MORNING CALL

December 05th, 2022

Shinhan Securities

"Continuously climbing, the index is gradually regaining what was lost"

- Global stocks still remained in green but trading started to struggle
- Domestic stocks continuously went up and recorded the strongest week in history
- Review the information that motivates as well as dominates the current market
- Dividend payment schedule for week 05 - 09/12
- Technical view and recommendations #VCB #VRE #NT2
- Economic calendar
- Q&A

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Open Account

Global Market Review - Week 05/11 - 09/12/2022

Major stock markets stay in green but trading starts to be cautious

- Global stocks remained in the green although gains started to narrow after the previous strong rally week. Fed Chairman Mr. Powell hinted that the possibility of a slower rate hike for December created optimism for the market, offsetting worries about hotter-than-expected labor data. At the end of the week, Dow Jones, S&P 500 increased slightly by 0.2% and 1.1%, respectively. European stocks also struggled again when Stoxx Euro only gained 0.6%. Asian stocks diverged with Nikkei down 1.9%, Hang Seng continued to prosper with a gain of more than 6.3%, Shanghai also gained 1.8% as investors expected China to open soon.
- The US economy added 263K jobs in November, the least since April last year, but more than market expectations of 200K. The biggest job gains occurred in leisure and hospitality, health care, and government while employment declined in retail trade and in transportation and warehousing. At the same time, the jobless rate remained unchanged at 3.7% and average hourly earnings grew by 0.6% mom and 5.1% yoy, more than market expectations.
- The focus of next week revolves around the OPEC meeting, besides the interest rate announcement of the Banks of Australia and Canada. In the US, PPI data, consumer sentiment as well as jobless claims will be of interest.
- WTI crude futures edged above $81 per barrel on Monday after OPEC+ decided to maintain production at current levels as more Western sanctions on Russian oil are set to kick in, while easing Covid curbs in China buoyed the demand outlook.

