MORNING CALL

December 26th, 2022

Shinhan Securities

"The sideways trend still dominates, the market needs an explosive session to confirm"

- Global stocks diverged
- Domestic stocks trade cautiously before the holiday
- Dividend schedule for the week of December 26 – 30th
- Commodity market information highlights, crude oil recovers, sugar price surpasses historical peak
- Technical view and recommendations #NT2
- Economic calendar
- Q&A

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Open Account

Global Market Review - Week 19 - 23/12/2022

Major stock markets diverged

- Global equities diverge. Europe - US markets recovered slightly after the previous strong decline week while in Asia most of them dropped. Not much news dominated the week and the main concern still revolved around the big central banks just raised interest rates. Although the growth rate has slowed down, the interest rate level is still at a high level, close to the period of the 2008 financial crisis. Better-than-expected US GDP data coupled with a still-too-tight labor market stoked concerns that the Fed will have grounds to remain hawkish to bring inflation back to its target level. At the end of the week, Dow Jones struggled around the reference while the S&P 500 fell slightly by 0.3%. European stocks rose slightly with Stoxx Euro up 0.6%. In the opposite direction, Asian stocks retreated, led by Nikkei with a drop of 4.7%, as the Bank of Japan just tweaked its yield curve control tolerance range. Besides, Chinese stocks were also in the red when Shang Hai lost 3.9%..
- The personal consumption expenditure price index (PCE) in the US increased by 5.5% yoy in November, the least since October of 2021 and below 6.1% in October. The core index which is the Fed's preferred gauge of inflation also declined to 4.7%, in line with forecasts. Meanwhile, consumer spending edged up a meagre 0.1% in November while income went up 0.4%.
- In the last week of 2022 the focus will shift to stocks as there would be very few important economic releases. In the US, housing data and several regional PMI readings will take center stage. Also, Japan will release retail sales, industrial production, and unemployment rate while in South Korea, Spain, and Russia the focus will be on inflation rates.
- Crude oil regained most of its decline to trade near $80 a barrel, up 6.7% for the week, boosted by an improving demand outlook from China, in addition to a possible drop in supply due to crude inventories in the US was lower than expected along with the forecast that Russian oil exports will decline in early 2023.

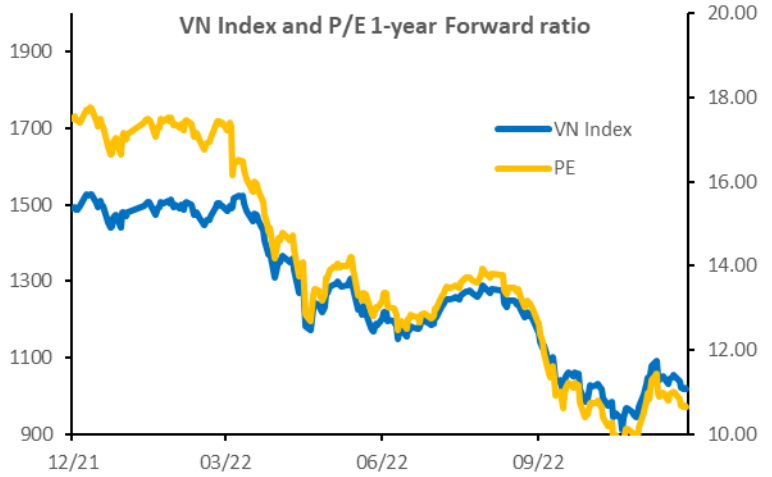
Market

	Close	%1D	%1M	%1Y
VN-Index	1,020	-0.22%	5.03%	-30.92%
S&P 500 Index	3,845	0.59%	-4.50%	-18.64%
Dow Jones Index	33,204	0.53%	-3.33%	-7.64%
GP 100	7,473	0.05%	-0.18%	1.37%
Nikkei 225	26,358	0.47%	-6.81%	-8.42%
SHCOMP Index	3,046	-0.28%	-1.80%	-15.81%
STOXX 600	427	0.04%	-3.01%	-11.41%
KOSPI Index	2,306	-0.33%	-5.41%	-23.45%
Hang Seng	19,593	-0.44%	11.49%	-15.63%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.31	-0.11%	-1.66%	8.64%
USD/VND	23,590.00	0.33%	5.28%	-2.70%
EUR/USD	1.06	0.06%	2.74%	-6.22%
USD/CNY	6.99	-0.07%	2.44%	-8.87%
Brent	83.92	3.63%	-1.74%	9.20%
WTI	79.56	2.67%	2.08%	7.82%
Natural gas	5.08	1.60%	-30.50%	36.13%
Coal	401.10	0.11%	15.77%	136.78%
Gold	1,798.20	0.32%	2.77%	-0.59%

