MORNING CALL

December 12th, 2022

Shinhan Securities

“It's been a challenging week for the index with a lot of important news waiting”

- Global stocks are mixed, Hang Seng is upstream and continues to prosper
- Domestic stocks trading struggled
- Inter-market update
- Technical view and recommendations #VCG #VRE #POW
- Economic calendar
- Q&A

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Open Account

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

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Major stock markets mixed

- Wall Street had a losing week in the absence of information supporting the trend. The producer price index (PPI) increased more than expected, making investors worried again. Besides, the central banks of Canada and Australia all decided to increase interest rates this week. At the end of the week, Dow Jones, S&P 500 fell 2.8% and 3.4%, respectively. European stocks also fell after a series of days of gains with Stoxx Euro losing 0.9%. On the other hand, Asian stocks continued to prosper with China leading the way. Hong Kong's government may further relax Covid curbs, including lifting its outdoor mask rule and relaxing mandatory testing for arrivals. This pushed Hang Seng up 6.6%, Shang Hai also up 1.6% and Nikkei up slightly 0.5%.
- The Producer Price Index for final demand (PPI) in the United States rose 0.3% month-on-month in November 2022 and was above market forecasts of 0.2%.The University of Michigan's consumer sentiment towards the US unexpectedly rose to 59.1 in December 2022 from 56.8 in November, beating market forecasts of 56.9, preliminary estimates showed.
- This week will be a busy week with many key news to be waited for. In the US, the Fed rate decision and CPI report take center stage. In addition, the Bank of England, the European Central Bank, the Swiss National Bank will hold monetary policy meetings and UK, India, and South Africa will release inflation data. Finally, flash PMI readings will be announced for major developed economies including the US, UK, Euro Area, and Australia.
- Crude oil recorded the worst week with a drop of nearly 11%, following the decline from the previous week that brought the price of WTI oil to around 71 USD/barrel. Growing concerns about the possibility of a slowdown in demand due to the economic downturn, especially in advanced economies, are weighing on sentiment.

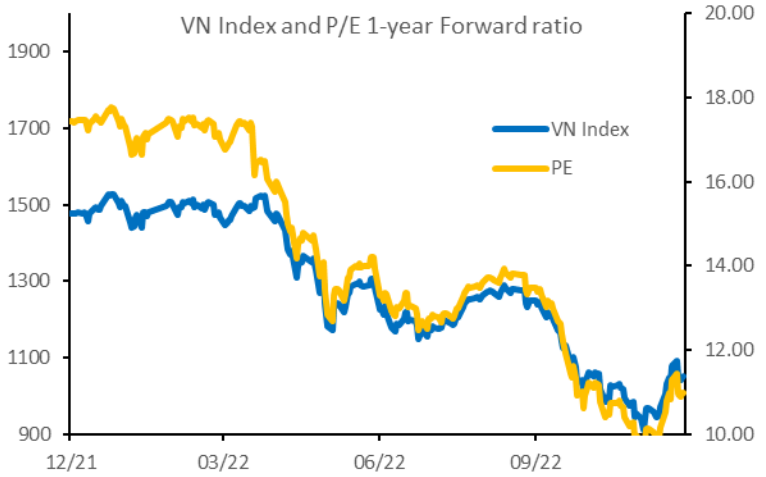
Market

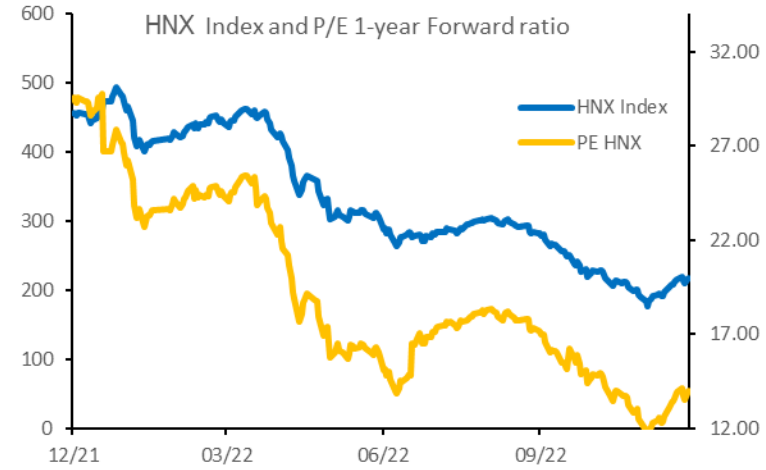
	Close	%1D	%1M	%1Y
VN-Index	1,052	0.12%	10.19%	-28.13%
S&P 500 Index	3,934	-0.73%	-1.47%	-16.50%
Dow Jones Index	33,476	-0.90%	-0.80%	-6.93%
GP 100	7,477	0.06%	2.17%	2.54%
Nikkei 225	27,780	-0.43%	-1.71%	-2.31%
SHCOMP Index	3,207	0.30%	3.88%	-12.53%
STOXX 600	439	0.84%	1.59%	-7.66%
KOSPI Index	2,375	-0.58%	-4.35%	-21.10%
Hang Seng	19,901	2.32%	14.86%	-17.06%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	105.06	0.24%	-1.16%	9.33%
USD/VND	23,783.00	0.56%	4.53%	-3.50%
EUR/USD	1.05	-0.26%	1.80%	-6.83%
USD/CNY	6.96	0.13%	4.06%	-8.35%
Brent	76.99	1.17%	-19.79%	2.45%
WTI	72.03	1.42%	-19.03%	0.50%
Natural gas	6.82	9.13%	15.92%	73.63%
Coal	402.50	1.77%	23.94%	151.41%
Gold	1,793.15	-0.23%	1.23%	0.36%

