MORNING CALL

November 18th, 2022

“Still need time for the market to consolidate, trading is inclined to struggle”

- Global stocks decline
- Domestic stocks continue the rally but close to resistance
- A look back at 16 key points of China's comprehensive real estate rescue package #Steel
- Technical view and recommendations # HPG #VNM
- Economic calendar
- Q&A

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Global Market Review - Week 14-18/11/2022

Major stock markets fell slightly

- US stocks dropped slightly, trading started to struggle, as investors digested more earnings reports, while weighing hawkish remarks from the Federal Reserve. Bath & Body Works skyrocketed over 20% after the retailer beat Wall Street forecasts for revenue, while Macy's jumped more than 10% after beating estimates and raising its full-year earnings guidance. European equity markets closed mostly lower on Thursday, with the benchmark Stoxx 600 down 0.5% to a one-week low, led by a nearly 2% loss in mining stocks
- Housing starts in the US declined 4.2% month-over-month to a seasonally adjusted annualized rate of 1.425 million in October of 2022, after falling by a downwardly revised 1.3% in September, and compared to market forecasts of 1.41 million.
- The annual inflation rate in Japan climbed to 3.7% in October 2022 from 3.0% a month earlier. This was the highest print since January 1991, amid high prices of food and raw materials as well as persistent yen weakness. Core consumer prices increased by 3.6% yoy, the most since February 1982, higher than forecasts of 3.5% and above the Bank of Japan's 2% target for the seventh straight month.
- WTI crude futures tumbled 4% to around $82 per barrel on Thursday, extending losses from the previous session as a weakening demand outlook retook the center stage.

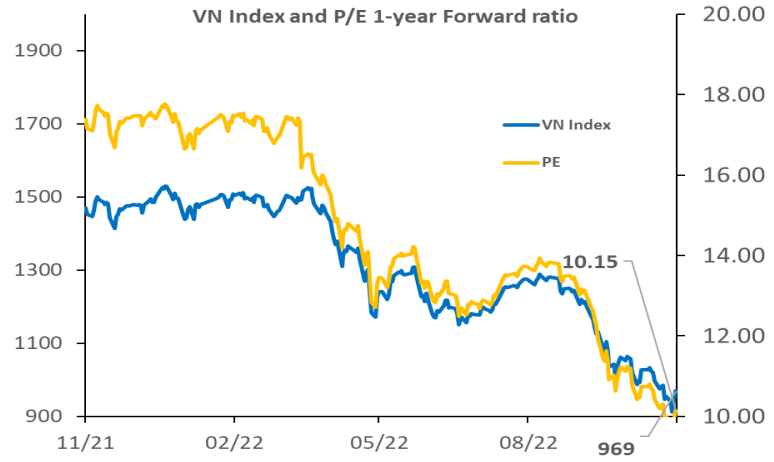
Market

	Close	%1D	%1M	%1Y
VN-Index	969	2.80%	-8.88%	-34.06%
S&P 500 Index	3,947	-0.31%	7.30%	-15.83%
Dow Jones Index	33,546	-0.02%	11.13%	-6.64%
GP 100	7,347	-0.06%	5.91%	1.25%
Nikkei 225	27,993	0.22%	3.08%	-5.43%
SHCOMP Index	3,115	-0.15%	1.12%	-11.51%
STOXX 600	428	-0.42%	7.14%	-12.16%
KOSPI Index	2,462	0.77%	9.41%	-16.48%
Hang Seng	18,046	-1.15%	6.69%	-28.73%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.69	0.39%	-4.77%	11.34%
USD/VND	24,815.00	-0.10%	-1.99%	-8.73%
EUR/USD	1.04	0.06%	5.17%	-8.82%
USD/CNY	7.16	-0.83%	0.54%	-10.89%
Brent	89.78	-3.32%	-2.01%	11.83%
WTI	82.05	0.50%	-0.93%	3.85%
Natural gas	6.35	-0.28%	10.55%	29.56%
Coal	334.60	0.62%	-14.68%	122.84%
Gold	1,762.17	0.10%	6.65%	-5.21%

Vietnam Market Snapshot 17/11/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	942.90	9.86	31.00	3.40	1,046	14,373
HNX INDEX	183.45	11.71	7.66	4.36	121	1,321