Vietnam Market Snapshot 23/12/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,020.34	10.67	-2.27	-0.22	714	12,898
HNX INDEX	205.30	13.06	-0.49	-0.24	62	971

Money flow and sector rotation (VND bn)

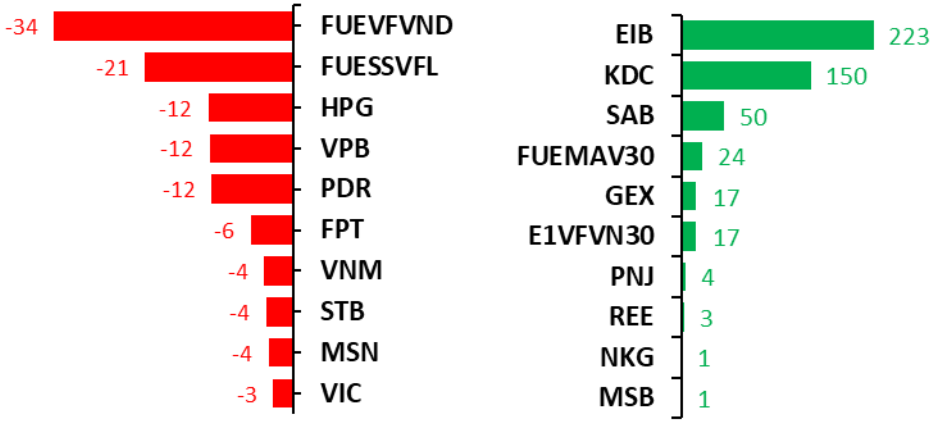
Sector	%1D	12/23/2022	12/22/2022	20-session Average
Health Care	97.24	23	12	19
Technology	70.53	100	58	109
Utilities	66.61	225	135	200
Oil & Gas	30.05	107	82	150
Insurance	23.88	32	25	63
Basic Resources	15.46	858	743	1,318
Construction & Materials	4.60	336	321	661
Personal & Household Goods	-2.6	95	97	137
Chemicals	-3.7	205	213	561
Industrial Goods & Services	-11.1	374	421	585
Retail	-11.9	186	211	380
Financial Services	-21.0	819	1,037	1,913
Automobiles & Parts	-22.5	44	57	104
Food and Beverage	-25.0	490	654	1,015
Real Estate	-33.3	1,084	1,625	3,333
Banks	-35.1	1,685	2,597	3,081
Travel & Leisure	-38.2	48	78	91
Media	-55.1	0	0	2

Source: Bloomberg, Sinhan Securities Vietnam

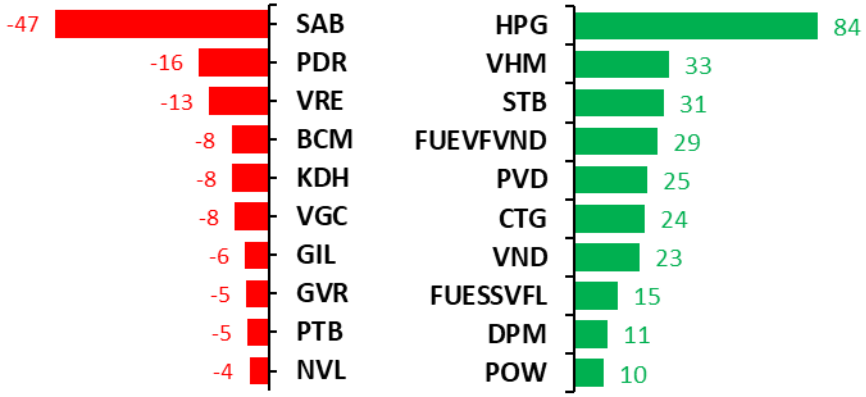
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Vietnam Market Snapshot 23/12/2022

