MORNING CALL

December 16th, 2022

Shinhan Securities

"Indecision still dominates, the market continues to move sideways"

- Global stocks fell sharply
- Domestic stocks continued to be in green but selling prevailed again
- 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 sell off

- The Dow plunged more than 700 points on Thursday, while the S&P 500 and Nasdaq closed 2.5% and 3.2% lower, respectively, as hawkish central banks and concerns about a looming recession rattled investors. Policymakers from the US to Europe reinforced the narrative that rates would have to go much higher to prevent inflation from becoming entrenched, ending with any hope for an imminent pivot.
- European equity markets closed sharply lower at over 1-month low on Thursday, with the benchmark Stoxx 600 down 2.8% and the German DAX falling 3.2% after the ECB raised interest rates by 50 bps to the highest level since early 2009 and said it expects to raise them significantly further because inflation is seen above the target for too long.
- The Bank of England voted by a majority of 6-3 to raise interest rates by 50 basis points to 3.5 percent during its December meeting, pushing the cost of borrowing to the highest level since late-2008, as policymakers try to contain inflation amid fears of a looming economic recession
- Retail sales in the US declined 0.6% month-over-month in November of 2022, much worse than market forecasts of a 0.1% fall.
- Japan Manufacturing Shrinks the Most in Over 2. The au Jibun Bank Japan Manufacturing PMI edged down to 48.8 in December 2022 from a final 49 in November, a preliminary reading showed.
- WTI crude futures fell below the $77 per barrel mark, halting a rally climb nearly 9% in the last three sessions, as disappointing Chinese factory data piled onto demand concerns.

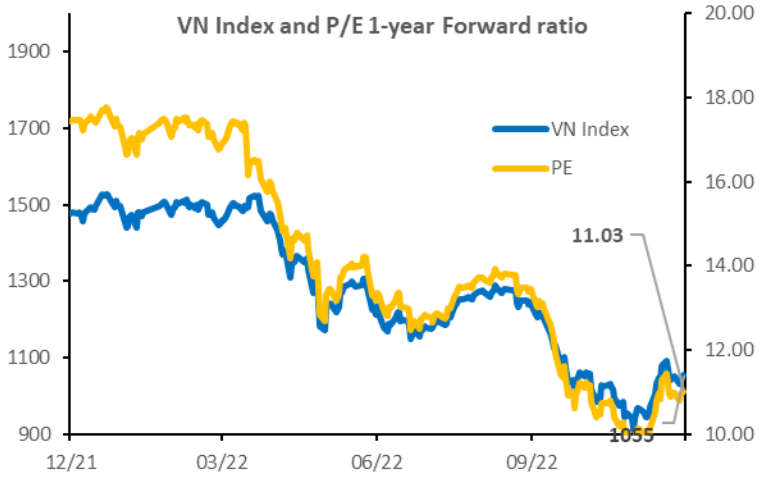
Market

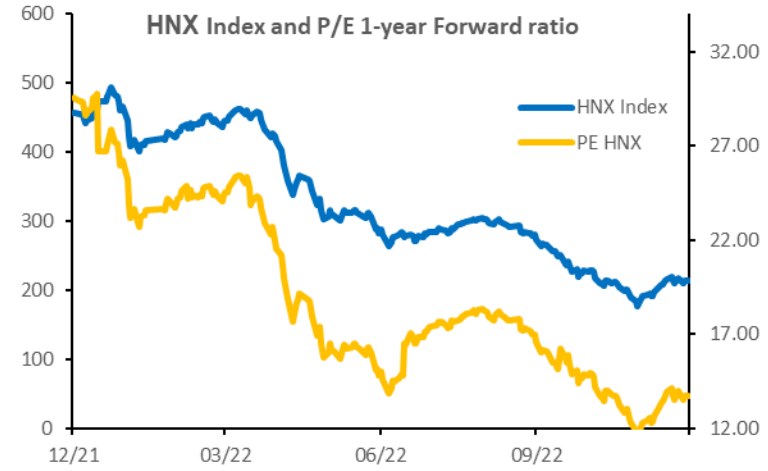
	Close	%1D	%1M	%1Y
VN-Index	1,055	0.47%	11.92%	-28.53%
S&P 500 Index	3,896	-2.49%	-2.40%	-17.29%
Dow Jones Index	33,202	-2.25%	-1.16%	-7.59%
GP 100	7,426	-0.93%	1.02%	2.28%
Nikkei 225	27,669	-1.37%	-1.28%	-4.81%
SHCOMP Index	3,169	-0.25%	1.56%	-13.78%
STOXX 600	430	-2.85%	-0.06%	-9.79%
KOSPI Index	2,344	-0.73%	-5.40%	-22.05%
Hang Seng	19,369	-1.55%	6.09%	-17.49%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.56	0.76%	-1.73%	8.34%
USD/VND	23,532.00	0.06%	5.43%	-2.07%
EUR/USD	1.06	0.11%	2.36%	-6.09%
USD/CNY	6.97	-0.34%	1.03%	-8.69%
Brent	81.21	-1.80%	-13.48%	9.92%
WTI	76.16	0.07%	-11.02%	5.22%
Natural gas	6.76	-2.97%	9.08%	79.58%
Coal	401.90	-0.52%	17.86%	143.95%
Gold	1,777.41	0.03%	0.20%	-1.22%

