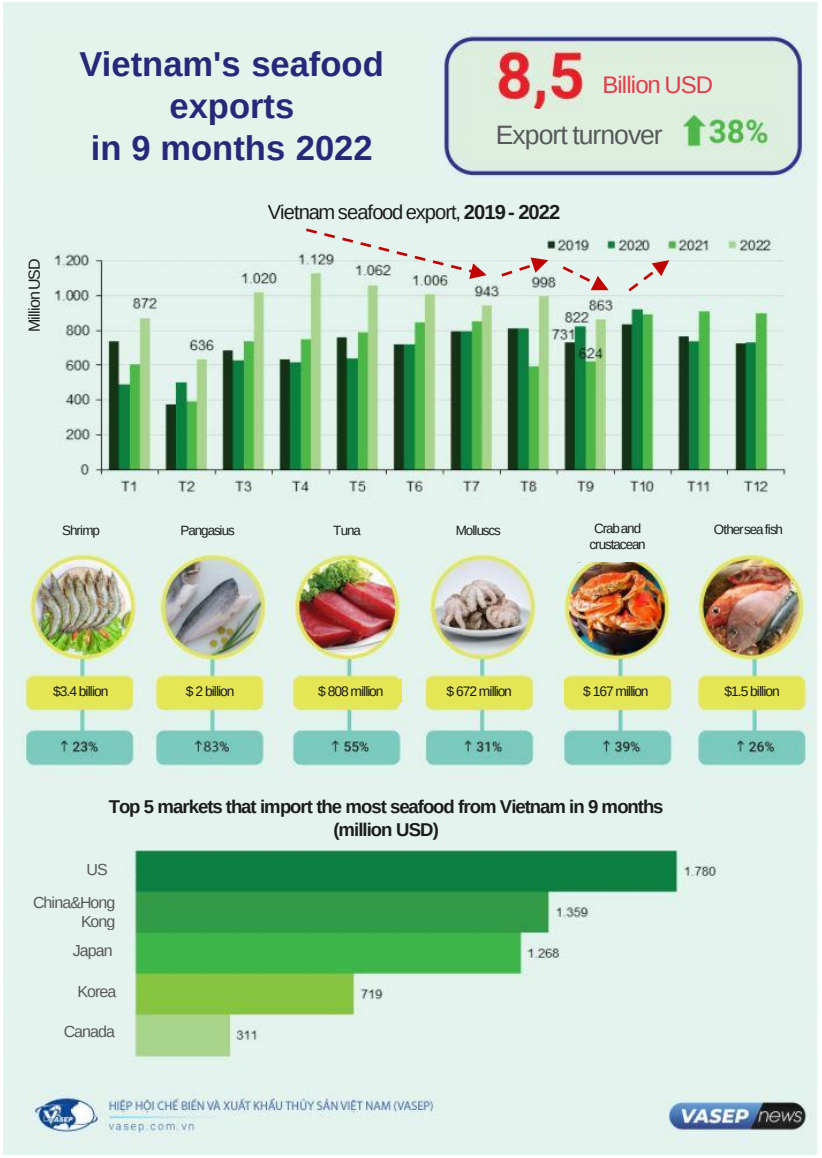
Business news

- HPG, Hoa Phat Group have just announced to their supply partners about the shutdown of 4 blast furnaces, including 2 blast furnaces in Hoa Phat Dung Quat and 2 blast furnaces in Hoa Phat Hai Duong from November 2022.

  Besides, in October 2022, Hoa Phat Group achieved crude steel output of 567,000 tons, down 19% over the same period. Sales volume of construction steel, billet and hot rolled coil (HRC) reached 492,000 tons, down 42% over the same period in 2021.
- POW, On November 2, 2022, the Department of Planning and Investment of Quang Ninh province officially granted the Business Registration Certificate to Quang Ninh LNG Power Joint Stock Company, referred to as QN LNG Power. The project started at the end of October 2021. This is the first power project using imported liquefied natural gas (LNG) in the North, with a capacity of up to 1,500MW, investment cost of over VND 47,000 billion (~ USD 2 billion).
- BVH, Net insurance revenue increased by 12%, reaching nearly VND 10,048 billion. However, the cost of insurance business continued to be a burden with more than VND 10,030 billion, up 15% - higher than the increase in net revenue, causing gross profit to decrease by 93% over the same period, just over VND 18 billion. In particular, financial activities recorded a financial investment profit of more than VND 2,041 billion, up 11%. Subtracting expenses, BVH's 3rd quarter net profit decreased 14% y/y, to more than VND 384 billion. Accumulated in the first 9 months of the year, BVH achieved more than VND 492 billion in gross profit from insurance business, down 20% over the same period; while financial investment returns are almost flat. As a result, BVH's net profit dropped 13% to VND 1,187 billion.
- KBC, Kinh Bac were approved to expand by 90 hectares in Quang Chau Industrial Park with an investment of nearly VND 1,000 billion, and Foxconn signed a lease of more than 50 hectares.

