MORNING CALL

December 02nd, 2022

"Adjusting to build momentum, the index still needs time to rest"

- Global stocks struggled
- Domestic stocks fell again after a series of 5 steep climbs
- Vietnam PMI has dropped below 50
- Technical view and recommendations #NT2
- Economic calendar
- Q&A

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

Major stock markets struggled

- Wall Street slightly fell again as investors cautiously awaited the November jobs report, which would be the last monthly employment report before the Federal Reserve meets on Dec. European equities rose for a second consecutive session on Thursday, the first trading day of December, with the regional STOXX 600 and the domestic DAX 40 index rising roughly 0.5% each to close near levels not seen since early June, driven by sharp gains among technology stocks.
- The ISM Manufacturing PMI declined to 49 in November from 50.2 in October, more than market forecasts of 49.8 and pointing to the first contraction in factory activity since May 2020.
- The personal consumption expenditure price index (PCE) in the United States increased by 6% year-on-year in October of 2022, below 6.3% in September.
- Consumer prices in South Korea increased 5% year-on-year in November 2022, rising at the slowest pace since April and coming in slightly below expectations of 5.1% as global energy prices trended lower.
- WTI crude futures gave up most gains to trade little changed around $81 a barrel on Thursday, after jumping as much as 3.2% to $83.1 early in the session, as investors weigh prospects of a recovery in demand and further supply cuts from OPEC+.

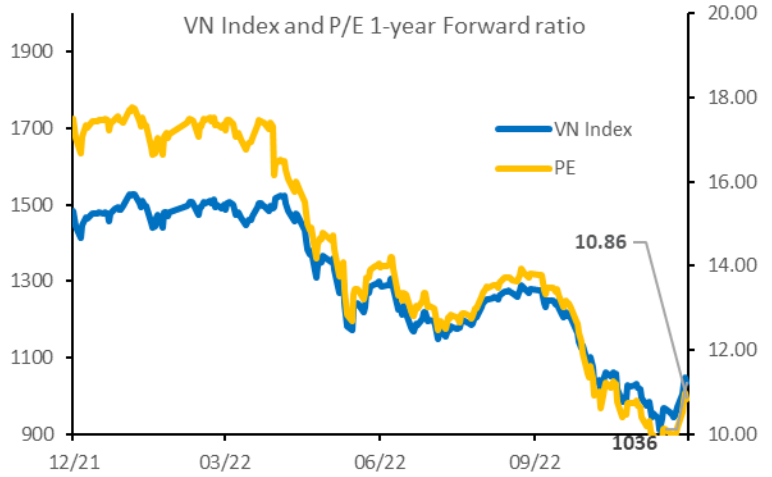
Market

	Close	%1D	%1M	%1Y
VN-Index	1,036	-1.16%	1.28%	-30.08%
S&P 500 Index	4,077	-0.09%	5.72%	-9.67%
Dow Jones Index	34,395	-0.56%	5.33%	1.10%
GP 100	7,558	-0.19%	5.80%	6.02%
Nikkei 225	27,805	-1.49%	0.51%	0.19%
SHCOMP Index	3,165	0.45%	5.40%	-11.43%
STOXX 600	444	0.89%	7.39%	-4.61%
KOSPI Index	2,456	-0.97%	5.09%	-16.62%
Hang Seng	18,736	0.75%	18.38%	-21.24%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.73	-1.15%	-6.06%	9.06%
USD/VND	24,518.00	0.75%	1.32%	-7.37%
EUR/USD	1.05	-0.07%	7.08%	-6.97%
USD/CNY	7.05	0.55%	3.18%	-9.72%
Brent	86.88	-0.10%	-8.21%	26.15%
WTI	81.20	-0.02%	-9.78%	22.11%
Natural gas	6.79	0.74%	8.30%	67.36%
Coal	385.00	-3.39%	7.24%	144.52%
Gold	1,800.74	-0.13%	10.12%	1.81%

Vietnam Market Snapshot 01/12/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,036.28	10.86	-12.14	-1.16	1,334	21,830
HNX INDEX	211.00	13.48	2.22	1.06	138	1,726

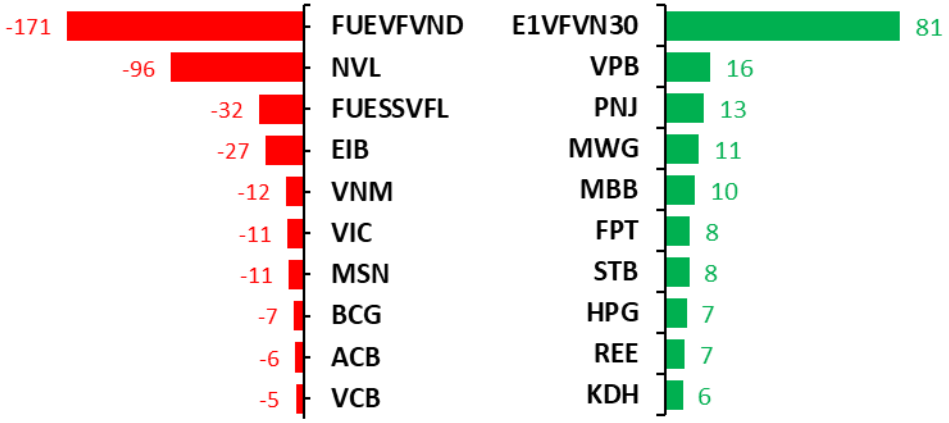
Money flow and sector rotation (VND bn)