Vietnam Market Snapshot 15/12/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,055.32	11.03	4.89	0.47	792	13,730
HNX INDEX	212.95	13.69	-0.25	-0.12	93	1,299

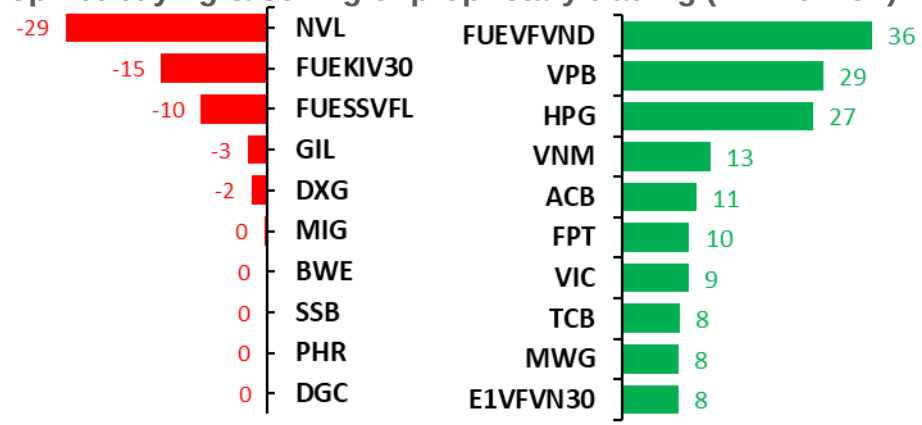
Money flow and sector rotation (VND bn)

Sector	%1D	12/15/2022	12/14/2022	20-session Average
Banks	58.79	3,758	2,367	2,860
Personal & Household Goods	25.75	151	120	137
Travel & Leisure	16.05	93	80	73
Utilities	2.39	161	157	196
Technology	1.58	101	100	110
Real Estate	0.98	2,140	2,120	3,380
Retail	-5.0	298	313	384
Health Care	-8.8	11	12	19
Insurance	-10.9	44	49	61
Automobiles & Parts	-12.7	97	111	111
Media	-13.3	1	1	2
Food and Beverage	-15.5	786	930	955
Financial Services	-18.5	1,402	1,720	1,738
Construction & Materials	-23.1	476	618	598
Basic Resources	-25.5	796	1,069	1,194
Industrial Goods & Services	-29.4	395	559	535
Oil & Gas	-40.8	95	160	154
Chemicals	-46.1	353	655	613

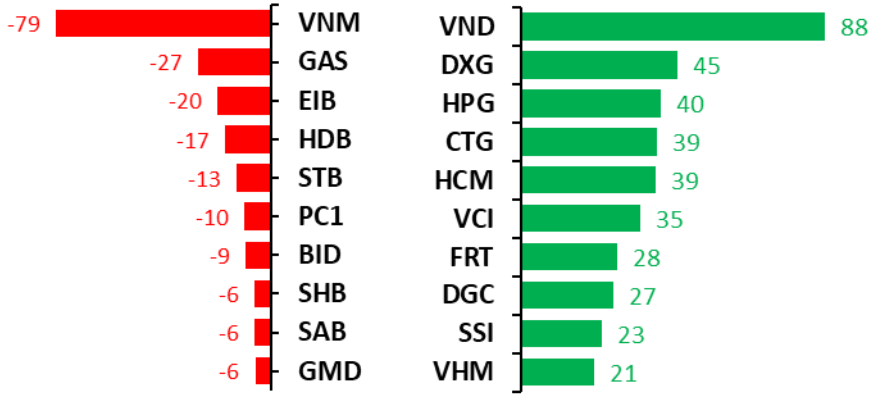
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 15/12/2022