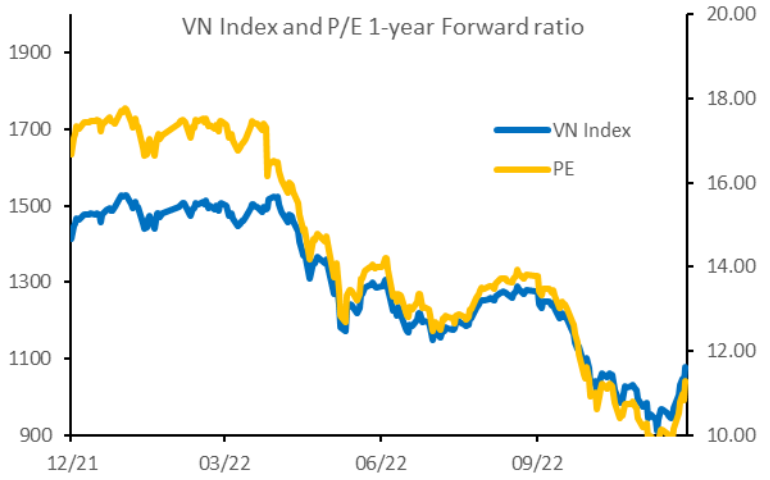
Market

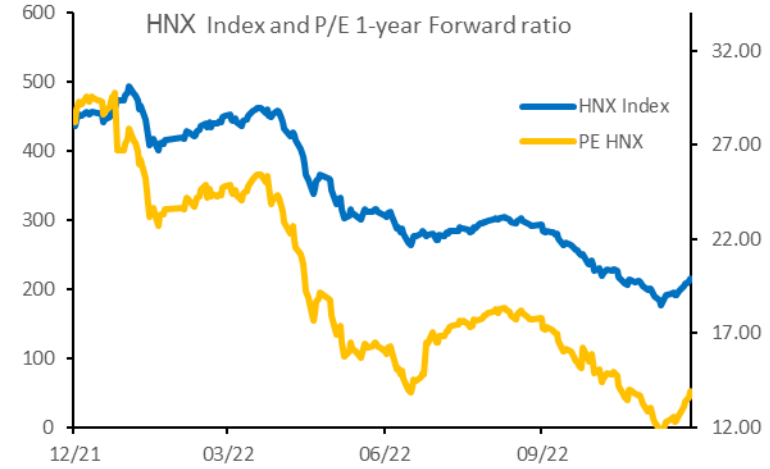
	Close	%1D	%1M	%1Y
VN-Index	1,080	4.22%	8.31%	-25.17%
S&P 500 Index	4,072	-0.12%	7.99%	-10.28%
Dow Jones Index	34,430	0.10%	6.25%	-0.43%
GP 100	7,556	-0.03%	3.02%	6.09%
Nikkei 225	27,764	-0.05%	2.07%	-0.95%
SHCOMP Index	3,156	-0.29%	2.78%	-12.51%
STOXX 600	443	-0.15%	6.31%	-4.21%
KOSPI Index	2,427	-0.32%	3.33%	-18.25%
Hang Seng	18,675	-0.33%	15.56%	-21.42%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.54	-0.01%	-5.72%	8.76%
USD/VND	24,477.00	0.17%	1.45%	-7.17%
EUR/USD	1.05	0.09%	5.24%	-6.56%
USD/CNY	7.05	0.00%	3.35%	-9.59%
Brent	87.40	2.14%	-11.33%	25.07%
WTI	81.66	2.10%	-11.82%	23.24%
Natural gas	5.91	-5.89%	-7.64%	43.05%
Coal	391.00	1.56%	8.31%	146.69%
Gold	1,800.34	0.15%	7.44%	1.22%

Vietnam Market Snapshot 02/12/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,080.01	11.31	43.73	4.22	1,092	17,924
HNX INDEX	215.96	13.88	4.95	2.35	136	1,794

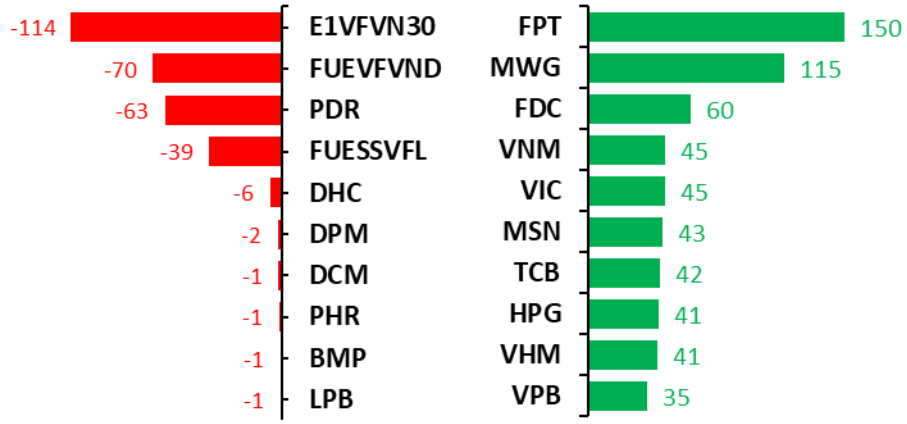
Money flow and sector rotation (VND bn)

Sector	%1D	12/2/2022	12/1/2022	20-session Average
Technology	49.53	249	166	123
Retail	-2.5	569	584	379
Personal & Household Goods	-8.2	153	166	117
Real Estate	-8.4	5,128	5,600	2,537
Travel & Leisure	-9.6	102	113	51
Utilities	-11.0	233	262	199
Food and Beverage	-13.6	1,019	1,179	808
Automobiles & Parts	-18.5	116	142	104
Chemicals	-19.1	745	922	579
Construction & Materials	-21.2	715	907	453
Financial Services	-21.7	1,858	2,371	1,250
Oil & Gas	-26.5	170	232	144
Banks	-29.4	3,215	4,557	2,490
Insurance	-34.0	64	97	65
Industrial Goods & Services	-34.1	526	799	436
Health Care	-36.7	16	25	19
Basic Resources	-37.0	1,277	2,027	1,055
Media	-93.3	0	6	2