Sector	%1D	12/1/2022	11/30/2022	20-session Average
Media	588.54	6	1	2
Technology	71.39	166	97	118
Retail	56.63	584	373	380
Banks	55.34	4,557	2,934	2,507
Chemicals	50.92	922	611	569
Construction & Materials	49.97	907	605	445
Basic Resources	45.43	2,027	1,394	1,042
Travel & Leisure	45.42	113	78	48
Industrial Goods & Services	42.91	799	559	444
Real Estate	39.75	5,600	4,007	2,356
Financial Services	36.40	2,371	1,738	1,223
Oil & Gas	31.21	232	177	142
Food and Beverage	25.80	1,179	937	797
Utilities	13.09	262	232	196
Automobiles & Parts	5.52	142	135	103
Insurance	3.45	97	94	65
Personal & Household Goods	1.98	166	163	118
Health Care	-10.8	25	28	18

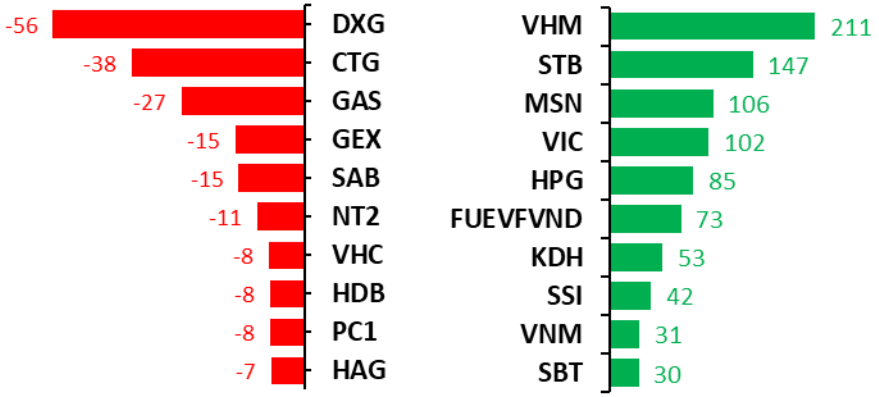
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 01/12/2022

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	(102)	369	91	(214)
Basic Resources	4	90	(55)	3
Media	-	(0)	0	0
Industrial Goods & Services	9	(14)	(125)	21
Health care	-	4	(27)	0
Chemicals	(5)	65	(7)	(3)
Financial Services	(130)	182	1	(140)
Travel & Leisure	(4)	26	30	(23)
Banks	9	131	(193)	(194)
Construction & Materials	3	(5)	38	18
Food and Beverage	(25)	151	(64)	(143)
Retail	11	16	(91)	19
Utilities	(1)	(33)	(70)	(12)
Personal & Household Goods	13	6	80	15
Technology	8	3	1	(4)
Automobiles & Parts	-	1	(2)	2
Insurance	4	21	(0)	10
Oil & Gas	(0)	12	0	17

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- The Government set up working groups related to the bond, currency and real estate markets.
- Pondera Group (Netherlands) researches offshore wind power investment in Quang Binh. In Vietnam, besides Quang Binh, Pondera Group has conducted a survey and plans to invest in wind power projects in some localities such as Thai Binh, Ba Ria - Vung Tau, Bac Giang and Thai Binh.

Less positive

- The investigative police agency prosecuted the accused, ordered the detention of Mr. Nguyen Van Trinh - assistant to the deputy prime minister, to investigate acts related to Viet A company.
- 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.

