MORNING CALL

December 15th, 2022

Shinhan Securities

"The trade struggled, the index continued to accumulate sideways, need more catalysts"

- Global stocks stabilize after the Fed meeting, trading is balanced
- Domestic stocks continued to be in green but the gaining momentum narrow towards the end of the session
- 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 traded stably

- US stock edged higher on Thursday as the Federal Reserve delivered a widely expected half-percentage point rate hike, but Fed Chair Jerome Powell dashed hopes for a pivot next year and indicated a higher peak for rates.
- Fed slows pace of rate hikes. The Federal Reserve has raised the fed funds rate by 50bps to 4.25%-4.5% today, following four three-quarter point hikes, in line with market expectations and pushing borrowing costs to the highest since 2007. Policymakers projected rates would reach 5.1% next year before being lowered to 4.1% in 2024, a higher level than previously indicated.
- Japan's trade deficit surged sharply to JPY 2,027.4 billion in November 2022 from a JPY of 973.6 billion in the same month a year earlier and compared with market consensus of a gap of JPY 1,680.3 billion. This was the 16th straight month of the deficit which was the longest stretch since 2015, adding to concerns over the strength of the country's economic recovery.
- Australia jobless rate stays at 3-month low. The seasonally adjusted unemployment rate in Australia stood at 3.4% in November 2022, unchanged from October's 3-month low, and matching market estimates.
- WTI crude futures rose more than 3% to above $77 per barrel, extending gains for a third consecutive session and moving away from a one-year low of around $70 touched on December 9th, on growing optimism for a recovery in demand while supplies remain tight.

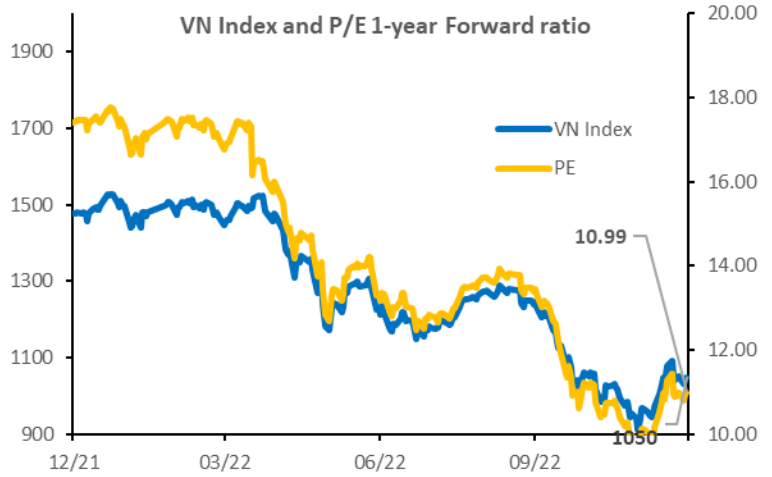
Market

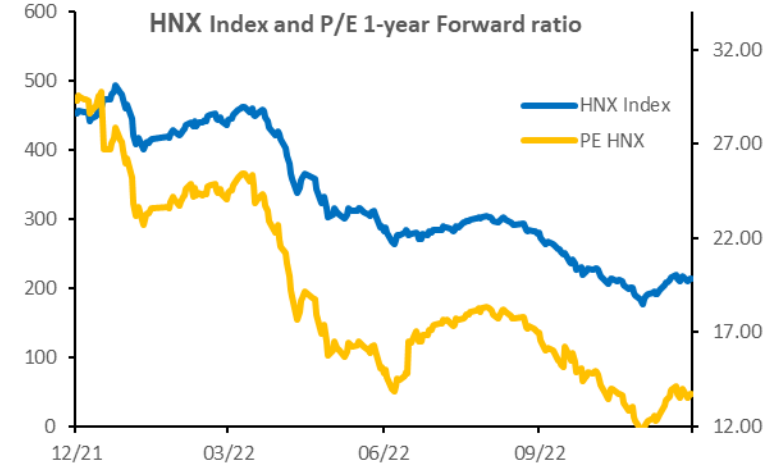
	Close	%1D	%1M	%1Y
VN-Index	1,050	0.28%	15.19%	-28.81%
S&P 500 Index	3,995	-0.61%	0.96%	-13.78%
Dow Jones Index	33,966	-0.42%	1.28%	-4.44%
GP 100	7,496	-0.09%	1.72%	4.53%
Nikkei 225	28,154	-0.01%	0.58%	-1.07%
SHCOMP Index	3,177	0.01%	1.35%	-12.92%
STOXX 600	443	-0.02%	1.86%	-6.00%
KOSPI Index	2,389	-0.43%	-3.69%	-20.09%
Hang Seng	19,673	0.39%	7.25%	-16.00%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.69	-0.08%	-2.55%	7.43%
USD/VND	23,546.00	0.34%	5.32%	-2.35%
EUR/USD	1.07	-0.11%	3.10%	-5.48%
USD/CNY	6.95	0.02%	1.71%	-8.39%
Brent	82.71	0.01%	-11.88%	11.95%
WTI	77.24	-0.05%	-11.14%	8.99%
Natural gas	6.50	1.01%	7.64%	70.83%
Coal	404.00	-0.12%	22.29%	145.22%
Gold	1,802.47	-0.27%	1.32%	1.44%

