# MORNING CALL

November 29th, 2022

Shinhan Securities

## “The uptrend continues to be supported but the index is close to short-term resistance”

- Global stocks fell again
- Domestic stocks gained in the first session of the week, green color continued to spread
- Technical view and recommendations #CTG #POW #GEX #VCB
- Economic calendar
- Q&A


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# Global Market Review - Week 28/11 - 02/12/2022

## Major stock markets fell again

- The Dow lost almost 400 points on Monday, and the S&P 500 and Nasdaq were down over 1.5% as investors grew worried about the prospects of a global recession and Fed officials reassured more rate hikes are coming. Widespread protests against strict COVID-19 restrictions in several Chinese cities exacerbated concerns about the health of the world's second-largest economy.
- European equity markets fell on Monday, with the benchmark Stoxx 600 halting a 6-week winning strake, dragged by a 1.5% loss in oil stocks. Industrial goods and services companies also dropped more than 1% while mining shares went down more than 0.5%.
- Retail sales in Japan expanded by 4.3% yoy in October 2022, less than market consensus of 5% and slowing from an upwardly revised 4.8% rise in the prior month.
- Rice futures rose above $18 per hundredweight, touching their highest levels since June 2020, supported by a fall in supply as well as expectations of rising demand from China and European countries.
- WTI crude futures rebounded to above $76 per barrel on Monday, having hit an 11-month low of $73.50 earlier this session, as rumors of an OPEC+ production cut offset concerns about weak demand. Eurasia Group said major oil producers were considering a new production cut when they meet on December 4th, after in October agreed to reduce its output target by 2 million barrels per day through 2023.

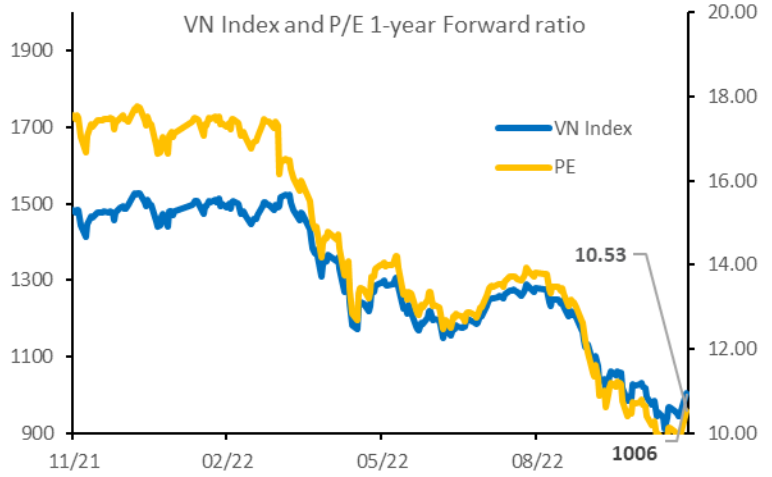
### Market

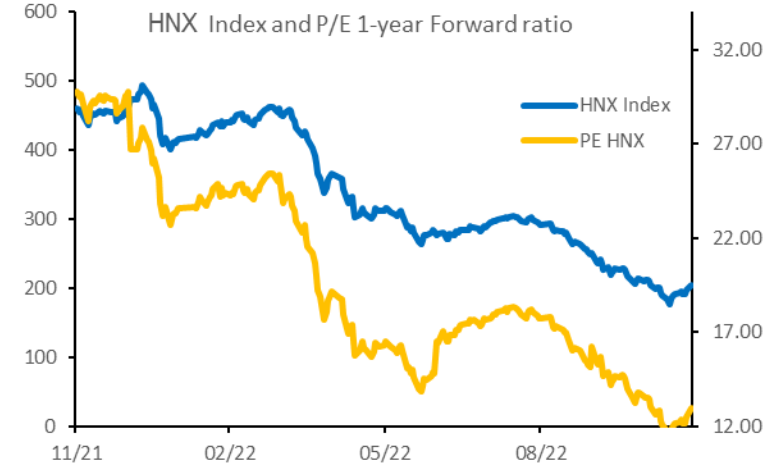
| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| VN-Index | 1,006 | 3.52% | -2.11% | -32.27% |
| S&P 500 Index | 3,964 | -1.54% | 1.61% | -13.73% |
| Dow Jones Index | 33,849 | -1.45% | 3.01% | -3.01% |
| GP 100 | 7,474 | -0.17% | 6.05% | 5.12% |
| Nikkei 225 | 27,912 | -0.89% | 2.98% | -1.31% |
| SHCOMP Index | 3,079 | -0.75% | 5.58% | -13.59% |
| STOXX 600 | 438 | -0.65% | 6.60% | -6.29% |
| KOSPI Index | 2,413 | 0.18% | 6.36% | -17.07% |
| Hang Seng | 17,298 | -1.57% | 16.38% | -27.48% |

