MORNING CALL

November 15th, 2022

"Uncertainty, margin call pressure is still a question mark for the market"

- Global stocks struggled
- Domestic stocks continued to be under selling pressure at the beginning of the week
- Many securities companies have raised lending rates and lowered stock margin ratios
- Technical view and recommendations
- 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 14-18/11/2022

Major stock markets struggled

- The Dow Jones traded around a reference on Monday, the S&P 500 and Nasdaq fell 0.4% and 1% respectively as investors temporarily dismissed the excitement over expectations of a slower rate hike of the Fed to await a series of earnings announcements from major retailers this week. European stocks are still trading in the green, but gains have stalled to keep an eye on new economic data.
- Industrial production in the Euro Area advanced 0.9 percent from a month earlier in September 2022, following an upwardly revised 2.0 percent growth in August and easily beating market expectations of 0.3 percent.
- On November 11, the Central Bank of China (PBoC) and the China Banking and Insurance Regulatory Commission (CBIRC) sent a joint notice to financial institutions, outlining a plan to ensure "stable and healthy development" of the real estate sector, according to Bloomberg. Accordingly, China expanded a financial assistance program for private companies including real estate companies to about 250 billion yuan, a move that could help real estate developers sold more bonds and eased the company's liquidity problems. One of the biggest policy changes in the latest announcement is to allow for a "temporary easing of restrictions" on bank lending to real estate companies.
- The price of rebar rose to more than 3,690 CNY/ton, a 7-week high and rebounded sharply from a year-low of 3,464 CNY reached on October 31, along with iron ore containing 63.5% iron for delivery Tianjin was at $93.5/mt, up more than 15% in November amid expectations of easing Covid restrictions along with efforts to support the real estate market.
- WTI crude futures fell more than 3% to below $86 per barrel on Monday, a dramatic reversal from their daily highs of almost $90 per barrel, as a stronger dollar and uncertainty about a China reopening kept investors on edge.

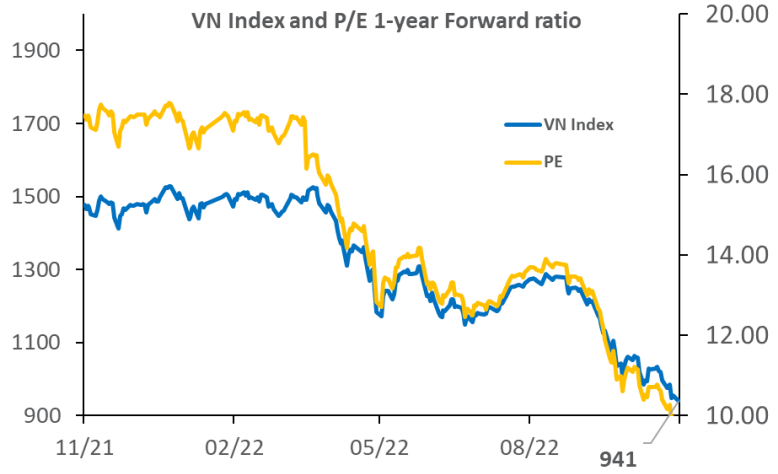
Market

	Close	%1D	%1M	%1Y
VN-Index	941	-1.41%	-11.38%	-36.27%
S&P 500 Index	3,957	-0.89%	10.44%	-15.49%
Dow Jones Index	33,537	-0.63%	13.17%	-7.10%
GP 100	7,385	0.92%	7.67%	0.45%
Nikkei 225	27,965	0.01%	3.23%	-6.08%
SHCOMP Index	3,083	-0.13%	0.37%	-12.73%
STOXX 600	433	0.14%	10.62%	-11.38%
KOSPI Index	2,473	-0.08%	11.76%	-17.56%
Hang Seng	17,620	1.70%	6.22%	-30.61%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.66	0.35%	-5.87%	12.12%
USD/VND	24,798.00	0.09%	-2.75%	-8.67%
EUR/USD	1.03	-0.05%	4.89%	-9.20%
USD/CNY	7.07	0.40%	1.75%	-9.70%
Brent	93.14	-2.97%	1.65%	13.35%
WTI	85.25	-0.72%	-0.42%	5.40%
Natural gas	6.07	2.33%	-5.92%	21.01%
Coal	330.35	1.09%	-15.83%	120.23%
Gold	1,768.49	-0.16%	7.18%	-5.06%