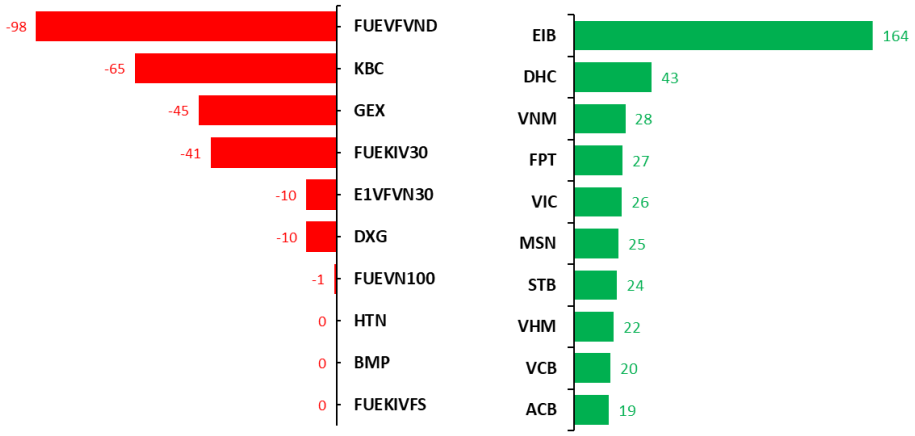
Money flow and sector rotation (VND bn)

Sector	%1D	11/17/2022	11/16/2022	20-session Average
Banks	4.38	3,138	3,007	2,230
Basic Resources	-2.7	642	659	922
Media	-3.7	1	1	2
Real Estate	-15.8	1,708	2,030	1,514
Personal & Household Goods	-29.0	92	129	119
Travel & Leisure	-29.2	44	62	39
Financial Services	-30.3	949	1,361	1,034
Industrial Goods & Services	-32.0	338	497	416
Utilities	-32.2	155	228	190
Food and Beverage	-32.5	656	972	718
Health Care	-33.8	18	27	18
Automobiles & Parts	-34.8	77	117	82
Technology	-46.5	125	233	115
Retail	-56.2	301	688	413
Insurance	-60.2	44	110	68
Construction & Materials	-60.3	247	622	436
Oil & Gas	-60.5	108	273	171
Chemicals	-65.4	401	1,159	583

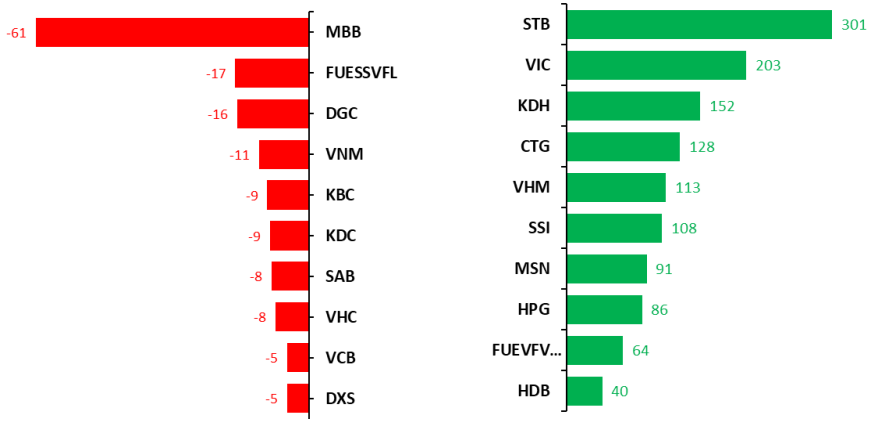
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 17/11/2022

Top buying & selling of proprietary trading (VND billion)



Top buying & selling foreign investors (VND billion)



The trading value of proprietary and investors by sector (VND billion)

Sub-sector	Proprietary (VND bn)	Foreign (VND bn)	Local Individual (VND bn)	Local Institutions (VND bn)
Real Estate	(1)	562	(340)	100
Basic Resources	47	90	(254)	62
Media	(0)	0	(0)	(0)
Industrial Goods & Services	(31)	16	(400)	(163)
Health care	(0)	3	(105)	(0)
Chemicals	5	14	(69)	17
Financial Services	(83)	228	(23)	(60)
Travel & Leisure	13	22	(19)	14
Banks	305	429	(154)	352
Construction & Materials	(0)	(4)	(300)	(0)
Food and Beverage	58	58	111	60
Retail	18	18	(161)	34
Utilities	8	49	(27)	8
Personal & Household Goods	12	1	(53)	31
Technology	27	6	(182)	32
Automobiles & Parts	(0)	0	(2)	(2)
Insurance	4	3	(0)	4
Oil & Gas	1	11	(0)	1

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- The Ministry of Industry and Trade directs the main traders of petrol and oil to supply enough gasoline for the domestic market, ensuring that there is no shortage of petrol and oil.
- The Ministry of Industry and Trade submits to the Government for approval the Power Plan 8, with the average electricity price expected to gradually increase from 7.9 UScent/kWh in 2020 to 8.1-9 UScent/kWh in 2030. Orientation to 2050 average electricity is about 10.2-10.5 UScent/kWh.