### Currency & Commodity

| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| Dollar Index | 106.68 | 0.68% | -3.68% | 11.02% |
| USD/VND | 24,800.00 | 0.01% | 0.11% | -8.53% |
| EUR/USD | 1.03 | 0.05% | 4.69% | -8.38% |
| USD/CNY | 7.21 | -0.58% | 0.63% | -11.36% |
| Brent | 83.19 | -0.53% | -13.14% | 14.40% |
| WTI | 76.47 | -1.00% | -13.00% | 9.32% |
| Natural gas | 7.31 | 1.64% | 28.68% | 50.68% |
| Coal | 379.00 | 5.04% | -1.74% | 140.63% |
| Gold | 1,741.93 | 0.03% | 6.63% | -2.39% |

# Vietnam Market Snapshot 28/11/2022




| | 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 |

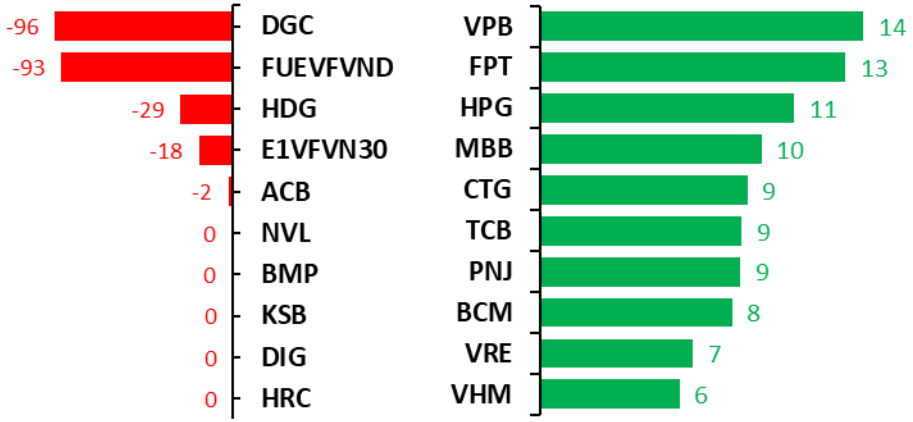
## Money flow and sector rotation (VND bn)

| Sector | %1D | 11/28/2022 | 11/25/2022 | 20-session Average |
|---|---|---|---|---|
| Real Estate | 161.81 | 4,170 | 1,593 | 1,845 |
| Basic Resources | 100.51 | 1,306 | 651 | 944 |
| Health Care | 82.71 | 28 | 15 | 17 |
| Oil & Gas | 65.49 | 155 | 94 | 131 |
| Financial Services | 51.80 | 1,752 | 1,154 | 1,049 |
| Insurance | 44.56 | 60 | 42 | 61 |
| Utilities | 42.55 | 237 | 166 | 183 |
| Banks | 38.08 | 2,814 | 2,038 | 2,310 |
| Construction & Materials | 32.92 | 432 | 325 | 396 |
| Retail | 32.60 | 372 | 281 | 357 |
| Chemicals | 32.13 | 638 | 483 | 540 |
| Personal & Household Goods | 30.65 | 134 | 103 | 112 |
| Industrial Goods & Services | 30.36 | 532 | 408 | 402 |
| Food and Beverage | 27.06 | 976 | 768 | 724 |
| Travel & Leisure | 18.93 | 43 | 36 | 40 |
| Automobiles & Parts | 15.18 | 111 | 97 | 88 |
| Technology | 3.88 | 105 | 101 | 109 |
| Media | -32.8 | 1 | 1 | 2 |

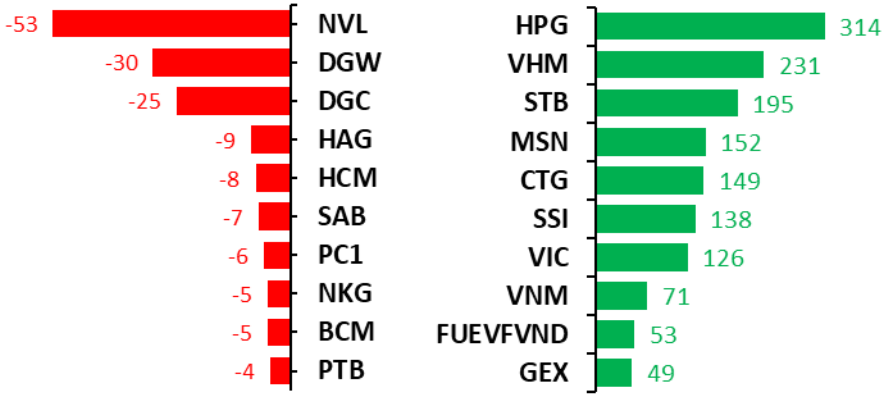
Source: Bloomberg, Shinhan Securities Vietnam

