MORNING CALL

November 24th, 2022

Shinhan Securities

"Expecting a healthy correction will help the index consolidate the recovery momentum"

- Global stocks continue in green after better-than-expected PMI estimate
- Domestic stocks dropped, profit-taking pressure continued to put pressure on
- Deposits flowing to banks increased again #Bank
- Technical view and recommendations #BID
- Economic calendar
- Q&A

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Global Market Review - Week 21-25/11/2022

Major stock markets continue to be in green

- Dow Jones closed more than 100 points up on Wednesday, and the S&P 500 and the Nasdaq were up 0.6% and 1%, respectively, after minutes from the last Federal Reserve meeting showed officials see the case for a slower pace of interest rate rises. European stocks closed slightly higher on Wednesday, as investors cheered better-than-expected PMI data showing the Eurozone.
- The S&P Global Eurozone Composite PMI rose to 47.8 in November 2022 from October's 47.3 and above market expectations of 47, a preliminary estimate showed. The S&P Global Flash Germany Manufacturing PMI increased to 46.7 in November of 2022 from 45.1 in October, beating market forecasts of 45. The S&P Global France Composite PMI fell to 48.8 in November of 2022 from 50.2 in October, below market expectations of 49.5, a flash estimate showed.
- The S&P Global/CIPS UK Manufacturing PMI stood at 46.2 in November 2022, unchanged from the previous month, while analysts expected it to drop further to 45.8, a preliminary estimate showed.
- A substantial majority of Fed officials judged that it would be soon appropriate to slow the pace of the Fed funds rate hikes, as they evaluate the impact policy is having on the economy, minutes from the November FOMC meeting showed. Still, "various" policymakers viewed the peak rate as higher than before.
- WTI crude futures plunged almost 5% to below $77 per barrel, closing in on its lowest level since January, as investors mulled persistent demand concerns while following developments regarding G7's price cap on Russian oil. A deteriorating outlook for global demand has been keeping markets on edge, with advanced economies, mainly the US and Europe, seeing a drop in economic activity due to tightening financial conditions and top crude importer China's facing the possibility of tighter coronavirus-induced restrictions amid rising infections. At the same time, the G7 looked at a price cap on Putin's oil above where the crude grade is currently trading, making it profitable for Russia to sell its crude and preventing a supply shortage on the international market.

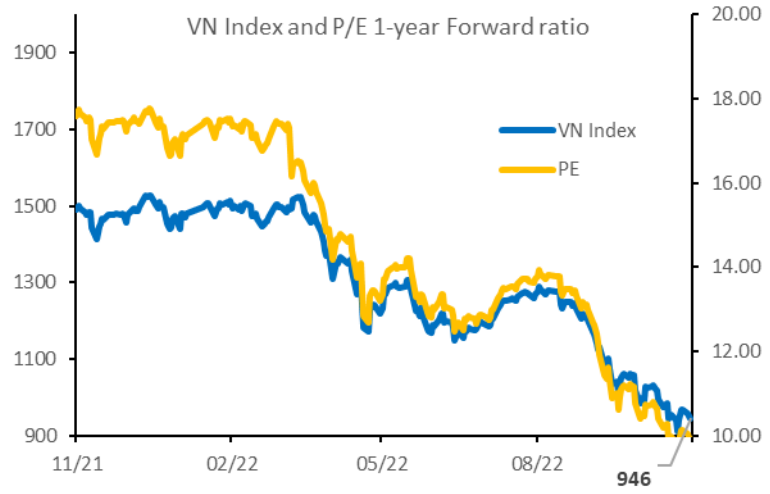
Market

	Close	%1D	%1M	%1Y
VN-Index	946	-0.64%	-4.07%	-36.46%
S&P 500 Index	4,027	0.59%	7.31%	-14.14%
Dow Jones Index	34,194	0.28%	10.01%	-4.52%
GP 100	7,465	0.17%	6.43%	2.46%
Nikkei 225	28,469	1.26%	5.87%	-4.38%
SHCOMP Index	3,097	0.26%	4.01%	-13.80%
STOXX 600	439	0.60%	9.20%	-8.52%
KOSPI Index	2,432	0.56%	8.74%	-18.79%
Hang Seng	17,524	0.57%	15.43%	-29.01%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.08	-1.07%	-5.30%	9.93%
USD/VND	24,836.00	0.02%	0.03%	-8.70%
EUR/USD	1.04	0.14%	5.45%	-7.03%
USD/CNY	7.16	-0.29%	1.43%	-10.73%
Brent	85.41	-3.34%	-8.65%	3.77%
WTI	77.64	-0.38%	-8.21%	-0.96%
Natural gas	7.26	-0.66%	39.64%	43.25%
Coal	346.45	-0.20%	-11.17%	120.67%
Gold	1,754.01	0.25%	6.32%	-1.93%