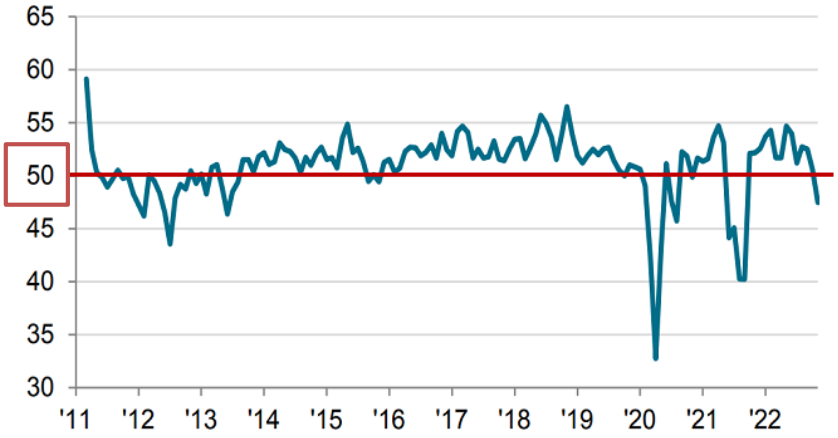
Business news

- Foreign investors made a record net buying in November, with a net buying value of VND 15,906 billion on the matching channel and VND 1,005 billion through put-through.
- 20 enterprises out of 762 enterprises in the case of Van Thinh Phat Group are lifted from the blockade of assets by the Ministry of Public Security.
- VCB, Mr. Pham Anh Tuan, member of the Board of Directors of Vietcombank was appointed as Director of the Payment Department of the State Bank of Vietnam.
- PVS, The fund group related to Dragon Capital has just announced to buy 1.4 million shares of PVS to increase its ownership ratio from 4.93% to 5.22% of capital, thereby officially becoming a major shareholder in PVS.
- PET, Petrosetco approved to stop offering nearly 45 million shares to existing shareholders at the price of 15,000 VND/share.
- BAF will receive the transfer of almost all shares of Kim Hoi Livestock Production Trading JSC. Recently, BAF has informed about its plan to issue 600 billion dong of private bonds in the fourth quarter of 2022 or the first quarter of 2023. This is a convertible bond with a term of 7 years.
- CMX is about to offer VND 300 billion 3-year bonds.



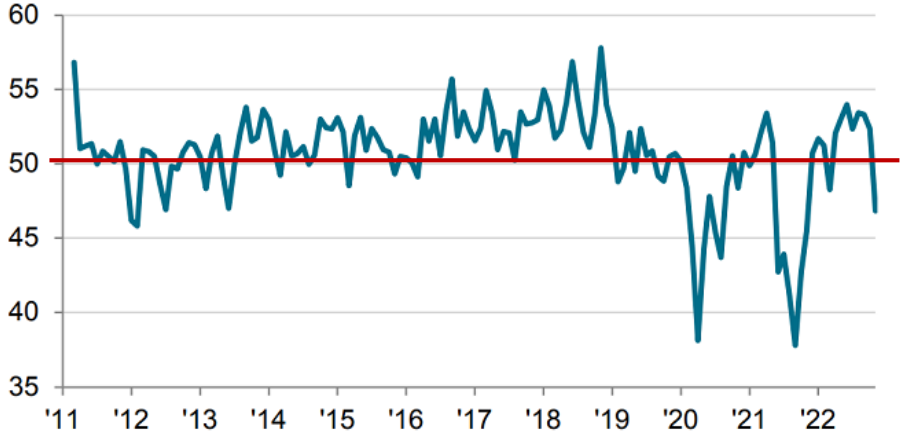
Vietnam PMI falls below 50

Vietnam Manufacturing PMI



Source: S&P Global

PMI employment index



Source: S&P Global

- The Purchasing Managers' Index (PMI) of Vietnam's manufacturing industry in November only reached 47.4 points, down from 50.6 points in October and below the neutral threshold of 50 points, thereby ending a 13-year increase. month.
- In which, 3 notable highlights are:
  - ✓ Output, new orders and employment fell again.
  - ✓ A depreciating currency increases input costs.
  - ✓ Selling prices fell amid falling demand.

- Similar to the trend in output and new orders, employment and purchases were recorded to continue to decline in November.
- Employment fell for the first time in eight months. In addition to reflecting a decline in new orders, the drop in headcount also reflects efforts to reduce costs in some companies.

Technical view



Trend: Step back to build momentum

- The index's gain started to cool down today after a series of steep climbs. Profit taking pressure was more present at the end of the afternoon session, pushing the market to close in the red. Order matching continued to maintain a high level above 20 session average. Although the green color remained in most sectors, the gain was significantly narrower compared to the highest level of the session. This implies that correcting signals may appear in the next sessions. Technical indicators are neutral and maintain an uptrend, although RSI dropped slightly but still above 50. The index might return to test the 1,000-point threshold to reinforce the recovering trend.

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

` 2/12/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
NT2	Buy	26	28.5	25	10%	-4%	26.05	Correction to the support zone after the break session
VGI	Watch						20.5	Good reaction around 20-day MA
MBB	Watch						17.8	Good reaction around 50-day MA
HPG	Watch						18.2	Break MA50 days with consensus volume, waiting for a correction
SSI	Watch						18.2	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	4	5.26%	27/11/2022	
VRE	Hold	27	30	25.5	11%	-6%	27.4	4	9.09%	28/11/2022	Raise target to 32
VNM	Hold	77.5	85	73	10%	-6%	82.4	8	6.32%	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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