# MORNING CALL

November 28th, 2022

## “Short-term bottom is confirmed, the up direction is brighter for the index”

- Global stocks continue to have a prosperous week but are close to resistance
- Domestic stocks kept green after a series of volatile sessions
- Dividend schedule for the week of November 28 - December 4, 2022
- Inter-market update
- Technical view and recommendations #BID #VRE
- Economic calendar
- Q&A


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

## Major stock markets continue their rally but are close to resistance

- Global stocks extended gains but trading has begun to struggle. Better-than-expected PMI data generates optimism in European markets. On Wall Street, FOMC minutes showed that Fed officials remained supportive of a slower rate hike for next month, but noted the tightening cycle may not be over anytime soon. At the end of the week, Dow Jones, S&P 500 gained 1.8% and 1.7% respectively. European stocks rose with Stoxx Euro jumping 1.7%. Asian stocks diverged as Nikkei gained 1.5%, Hang Seng fell 2.3% after a series of weeks of recovery, Kospi also dropped slightly by 0.3%.
- The People's Bank of China cut the reserve requirement ratio for financial institutions by 25bps on November 25th 2022, effective from December.
- Profits earned by China's industrial firms declined by 3.0% yoy to CNY 69.78 trillion in the first ten months of 2022, steeper than a 2.3% drop in the previous period, amid a record high of COVID infections with more cities imposing strict curbs, weakening consumption, and a deepening property crisis.
- In the focus of next week, in the United States, the labor market report takes center stage, while GDP estimate data, as well as consumer confidence will be of interest. In addition, attention will be given to inflation rate releases for Euro Area, Germany, France, Italy, Spain, South Korea, and Indonesia.
- WTI crude fell to $76/bbl and ended the week down more than 4% largely due to concerns about Chinese demand as new Covid-19 outbreaks remained complicated along with reports of the high price cap imposed by the G7 nations on Russian oil alleviates supply worries.

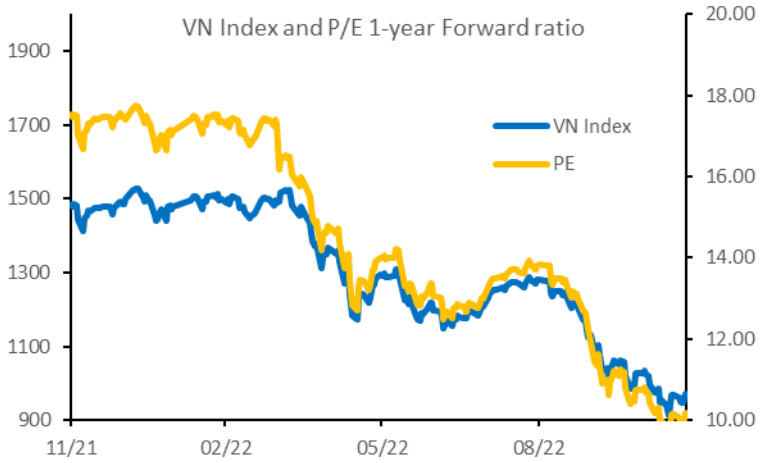
### Market

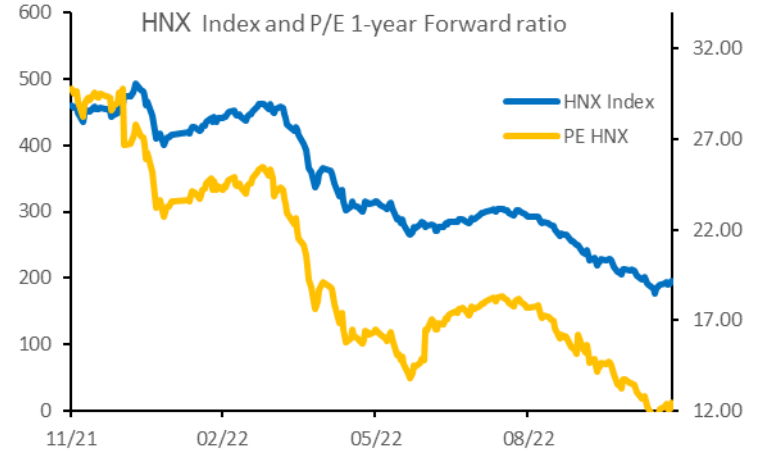
| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| VN-Index | 971 | 2.51% | -5.44% | -34.93% |
| S&P 500 Index | 4,026 | -0.03% | 3.21% | -12.37% |
| Dow Jones Index | 34,347 | 0.45% | 4.52% | -1.58% |
| GP 100 | 7,487 | 0.27% | 6.23% | 6.28% |
| Nikkei 225 | 28,160 | -0.43% | 3.89% | -2.06% |
| SHCOMP Index | 3,102 | 0.40% | 6.37% | -12.97% |
| STOXX 600 | 441 | -0.02% | 7.30% | -5.03% |
| KOSPI Index | 2,418 | -0.82% | 6.59% | -17.66% |
| Hang Seng | 17,574 | -0.49% | 18.24% | -27.02% |