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	(1)	123	(97)	31
Basic Resources	29	40	(45)	54
Media	-	0	0	0
Industrial Goods & Services	2	9	(81)	(336)
Health care	-	3	(72)	0
Chemicals	0	33	18	1
Financial Services	46	195	(27)	8
Travel & Leisure	5	6	80	32
Banks	75	(33)	(76)	257
Construction & Materials	1	1	(282)	12
Food and Beverage	20	(82)	(39)	(36)
Retail	8	24	(11)	21
Utilities	3	(19)	(141)	8
Personal & Household Goods	(1)	(3)	400	2
Technology	10	0	(21)	13
Automobiles & Parts	2	(0)	(1)	2
Insurance	(0)	4	0	4
Oil & Gas	0	16	(0)	8

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- Deputy Governor Dao Minh Tu said that the State Bank has directed banks to reduce interest rates.
- Vietnam and donors led by the European Union are about to sign a $15 billion climate finance package to help Vietnam transition to clean energy and reduce its dependence on coal.

Less positive



Business news

- GIL, international media reported, Amazon Group is facing a lawsuit worth $ 280 million from Gilimex Company (Vietnam).
- FPT, Corporation has just announced business results for the first 11 months of 2022 with revenue of VND 39,249 billion, profit before tax of VND 7,168 billion, up 23.4% and 22.5% respectively (YoY). In which, the technology sector plays a key role, contributing 57% of revenue and 46% of pre-tax profit of the group. Profit after tax for shareholders of the parent company reached VND 5,067 billion, up 28.5%. Compared to the annual plan, the group has achieved nearly 93% of the revenue target and 94% of the pre-tax profit target after 11 months. In November, FPT recorded VND 6,144 billion in revenue and VND 712 billion in pre-tax profit.
- DGW, Digiworld Corp is about to issue 4 million ESOP shares, equivalent to 2.45% of outstanding shares. If the issuance is successful, the total number of DGW shares will increase from 163 million shares to 167 million shares, corresponding to an increase in charter capital to VND 1,670 billion.
- IDC, Becamex IDC contributed capital to establish VSIP Can Tho to do an industrial park project with a scale of more than VND 3,700 billion.
- 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.
- KBC, In December, Kinh Bac borrowed VND 350 billion from its subsidiary, Saigon - Bac Giang Industrial Park JSC.
- VCI, In 2022, Viet Capital Securities plans to pay a dividend of 30%, equivalent to 3,000 VND/share.
- VCS, Vicostone want to buy back 4.8 million shares to reduce charter capital.

Technical view



Trend: Accumulation

- The market had difficulty going up again and had to close near reference, although the trade was quite positive in the morning, selling pressure prevailed so the index narrowed part of the gain in the session. Liquidity drop back to low level. In general, the struggling trend will still be dominant and volatility index is sideways. Many major central banks continue to raise interest rates creating a cautious sentiment in the short term. The money flow started to divergence, so it is necessary to limit excitement, the index needs a "Follow – Through Day" to confirm. On the other side, if selling still prevails and the index fails to break out, it is likely that the market will have to drop to a lower level to create more momentum.

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

16/12/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VNM	Watch						77.6	Waiting to retest the 50-day MA
MBB	Watch						18.95	Waiting to retest the area around MA10-20 days, MA20 - 50 cross
HPG	Watch						19.35	Waiting to retest the area around MA10-20 days, MA20 - 50 cross
SSI	Watch						20.25	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%	18.35	4	4.26%	12/12/2022	
VRE	Hold	27.5	32	26	16%	-5%	27.9	5	1.45%	09/12/2022	
POW	Hold	11	12.5	10.4	14%	-5%	11.4	5	3.64%	09/12/2022	
NT2	Hold	26	29	24.5	12%	-6%	27.95	10	7.50%	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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