- 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.

Seafood exports are expected to recover in October



- In September 2022, seafood exports reached nearly US$863 million, up 38% over the same period in 2021. However, this figure was 14% lower than the previous August. By the end of the third quarter of 2022, Vietnam's seafood export has surpassed the USD 8.5 billion mark, up 38% over the same period last year. The US and China continue to be the two leading markets.
- Seafood exports quickly regained momentum in October. According to customs statistics, by the end of October 2022, the country's seafood exports are estimated to bring in US$9.5 billion, up 34% over the same period last year. The Vietnam Association of Seafood Exporters and Producers (VASEP) forecasts that with the above results, by November 2022, export sales will reach 10 billion USD - a record milestone in the history of Vietnam's seafood industry after more than 20 years participating in the world market.
- Currently, Vietnam is the third largest seafood exporting country, just behind China and Norway - two superpowers with a much larger land and water surface area than Vietnam. With the results of 2022, it is estimated that Vietnam's seafood exports will account for over 7% market share in the world market.

➢ *In general, seafood exports decelerated in September but recovered well in October, opening expectations for positive results for the last quarter of the year.*

Seafood export in 10 months (million USD)

Product	October (estimate)	In 10 months (estimate)	Growth (%)
Shrimp	389,548	3.788,068	18,8
Pangasius	218,737	2.187,395	80,3
Tuna	80,567	888,212	49,6
Other fish	189,624	1.705,082	25,7
Squid, octopus	68,974	625,589	32,0
Krill with shells	14,972	125,105	9,3
Other mollusks	340	5,250	-18,7
Crabs and crustaceans	19,262	185,910	32,2
Total	**982,022**	**9.510,611**	**34,2**

- By October 2022, shrimp exports reached nearly $3.8 billion, up 19%. Shrimp exports in 2022 are expected to reach over $4.4 billion, up 14% compared to 2021. The main export shrimp products are vannamei shrimp, accounting for 75% with over $3.2 billion, black tiger shrimp accounting for about 13% with nearly 1.5 billion USD.
- Pangasius exports by the end of October 2022 reached nearly $2.2 billion, an increase of 80% over the same period in 2021. It is expected that in 2022, pangasius exports will reach over $2.5 billion, up 58% compared to 2021.

Technical view



VNI	↑ 981.65 (6.46 0.66%)	HNX	↑ 199.77 (1.21 0.61%)	UPCOM	↑ 72.28 (0.03 0.04%)	VN30	↑ 980.09 (7.24 0.74%)
660,722,948 CP	10,373.75 Tỷ	56,960,592 CP	840.47 Tỷ	21,376,331 CP	301.56 Tỷ	231,037,800 CP	4,923.44 Tỷ
↑ 209(7)	— 69 ↓ 232(39) Hết giờ GD	↑ 71(7)	— 169 ↓ 96(20) Hết giờ GD	↑ 112(14)	— 490 ↓ 151(13) Hết giờ GD	↑ 23(1)	— 0 ↓ 7(2) Hết giờ GD

Trend: Find balance

- Many industry groups regained the green color today when investor sentiment was more stable and re-evaluated the impact of information on internal business. The main negative is still dominated by the real estate group, along with other related groups such as construction and materials. However, with the excessive decline of the stock, it started to stimulate the bottom-fishing cash flow to join again. The index narrowed its drop and closed in green with order match above 20 session average. Technical indicators continue to show positive divergence with the index's downtrend, which signals that the falling momentum has weakened and we can expect a reversal point for a good recovery in the future. The strategy is still in favor of holding with a small proportion and waiting.

Scenarios:

- Positive (50%): 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 (50%): 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 9/11/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VNM	Wait to sell	77.5	85	74	10%	-5%	82.4	RSI hits overbought zone, close to resistance 85
PVS	Watch							Breaking above 20-day MA, volume improves
BID	Watch							Breaking above 20-day MA, volume improves

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
CTG	Hold	23.5	26	22	11%	-6%	23.85	7	1.49%	31/10/2022	
VNM	Hold	77.5	85	74	10%	-5%	82.4	7	6.32%	31/10/2022	Wait
TNG	Sell	16.2	18	15	11%	-7%	14.2	16	-12.35%	18/10/2022	Wait
NTP	Hold	37.4	40	35	7%	-6%	35	16	-6.42%	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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