Vietnam Market Snapshot 09/12/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,051.81	11.01	1.28	0.12	788	12,948
HNX INDEX	217.00	13.95	1.62	0.75	121	1,830

Money flow and sector rotation (VND bn)

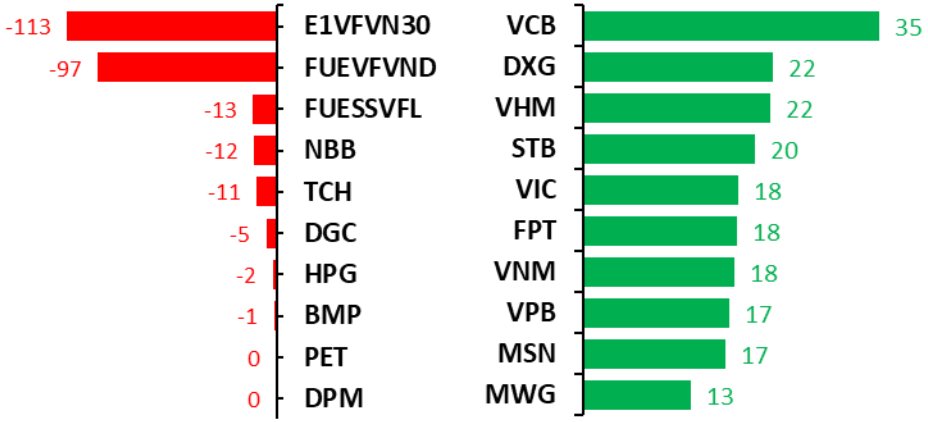
Sector	%1D	12/9/2022	12/8/2022	20-session Average
Construction & Materials	32.46	721	544	534
Insurance	10.57	54	49	66
Basic Resources	7.68	1,079	1,002	1,149
Health Care	-9.6	17	18	20
Travel & Leisure	-11.0	84	94	65
Food and Beverage	-14.9	834	980	902
Real Estate	-18.9	3,139	3,870	3,186
Banks	-19.2	2,692	3,331	2,824
Utilities	-23.8	146	192	203
Industrial Goods & Services	-23.8	437	573	506
Personal & Household Goods	-24.0	147	193	133
Financial Services	-25.4	1,584	2,122	1,578
Technology	-26.5	86	116	126
Oil & Gas	-38.5	93	151	153
Retail	-38.5	248	404	394
Chemicals	-46.3	331	615	620
Automobiles & Parts	-47.1	54	103	112
Media	-71.7	1	5	2

Source: Bloomberg, Shinhan Securities Vietnam

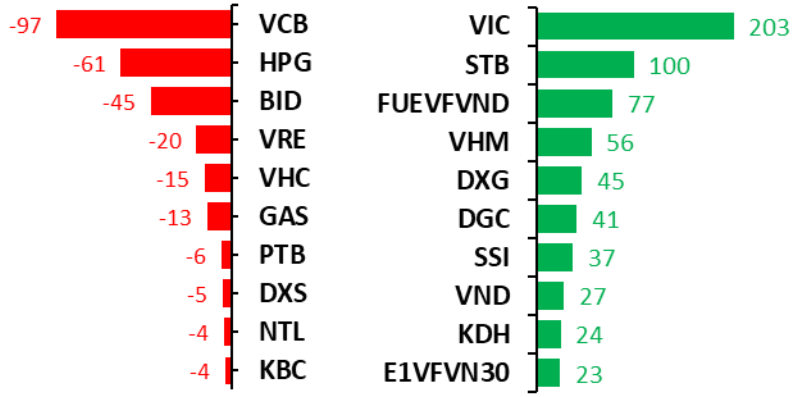
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Vietnam Market Snapshot 09/12/2022

