MORNING CALL

November 16th, 2022

"The sell-off has not stopped, the threshold of 900 point is challenged"

- Global stocks fell again
- Domestic stocks continue to be under pressure of call margin
- Seafood exports in October suffered a blow in the context of high inflation
- Technical view and recommendations #BID, #CTG, #POW
- 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 fell slightly

- US stocks fell on Tuesday as investors awaited retail sales data that could shed light on how consumers are dealing with high inflation and rising interest rates, while geopolitical concerns follow reported that suspected missile attacks from Russia on Poland. European stocks also traded in a tug-of-war with gains starting to falter.
- The Producer Price Index for final demand (PPI) in the US rose 0.2% month on month in October, matching September's level but below the forecast of 0.4%.
- 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 3,700 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 $97/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 rose above $88 per barrel on Tuesday, rebounding from their daily lows of around $84, as a weaker dollar and general risk appetite offset concerns about weak global demand.

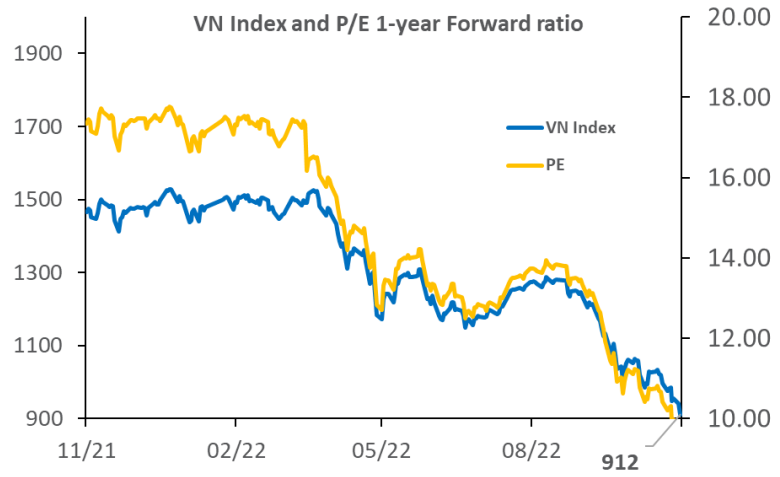
Market

	Close	%1D	%1M	%1Y
VN-Index	912	-3.10%	-14.12%	-37.82%
S&P 500 Index	3,992	0.87%	11.41%	-14.76%
Dow Jones Index	33,593	0.17%	13.36%	-6.91%
GP 100	7,369	-0.21%	7.45%	0.58%
Nikkei 225	27,826	-0.59%	2.71%	-6.65%
SHCOMP Index	3,134	1.64%	2.02%	-11.01%
STOXX 600	434	0.37%	11.02%	-11.21%
KOSPI Index	2,455	-1.03%	10.95%	-18.10%
Hang Seng	18,343	4.11%	10.58%	-28.66%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.40	-0.24%	-6.10%	11.53%
USD/VND	24,809.00	-0.04%	-1.97%	-8.71%
EUR/USD	1.04	0.01%	5.17%	-8.57%
USD/CNY	7.05	0.33%	2.14%	-9.40%
Brent	93.86	0.77%	2.43%	14.39%
WTI	87.20	0.32%	1.86%	7.97%
Natural gas	6.11	1.24%	-5.33%	18.00%
Coal	341.00	3.22%	-13.12%	128.32%
Gold	1,779.29	0.02%	7.83%	-3.85%

Vietnam Market Snapshot 15/11/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	911.90	9.54	-29.14	-3.10	692	9,797
HNX INDEX	175.78	11.21	-7.66	-4.18	62	682

Money flow and sector rotation (VND bn)