Vietnam Market Snapshot 23/11/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	946.00	9.92	-6.12	-0.64	542	7,858
HNX INDEX	191.00	12.12	-3.67	-1.88	65	794

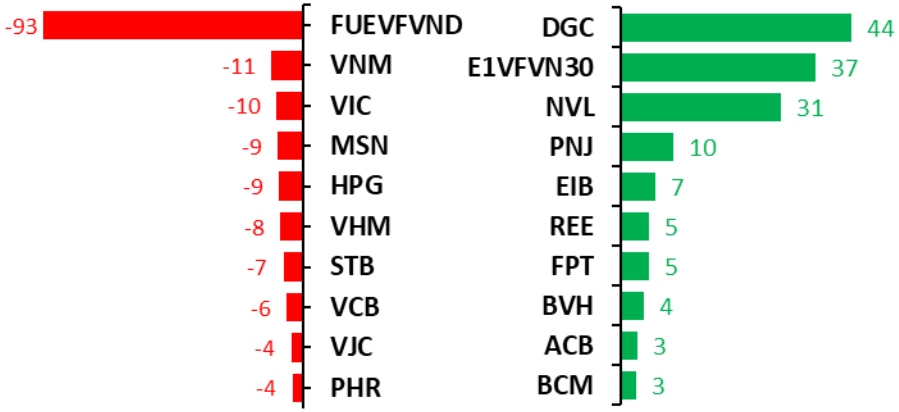
Money flow and sector rotation (VND bn)

Sector	%1D	11/23/2022	11/22/2022	20-session Average
Utilities	-26.5	153	208	178
Basic Resources	-34.7	676	1,035	971
Automobiles & Parts	-34.7	109	168	85
Health Care	-38.1	12	19	17
Banks	-38.5	1,561	2,538	2,291
Insurance	-40.0	31	52	63
Food and Beverage	-44.8	493	892	701
Industrial Goods & Services	-45.6	310	570	393
Chemicals	-45.7	369	678	564
Personal & Household Goods	-48.3	86	167	113
Construction & Materials	-48.6	290	564	414
Oil & Gas	-49.7	109	216	143
Financial Services	-56.1	710	1,618	1,033
Technology	-57.5	46	108	108
Media	-58.7	1	2	2
Retail	-60.4	148	373	363
Travel & Leisure	-61.6	18	48	37
Real Estate	-70.8	1,729	5,917	1,735

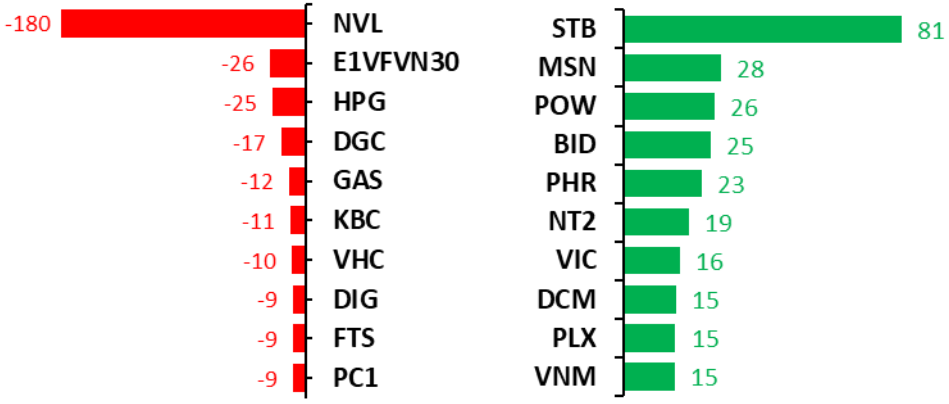
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 23/11/2022

Top net buying & selling of proprietary trading (VND billion)



Top net buying & selling foreign investors (VND billion)



