MORNING CALL

November 11th, 2022

Shinhan Securities

"Double divergence has appeared, is the market close to a selling climax?"

- Global stocks gain after US CPI data
- Domestic stocks dropped sharply, many stocks hit the floor. Starting to have many business leaders and executives register to buy shares
- Double divergence and current context
- Technical view and recommendations #BID, #POW, #NTP
- Economic calendar
- Q&A

[Analysts]

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

Major stock markets prospered

- Dow Jones jumped more than 1,000 points on Thursday, and the S&P 500 and Nasdaq added 3.5% and 4.8%, respectively, after US inflation slowed more than expected in October, raising hopes that the Federal Reserve will become less aggressive on interest rate hikes. European stocks also trade in the green after better-than-expected US CPI data.
- US inflation rate slows more than expected. The US consumer price inflation eased for a fourth month in a row to 7.7% year-on-year in October, the lowest since January and below market expectations of 8%, as prices of energy and food increased at softer rates. The core index, which excludes food and energy, rose 6.3% y/y and 0.3% m/m, well below market expectations of 0.5% m/m, also slowing from September's 40-year high of 6.6%.
- The number of Americans filing new claims for unemployment benefits rose by 7,000 to 225,000 on the week ending November 5th, the highest increase in four weeks and surpassing expectations of 220,000. The result eased perceptions of a tighter labor market.
- The dollar index depreciated by over 1% to below 109 on Thursday, the lowest in eight weeks as markets raised bets on smaller rate increases by the Federal Reserve after the inflation rate slowed more than expected in October
- WTI crude oil trades around $86/barrel on Thursday, recovering weakly on concerns about renewed COVID-19 outbreaks in top oil importer China stoked concerns of potential new lockdowns.

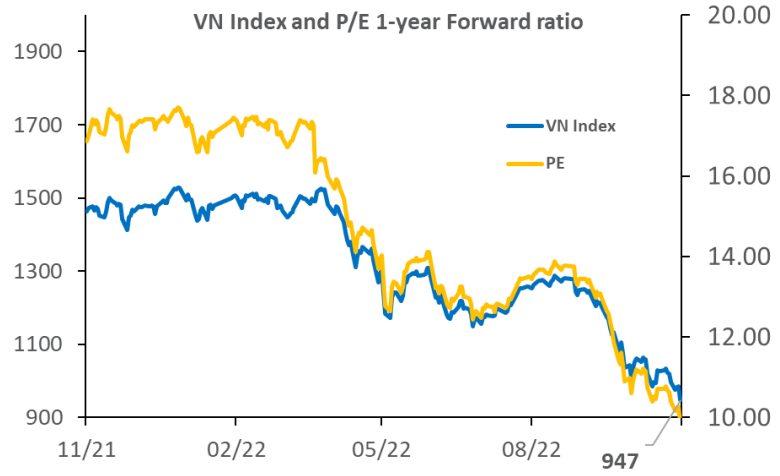
Market

	Close	%1D	%1M	%1Y
VN-Index	947	-3.89%	-5.86%	-35.22%
S&P 500 Index	3,956	5.54%	9.52%	-14.86%
Dow Jones Index	33,715	3.70%	15.45%	-6.55%
GP 100	7,375	1.08%	7.12%	-0.12%
Nikkei 225	28,149	2.56%	6.62%	-3.86%
SHCOMP Index	3,036	-0.39%	1.89%	-14.06%
STOXX 600	432	2.75%	11.33%	-11.00%
KOSPI Index	2,466	2.65%	12.49%	-15.69%
Hang Seng	16,081	-1.70%	-4.46%	-36.31%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	108.21	-2.12%	-4.36%	14.08%
USD/VND	24,867.00	-0.03%	-3.98%	-8.89%
EUR/USD	1.02	-0.28%	4.86%	-11.10%
USD/CNY	7.19	0.76%	-0.43%	-11.10%
Brent	93.67	1.10%	-2.62%	13.35%
WTI	86.39	-0.09%	-3.31%	5.88%
Natural gas	6.14	-1.65%	-6.97%	19.17%
Coal	324.25	-0.15%	-16.11%	112.90%
Gold	1,752.03	-0.19%	5.14%	-5.91%