Sector	%1D	11/15/2022	11/14/2022	20-session Average
Insurance	80.83	121	67	65
Technology	74.96	220	126	110
Utilities	71.86	286	166	187
Personal & Household Goods	29.32	136	105	121
Banks	13.17	2,440	2,156	2,047
Industrial Goods & Services	13.04	410	363	413
Health Care	5.54	17	17	17
Financial Services	-6.9	832	893	987
Real Estate	-9.2	1,092	1,203	1,438
Food and Beverage	-11.9	639	725	701
Travel & Leisure	-13.1	56	64	37
Basic Resources	-25.0	727	968	923
Automobiles & Parts	-28.0	69	95	79
Construction & Materials	-30.4	205	294	434
Media	-36.1	4	6	2
Retail	-42.9	171	300	394
Chemicals	-51.1	179	365	565
Oil & Gas	-51.8	43	90	171

Breaking News

Macro

Positive

- 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.

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.

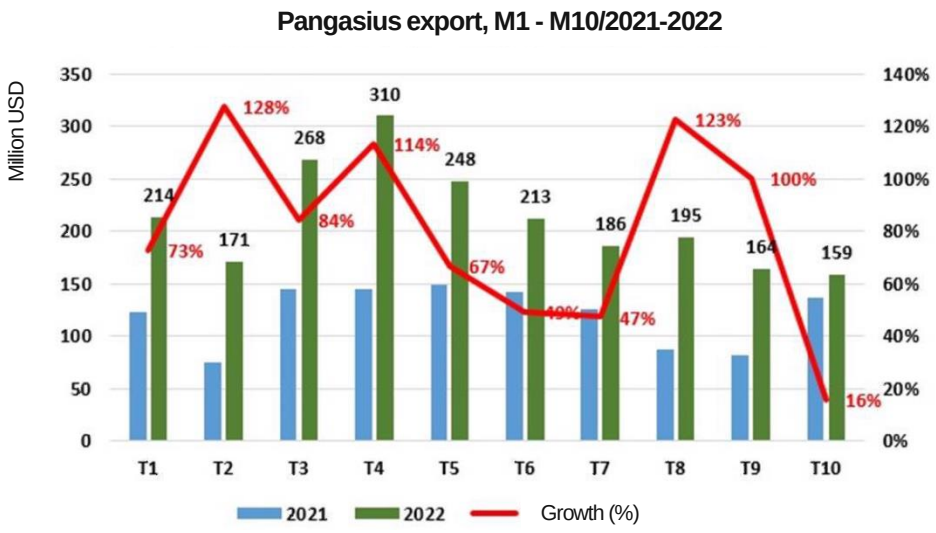
Business news

- 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.

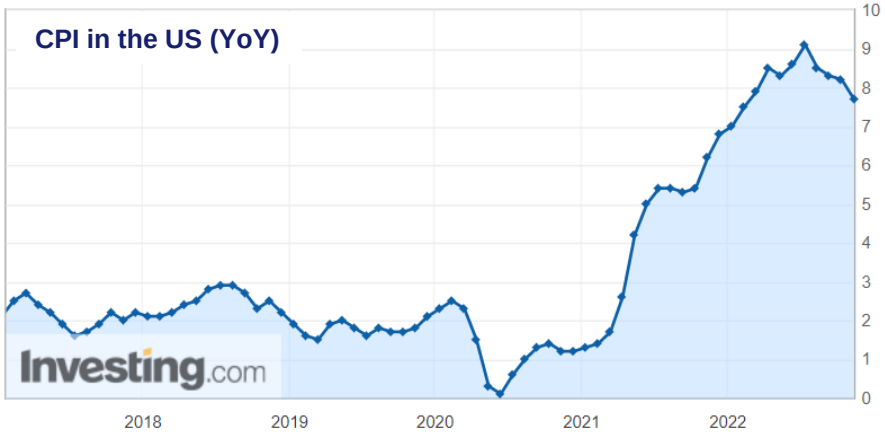
  Accumulated in the first 10 months of the year, the business recorded net revenue of VND 3,650 billion. In which, the livestock industry reached 1,136 billion VND; The fruit industry gained 1,927 billion VND and the supporting industry also brought in 587 billion VND. As a result, HAG's profit after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