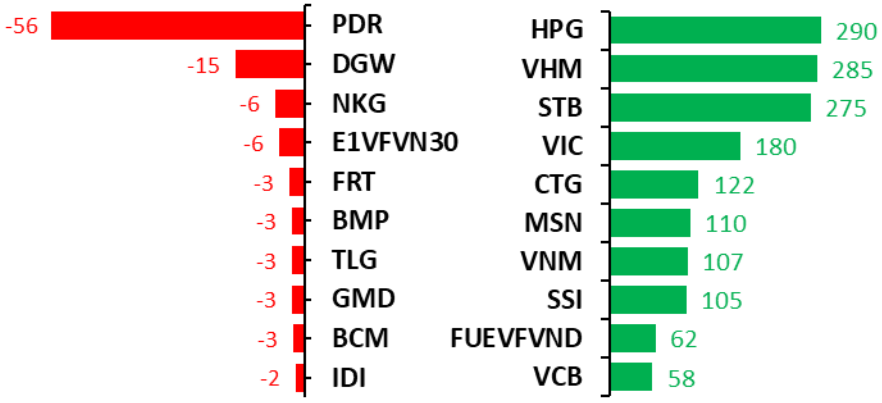
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 02/12/2022

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	122	625	(502)	68
Basic Resources	35	295	(214)	39
Media	(0)	-	0	(0)
Industrial Goods & Services	28	35	(374)	42
Health care	(0)	2	(78)	2
Chemicals	(4)	92	(74)	12
Financial Services	(209)	286	(4)	(85)
Travel & Leisure	22	42	(156)	9
Banks	229	483	(349)	306
Construction & Materials	(0)	27	(344)	1
Food and Beverage	95	251	(234)	43
Retail	116	(18)	(163)	67
Utilities	12	23	(136)	10
Personal & Household Goods	5	(3)	(86)	36
Technology	150	3	(133)	103
Automobiles & Parts	(0)	2	(1)	(2)
Insurance	1	7	0	7
Oil & Gas	2	29	0	13

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- The Politburo unanimously issued a resolution on the development of Ho Chi Minh City to 2030, with a vision to 2045.
- Banks receiving compulsory transfer from weak credit institutions may be allowed to increase foreign room to 49%. At the same time, some banks may be allowed to expand their credit room for the target of 14% credit growth of the whole industry.
- The Ministry of Industry and Trade is considering EVN's proposal to increase electricity prices.
- State budget revenue in 11 months exceeded 16% compared to the whole year estimate of 2022, reaching more than 1.6 million billion VND.

Less positive

Business news

- AGG, In the context of the industry's general difficulties, An Cuong Wood is considered a ray of light as this business continues to record positive growth.
- NBB, CII's Subsidiary did not buy all the registered NBB shares.
- PTB, HSBC Vietnam has just granted a green commercial credit of 12 billion USD to Phu Tai JSC.
- VNM, Vinamilk is about to spend more than VND 2,900 billion to advance the second dividend of 2022 in cash, at the rate of 14%.
- SBT, According to Deal Street Asia, the International Finance Corporation (IFC) - a member of the World Bank (WB) is considering pouring 20 million USD (about 480 billion VND) into Thanh Thanh Cong - Bien Hoa (TTC Sugar).