Vietnam Market Snapshot 10/11/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	947.24	9.88	-38.35	-3.89	684	10,831
HNX INDEX	192.39	12.26	-9.00	-4.47	62	871

Money flow and sector rotation (VND bn)

Sector	%1D	11/10/2022	11/9/2022	20-session Average
Technology	119.94	142	64	100
Industrial Goods & Services	69.40	342	202	417
Chemicals	66.14	624	376	633
Basic Resources	65.06	1,225	742	896
Retail	59.80	383	240	427
Insurance	51.84	89	59	62
Travel & Leisure	43.99	46	32	37
Automobiles & Parts	43.46	94	66	80
Financial Services	36.48	783	573	1,012
Health Care	34.40	21	16	16
Utilities	20.97	243	201	190
Construction & Materials	20.78	344	285	462
Personal & Household Goods	20.67	112	93	125
Banks	19.68	2,567	2,145	1,925
Food and Beverage	11.87	720	643	721
Oil & Gas	6.49	122	114	193
Real Estate	-21.2	1,449	1,840	1,474
Media	-77.4	2	7	1

Breaking News

Macro

Positive

- Prime Minister Pham Minh Chinh has just signed Official Dispatch No. 1076/CD-TTg dated November 10, 2022 requesting ministries, sectors and localities to speed up the disbursement of public investment capital in the last months of 2022 and early 2023.
- Interbank interest rates cooled down, the exchange rate moved sideways. The average overnight interbank rate fell to 5.1% from a high of over 7%.

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.