### Currency & Commodity

| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| Dollar Index | 106.23 | 0.26% | -4.08% | 10.56% |
| USD/VND | 24,802.00 | 0.14% | 0.19% | -8.56% |
| EUR/USD | 1.04 | -0.14% | 4.16% | -8.07% |
| USD/CNY | 7.17 | -0.18% | 1.45% | -10.87% |
| Brent | 83.40 | -0.28% | -12.92% | 14.69% |
| WTI | 76.01 | -0.35% | -13.53% | 11.53% |
| Natural gas | 6.91 | -1.69% | 21.48% | 26.77% |
| Coal | 360.80 | 1.16% | -7.05% | 128.35% |
| Gold | 1,753.22 | -0.10% | 6.59% | -1.76% |

# Vietnam Market Snapshot 25/11/2022




| | Close | PE | Difference | %1D | Trading volume (mn stocks) | Trading value (VND bn) |
|---|---|---|---|---|---|---|
| **VNI NDEX** | 971.46 | 10.17 | 23.75 | 2.51 | 622 | 9,716 |
| **HNX INDEX** | 196.77 | 12.46 | 5.56 | 2.91 | 57 | 636 |

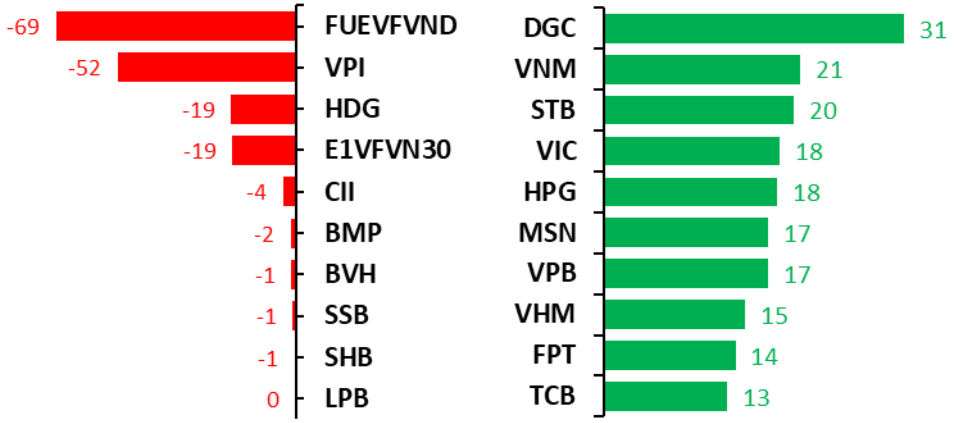
## Money flow and sector rotation (VND bn)

| Sector | %1D | 11/25/2022 | 11/24/2022 | 20-session Average |
|---|---|---|---|---|
| Health Care | 84.91 | 15 | 8 | 16 |
| Technology | 57.66 | 101 | 64 | 109 |
| Industrial Goods & Services | 48.17 | 408 | 276 | 396 |
| Banks | 45.37 | 2,038 | 1,402 | 2,260 |
| Financial Services | 43.69 | 1,154 | 803 | 1,023 |
| Media | 33.86 | 1 | 1 | 2 |
| Automobiles & Parts | 31.94 | 97 | 73 | 86 |
| Chemicals | 31.53 | 483 | 367 | 540 |
| Construction & Materials | 28.36 | 325 | 253 | 398 |
| Insurance | 24.20 | 42 | 33 | 61 |
| Real Estate | 23.06 | 1,593 | 1,294 | 1,718 |
| Utilities | 16.49 | 166 | 143 | 180 |
| Food and Beverage | 11.33 | 768 | 690 | 708 |
| Personal & Household Goods | 5.86 | 103 | 97 | 113 |
| Basic Resources | -5.9 | 651 | 692 | 954 |
| Travel & Leisure | -7.6 | 36 | 39 | 40 |
| Oil & Gas | -27.7 | 94 | 130 | 138 |
| Retail | -42.2 | 281 | 486 | 365 |