Seafood exports decline amid inflation



Source: Vasep



Pangasius exports in October fell to the lowest level of the year

- Although still up 16% over the same period, the result of USD 159 million in pangasius export turnover in October is the lowest level since the beginning of 2022 until now. The export growth rate over the same period last year was also the lowest in the months. Accumulated to the end of October, Vietnam pangasius exports reached 2.1 billion USD, up 75% over the same period last year.
- Pangasius exports to the US in October fell by nearly 25% to $32 million..
- Pangasius exports to main markets in the EU have different trends in October 2022. While exports to Belgium decreased by 25%, exports to Germany increased sharply by 384%, to the Netherlands still kept a slight growth of 10%, to Spain increased by 142%
- In October, exports to small markets that are considered potential in recent years such as Mexico, Malaysia, Colombia, Saudi Arabia... all decreased by 13-53% over the same period last year.
- In the picture of pangasius exports tending to decline in markets in October, there is still hope for the main market of China and Honkong. In this month, pangasius exports to China still increased by 23% and to Hong Kong increased by 123%. By the end of October, China is still the number 1 market for Vietnamese pangasius.

➢ There have been signs that the market is no longer as positive as in the first half of the year. Inflation causes demand to decrease month by month, especially in the US, EU, UK markets, even in markets that have a tariff advantage or geographical advantage.

Seafood exports decline amid inflation



Source: Vasep



Shrimp exports fell deeply in October

- Since the third quarter, shrimp exports have slowed down and gradually decreased in growth over the same period last year as well as in the previous months. Shrimp exports fell 26% in October and only earned USD 313 million, the lowest level since the beginning of this year (except in February with the Lunar New Year holiday). Accumulated to the end of October, the shrimp export industry recorded sales of over $3.7 billion, up 16% over the same period last year.
- In October, the main markets all experienced a sharp decline in shrimp imports from Vietnam. Shrimp exports to the US decreased by 56% to over US$52 million, to Japan decreased by 19%, to Korea decreased by 26%, to the UK and EU countries fell deeply from 55% to 88% over the same period. Particularly, exports to China and Hong Kong still maintained growth of 18% and 14% respectively compared to October 2021.
- In 10 months, shrimp exports to the US decreased by 19%, but still the market accounted for the largest proportion. Besides the US, shrimp exports to Italy by the end of October also decreased by 18%, to the UK by 6%. Economic and political instability and the upward trend in commodity prices, especially energy prices, have had a heavy impact on the Italian and British markets this year, causing imports of most goods to decrease. However, there are still markets where shrimp exports still maintain positive growth, of which to China increased by 70%, to Australia by 50%, to Canada by 38%, to South Korea by 31%.

➢ At the end of the year, it is difficult for shrimp exports to keep growing as in previous months because the demand in the market is decreasing, raw materials are difficult and production costs are still high, while businesses and farmers lack capital to rotation of investment in production - processing for export.

Technical view



Trend: Uncertainty

- The wave of call margin is creating a domino effect in the market and the pessimism continues to engulf the market in the red. Stock groups that have been strong in recent times such as banks and retail also suddenly dropped to the floor yesterday. Although there was still support from pillars like Vingroup (VIC, VHM, VRE), MSN helped the index narrow part of the drop in the session, but the green color seemed quite limited. The short-term descending channel was penetrated today, pushing the trading risk to a higher level. The right strategy would probably continue to stay out of sight. The unknown in the cash flow is still unsolved and the market needs time to stabilize.

Scenarios:

- Positive (40%): 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 (60%): 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 **16/11/2022**

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%	33.4	2	-4.57%	14/11/2022	
POW	Hold	10	11	9.5	10%	-5%	9.6	3	-4.00%	11/11/2022	
CTG	Hold	23.5	26	22	11%	-6%	23.4	12	-0.43%	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

Shinhan Securities



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