MORNING CALL

December 14th, 2022

Shinhan Securities

"The index soon returned to green, the trade was balanced"

- Global stocks gain after US CPI data, although gains are somewhat narrow
- Domestic stocks regain the green color
- US Inflation Rate (CPI) eases more than expected
- Technical view and recommendations
- Economic calendar
- Q&A

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Open Account

Global Market Review - Week 12 - 16/12/2022

Major stock markets gain after US CPI data

- US stocks closed Tuesday's session higher but well below their daily highs, with the Dow erasing a 700-point gain to end around 34,109 points as investors digested signs of cooling inflation but remained cautious ahead of the Federal Reserve meeting. The S&P 500 added 0.7%, while the Nasdaq rose 1%, with the two indexes up 2.8% and 3.8% at session highs, respectively. European equities enjoyed a wave of momentum on Tuesday, driven by gains in the real estate, technology, and energy sectors.
- The Bank of Japan's index for big manufacturers' sentiment edged down to 7 in Q4 of 2022 from 8 in Q3 but above market consensus of 6. This was the lowest reading since Q1 2021, falling for the fourth straight quarter, amid persistent cost pressure and the prospects of slowing global demand.
- The seasonally adjusted unemployment rate in South Korea increased to 2.9% in November 2022 from 2.8% in October as rising interest rates and mounting recessionary risks weighed on the labor market.
- WTI crude futures climbed toward $74 per barrel on Tuesday after gaining more than 3% in the previous session, underpinned by an improving demand outlook from top crude importer China after its ambassador to the US said the country will relax Covid rules further and will welcome more international travelers in the “near future.” On the supply side, the market remains clueless on how long Canada’s TC Energy Corp would take to clean up the largest oil spill in US land in about a decade and restart the Keystone pipeline.

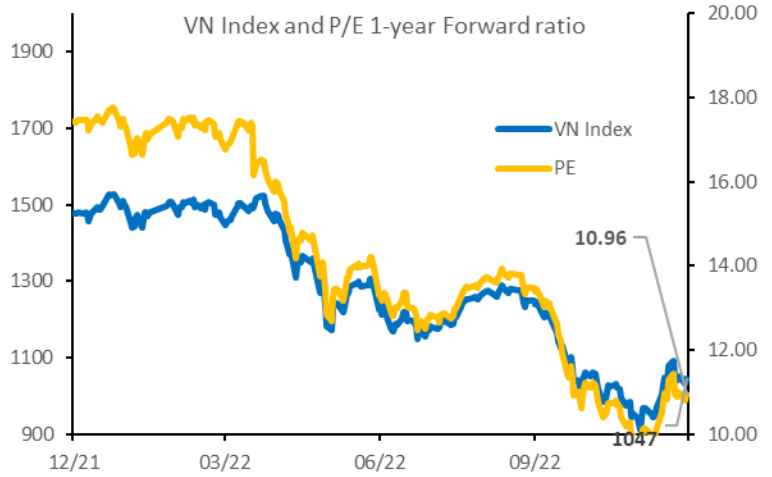
Market

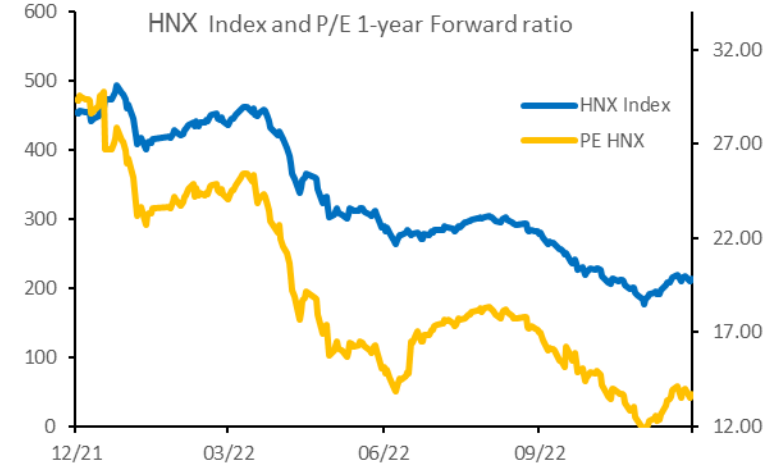
	Close	%1D	%1M	%1Y
VN-Index	1,047	1.49%	11.31%	-29.04%
S&P 500 Index	4,020	0.73%	0.67%	-13.91%
Dow Jones Index	34,109	0.30%	1.07%	-4.33%
GP 100	7,503	0.76%	1.59%	3.94%
Nikkei 225	28,051	0.34%	0.31%	-1.34%
SHCOMP Index	3,176	-0.09%	3.01%	-13.25%
STOXX 600	443	1.29%	2.25%	-5.74%
KOSPI Index	2,387	0.63%	-3.53%	-20.10%
Hang Seng	19,596	0.68%	11.22%	-17.09%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.98	-1.09%	-2.18%	7.96%
USD/VND	23,625.00	0.34%	4.97%	-2.77%
EUR/USD	1.06	-0.07%	2.90%	-5.62%
USD/CNY	6.95	0.37%	1.69%	-8.41%
Brent	80.68	3.45%	-15.95%	8.46%
WTI	75.06	-0.44%	-12.59%	6.12%
Natural gas	6.82	-1.63%	14.98%	82.07%
Coal	404.50	1.06%	23.78%	146.27%
Gold	1,809.05	-0.10%	2.13%	2.16%