Dividend payment schedule for week 05 - 09/12/2022

Cash dividend

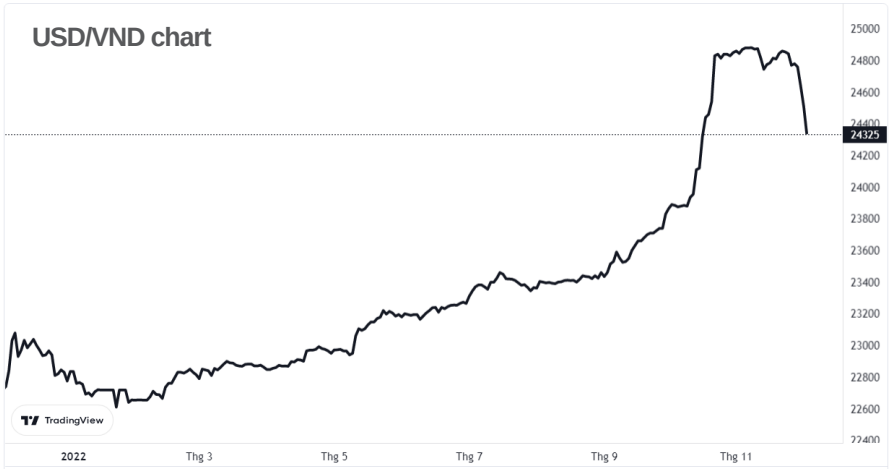
No.	Stock	Exchange	Ex-Right Date	Exercise Date	Ratio
1	MEL	HNX	09/12/2022	29/12/2022	10%
2	SCS	HOSE	09/12/2022	29/12/2022	25%
3	KHW	UPCoM	08/12/2022	26/12/2022	1%
4	PGI	HOSE	08/12/2022	28/12/2022	12%
5	MSH	HOSE	08/12/2022	23/12/2022	25%
6	BEL	UPCoM	08/12/2022	23/12/2022	5%
7	CHP	HOSE	07/12/2022	30/12/2022	12%
8	PLC	HNX	07/12/2022	23/12/2022	12%
9	PVC	HNX	07/12/2022	22/12/2022	2%
10	SPM	HOSE	07/12/2022	19/12/2022	5%
11	PRE	HNX	07/12/2022	16/12/2022	9%
12	GEE	UPCoM	07/12/2022	28/12/2022	10%
13	IDV	HNX	06/12/2022	26/12/2022	5%
14	TDB	UPCoM	06/12/2022	28/12/2022	5%
15	NTH	HNX	06/12/2022	22/12/2022	10%
16	PGC	HOSE	06/12/2022	07/04/2023	12%
17	BSA	UPCoM	05/12/2022	26/12/2022	3%
18	HPP	UPCoM	05/12/2022	10/01/2023	10%
19	TBC	HOSE	05/12/2022	30/12/2022	15%
20	EME	UPCoM	05/12/2022	19/12/2022	5%

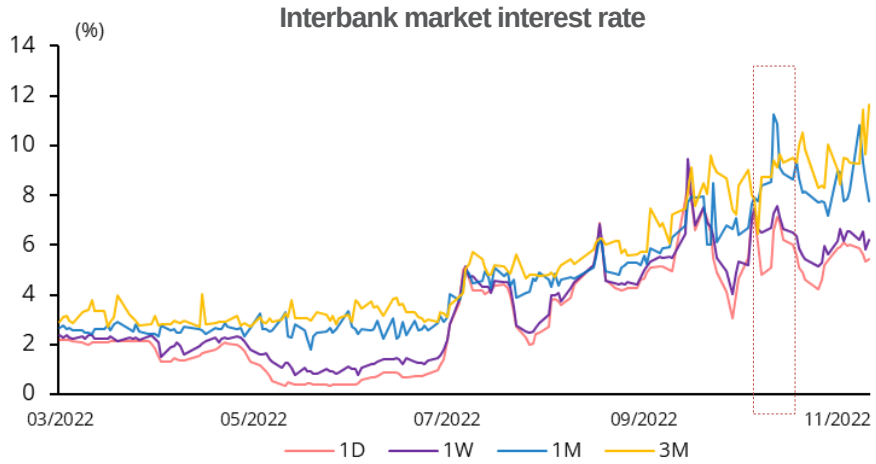
Stock dividends

No.	Stock	Exchange	Ex-Right Date	Record Date	Ratio
1	HHP	HOSE	09/12/2022	10/12/2022	1000:65
2	LSS	HOSE	08/12/2022	09/12/2022	1000:65
3	LDG	HOSE	07/12/2022	08/12/2022	100:7
4	AGG	HOSE	07/12/2022	08/12/2022	100:10
5	TDP	HOSE	07/12/2022	08/12/2022	100:12