Vietnam Market Snapshot 14/11/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	941.04	9.82	-13.49	-1.41	666	9,448
HNX INDEX	183.45	11.70	-6.36	-3.35	66	762

Money flow and sector rotation (VND bn)

Sector	%1D	11/14/2022	11/11/2022	20-session Average
Travel & Leisure	137.06	64	27	37
Media	118.37	6	3	2
Insurance	48.07	67	45	62
Technology	36.85	126	92	103
Personal & Household Goods	31.48	105	80	122
Utilities	12.42	166	148	182
Health Care	3.60	17	16	16
Food and Beverage	0.63	725	721	715
Automobiles & Parts	-5.3	95	101	80
Basic Resources	-8.8	968	1,062	926
Banks	-13.1	2,156	2,481	1,990
Real Estate	-15.1	1,203	1,417	1,471
Retail	-15.7	300	356	404
Financial Services	-19.9	893	1,116	1,002
Industrial Goods & Services	-24.2	363	479	416
Chemicals	-25.3	365	489	594
Oil & Gas	-40.1	90	150	180
Construction & Materials	-43.7	294	523	454

Breaking News

Macro

Positive

- On the afternoon of November 12, in Phnom Penh, Cambodia, Prime Minister Pham Minh Chinh had a meeting with Singaporean Prime Minister Lee Hsien Loong on the occasion of attending the 40th and 41st ASEAN Summits and other regional summits. related high. Accordingly, the Prime Minister wants Singapore to replicate the VSIP Industrial Park model; at the same time, Singapore businesses integrate 4.0 technology, green and sustainable economy in investment projects in Vietnam in the future.
- At the invitation of Prime Minister Pham Minh Chinh, German Chancellor Olaf Scholz paid an official visit to Vietnam from November 13-14. At the talks, Prime Minister Pham Minh Chinh assessed Prime Minister Olaf Scholz's visit is of great significance, bringing the two countries' relations to a new stage of development, promoting political trust, and promoting a new political framework. The strategic partnership goes into depth, effectively, strengthens cooperation between the two countries both bilaterally and multilaterally towards sustainable development.

Less positive

- On November 12, the Private Economic Development Research Board (Board IV) reported to the Prime Minister a number of major barriers and challenges that directly affect the resilience and sustainable development of enterprises and the economy. According to Board IV, enterprises in almost all industries agree that export and import activities in the second half of the fourth quarter and the beginning of 2023 will face many difficulties compared to the results of the third quarter.
- 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

- In the recent approval of Power Plan VIII, the Ministry of Industry and Trade continues to reduce the proportion of coal power and sharply increase the proportion of renewable energy in the vision to 2050 to meet the orientation of clean development and reduce gas emissions.
- PDR, Phat Dat Real Estate Development Joint Stock Company has just issued a written notice of additional collateral including property ownership (including all shares and land use rights) in the project of Ben Thanh Tourist Area – Long Hai (Tropicana project, Ba Ria Vung Tau) with an area of 126,336.5m2. This move took place in the context of a deep drop in PDR market price, along with the pressure of selling mortgages in the whole market.
- DGC, Duc Giang Chemical is expected to reduce the selling price and export volume of yellow phosphorus due to a sharp drop in electronic demand, and the Nghi Son project is behind schedule. The company is expected to ramp up production and export of LCD (electronic grade phosphoric acid) to Taiwan and South Korea in 2023, offsetting the decrease in P4 exports.
- HAG, In October, the Company operated in the context that the export price of bananas has not increased as high as expected, the pork price is lower than the previous month. As a result, the Company recorded net revenue of VND 467 billion and profit after tax of VND 107 billion in October.

  Accumulated in the first 10 months of the year, the business recorded net revenue of VND 3,650 billion. In which, the livestock industry reached 1,136 billion VND; The fruit industry gained 1,927 billion VND and the supporting industry also brought in 587 billion VND. As a result, HAG's profit after tax was VND 1,001 billion, completing 89% of the plan set out in 2022.