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

Sub-sector	Proprietary trading (VND bn)	Foreign (VND bn)	Local Individual (VND bn)	Local Institutions (VND bn)
Real Estate	12	(167)	144	38
Basic Resources	(9)	(30)	(7)	12
Media	-	(0)	(0)	0
Industrial Goods & Services	8	16	(73)	38
Health care	-	1	10	1
Chemicals	40	33	(83)	14
Financial Services	(57)	(10)	(14)	(38)
Travel & Leisure	(4)	(1)	1	(4)
Banks	1	107	39	90
Construction & Materials	(1)	7	(90)	3
Food and Beverage	(22)	43	(31)	(33)
Retail	2	1	(24)	16
Utilities	(4)	37	(38)	(6)
Personal & Household Goods	10	2	(15)	16
Technology	5	0	(21)	6
Automobiles & Parts	(0)	0	(9)	(1)
Insurance	4	(0)	(0)	4
Oil & Gas	(0)	19	(0)	0

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- The People's Committee of Da Nang City recently sent a written request to the Ministry of Transport for approval of the adjustment plan of Da Nang International Airport in the 2021-2030 period, with a vision to 2050. Accordingly, the City People's Committee Da Nang calculates the cost of project management, site clearance and contingency, the total investment capital need for the upgrade of Da Nang International Airport is more than 30,000 billion VND.

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

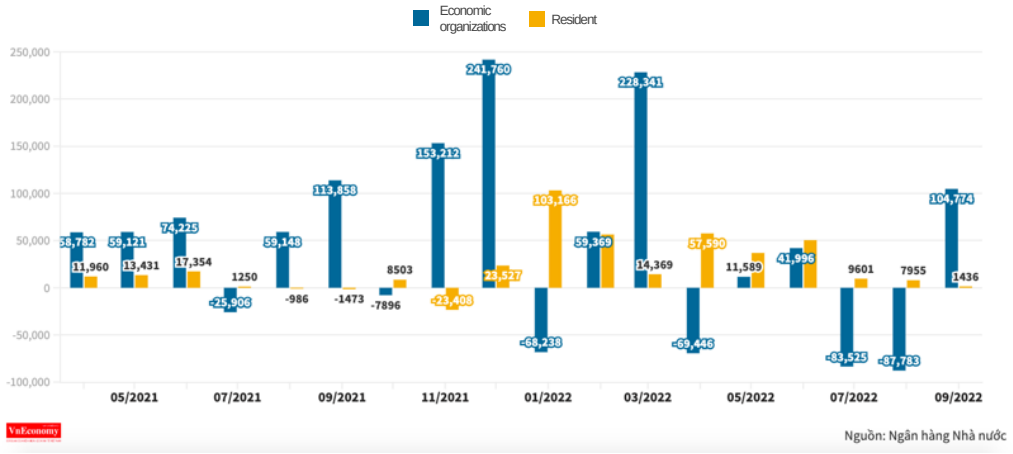
- LPB, the State Bank of Vietnam has just approved the proposal to transfer all shares (more than 122.17 million LPB shares) of Lien Viet Post Commercial Joint Stock Bank - LienVietPostBank which is being held by the General Department of Post and Telecommunications of Vietnam (VNPost) owned.
- Previously, on January 24, 2022, VNPost announced that it would withdraw all of its capital from LPB through an auction at the Hanoi Stock Exchange (HNX) on February 23. However, at the end of the subscription period, only 7 investors registered to buy 800 share.
- Vietnam's first technology unicorn VNG closes the list of shareholders, preparing to list on UPCoM. On November 28, VNG Group (formerly known as Vinagame) will close the list of shareholders to complete procedures for securities registration at the Vietnam Securities Depository (VSD).

  According to the financial statements of the third quarter, as of September 30, 2022, VNG's share capital reached VND 358 billion, equivalent to 35.8 million shares. The company has nearly 5,900 billion dong of undistributed EAT. VNG's total assets at the end of the third quarter reached VND 9,200 billion. Currently, VNG holds 65.48% shares of Zion, which is the company that owns the Zalo Pay e-wallet.
- TCB, Technological Securities Joint Stock Company announced to collect shareholders' written opinions on the change of the plan to implement the plan of private placement of shares. Specifically, TCBS will make a private placement of 105 million shares to Vietnam Technological and Commercial Joint Stock Bank (Techcombank) with an expected offering price of VND 95,600/share. The total amount collected at the expected price is VND 10,038 billion.