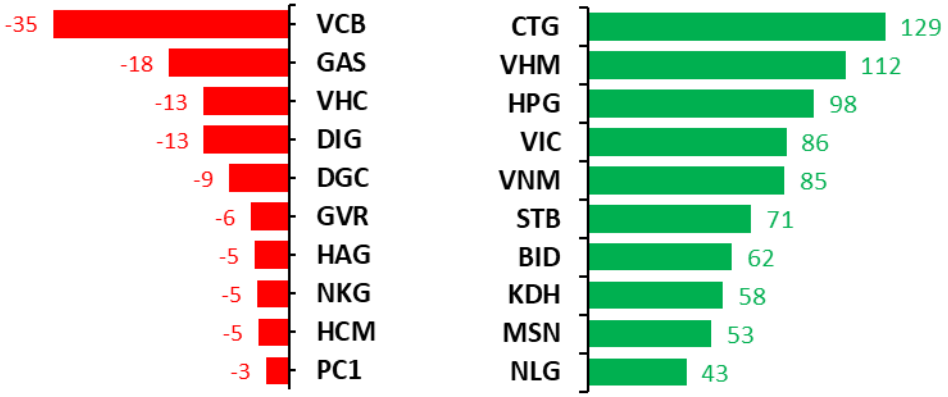
Source: Bloomberg, Shinhan Securities Vietnam

# Vietnam Market Snapshot 25/11/2022

## 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 | (14) | 332 | (219) | (17) |
| Basic Resources | 18 | 106 | (81) | 34 |
| Media | - | 0 | 0 | (0) |
| Industrial Goods & Services | 8 | 18 | (101) | 19 |
| Health care | (0) | 3 | (34) | (1) |
| Chemicals | 39 | 16 | (10) | 22 |
| Financial Services | (82) | 96 | (12) | (28) |
| Travel & Leisure | 10 | 6 | (94) | 10 |
| Banks | 110 | 229 | (138) | 165 |
| Construction & Materials | (5) | (1) | (244) | 6 |
| Food and Beverage | 41 | 129 | (48) | 2 |
| Retail | 8 | 3 | (114) | 2 |
| Utilities | 6 | 8 | (76) | 4 |
| Personal & Household Goods | 8 | (4) | (63) | 17 |
| Technology | 14 | 1 | (28) | 58 |
| Automobiles & Parts | (0) | 1 | 1 | 1 |
| Insurance | (1) | 12 | (0) | 5 |
| Oil & Gas | 1 | 6 | (0) | 14 |

Source: Fiinpro, Shinhan Securities Vietnam

# Breaking News

## Macro

### Positive

- The Ho Chi Minh City Real Estate Association (HoREA) proposed to the Ministry of Finance to submit to the Government for permission to extend the bond's term by one year to reduce pressure and increase confidence in the bond market.
- According to information from the People's Committee of Binh Duong province, recently, this Binh Duong has signed a memorandum of understanding with Truong Hai Group Joint Stock Company (THACO) on the construction of a mechanical supporting industrial park in the local area.

### Less positive

- The first period of November 2022 (November 1 - November 15): Exports decreased, the trade balance deficit was 1.15 billion USD, showing that at the end of the year, exports showed signs of deceleration.
- Many businesses massively buy back bonds before maturity, creating a lot of pressure. The value of corporate bond redemption in the first 10 months of 2022 reached VND 143 trillion, up 41.9% over the same period, focusing on bonds near maturity. In which, Real Estate and Credit Institutions are the two sectors with the largest bond buyback volume, according to FiinRatings.
- Interbank interest rates and exchange rates are still anchored at high levels.