Vietnam Market Snapshot 14/12/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,050.43	10.99	2.98	0.28	792	13,730
HNX INDEX	213.21	13.70	-0.38	-0.18	93	1,299

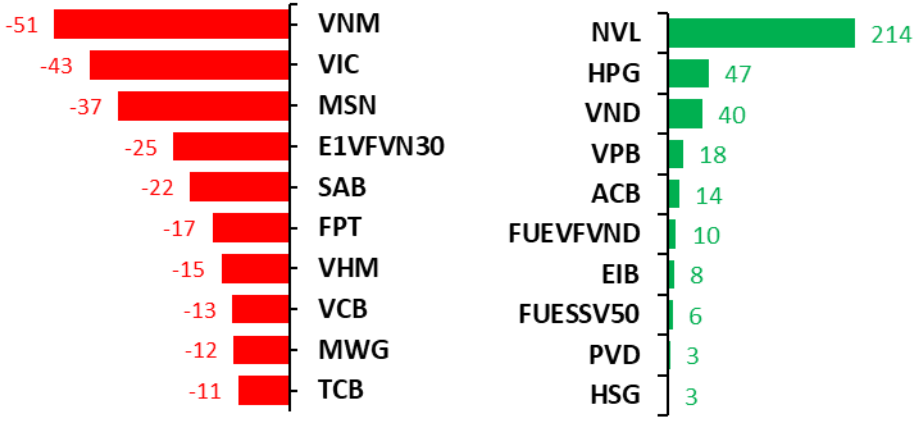
Money flow and sector rotation (VND bn)

Sector	%1D	12/14/2022	12/13/2022	20-session Average
Automobiles & Parts	85.05	111	60	110
Chemicals	65.58	655	396	615
Oil & Gas	50.44	160	106	155
Basic Resources	27.23	1,069	840	1,186
Health Care	25.95	12	10	19
Technology	22.65	100	81	111
Retail	22.57	313	256	384
Industrial Goods & Services	15.08	559	486	532
Utilities	2.31	157	153	195
Personal & Household Goods	2.17	120	118	134
Banks	-3.6	2,367	2,456	2,829
Financial Services	-5.1	1,720	1,812	1,710
Construction & Materials	-8.0	618	672	586
Food and Beverage	-17.6	930	1,128	948
Media	-30.7	1	1	2
Real Estate	-33.9	2,120	3,207	3,359
Travel & Leisure	-40.6	80	135	70
Insurance	-43.3	49	87	61

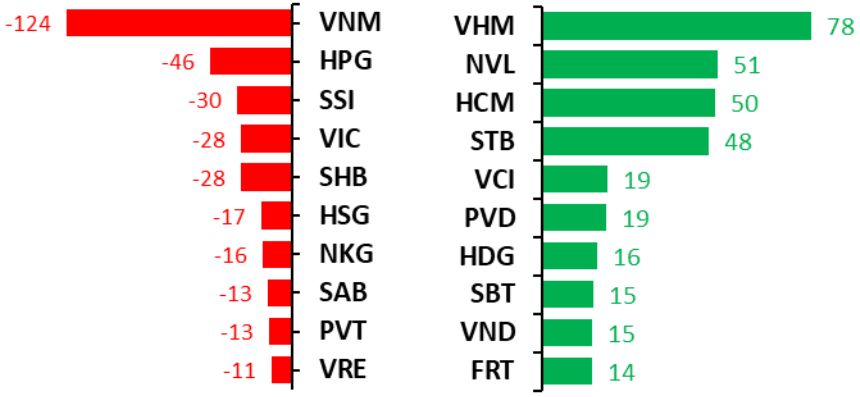
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 14/12/2022

