MORNING CALL

December 21th, 2022

Shinhan Securities

“Threshold of 1,000 points was challenged, trading struggled”

- Global stocks recovered slightly after a series of falling sessions
- Domestic stocks continue to be under selling pressure
- Technical view and recommendations #VRE
- Economic calendar
- Q&A

[Analysts]

Khang Tran
☎ (84-28) 6287-8037
✉ khang.lt@shinhan.com

Nhut Nguyen
☎ (84-28) 6287-7751
✉ nhut.nq@shinhan.com

Open Account

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

Major stock markets recovered slightly

- US stocks fell sharply from the start but closed near reference on Tuesday, recovering slightly after four consecutive sessions in the red due to losses in technology and high growth stocks.
- The Nikkei 225 Index rose 0.2% to above 27,280 on Tuesday after a three-day losing streak, as investors continued to assess the outlook for inflation, rates and the global economy. Investors also look ahead to the Bank of Japan's policy decision where it is expected to maintain massive stimulus to support a fragile economic recovery.
- The Bank of Japan maintained its key short-term interest rate at -0.1% and that for 10-year bond yields at around 0% during its December meeting by a unanimous vote, but tweaked its yield curve control tolerance range from the current +/- 0.25 percentage points to +/- 0.5 percentage points, amid efforts to improve market functioning and encourage a smoother formation of the entire yield curve.
- Housing starts in the US edged down 0.5% to 1.427 million in November, a third consecutive fall, and compared to market forecasts of 1.4 million as stubbornly high home prices and mortgage rates are discouraging first time home buyers. Meanwhile, building permits sank 11.2% to 1.342 million, the lowest since June 2020 and well below expectations of 1.485 million.
- The consumer confidence indicator in the Euro Area rose by 1.7 points to -22.2 in December of 2022, continuing its recovery from an all-time low of -28.7 reached in September and compared to market expectations of 22.
- WTI crude futures held its recent advance to above $76 per barrel on Wednesday, after an industry report showed that US crude inventories declined by 3.1 million barrels last week, exceeding estimates for a 0.2 million barrel drop and compared to the prior week's 7.8 million barrel.