## Business news

- PAN, TAR, LTG: Indonesia is expected to import 500,000 tons of rice stocks in 2022 after 3 years of not having to import. The country is looking at supplies from Vietnam, Thailand, Myanmar and Pakistan.
- MWG, The Gioi Di Dong will stop expanding the An Khang pharmacy chain because of the changing and difficult market. In the coming time, An Khang will evaluate, review and optimize everything with more than 500 stores. In 2023, An Khang may expand further if the right time is found.

  On the other hand, The Gioi Di Dong has officially opened the first electronics store in Indonesia with the brand Era Blue, a brand of the MWG joint venture in cooperation with local unit PT Erafone Artha Retailindo (Erafone), a subsidiary of the Erajaya Group.
- PDR, Phat Dat bought back 150 billion dong of bonds before maturity. This is a batch of bonds issued on December 16, 2021 with a term of 2 years.
- AGG, An Gia Real Estate through a 10 million USD loan from Shanghai Commercial & Savings Bank, Ltd.
- VSH, Vinh Son Song Hinh Hydropower Plant want to buy back 81 billion dong of bonds before maturity. The source of money acquired from the cash flow of production and business activities.
- SBT, Ms. Dang Huynh Uc My, Vice Chairman of the Board of Directors registered to buy 5 million shares. If the purchase is successful, Ms. My will increase her ownership in SBT from 15.39% to 16.15%.
- HPG, HPG shake hands with Hop Nghia Investment Joint Stock Company to build an ecological residential area of more than VND 5.6 trillion in Phu Tho province.



# Dividend payment schedule for week 28/11 - 04/12/2022

## Cash dividend

| No. | Stock | Exchange | Ex-Right Date | Exercise Date | Ratio |
|---|---|---|---|---|---|
| 1 | QTC | HNX | 02/12/2022 | 15/12/2022 | 15% |
| 2 | NTP | HNX | 30/11/2022 | 15/12/2022 | 15% |
| 3 | PTG | UPCoM | 29/11/2022 | 15/12/2022 | 20% |
| 4 | PHN | HNX | 29/11/2022 | 21/12/2022 | 14% |
| 5 | SZG | UPCoM | 29/11/2022 | 28/12/2022 | 5% |
| 6 | NTC | UPCoM | 29/11/2022 | 26/12/2022 | 10% |
| 7 | FOX | UPCoM | 29/11/2022 | 30/12/2022 | 10% |
| 8 | MCM | UPCoM | 29/11/2022 | 22/12/2022 | 10% |
| 9 | SJE | HNX | 29/11/2022 | 30/12/2022 | 5% |
| 10 | MPY | UPCoM | 29/11/2022 | 27/12/2022 | 6% |
| 11 | PSL | UPCoM | 29/11/2022 | 30/03/2023 | 3% |
| 12 | BNA | HNX | 29/11/2022 | 23/12/2022 | 5% |
| 13 | BNA | HNX | 29/11/2022 | | 17% |
| 14 | VDP | HOSE | 28/11/2022 | 15/12/2022 | 10% |
| 15 | SEB | HNX | 28/11/2022 | 12/12/2022 | 8% |

## Stock dividends

| No. | Stock | Exchange | Ex-Right Date | Record Date | Ratio |
|---|---|---|---|---|---|
| 1 | PSD | HNX | 28/11/2022 | 29/11/2022 | 100:30 |



# Inter-market update

## Wall Street and Europe




- Wall Street and Europe move relatively in sync with each other. When the main indexes all had a bottoming period from the beginning of October and then recovered strongly after that. When the bad news seems to be absorbed by the market and optimism returns.
- However, the recovering wave is approaching strong resistance and the indexes need stronger catalysts to break out, the trade will tend to struggle in the later stage.

# Inter-market update

## Asia




- Japan's Nikkei also bottomed in early October and rallied after that.
- Even markets in a downtrend like China still have a bottoming rhythm in early November, although later, the current context has gone in sync with other major markets. With the motivation coming from the expectation of solutions to rescue the real estate market.

# Inter-market update

## Commodity market







- WTI crude oil futures closed at their lowest since January. 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.