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	139	132	(233)	130
Basic Resources	50	(79)	69	79
Media	-	(0)	(0)	0
Industrial Goods & Services	1	(19)	(82)	(268)
Health care	-	3	(27)	0
Chemicals	(5)	(0)	9	12
Financial Services	14	63	(37)	24
Travel & Leisure	(9)	7	158	(10)
Banks	(18)	15	(105)	(18)
Construction & Materials	(9)	5	(31)	3
Food and Beverage	(109)	(128)	20	(12)
Retail	(12)	7	(11)	1
Utilities	(4)	6	(31)	3
Personal & Household Goods	0	0	293	2
Technology	(17)	(1)	37	(18)
Automobiles & Parts	(0)	0	0	(0)
Insurance	(0)	(1)	(0)	0
Oil & Gas	3	18	(0)	11

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- The Prime Minister asked the Ministry of Finance to assess the solvency of bond issuers, report before December 20.
- Rice exports in 11 months reached over 6.67 million tons, bringing in more than $3.23 billion.
- The Ministry of Finance is collecting comments on amending Decree No. 65 to submit to the Government.
- The Ministry of Transport has approved the highway construction project of Hoa Lien - Tuy Loan section of the North - South expressway in the East, with an estimated investment of more than 2,000 billion VND.

Less positive

Business news

- POW, PV Power estimated revenue of 2,759 billion VND in November, 5% higher than the monthly plan and up 92% over the same period last year. Revenue mainly comes from Ca Mau 1 and 2 Power Plants and Vung Ang 1 Power Plant.

  Accumulating 11 months, PV Power's total revenue is estimated at VND 25,387 billion, equaling 103.4 percent in 2021.
- VIC, Vingroup plans to establish a subsidiary in the field of High-tech Medicine (VinMedtech) with a capital of VND 300 billion.
- VCI, Viet Capital Securities bought back VND 300 billion of bonds before maturity.
- PVD, in the past three months, PV Drilling has signed contracts to supply PV Drilling I, II, VI drilling rigs in 2023.
- LPB, LienVietPostBank reduced lending interest rates to support corporate customers at the end of the year, with a scale of more than VND 3,000 billion. The Bank gives priority to support to reduce loan interest rates up to 1% per year for corporate customers, especially export enterprises - which bring in large foreign currency revenue for the country. In addition, businesses operating in priority fields such as agriculture and rural areas will also be supported to reduce interest rates in the last two months of 2022.
- FCN, FECON JSC has just announced that it won a new bidding package worth VND380 billion, belonging to the construction investment project of berths 5, 6, Lach Huyen wharf area, belonging to Hai Phong seaport.
- BFC, Binh Dien fertilizer advances cash dividend at the rate of 6%, ex-rights date is January 17, 2023.



Technical view



Trend: Accumulation

- The market rallied at the opening but selling pressure quickly returned and prevailed, pushing the index to close and narrow part of the intraday gain. Perhaps investors are still cautiously waiting for the outcome of the upcoming Fed meeting. The trade shows indecision and the market trend is in favor of accumulation. The index is missing a leading group at the moment when the money flow starts to differentiate. The nearest support for the trend is around 1,020 points while the resistance is now at 1,100 points. The appropriate strategy is to hold, consider increasing weight 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

15/12/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VNM	Watch						77.5	Waiting to retest the 50-day MA
MBB	Watch						18.15	Waiting to retest the area around MA10-20 days, MA20 - 50 cross
HPG	Watch						19.2	Waiting to retest the area around MA10-20 days, MA20 - 50 cross
SSI	Watch						20.1	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	Hold	17.6	21	16	19%	-9%	18.5	3	5.11%	12/12/2022	
VRE	Hold	27.5	32	26	16%	-5%	28	4	1.82%	09/12/2022	
POW	Hold	11	12.5	10.4	14%	-5%	11.4	4	3.64%	09/12/2022	
NT2	Hold	26	29	24.5	12%	-6%	27.7	9	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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