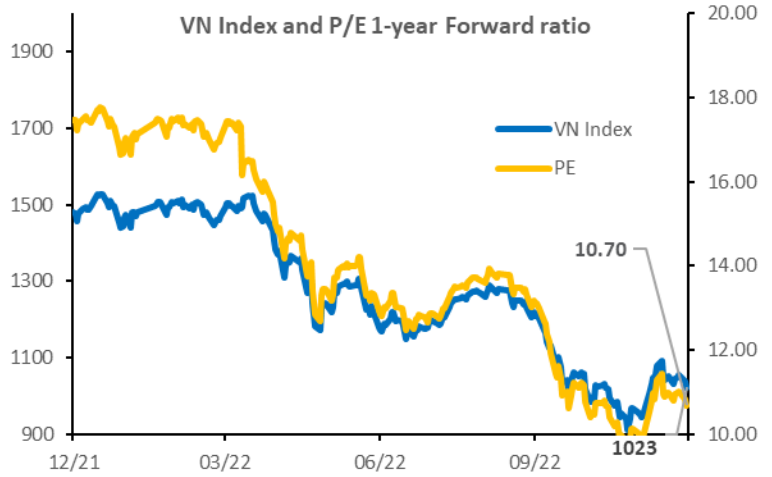
Market

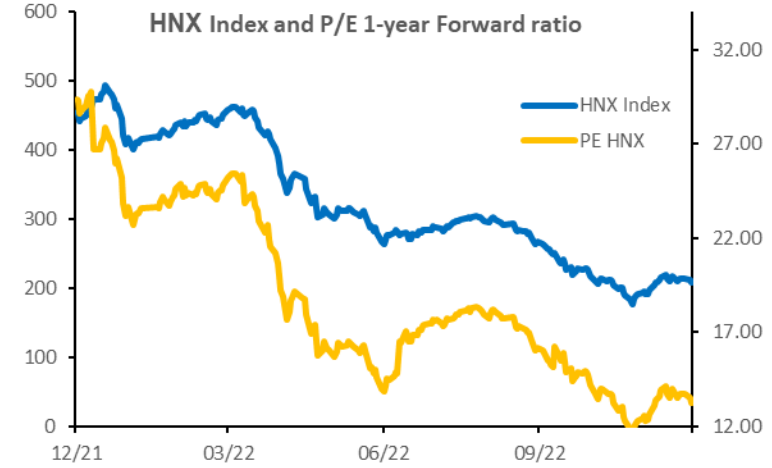
	Close	%1D	%1M	%1Y
VN-Index	1,023	-1.47%	6.50%	-30.81%
S&P 500 Index	3,822	0.10%	-3.62%	-16.34%
Dow Jones Index	32,850	0.28%	-2.66%	-5.96%
GP 100	7,371	0.13%	-0.08%	1.00%
Nikkei 225	26,309	-0.98%	-5.86%	-7.75%
SHCOMP Index	3,074	-1.07%	-0.37%	-15.21%
STOXX 600	424	-0.40%	-2.05%	-10.51%
KOSPI Index	2,335	0.08%	-3.49%	-21.51%
Hang Seng	19,095	-1.33%	8.15%	-16.88%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.97	-0.72%	-2.77%	7.68%
USD/VND	23,734.00	-0.17%	4.63%	-3.40%
EUR/USD	1.06	-0.03%	3.70%	-5.88%
USD/CNY	6.96	0.26%	2.92%	-8.42%
Brent	79.99	0.24%	-8.71%	11.84%
WTI	76.27	0.05%	-4.34%	7.24%
Natural gas	5.55	4.21%	-18.09%	43.45%
Coal	400.05	-0.32%	16.48%	137.91%
Gold	1,817.08	-0.05%	4.55%	1.55%

Vietnam Market Snapshot 20/12/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,023.13	10.70	-15.27	-1.47	881	15,508
HNX INDEX	207.53	13.20	-4.71	-2.22	104	1,363

Money flow and sector rotation (VND bn)

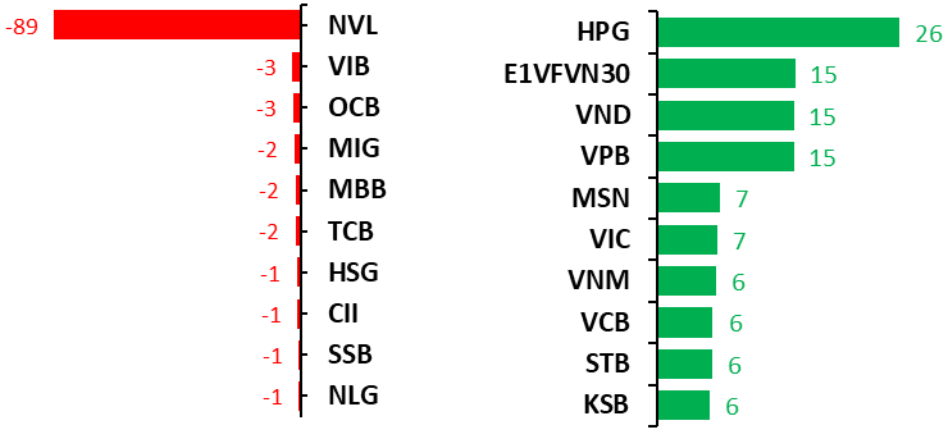
Sector	%1D	12/20/2022	12/19/2022	20-session Average
Health Care	96.58	18	9	18
Insurance	69.04	91	54	63
Oil & Gas	65.70	177	107	151
Media	65.12	1	1	2
Industrial Goods & Services	45.24	781	538	567
Chemicals	40.33	670	478	586
Real Estate	22.09	3,003	2,459	3,324
Construction & Materials	10.64	841	760	648
Banks	8.44	3,246	2,993	2,997
Retail	1.48	433	426	393
Food and Beverage	-0.2	1,109	1,111	1,004
Basic Resources	-1.0	1,808	1,827	1,286
Automobiles & Parts	-3.9	103	107	109
Travel & Leisure	-10.5	108	121	86
Technology	-17.5	78	95	108
Financial Services	-19.0	2,087	2,577	1,864
Utilities	-25.3	181	242	199
Personal & Household Goods	-25.8	74	100	133

Source: Bloomberg, Shinhan Securities Vietnam

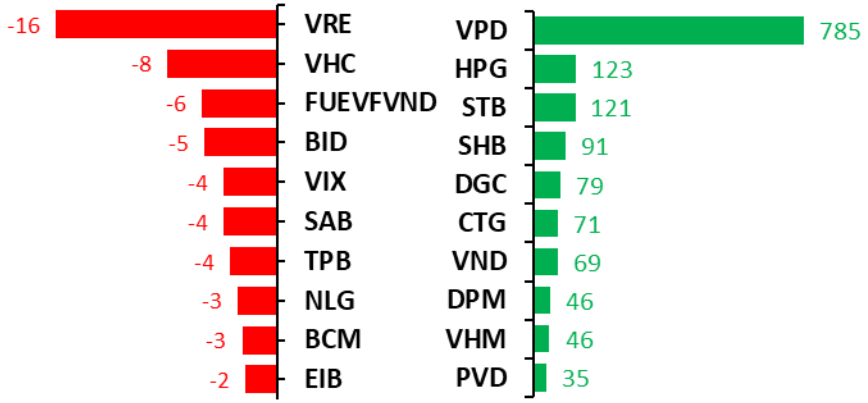
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Vietnam Market Snapshot 20/12/2022