- Prices of steel bars and iron ore on the Chinese floor recovered as many solutions to rescue the real estate market continued to be offered. Banks agreed to extend $162 billion in fresh credit lines for private developers, and the PBoC cut the reserve requirement ratio by 25bps. Earlier, the national bond regulator expanded a major financing support program by $35 billion, also for private developers, aiming to counter the debt woes that hampered investments as the sector faced a period of record defaults.
- However, new Covid cases are raising concerns again.

# Technical view




## Trend: Uptrend is consolidated

- The index closed the week creating a Doji candlestick pattern, higher than the previous week's recovery. This means that the money flow started to participate strongly again, creating motivation for the index not to drop too deeply to rise to a higher level. Excluding the drop in NVL and PDR, the market might have surpassed the resistance of 980 points, corresponding to the 20-day MA, which is a good signal. Order matching remained at a high level of trend consensus. Technical indicators still show an upward improvement. In general, the recovery scenario is being supported, therefore, the strategy can increase the weight in correction paces. The nearest resistance for the trend is at 1,050 points, while the raised support is at 920 points.

## 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 **28/11/2022**

Unit: thousand VND

## Today's watchlist

| | Recommendation | Buying price (+/- 1%) | Target | Cut loss | Upside | Downside | Current price | Signals |
|---|---|---|---|---|---|---|---|---|
| VRE | Buy | 27 | 30 | 25.5 | 11% | -6% | 27.4 | Breaking above the 20-day MA with high volume, the story of China's real estate rescue |
| HPG | Watch | | | | | | 15.3 | Breaking above the 20-day MA with high volume, the story of China's real estate rescue |
| SSI | Watch | | | | | | 17.1 | Maintain above the 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 | Hold | 77.5 | 85 | 73 | 10% | -6% | 82.2 | 4 | 6.06% | 22/11/2022 | |
| GEX | Hold | 13 | 15 | 11.6 | 15% | -11% | 13.35 | 5 | 2.69% | 21/11/2022 | |
| CTG | Hold | 24.1 | 27 | 23 | 12% | -5% | 25.8 | 5 | 7.05% | 21/11/2022 | |
| BID | Sell | 35 | 38 | 33 | 9% | -6% | 40 | 10 | 14.29% | 14/11/2022 | Hit target |
| POW | Hold | 10 | 11 | 9.5 | 10% | -5% | 10.85 | 11 | 8.50% | 11/11/2022 | Near to target |

# Economic calendar

## November 2022

| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|---|---|---|---|---|---|---|
| 30 | 31 | 1<br>ISM Manufacturing PMI<br>JOLTS Job Openings | 2<br>ADP Non-Farm Employment Change<br>Monetary Policy Meeting (BoJ) | 3<br>FOMC Statement<br>Federal Funds Rate<br>BOE Monetary Policy Report<br>ISM Services PMI (US) | 4<br>Non-Farm Employment Change, Unemployment Rate (US) | 5 |
| 6 | 7<br>Trade Balance, Unemployment Rate (China) | 8<br>Congressional Elections (US) | 9<br>Crude Oil Inventories (US)<br>CPI, PPI y/y (China) | 10<br>CPI, Core CPI (US)<br>Unemployment Claims | 11<br>Portfolio Structure Announcement (MSCI)<br>GDP (UK)<br>Prelim UoM Consumer Sentiment (US) | 12<br>Treasury Currency Report (US) |
| 13 | 14<br>Announcement deadline reviewed Q3/2022 financial statements.<br>Monetary Policy Report Hearings (UK) | 15<br>Monetary Policy Meeting (Australia) | 16<br>CPI (UK)<br>Retail Sales (US) | 17<br>Expiration of futures contract VN30F1M<br>Housing Starts (US) | 18<br>Existing Home Sales (US) | 19 |
| 20 | 21<br>Flash Manufacturing and Services PMI (UK, French, German) | 22<br>Ishare MSCI review | 23<br>Flash Manufacturing and Services PMI (US) | 24<br>FOMC Meeting Minutes | 25<br>Tokyo Core CPI y/y | 26 |
| 27 | 28 | 29<br>CB Consumer Confidence (US)<br><br>Monthly macroeconomic data release (Viet Nam) | 30<br>Prelim GDP q/q (US) | 1 | 2 | 3 |

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# Q&A

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