Motivation for the current market





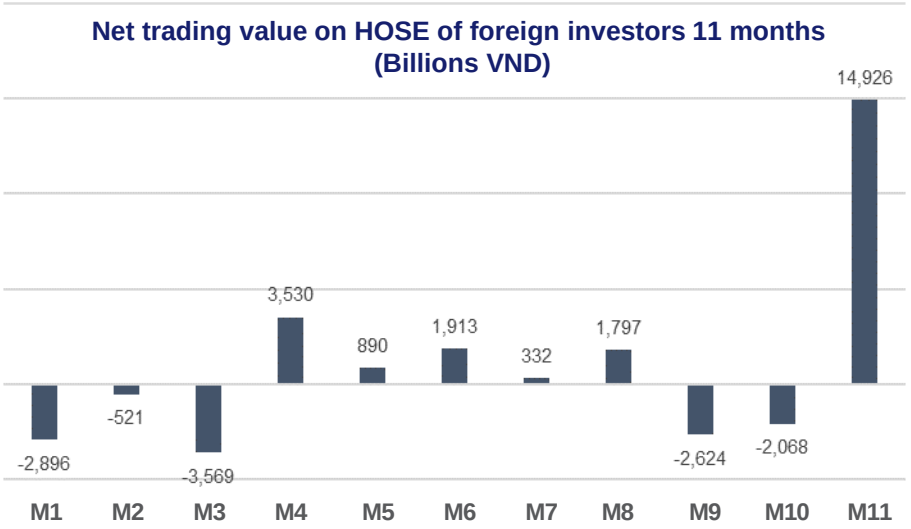
More stable exchange rate and interest rate

- The USD/VND exchange rate cooled down along with the recent weakening trend of the USD. The central USD/VND exchange rate at the State Bank (SBV) was listed at 23,660 VND/USD, down another 2 VND/USD compared to the previous session.
- On December 3, Vietcombank listed the buying and selling price of USD at 23,930 - 24,240 VND/USD, keeping a strong decrease of 400 VND/USD in the buying and selling direction compared to the previous listed levels. BIDV Bank trades in buying and selling USD at 23,950 - 24,230 VND/USD, also kept a strong decrease of 420 VND/USD in the buying and selling direction. Vietinbank listed buying and selling transactions at around 23,950 - 24,350 VND/USD, also decreased by 330 VND/USD in the buying and selling direction.
- Interbank interest rates were stable in short terms (overnight, 1 week, 1 month), compared to the high level recorded in early November.

	01/12	02/11
Over Night	5.42%	7.12%
1 Weeks	6.22%	7.56%
1 Months	7.74%	10.88%

Source: SBV

Motivation for the current market



Nguồn: HSX

Loosening credit room at the end of the year

- As of November 23, system-wide credit increased by about 11.5% compared to the system-wide credit growth target in 2022 of about 14%. Therefore, there is still room for credit under the plan. Many businesses expect the State Bank to consider granting more targets to banks that achieve financial capacity assessments, thereby increasing capital for the market.

Foreign investors had a record net buying month

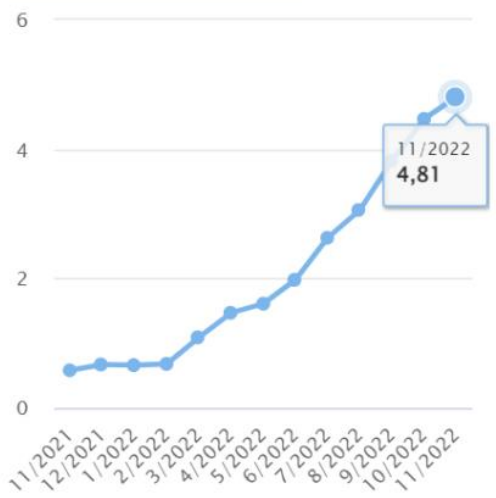
- For the whole November, foreign investors net bought nearly VND 16,000 billion on the Vietnamese stock market, the highest level since the beginning of the year. On HoSE alone, foreign capital poured in nearly VND 15,000 billion.
- Notably, recently ETF Fubon is one of the large ETFs investing in Vietnam, they also announced that they will raise about VND 4,000 billion to continue investing in the Vietnamese market.