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	374	89	(442)	321
Basic Resources	11	122	(53)	19
Media	-	-	0	-
Industrial Goods & Services	3	6	(117)	21
Health care	-	0	(27)	0
Chemicals	1	39	83	15
Financial Services	(58)	66	(84)	(20)
Travel & Leisure	6	22	46	19
Banks	96	77	(69)	111
Construction & Materials	(8)	10	(185)	11
Food and Beverage	25	(44)	(43)	23
Retail	98	27	(80)	121
Utilities	2	17	(138)	5
Personal & Household Goods	4	5	18	1
Technology	8	1	(54)	33
Automobiles & Parts	-	1	(1)	0
Insurance	(1)	8	(0)	0
Oil & Gas	0	4	(0)	17

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- Urgently start construction of all 25 packages of North-South Expressway Phase 2 before the Lunar New Year.
- The Prime Minister departs to attend the Summit to celebrate the 45th anniversary of ASEAN-EU relations and visit Luxembourg, the Netherlands, and Belgium.
- As of November 30, 2022, Customs has collected 401,221 billion VND, exceeding 14% of the estimate.

Less positive

- According to the Department of Labor, War Invalids and Social Affairs of Dong Nai province, due to negative impacts from the world market, from June 2022, enterprises in the province faced difficulties in production and business.

  The survey shows that more than 22,000 workers have been laid off, 48,000 workers have reduced working hours and 9,000 paid workers have stopped working. The export wood processing, garment, and footwear sectors are the hardest hit.



Business news

- MV Index Solutions (MVIS) has just announced to remove 4 stocks BCG, DXG, ITA and THD from the list of MVIS Vietnam Index - the reference index of VNM ETF in the review period of Q4/2022.
- HVN, Vietnam Airlines reopens regular flights to China after 3 years of hiatus.
- VCB, Vietcombank prepares to hold an extraordinary general meeting of shareholders.
- GEG, the Board of Directors of Gia Lai Electricity Joint Stock Company approved the suspension of offering shares to existing shareholders at the price of 14,000 VND/share. The reason is that the market price is lower than the stock offering price.
- KDC, Kido wants to buy back 10 million treasury shares, equivalent to 3.57% of outstanding shares.
- GEX, Gelex Group has just announced that GEX Investment One Member Limited Liability Company has registered to sell 80 million GEX shares, equivalent to 9.39% of the total number of outstanding shares of this Group.
- KBC, On December 28, Kinh Bac Urban Development Company will hold the second Extraordinary General Meeting of Shareholders to approve many important contents, including the business plan for 2023 as well as the share buyback to reduce charter capital.

  Set a profit target in 2023 with revenue of VND 9,000 billion and profit after tax of VND 4,000 billion, down 8% and 11% respectively compared to the plan of 2022.

  KBC also submitted the cancellation of the private placement plan and plans to buy back 100 million shares to reduce its charter capital. The bid price will be according to the market price at the time of transaction but will not be higher than 34,000 VND/share.

