MORNING CALL

December 01th, 2022

"Market continues to increase inertia, optimism still prevails"

- Global stocks regain the green color
- Domestic stocks went up for the 5th session in a row, matched orders remained high
- Fed Chairman hints at the possibility of rate hikes slowing down in December
- Technical view and recommendations
- Economic calendar
- Q&A

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

Major stock markets regain the green color

- The main Wall Street averages rallied on Wednesday as Federal Reserve Chairman Jerome Powell indicated that smaller rate hikes are likely ahead. European and Asian stocks also agreed in the green.
- The US economy grew an annualized 2.9% on quarter in Q3 2022, better than an initial estimate of 2.6%, and beating forecasts of 2.7% reflecting upward revisions to consumer and business spending and net trade.
- The number of job openings in the United States dropped by 353,000 to 10.3 million in October of 2022, roughly in line with market expectations, and suggesting demand for workers started moderating amid a softer economic outlook and higher interest rates . Besides, US employment growth slows sharply. Private businesses in the US created 127K jobs in November of 2022, the least since January of 2021, and well below market forecasts of 200K.
- Annual inflation rate in the Euro Area eased to 10% in November of 2022 from a record high of 10.6% in October, beating market forecasts of 10.4%, preliminary estimates showed.
- WTI crude oil futures recover to $80 a barrel on Wednesday, supported by a bigger-than-expected drop in US crude inventories, while investors kept an eye on the upcoming OPEC+ meeting.

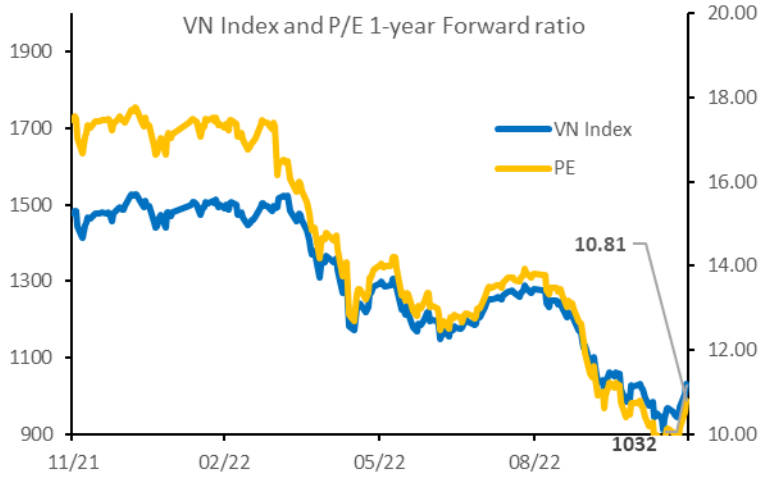
Market

	Close	%1D	%1M	%1Y
VN-Index	1,032	2.63%	0.41%	-30.19%
S&P 500 Index	3,958	-0.16%	1.45%	-14.99%
Dow Jones Index	33,853	0.01%	3.01%	-3.65%
GP 100	7,512	0.51%	5.88%	6.41%
Nikkei 225	27,878	-0.54%	1.05%	0.20%
SHCOMP Index	3,150	2.31%	8.86%	-11.62%
STOXX 600	437	-0.13%	6.09%	-5.54%
KOSPI Index	2,434	0.03%	6.13%	-14.26%
Hang Seng	18,205	5.24%	23.95%	-22.45%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	106.82	0.13%	-3.55%	10.88%
USD/VND	24,764.00	0.15%	0.30%	-8.40%
EUR/USD	1.03	0.03%	4.56%	-8.86%
USD/CNY	7.16	0.66%	2.04%	-10.77%
Brent	83.03	-0.19%	-13.30%	13.06%
WTI	78.83	0.81%	-8.90%	19.11%
Natural gas	7.22	-0.22%	13.60%	58.07%
Coal	387.40	2.22%	0.44%	143.19%
Gold	1,749.43	-0.02%	7.09%	-1.41%

Vietnam Market Snapshot 30/11/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,032.16	10.81	26.47	2.63	1,184	18,252
HNX INDEX	208.22	13.19	4.16	2.04	153	1,761