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

- VIC, According to Bloomberg news, electric car company VinFast is considering an initial public offering (IPO) in the US in January 2023 at the earliest. Bloomberg's unnamed source shows that the brand can raise at least $ 1 billion from this IPO, but the specific situation will depend on interest rates.
- CTD, In the face of false rumors related to the operation of the business, Coteccons Construction Joint Stock Company has officially responded to shareholders about the business situation, as well as receivables related to the owner from Van Thinh Phat. Specifically, Coteccons affirmed that the construction projects that the company is constructing are not related to real estate investors as some rumors. For projects completed from 2020 and earlier related to investor Van Thinh Phat, the company has made provision. In addition, about the bond portfolio, 100% of the company's bond portfolio is a bond with collateral and a commitment to buy back from a reputable organization.
- PLX, Vietnam National Oil and Gas Group, Petrolimex has just published the document of the 2022 Extraordinary General Meeting of Shareholders, which mentions the changes in the business plan for 2022 and the following years. In the context of unusual fluctuations in world oil supply and prices at the end of the year, affecting costs and profits, the Group's plan for the whole year at the 2022 General Meeting of Shareholders is difficult to implement. Therefore, the Group plans to submit to the General Meeting of Shareholders to approve the adjustment of the business plan in 2022, specifically increasing consolidated revenue to VND 240 trillion, an increase of 29% compared to the plan, reducing pre-tax profit to VND 300 billion. VND (before 3,060 billion), equivalent to 90% lower than the plan

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16 trọng điểm của gói giải cứu BĐS Trung Quốc

On November 11, the People's Bank of China asked financial institutions to take measures to ensure the stable and healthy development of the real estate market. These initiatives revolve around addressing the liquidity crisis real estate developers are facing as well as loosening restrictions on banks' real estate credit. The move also marks an all-out effort by the Chinese government to rescue the property market.

Here are the key points of the real estate rescue policy package

1) Real Estate Development Loans for Real Estate Developers

Financial institutions should treat public or private property developers equally.

2) Conditions for buying a house for individuals

Optimal support of regulations for the first home purchase of residents in new cities

3) Construction companies

Construction companies need to ensure "continuous and stable" funding.

4) Loan extension of real estate developers

Unpaid bank loans and loans from real estate developer trusts maturing within the next six months can be extended for an additional year.

5) Bonds

Support good quality real estate developers to issue bonds. The developer's bond repayment can also be extended or swapped through negotiation.

6) Funding from trust funds

7) Special loans to complete unfinished projects

China Development Bank and National Agricultural and Rural Development Bank need to provide special loans in an efficient and orderly manner to ensure real estate projects are completed and handed over.

8) Additional support to ensure completion of residential project

9) Acquisition of real estate project

10) Market rules-based approaches including bankruptcy and restructuring

11) Homebuyer's mortgage

Banks are encouraged to negotiate with homebuyers about extending mortgage payments if their property sales contract is changed or cancelled, or if they are unemployed due to Covid.

12) Mortgage repayment

13) Loosening major restrictions on real estate lending by banks

Bank lending restrictions on property developers may be eased "temporarily"

14) Raise capital to buy back

15) Loans for rental properties

16) Diversify fundraising for rental properties

Banks may issue bonds specifically for the construction of rental properties; speeding up testing of real estate investment trust (REIT) model

Source: Reuters

Market reaction







- 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 $99/mt, up more than 15% in November amid expectations of easing Covid restrictions along with efforts to support the real estate market.
- Stock indexes such as Hang Seng and Shanghai also simultaneously bottomed and went up in early November, showing that the market reacted quite positively to the new move from the rescue of the real estate market.

Technical view



Trend: Continued rebound

- The market continued the rebound in today's session, most of the sectors traded in the green. It seems that yesterday's reversal point (November 16) with bullish engulfing candlestick pattern has been confirmed. Order matching remained above the 20-session average, showing a good money flow. The optimistic signal from Steel group along with the rise of Vingroup ((VIC, VHM, VRE) created momentum for the market and boosted the index's rally. The spillover quickly spread to other industry groups. However, the excitement should still be limited when the index is entering the resistance area near 1000 points, corresponding to the 20-day MA, and also the psychological level that has been penetrated recently. The next sessions are likely to be shaken, need to be patient in the current context.

Scenarios:

- Positive (60%): The index is balanced around the threshold of 950 points, corresponding to the 10-day MA showing a good reaction, and creating a recovery pace around the threshold of 1,000 points, better than the threshold of 1,050 points.
- Less positive (40%): The index dropped to 940 points. At this time, the falling momentum may return to retest the old bottom around 900 points and lower at 880 points.

Recommended stocks

Updated date **18/11/2022**

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VNM	Watch							Good reaction around MA20 week
HPG	Watch							Breaking above the 10-day MA with high volume, the story of China's real estate rescue

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%	35.7	4	2.00%	14/11/2022	
POW	Hold	10	11	9.5	10%	-5%	10.1	5	1.00%	11/11/2022	
CTG	Sell	23.5	26	22	11%	-6%	25.7	14	9.36%	31/10/2022	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

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Q&A

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