The Government set up working groups related to the bond, currency and real estate markets

- Working group on liquidity, currency and capital led by Deputy Prime Minister Le Minh Khai
- Working group on real estate market led by Minister of Construction Nguyen Thanh Nghi
- The working group on corporate bonds is headed by Minister of Finance Ho Duc Phoc.

Information is dominating

Core inflation (YoY)

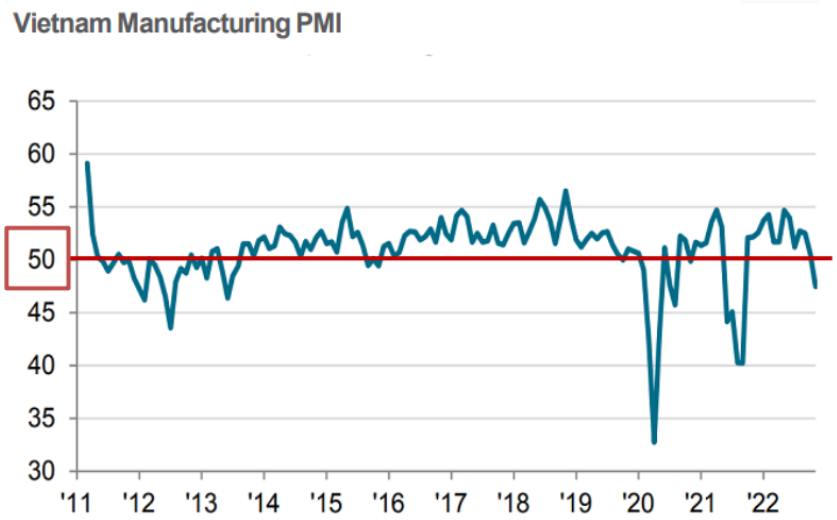


Source: GSO

Industrial Production Index (YoY)



Vietnam Manufacturing PMI



Source: S&P Global

- Core inflation in November continued to increase compared to the previous month and over the same period last year. Near the end of the year, people often increase their spending, especially in the period near Tet, so inflation pressure for next month is still a big challenge.
- The index of industrial production (IIP) in November was estimated to increase only 0.3% over the previous month and 5.3% over the same period, a slower increase than in previous months.
- PMI in November is below the average threshold of 50, Vietnam's manufacturing industry is in marked decline.

➢ IIP and PMI decreased in the context of declining output, orders, high input costs and shortage of raw material supply. Besides the reduced selling price due to reduced demand and more competition.

Technical view



Trend: Steep Climb

- The index closed the week at the highest level, creating a Marubozu candlestick pattern, meaning that the money flow was active and there was a high consensus. Order matching also increased significantly compared to the previous week. Technical indicators maintain upward momentum in line with the trend. In general, increased inertia is being favored with higher probability. However, before the continuous climbing of the index, investors should limit excitement. The market will probably need a break before continuing to conquer higher levels. The nearest resistance for the trend is at 1,100 points while the support is now raised at 1,020 points.

Scenarios:

- Positive (60%): The index maintained above 1,050 points and continued to rise to 1,100 points, more optimistic than towards 1,150 points, corresponding to the old bottom that was broken before.
- Less positive (40%): The index returned to retest around 1,020 points. If it loses the threshold of 1,020, the index might drop back to test the psychological level of 1,000 points and lower to the area of 900 points.

Recommended stocks

5/12/2022

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%	26.85	Correction to the support zone after the break session
VGI	Watch						20.5	Good reaction around 20-day MA
MBB	Watch						18.8	Good reaction around 50-day MA
HPG	Watch						19.45	Break MA50 days with consensus volume, waiting for a correction
SSI	Watch						19.45	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	Sell	76	84	72	11%	-5%	79	5	11.84%	27/11/2022	Hit Target
VRE	Sell	27	30	25.5	11%	-6%	27.4	5	14.73%	28/11/2022	Hit Target
VNM	Hold	77.5	85	73	10%	-6%	84	9	8.39%	22/11/2022	Near target

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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