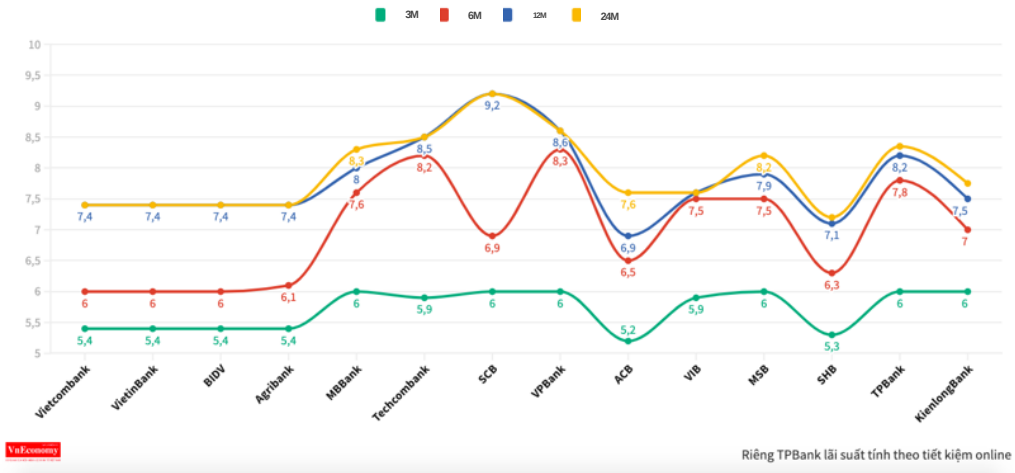
- BVH, Baoviet Holdings announced to pay cash dividend at the rate of 30.26%, the ex-rights date is November 25.

Deposits in banks increase again

Net deposits of economic organizations and residents
Monthly (Unit: Billion VND)



Savings interest rate at the counter in November 2022 (unit: %/year)



Source Vneconomy

- The latest update from the State Bank shows that by the end of September 2022, total customer deposits at credit institutions reached more than 11.4 million billion VND, an increase of 106.210 billion VND compared to the end of the previous month.
- Thus, customer deposits at credit institutions have started to increase again. However, the increase of 106.210 billion dong still could not make up for the decrease of the previous July and August.
- Since the beginning of the year, deposits of the whole system have increased by more than 475 trillion VND, equivalent to 4.3%. In which, deposits of businesses increased by 2.4% and deposits of residents increased by 6.3%.

➢ The increase in deposits took place in the context of the banking industry constantly chasing each other on the race of savings interest rates.

- After the State Bank's decision to raise a series of operating interest rates and ceiling interest rates for short terms for the second time from the end of September, many commercial banks have continued to raise deposit rates.
- In the group of 4 state-owned banks including Vietcombank, VietinBank, BIDV and Agribank, the highest interest rate was recorded at 7.4%/year. Compared to the previous month, these banks adjusted interest rates by 1 percentage point.
- Meanwhile, according to information from the State Bank, credit growth by the end of October will be at 11.5% compared to the end of 2021, if the credit growth target is kept at 14% for the whole year 2022, There will still be about 2.5% of the credit line that will be granted to commercial banks in the remaining 2 months of 2022.

Technical view



Trend: Down to build momentum

- The selling continued to dominate in the session, pushing the index to close in red, the profit-taking pressure was more present in the context of NVL and PDR still having oversold at the floor price of millions of shares, making investors' sentiment turn cautious. However, the index still remained balanced around the 10-day MA with a drop in matching orders today, showing that supply and demand are in balance. The strategy is in favor of holding, if the hesitation persists, the index might return to retest the old bottom around 920 points, before recovering to a higher level. The short-term correction is reasonable when many stocks have bounced strongly from the bottom recently, however, expect that the declines will be healthy to help the index gain more momentum.

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 **24/11/2022**

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
HPG	Watch						14.95	Breaking above the 20-day MA with high volume, the story of China's real estate rescue
SSI	Watch						16.1	Maintain above the 20-day MA, volume improves
VND	Watch						11.3	Good reaction around 20-day MA, volume improves

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
VNM	Buy	77.5	85	73	10%	-6%	79.4	2	2.45%	22/11/2022	
GEX	Hold	13	15	11.6	15%	-11%	12.3	3	-5.38%	21/11/2022	
CTG	Hold	24.1	27	23	12%	-5%	24.4	3	1.24%	21/11/2022	
BID	Sell	35	38	33	9%	-6%	37.4	8	6.86%	14/11/2022	Achieve target
POW	Hold	10	11	9.5	10%	-5%	10.45	9	4.50%	11/11/2022	

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 (Viet Nam)	30 Prelim GDP q/q (US)	1	2	3

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Q&A

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