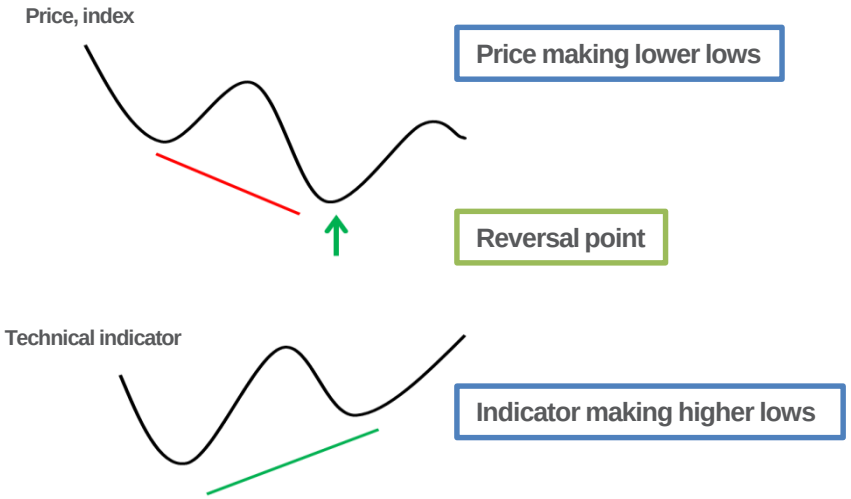
Business news

Many business leaders and executives have registered to buy shares

- KBC, Mr. Dang Thanh Tam, Chairman of the Board of Directors of Kinh Bac Urban Development Corporation has just registered to buy 50 million shares to increase ownership. The expected trading time is from November 15 to December 14 in the form of order matching or agreement.
- HAH, Hai Ha Investment and Transport Joint Stock Company is a company led by Mr. Vu Ngoc Son as Chairman of the Board of Directors cum General Director, registered to buy 1 million shares of HAH from 11/11 to 8/12 by agreement method or order matching to increase investment.
- CII, Ms. Pham Thi Thuy Hang, wife of Mr. Le Quoc Binh, Chairman of the Board of Directors of Ho Chi Minh City Technical Infrastructure Investment JSC. HCM, register to buy 2 million CII shares. The transaction is expected to be carried out from November 15 to December 14.
- PC1, Mr. Trinh Van Tuan, Chairman of the Board of Directors of PC1 Group Joint Stock Company, registered to buy 1 million shares to increase his ownership rate in the company. The transaction is expected to be carried out from November 15 to November 28.
- HDB, Two leaders of Ho Chi Minh City Development Commercial Joint Stock Bank. In Ho Chi Minh City (HDBank), Mr. Nguyen Huu Dang - Vice Chairman of the Board of Directors and Mr. Dao Duy Tuong - Head of the Supervisory Board registered to buy 500,000 shares each, expected to trade from November 15, 2022.
- MWG, Mr. Nguyen Duc Tai, Chairman of the Board of Directors of Mobile World Investment JSC, registered to buy 1 million MWG shares in order to increase the ownership rate. The transaction is expected to take place from November 14 to December 13.