Vietnam Market Snapshot 13/12/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,047.45	10.96	15.38	1.49	798	13,237
HNX INDEX	213.59	13.73	3.06	1.45	98	1,402

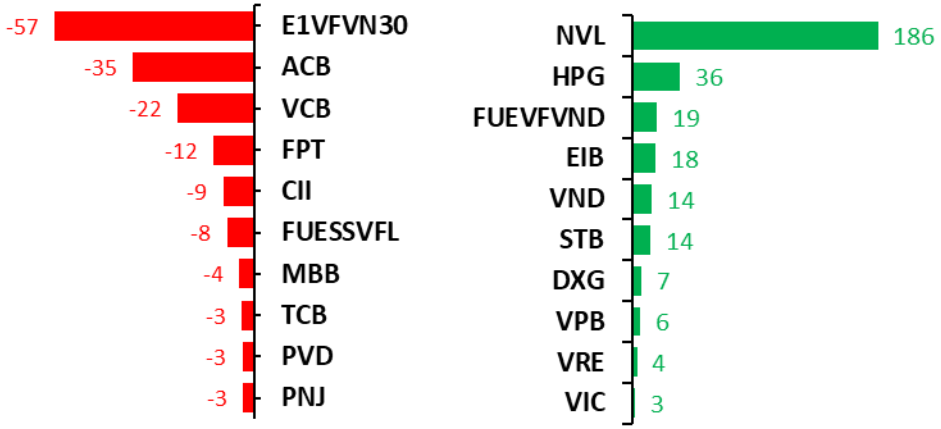
Money flow and sector rotation (VND bn)

Sector	%1D	12/13/2022	12/12/2022	20-session Average
Travel & Leisure	88.07	135	72	69
Insurance	48.24	87	59	64
Real Estate	30.94	3,207	2,449	3,354
Food and Beverage	-5.8	1,128	1,197	950
Banks	-14.6	2,456	2,876	2,861
Personal & Household Goods	-20.3	118	148	134
Financial Services	-20.9	1,812	2,290	1,697
Construction & Materials	-23.8	672	882	586
Technology	-25.8	81	110	118
Chemicals	-28.7	396	555	640
Basic Resources	-28.8	840	1,180	1,165
Automobiles & Parts	-28.9	60	84	111
Utilities	-29.8	153	218	199
Retail	-34.6	256	391	403
Industrial Goods & Services	-35.4	486	752	529
Health Care	-35.7	10	15	20
Oil & Gas	-39.3	106	175	160
Media	-65.8	1	2	2

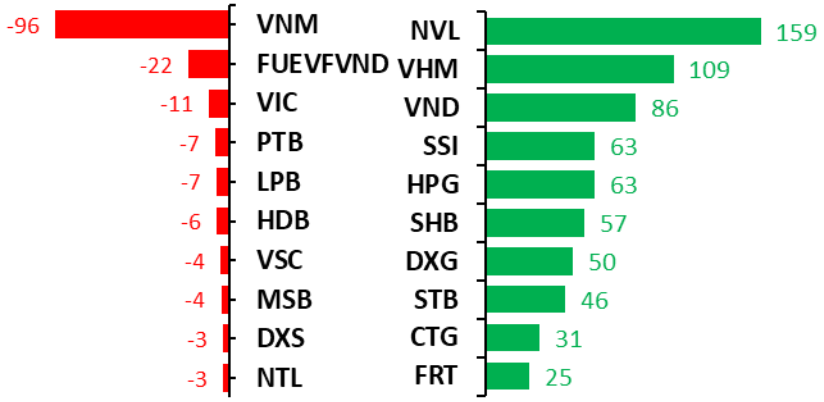
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 13/12/2022