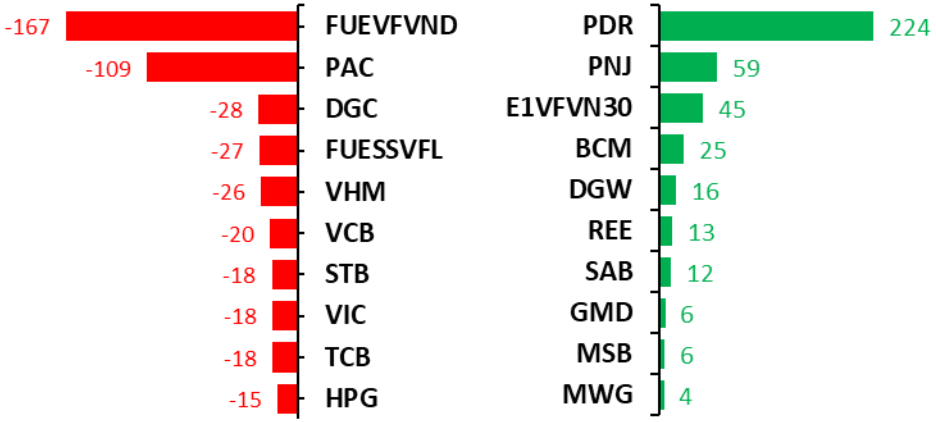
Money flow and sector rotation (VND bn)

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

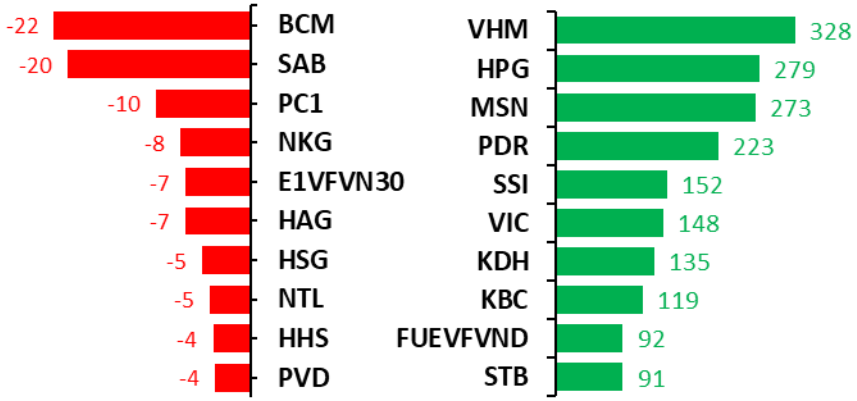
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 30/11/2022

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



Top net buying & selling foreign investors (VND billion)