Actions from securities companies

Lower margin lending ratio

In the context of the real estate market with many difficulties causing stocks to fall deeply, securities companies have lowered the margin lending rate with this group, which is appropriate to ensure loan safety. However, lowering the margin will make real estate stocks even more difficult due to the pressure of mortgage release and liquidity loss.

Under downward pressure from real estate stocks, leading to the decline in other stocks and the spreading momentum quickly spread to the whole market. Therefore, creating a domino effect and when the stock price of other sectors plummeted, it also led to a decrease in the loan ratio.

- Securities companies have lowered margin lending rates in many stocks, especially real estate. At the same time, in the last 1-2 months, securities companies have simultaneously adjusted to increase margin interest rates to range from 13-15%/year. The market has now increased significantly compared to the level of 9-11% during the prosperous trading period. This creates more pressure on the market to release mortgages in the context that the cash flow is still unclear.

Raise interest rates on margin lending

Recently, many securities companies have raised their margin lending rates in the context of high bank interest rates.

- From November 1, Securities Joint Stock Company (SSI) has adjusted the new interest rate applied to Margin Trading Service from 11.88%/year to 13.5%/year.
- At the beginning of October, HSC Securities Company also adjusted the lending interest rate on the stock trading account to 14.5%/year; Saigon - Hanoi Securities Company (SHS) increased by 1% the interest rate for margin trading and advance at SHS to 14.5%/year. Rong Viet Securities Company (VDSC) adjusted the normal margin product interest rate to increase from 12.41%/year to 13.5%/year.
- From November 7, VNDIRECT Securities Joint Stock Company adjusted the interest rate for margin lending and selling advance to 13.8% a year.
- Technological and Commercial Securities Joint Stock Company (TCBS) from November 7 also applies a one-year interest rate fee schedule of 14%.
- From November 10, Yuanta Securities Joint Stock Company will also change the margin lending interest rate from 12%/year to 13.5%/year.
- ACB Securities Joint Stock Company (ACBS) has also announced an interest rate adjustment for margin trading product T14 (Margin T14) from November 7, the applicable interest rate will be increased for loans in the first 14 days, from 4.5%/year to 6%/year.



Technical view



Trend: Uncertainty

- The oversold movement at the floor price in NVL and PDR stocks has not ended yet, leading to concerns from other sectors. The signal to sell mortgage appeared at the beginning of the session and quickly spread to many industry groups. Real estate and construction continued to have negative movements, while Export and retail groups also unexpectedly dropped to the floor today, when concerned about the weak demand of the economy and the shortage of orders for customers year-end and next year. Although there were still codes that acted as support, helping the index narrow part of the drop and close above 940 points, however, green color was quite limited and red still covered the market. The risk in the current trend is still high as the unknowns in the cash flow continue to be a big question mark. The right strategy is probably observation.

Scenarios:

- Positive (50%): 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 (50%): 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 **15/11/2022**

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VHC	Watch							Maintain above MA10, MA20 days
VNM	Watch							Good reaction around 20-day MA

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
BID	Hold	35	38	33	9%	-6%	35.9	1	2.57%	14/11/2022	
POW	Hold	10.3	11	9.5	7%	-8%	10.6	2	1.98%	11/11/2022	
CTG	Hold	23.5	26	22	11%	-6%	23.9	11	1.70%	31/10/2022	

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



Compliance Notice

- Analyst Certification: We/I hereby certify the information and material presented in this report are accurate expressions of their views, and that we/I have not received internally or externally wrongful pressure to express such views.
- All opinions and estimates regarding the company and its securities are accurate representations of the covering analyst's judgments as of this date and may differ from actual results.
- This report is intended to provide information to assist investment decisions only and should not be used or considered an offer or the solicitation of an offer to sell or to buy any securities. Stock selection and final investment decisions should be made at the client's own discretion.
- This report is distributed to our clients only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.

Disclaimers

- This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of Shinhan Securities Vietnam Ltd.., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of Shinhan Securities Vietnam Ltd.
- This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. Shinhan Securities Vietnam Ltd. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Shinhan Securities Vietnam Ltd.., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or Shinhan Securities Vietnam Ltd. The final investment decision is based on the client’s judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.
- Copyright ⓒ 2020 Shinhan Securities Vietnam Ltd. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of Shinhan Securities Vietnam Ltd.