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	202	352	(560)	284
Basic Resources	36	69	(71)	23
Media	-	0	0	-
Industrial Goods & Services	(4)	12	(110)	34
Health care	-	1	(47)	0
Chemicals	(0)	52	(31)	(14)
Financial Services	(32)	183	(46)	47
Travel & Leisure	1	21	69	12
Banks	(32)	158	(141)	153
Construction & Materials	(9)	16	(251)	3
Food and Beverage	4	(55)	(17)	30
Retail	(4)	26	(62)	21
Utilities	0	21	(122)	2
Personal & Household Goods	(3)	6	(15)	(3)
Technology	(12)	0	(91)	9
Automobiles & Parts	0	1	(2)	0
Insurance	(1)	20	(0)	(3)
Oil & Gas	(3)	16	(0)	(1)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- The Prime Minister directed to remove obstacles and support credit capital for the economy.
- The Asian Development Bank (ADB) forecasts economic growth in the Asia-Pacific region this year at 6.5% with many challenges, in which, Vietnam's economy is forecasted to grow by 7.5%.
- Vietnam's GDP is forecasted by CEBR to rank 3rd in ASEAN, 8th in Asia, reaching about $1.021 billion by 2031.
- The Ministry of Construction has proposed to remove regulations requiring investors to build commercial housing projects and urban areas to spend 20% of the land fund to build social housing.

Less positive



Business news

- HAH, HAH estimates that the total output in 2022 will exceed 1 million TEUs, 6% higher than the plan compared to the same period last year. Total revenue of HAH is estimated at VND 3,145 billion, exceeding 32% of the year plan and increasing by 61% over the same period in 2021. Consolidated profit after tax of the parent company is also estimated to exceed 52% of the plan with VND 835 billion, an increase of 87 % over the same period.

  Although business results in 2022 achieved impressive growth, HAH set a plan for 2023 to go backwards with a total output of 973,000 TEUs, a decrease of nearly 3%. Total revenue of VND 2,631 billion, down 16%. Consolidated profit after tax of shareholders of the parent company plummeted by 64% to VND 300 billion.

- VHC, Vinh Hoan Joint Stock Company has just announced business results in November 2022 with export revenue of VND 893 billion, down 10% compared to the same period last year. Vinh Hoan's three main exporting countries, the US, China and Europe, lost revenue growth in November, down 13%, 60% and 20% year-on-year, respectively.

  In which, revenue of pangasius - Vinh Hoan's main source of income recorded VND 480 billion, down 22% over the same period and the only month.

- CTR, Viettel Construction Corporation has just announced its business results for the first 11 months of the year with net revenue of over VND 8,578 billion, profit before tax of nearly VND 513 billion, up 26.6% and nearly 23% over the same period. With this result, the company has completed the revenue target and achieved 99.1% of the annual profit plan. In November alone, Viettel Construction's net revenue reached VND 819 billion, profit before tax was more than VND 52 billion.

- BWE, Biwase estimated revenue of VND 3,445 billion and profit after tax of VND 629 billion after 11 months, up 14% and 2% respectively over the same period. Besides, BWE signed a loan agreement of USD 20 million from ADB and JICA.

US Inflation Rate eases more than expected





- The annual inflation rate in the US slowed for a fifth straight month to 7.1% in November of 2022, the lowest since December last year, and below forecasts of 7.3%. It follows a reading of 7.7% in October. Compared to the previous month, the CPI edged up only 0.1%, the least in three months, and also lower than forecasts of 0.3%.
- Inflation report on December 13 plays an important role in the Fed's upcoming interest rate hike. Most investors expect the Fed to raise 50 basis points at its December 2022 meeting, slightly reducing the magnitude of previous increases.

➢ Despite cooling down, inflation is still significantly higher than the Fed's 2% target, but with weak growth and a gradual downward trend, it is creating optimism for investors in the short term.

- The yield on the US 10-year Treasury noted retreated below the 3.5% mark, approaching the three-month low of 3.4% touched on December 7th after the domestic inflation report surprised to the downside, easing expectations of how high the Federal Reserve will have to raise its funds rate target.
- The dollar index extended losses and fell more than 1% to below 104 on Tuesday, the lowest level in six months.