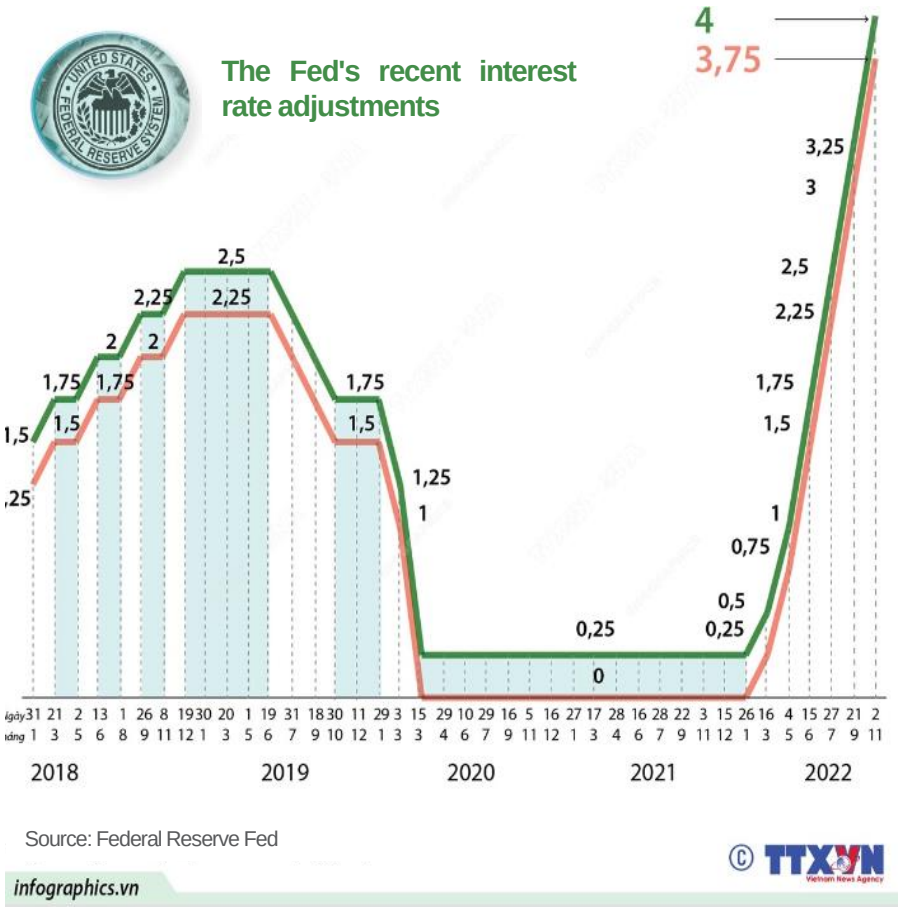


The trading value of proprietary trading and investors by sector (VND billion)

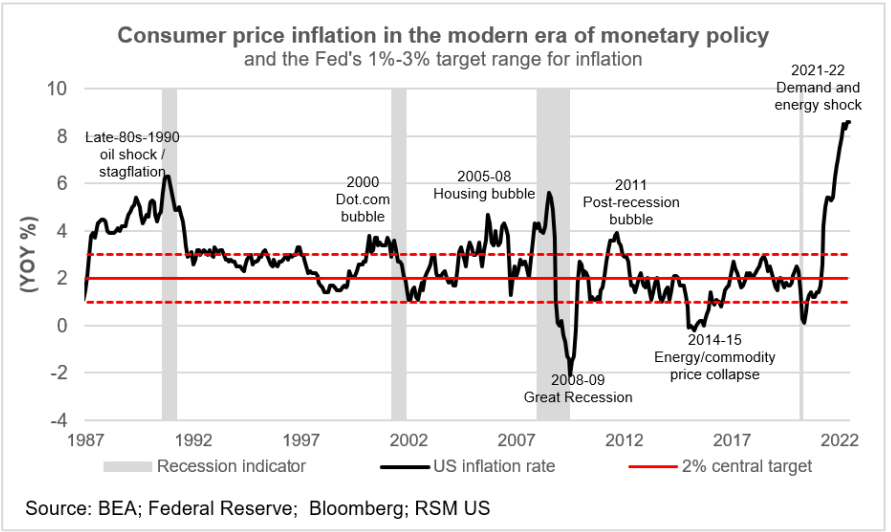
Sub-sector	Proprietary trading (VND bn)	Foreign (VND bn)	Local Individual (VND bn)	Local Institutions (VND bn)
Real Estate	195	1,088	(294)	8
Basic Resources	(26)	269	(184)	(53)
Media	-	-	0	0
Industrial Goods & Services	(90)	105	(162)	28
Health care	-	5	(1)	2
Chemicals	(36)	102	(80)	(2)
Financial Services	(160)	350	(21)	(131)
Travel & Leisure	(14)	19	(29)	(16)
Banks	(90)	318	(275)	(101)
Construction & Materials	1	10	(234)	14
Food and Beverage	8	314	(188)	(98)
Retail	21	29	(649)	32
Utilities	(9)	17	(35)	(7)
Personal & Household Goods	59	2	(106)	21
Technology	(0)	3	(129)	8
Automobiles & Parts	-	(4)	(1)	(0)
Insurance	(5)	3	(0)	(0)
Oil & Gas	(1)	9	0	40

Source: Fiinpro, Shinhan Securities Vietnam

Powell Hints Slowdown in Rate Hikes Possible in December



- The Federal Reserve may scale back the pace of its interest rate hikes already in December as it approaches the level of restraint that will be sufficient to bring inflation down, Fed Chair Powell said in a speech at the Brookings Institution. Still, Powell added that "terminal rate," is likely to be "somewhat higher" than the 4.6% indicated in the September projections.
- Earlier, in the policy meeting in early November, the FED decided to raise interest rates by 0.75 percentage points, bringing the federal funds rate to 3.75 - 4%. This is the fourth consecutive 0.75 percentage point increase offered by the Fed and the sixth rate hike since March 2022.