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

Double divergence indicator





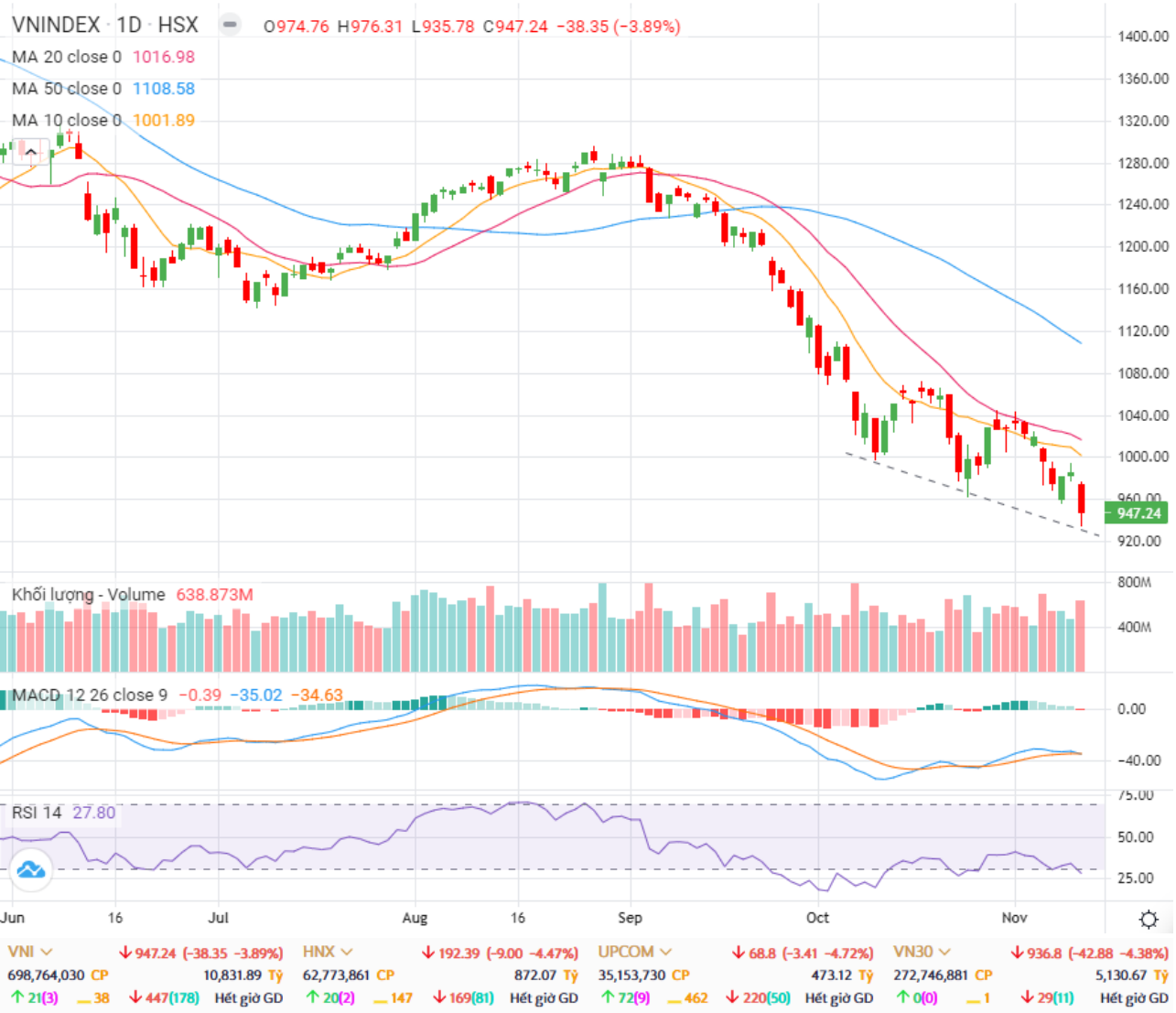
Overview

- Double divergence are divergences that often occur consecutively. In a trend, when price makes higher peaks/lower bottoms, but the indicator makes lower peaks/higher bottoms, a double divergence occurs.
- Here we consider a downtrend, when the index or price makes lower bottoms while the technical indicator makes higher bottoms, implying a divergence signal appears and signals a future reversal point.
- A double divergence is a reliable type of technical signal because it rarely occurs and forms over a long period of time, indicating a confirmed decline in price momentum.

Current context

- Currently, it can be seen that the downtrend of the VN-Index is creating a strong divergence with the technical indicators. Although the index made lower bottoms during the drop, technical indicators like MACD, RSI made higher bottoms. This is sending a signal that the downtrend may have weakened and is close to reaching the selling climax, when the last session 10/11 many stocks hit the floor with high order matching. This is a sign that a reversal point can be expected in the future.

Technical view



VNI	947.24 (-38.35 -3.89%)		HNX	192.39 (-9.00 -4.47%)		UPCOM	68.8 (-3.41 -4.72%)		VN30	936.8 (-42.88 -4.38%)	
698,764,030 CP		10,831.89 Tỷ	62,773,861 CP		872.07 Tỷ	35,153,730 CP		473.12 Tỷ	272,746,881 CP		5,130.67 Tỷ
21(3)	38	447(178) Hết giờ GD	20(2)	147	169(81) Hết giờ GD	72(9)	462	220(50) Hết giờ GD	0(0)	1	29(11) Hết giờ GD

Trend: Selling Climax ?

- Selling pressure continued to dominate in today's session and pushed the index to close in red, many stocks fell to the floor. Pessimism once again enveloped the market and the demand was not strong enough to make the index recover. However, order matching was still at a high level above 20 session average, accompanied by a small wick candle signal when the index approached 940 point. This shows that even though the demand was weak, it still reacted quite well at this support level, helping the index narrow part of the drop in the session. Technical indicators are still diverging positively with the index's downtrend. Therefore, there is still hope that the market is nearing the oversold level and the 940 level will not be penetrated. However, the strategy is still cautious, waiting for more real confirmation of the reversal signal.

Scenarios:

- Positive (60%): The index kept the threshold of 940 points, corresponding to the lower edge of the short-term downtrend channel, and created a recovery pace to the upper edge, corresponding to the threshold of 1,020 points.
- Less positive (40%): The index continued to drop and lost the threshold of 940 points. At this time, the risk increases and the falling momentum can find the psychological level of 900 points and lower than the threshold of 880 points.

Recommended stocks

Updated date **11/11/2022**

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
BID	Buy	34	38	32	12%	-6%	34.7	Successfully tested 10-day MA, volume improved
POW	Buy	10	11	9.5	10%	-5%	10.25	Successfully retested weekly support around price 10, volume improved
VHC	Watch							Maintain above MA10, MA20 days
VNM	Watch							Waiting to test MA20 day around price 78

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%	22.75	9	-3.19%	31/10/2022	Wait
NTP	Sell	37.4	40	35	7%	-6%	31.5	18	-15.78%	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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