US Inflation Rate eases more than expected

	Seasonally adjusted changes from preceding month						
	May 2022	Jun. 2022	Jul. 2022	Aug. 2022	Sep. 2022	Oct. 2022	Nov. 2022
All items	1.0	1.3	0.0	0.1	0.4	0.4	0.1
Food	1.2	1.0	1.1	0.8	0.8	0.6	0.5
Food at home	1.4	1.0	1.3	0.7	0.7	0.4	0.5
Food away from home(1)	0.7	0.9	0.7	0.9	0.9	0.9	0.5
Energy	3.9	7.5	-4.6	-5.0	-2.1	1.8	-1.6
Energy commodities	4.5	10.4	-7.6	-10.1	-4.7	4.4	-2.0
Gasoline (all types)	4.1	11.2	-7.7	-10.6	-4.9	4.0	-2.0
Fuel oil(1)	16.9	-1.2	-11.0	-5.9	-2.7	19.8	1.7
Energy services	3.0	3.5	0.1	2.1	1.1	-1.2	-1.1
Electricity	1.3	1.7	1.6	1.5	0.4	0.1	-0.2
Utility (piped) gas service	8.0	8.2	-3.6	3.5	2.9	-4.6	-3.5
All items less food and energy	0.6	0.7	0.3	0.6	0.6	0.3	0.2
Commodities less food and energy commodities	0.7	0.8	0.2	0.5	0.0	-0.4	-0.5
New vehicles	1.0	0.7	0.6	0.8	0.7	0.4	0.0
Used cars and trucks	1.8	1.6	-0.4	-0.1	-1.1	-2.4	-2.9
Apparel	0.7	0.8	-0.1	0.2	-0.3	-0.7	0.2
Medical care commodities(1)	0.3	0.4	0.6	0.2	-0.1	0.0	0.2
Services less energy services	0.6	0.7	0.4	0.6	0.8	0.5	0.4
Shelter	0.6	0.6	0.5	0.7	0.7	0.8	0.6
Transportation services	1.3	2.1	-0.5	0.5	1.9	0.8	-0.1
Medical care services	0.4	0.7	0.4	0.8	1.0	-0.6	-0.7

Source: U.S. Bureau of Labor Statistics

- The growth of the food index slowed down from the previous month (to 0.5%) along with a decrease of 1.6% in the energy index, contributing to the decrease in the overall CPI.

Core CPI

- The index for all commodities except food and energy (Core CPI) rose 0.2% in November, after gaining 0.3% in October, below market expectations of 0.3%.
- In terms of components, most of them had a slow increase or decrease compared to the previous month.
- Shelter is the dominant factor in the increase of core CPI, the other components are a combination of increase and decrease. However, the increase of 0.6% was lower than the 0.8% increase of the previous month.
- Used cars and trucks index decreased by 2.9%, the largest contributor to the decline, besides medical care services also decreased by 0.7%.
- New Vehicles did not increase in November after steadily increasing in the previous period, reflecting a less congested supply chain.

Technical view



Trend: Accumulation

- The market soon regained the green after the previous day's decline, although important news has not been released (CPI in the US and the Fed's interest rate decision), but it seems that investors are more optimistic on positive results. The index recovered but was still lower than the 10-day MA of 1,054 points with a drop in matching orders compared to yesterday, which means that buying money has not really been drastic. Trading only increased near the end of the afternoon session and accelerated during the ATC session. The cautious sentiment is still there and the appropriate strategy is in favor of holding. The weight should only be increased when the index surpasses the threshold of 1,070 points.

Scenarios:

- Positive (60%): The index balanced and successfully tested the area of 1,000 - 1,020 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

14/12/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VNM	Watch						78	Waiting to retest the 50-day MA
MBB	Watch						18	Waiting to retest the area around MA10-20 days, MA20 - 50 cross
HPG	Watch						19	Waiting to retest the area around MA10-20 days, MA20 - 50 cross
SSI	Watch						20.4	Waiting to retest the 10-day MA

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
VCG	Buy	17.6	21	16	19%	-9%	19	2	7.95%	12/12/2022	
VRE	Hold	27.5	32	26	16%	-5%	28	3	1.82%	09/12/2022	
POW	Hold	11	12.5	10.4	14%	-5%	11.4	3	3.64%	09/12/2022	
NT2	Hold	26	29	24.5	12%	-6%	27.8	8	6.92%	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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