# Vietnam Market Snapshot 28/11/2022

## 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 | 1 | 436 | (391) | 32 |
| Basic Resources | 12 | 321 | (129) | 67 |
| Media | - | 0 | 0 | 0 |
| Industrial Goods & Services | 7 | 55 | (255) | (3) |
| Health care | - | 8 | (26) | 1 |
| Chemicals | (85) | (2) | (52) | 11 |
| Financial Services | (108) | 224 | (21) | (2) |
| Travel & Leisure | 3 | 6 | (98) | (3) |
| Banks | 55 | 429 | (232) | 83 |
| Construction & Materials | (0) | (11) | (231) | 13 |
| Food and Beverage | 7 | 214 | (42) | 35 |
| Retail | 6 | (31) | (175) | 10 |
| Utilities | 2 | 30 | (27) | (5) |
| Personal & Household Goods | 9 | (0) | (100) | 21 |
| Technology | 13 | 1 | (191) | 16 |
| Automobiles & Parts | (0) | (1) | (0) | 0 |
| Insurance | 1 | (1) | (0) | 2 |
| Oil & Gas | 0 | 8 | 0 | 7 |

Source: Fiinpro, Shinhan Securities Vietnam

# Breaking News

## Macro

### Positive

- FDI into Vietnam reached more than 25.1 billion USD in the first 11 months of the year, equal to 95% compared to the same period in 2021. Newly registered investment capital, although decreased, has improved, adjusted investment capital still increased compared to the same period last year.
- Disbursement of public investment capital in 11 months is estimated at 52.43% of the plan. Among them, domestic capital reached 60.25% (the same period in 2021 reached 69.19%), foreign capital reached 27.99% (the same period in 2021 reached 21.51%).
- Thaco wants to invest in a mechanical industrial park to support VND 26,000 billion in Binh Duong.

### 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.
- Interbank interest rates and exchange rates are still anchored at high levels.

## Business news

- PVN is estimated to reach VND 900,000 billion in revenue in 2022, an increase of more than 40% compared to 2021. Petroleum production (excluding Nghi Son Refining and Petrochemical) is expected to reach over 6.7 million tons, exceeding 9% for the year plan and increase 5% compared to the implementation in 2021.
- PDR, Phat Dat transferred more than 28 million shares of Hoa Binh Real Estate JSC. This is the company that owns the project 197 Dien Bien Phu, Ward 15, Binh Thanh District. The transfer of shares at Hoa Binh Real Estate Joint Stock Company is part of Phat Dat's investment portfolio restructuring strategy with the aim of optimizing investment resources, ensuring cash flow, increasing loan liquidity and paying off loans bonds before maturity.
- HPG, Technologists of Hoa Phat Dung Quat Steel have researched, built the process and successfully produced steel coils for car tires with steel grades SWRH82A, SWRH72A. Currently, the Company receives orders of over 3,000 tons/month from partners.
- DPG, Dat Phuong bought more than 87 billion dong of bonds ahead of time.
- DPM, DPM announced that Phu My Fertilizer Plant managed and operated by the Corporation has reached the production output milestone of 828,000 tons, reaching the 2022 production target 36 days before.
- VPB and VPBank have just received a new loan of USD 150 million from IFC, equivalent to nearly VND 3,700 billion.
- CEO, CEO Group wants to issue more than 5.1 million ESOP shares. ESOP shares after issuance are restricted to transfer within 1 year.



# Technical view




## Trend: Prosperity but near resistance

- The market continued its uptrend right at the opening session of the week to rise back to the psychological level of 1,000 points. The spread in the session was quite good when most of the sectors were trading in the green and hit the ceiling. As a result, the index closed at the session high, creating a marubozu candlestick pattern. This means that the money inflow is quite healthy and investor sentiment has been more stable. NVL was successfully rescued today to close at reference level, PDR alone still has oversold at the floor. Technical indicators continue to maintain bullish inertia. However, it should also be noted that the index is close to approaching the resistance area around 1,050 points. Therefore, short positions can consider taking profits and limiting chasing.

## 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 **29/11/2022**

Unit: thousand VND

## Today's watchlist

| | Recommendation | Buying price (+/- 1%) | Target | Cut loss | Upside | Downside | Current price | Signals |
|---|---|---|---|---|---|---|---|---|
| VCB | Buy | 76 | 84 | 72 | 11% | -5% | 76.7 | Breakout after accumulation, successfully tested 10-day MA |
| NT2 | Watch | | | | | | 25.5 | MA10 crosses back to MA20 day, waiting for testing |
| HPG | Watch | | | | | | 16.35 | Breaking above the 20-day MA with high volume, the story of China's real estate rescue |
| SSI | Watch | | | | | | 18.25 | Maintain above the 50-day MA, volume improves |

## Trading portfolio

| Ticker | Recommendation | Buying price (+/- 1%) | Target | Cut loss | Upside | Downside | Current price | T+ | Profit/Loss | Date | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| VRE | Hold | 27 | 30 | 25.5 | 11% | -6% | 27.4 | 1 | 6.55% | 28/11/2022 | |
| VNM | Hold | 77.5 | 85 | 73 | 10% | -6% | 81.7 | 5 | 5.42% | 22/11/2022 | |
| GEX | Sell | 13 | 15 | 11.6 | 15% | -11% | 14.25 | 6 | 9.62% | 21/11/2022 | Near to target |
| CTG | Sell | 24.1 | 27 | 23 | 12% | -5% | 27.3 | 6 | 13.28% | 21/11/2022 | Hit target |
| POW | Sell | 10 | 11 | 9.5 | 10% | -5% | 11.3 | 12 | 13.00% | 11/11/2022 | Hit 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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