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	(70)	127	43	(232)
Basic Resources	32	148	(156)	19
Media	-	(0)	(0)	(0)
Industrial Goods & Services	0	44	(191)	1
Health care	0	1	(20)	0
Chemicals	(1)	144	3	4
Financial Services	37	88	(25)	(4)
Travel & Leisure	3	9	(48)	4
Banks	22	307	(21)	(32)
Construction & Materials	0	32	(230)	4
Food and Beverage	14	80	(124)	45
Retail	6	17	(945)	45
Utilities	2	796	(45)	6
Personal & Household Goods	1	(1)	(7)	3
Technology	5	(0)	(9)	44
Automobiles & Parts	(0)	4	(1)	0
Insurance	(1)	25	(0)	(3)
Oil & Gas	3	43	(0)	11

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- Many banks still mobilize with high interest rates.
- IMF forecasts Vietnam's 2023 growth at 5.8%.
- The Ministry of Finance (General Department of Customs) signed an Agreement on administrative cooperation in the field of customs with the European Anti-Fraud Office (OLAF) within the framework of official visits to 3 countries Luxembourg, Belgium, the Netherlands.

Less positive

- According to the Vietnam Banks Association (VNBA), credit institutions have agreed with the direction of the State Bank and supported the proposal of a maximum rate of 9.5%/year for deposit interest rates for terms. However, in fact, many banks are still mobilizing with high interest rates from 10 to 11% per year.

Business news

- KDC, Kido wants to divest from beverage chain Chuk Chuk. Besides, at the Extraordinary General Meeting of Shareholders, KDC estimated 11 months' revenue of more than VND 11,400 billion.
- BSR, Binh Son Refinery and Petrochemicals estimated a loss of more than VND 700 billion in the fourth quarter.

  For the whole year, BSR's revenue is estimated at VND 165,500 billion, profit after tax is about VND 12,176 billion, 81% higher than the revenue target, 9 times higher than the profit plan in 2022. Compared to 2021, the company's revenue increased by 64%, profit after tax increased by 82%.
- NLG, At the meeting with investors, Nam Long announced the adjustment to reduce the sales plan from VND 23,300 billion to VND 12,300 billion.
- GEX, GEX Investment One Member Co.,Ltd has sold 80 million shares of the previously registered GELEX Group JSC, and is no longer a major shareholder.
- FRT, FPT Retail and its Japanese partner signed a memorandum of understanding to cooperate in investing in a health food factory.
- PVC, PVChem prepare to issue shares to double capital to VND 1,000 billion.
- MSB and Proparco signed a strategic cooperation agreement in the field of Green Credit.



Technical view



Trend: Retest the support zone

- The market continued to trade in red and the index returned to test the psychological support level of 1,000 points. Order matching was above the 20 session average and higher than the previous session. The positive point is that bottom-fishing money flow joined at today's low price, helping the index narrow a part of the drop. However, the index still closed lower than MA20 around 1,030 points. This shows an unconfirmed reversal signal. The MACD has crossed the signal line along with the RSI dropping below 50, meaning that the correcting inertia will continue. The trading trend inclined to struggle.

Scenarios:

- Positive (50%): 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 (50%): The index losing the level of 1,000 might drop to test the threshold of 980 points and lower to the area of 950 points.

Recommended stocks

21/12/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VNM	Watch						78.7	Waiting to retest the 50-day MA
MBB	Watch						17.6	Waiting to retest the area around MA10-20 days, MA20 - 50 cross
HPG	Watch						19	Break out signal, waiting to retest the area near MA10 days
SSI	Watch						19.8	Good reaction around MA10, waiting for break signal

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%	16.6	7	-5.68%	12/12/2022	
VRE	Sell	27.5	32	26	16%	-5%	25.75	8	-6.36%	09/12/2022	
POW	Hold	11	12.5	10.4	14%	-5%	10.7	8	-2.73%	09/12/2022	
NT2	Hold	26	29	24.5	12%	-6%	26.75	13	2.88%	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

Shinhan Investment Network

SEOUL

Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH

Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000

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