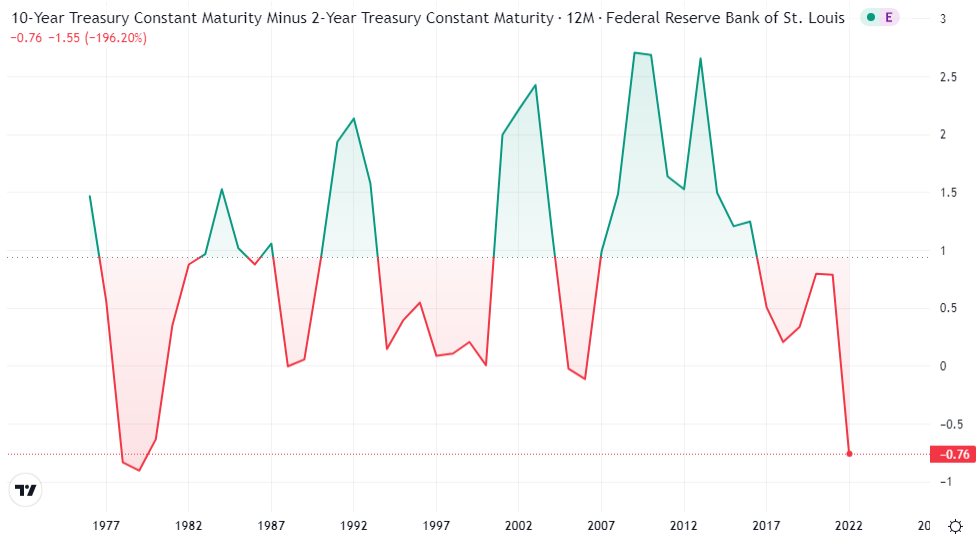
Inter-market update



- Wall Street and Europe cooled down after a series of positive recovery weeks from the beginning of October, the wave of recovery seems to be less and the upward pressure is more difficult in the absence of supporting information. Investors are cautiously waiting for CPI data as well as the Fed meeting this week.
- Chinese stocks began to show their own story, continuing to go up in the current context. Expectations of reopening the economy as there are more signs that authorities are easing Covid restrictions continue to fuel optimism.

Kênh tài sản trú ẩn phục hồi





- The yield on the US 10-year Treasury note, seen as a proxy for global borrowing costs, rebounded to above 3.5% from the three-month low of 3.4% touched on December 7th after the producer price index print surprised to the upside, raising concerns that consumer inflation could refrain from slowing further. On top of that, some sectors of the US economy, including housing and industry, have been flashing recessionary signs.
- Meanwhile, the gap between 2 and 10-year bond yields widened to over 80bps, the largest since at least 1981.
- The dollar index gave up early losses to trade around 105 on Friday, after fresh PPI data showed producer prices in the US rose more than expected last month. Although markets already priced in a smaller 50bps rate hike by the Fed next week, expectations around the terminal fed funds rate which currently hovers around 5% could change as inflation remains elevated.

Dầu thô rơi về vùng rủi ro





- WTI crude futures fell back to below $71 per barrel on Friday, the lowest in 12 months, pressured by growing concerns about a potential global recession-driven demand downturn, particularly among advanced economies. On the other hand, the shutdown of the Keystone pipeline added to the highly uncertain supply outlook. Investors are also assessing the impact of the latest sanctions on Russian oil and G7 price cap with President Putin warning that Moscow might cut oil production in response. Meanwhile, OPEC+ decided to stick to their existing policy of reducing oil output by 2 million barrels a day from November through 2023.

- Prices for iron ore cargoes with a 63.5% iron ore content for delivery into Tianjin rose to $110 in December, the highest since mid-August, as eased Covid curbs and measures to stimulate the economy in top consumer China increased expectations for higher demand.
- Also, the country's largest commercial banks agreed to extend $162 billion in fresh credit lines to private developers to fight the sector's liquidity crunch, and the PBoC further cut banks' reserve requirement ratio. Earlier, the national bond authority expanded a key financing program by $35 billion to support the sales of bonds after a period of defaults increased the cost of credit for residence builders.

Technical view



Trend: Accumulation

- The market has corrected again after a series of impressive recovery days. With the absence of the leading group in the current period and the cash flow starting to divergence, it will be more difficult for the index to continue going up. Therefore, dropping signal is reasonable for the index to drop back to create more momentum for recovering inertia. The trade will be inclined to struggle in the coming sessions. The MACD is starting to close the gap with the signal line along with the RSI balancing around 55, meaning that the correcting signal is still there and the market needs more time to accumulate. The short-term support for the trend is at 1,030 points, below the psychological level of 1,000 points while the nearest resistance is at 1,100 points.

Scenarios:

- Positive (60%): The index balanced and successfully tested the area of 1,030 points to create a recovery momentum to the threshold of 1,100 points, more optimistic than towards the 1,150 point area, corresponding to the old bottom that has been broken before.
- Less positive (40%): The index losing the level of 1,020 might drop to test the psychological threshold of 1,000 points and lower to the area of 980 points.

Recommended stocks

12/12/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VCG	Wait to buy	18	21	16.5	17%	-8%	18.05	Break after the price correction period
POW	Wait to buy	11	12.5	10.4	14%	-5%	11.2	Correction to the support zone
VRE	Wait to buy	28	32	26.5	14%	-5%	26.8	Good reaction around 20-day MA
MBB	Watch							Good reaction around 50-day MA
HPG	Watch							Break MA50 days with consensus volume, waiting for a correction
SSI	Watch							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
NT2	Hold	26	29	24.5	12%	-6%	27.7	6	6.54%	02/12/2022	

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	27	28	29 Monthly macroeconomic data release (Viet Nam)	30	31

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Q&A

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