Fed officials have long said they want convincing evidence that inflation is actually falling before a monetary policy adjustment is made. They believe that bringing inflation back to the 2% target will require keeping interest rates tight for a possibly long period of time.

Breaking News

Macro

Positive

- According to VASEP, by the end of October, the country's seafood exports reached over US$9.4 billion, up 33% over the same period last year.

Less positive

- Vietnam increases cotton imports with its major partner, Brazil. The global cotton industry is facing a supply shortage, while in the Asian market, every level from producer to trader is suffering.
- 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

- PDR, Phat Dat spoke out about the Ministry of Public Security's request to provide documents related to the land 132 Ben Van Don. Specifically, Phat Dat confirmed that it was not related to the Southern Food Corporation and did not accept the transfer of shares of Vinh Hoi Development Investment Joint Stock Company.
- NVL, President of Novaland sent an apology letter, confirming that he is reviewing cash flow and will still invest in key projects. Novaland has also just added assets at the NovaWorld Phan Thiet project to secure bonds.
- HPX is rescued with record liquidity, more than 50% outstanding shares.
- PLX, Petrolimex promote business of green energy products.
- VGC, Ministry of Construction plans to divest all capital in Viglacera in 2023.
- KDH, Chairman of the Board of Directors of Khang Dien House completed the purchase of 10 million registered shares during November 4 - November 29.
- HQC, Hoang Quan Real Estate owes nearly VND 15 billion of social insurance money to 64 employees for 4 and a half years.



Technical view



Trend: Shaking

- The index continued to go up strongly and surpassed MA50-day resistance around 1,030 points. This is the 5th session in a row that the index stayed in green, meaning that the money flow was quite strong. Optimism still dominates investors after the previous period of sharp decline. Order matching was above the 20 session average. Industry groups that have fallen sharply in the past time such as Real Estate and Construction have recovered with a dramatic increase, contributing to narrowing the decline in the year. Technical indicators maintain bullish inertia in agreement with the trend, however, it should be noted that the RSI is close to the short-term overbought threshold. Therefore, the upcoming sessions will be quite shaky and need to limit excitement. The index still needs time to rest before continuing to conquer new highs.

Scenarios:

- Positive (70%): 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 (30%): 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

` 1/12/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
NT2	Watch						27.2	MA10 crosses back to MA20 day, waiting for testing
VGI	Watch						21.4	Good reaction around 20-day MA
MBB	Watch						17.4	Good reaction around 50-day MA
HPG	Watch						18.4	Break MA50 days with consensus volume, waiting for a correction
SSI	Watch						19.25	Break MA50 days, wait for the correction

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
VCB	Hold	76	84	72	11%	-5%	79	3	6.58%	27/11/2022	
VRE	Hold	27	30	25.5	11%	-6%	27.4	3	11.09%	28/11/2022	Raise target to 32
VNM	Hold	77.5	85	73	10%	-6%	82.8	7	6.84%	22/11/2022	

Economic calendar

December 2022

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
27	28	29	30	1 Fed Chair Powell Speaks Core PCE Price Index m/m (USD) ISM Manufacturing PMI (USD)	2 Non-Farm Employment Change (US)	3
4 OPEC Meetings	5 ISM Services PMI (USD)	6 RBA Rate Statement	7 BOC Rate Statement	8 Unemployment claims (US)	9 Prelim UoM Consumer Sentiment (USD) PPI m/m (USD)	10
11	12 GDP m/m (UK)	13 CPI,Core CPI (US)	14 CPI, Core CPI (UK)	15 FOMC Statement Federal Funds Rate SNB Press Conference	16 Flash Services PMI (US)	17
18	19 Flash Manufacturing and Services PMI (UK, French, German)	20 Monetary Policy Statement (Japan)	21 CB Consumer Confidence (US)	22 Final GDP q/q	23 GDP m/m (Canada) Core PCE Price Index (US)	24
25	26 Bank holiday	27 Bank holiday	28	29 Monthly macroeconomic data release (Viet Nam)	30	31

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Q&A

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