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	(18)	(15)	(302)	27
Basic Resources	(10)	86	6	(2)
Media	-	-	0	(0)
Industrial Goods & Services	22	14	(42)	10
Health care	0	3	2	0
Chemicals	(0)	12	39	13
Financial Services	(16)	70	(54)	4
Travel & Leisure	(1)	6	(9)	4
Banks	203	79	(49)	128
Construction & Materials	(0)	(11)	45	(3)
Food and Beverage	192	(36)	1	207
Retail	1	(3)	29	(4)
Utilities	(0)	14	(27)	6
Personal & Household Goods	4	(11)	(35)	2
Technology	(6)	(1)	(228)	(12)
Automobiles & Parts	0	(1)	(1)	0
Insurance	(1)	(3)	0	9
Oil & Gas	(2)	32	(0)	2

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- Ho Chi Minh City accelerates to complete the metro system connecting city traffic.
- The President wants Indonesian businesses to expand their investment in Vietnam during the State visit to Indonesia on December 23.
- Vinh Phuc plans to spend 9,000 billion VND on infrastructure in 2023, focusing on completing the ring roads.
- In 2022, VNPT Group is estimated to earn more than VND 6,600 billion, exceeding 4% of the assigned full-year plan, but this is the lowest profit of the group since 2019.

Less positive

- HSBC forecasts that the SBV will raise the refinancing rate by 50 basis points in the first quarter of 2023 and the second quarter of 2023, raising the refinancing rate to 7.0% by mid-2023.



Business news

- DCM, Ca Mau Fertilizer estimate revenue in 2022 to reach a record of over VND 15,000 billion, the highest since its establishment. Urea production output is estimated at 914,380 tons, urea consumption output is estimated at 820,570 tons.

  In the first half of 2022, the situation of fertilizer exports is still favorable because the Russia-Ukraine conflict has pushed prices up, countries are also rushing to buy goods and prepare for the crop. Therefore, the business results of enterprises in the industry are at a high level. Entering the second half of the year, fertilizer exports have slowed down, because the whole country is entering the winter-spring crop, fertilizer companies must give priority to meet domestic demand first.

- VGT, Vinatex's profit in 2022 is estimated at VND 1,090 billion. expected to exceed 108% of revenue plan and 14% of consolidated profit.

  However, according to Mr. Truong - Chairman of the Board of Vinatex, from the end of the third quarter, the textile and garment market turned downward, businesses fell into a difficult situation when the yarn market was almost non-liquid. In the garment market, orders fell sharply, and reports of losses from units continuously reported to the group. This partly causes the operating results of some units in the group to slow down.

- SMC, SMC Steel set a profit target of VND 150 billion in 2023, much lower than the results achieved in the last 2 years.
- BCG, Bamboo Capital want to reduce the amount of capital contributed to AAA Insurance JSC from VND 1,315 billion to VND 355 billion to pay off other debts.
- PNJ poured another VND 320 billion into two subsidiaries.
- KDH continues to guarantee a 930 billion loan for its subsidiary.
- HUT, Tasco poured more than VND 600 billion into Tasco insurance company (a subsidiary owned by Tasco with 100% charter capital).

Dividend payment schedule for week 26 - 30/12/2022

Cash dividend

No.	Stock	Exchange	Ex-Right Date	Exercise Date	Ratio
1	TTD	UPCoM	30/12/2022	12/01/2023	10%
2	PAI	UPCoM	29/12/2022	06/02/2023	8%
3	HFB	UPCoM	29/12/2022	28/02/2023	4%
4	TIP	HOSE	29/12/2022	16/01/2023	8%
5	TLG	HOSE	29/12/2022	11/01/2023	15%
6	MND	UPCoM	29/12/2022	13/01/2023	1%
7	MCC	HNX	29/12/2022	12/01/2023	3%
8	HNP	UPCoM	28/12/2022	16/01/2023	12%
9	HLD	HNX	28/12/2022	17/01/2023	12%
10	DHP	HNX	28/12/2022	11/01/2023	5%
11	PGV	HOSE	27/12/2022	10/02/2023	6%
12	HTC	HNX	27/12/2022	13/01/2023	3%
13	NSC	HOSE	27/12/2022	19/01/2023	30%
14	LMI	UPCoM	27/12/2022	12/01/2023	8%
15	HAM	UPCoM	27/12/2022	16/01/2023	4%
16	SBH	UPCoM	27/12/2022	31/01/2023	5%
17	VCI	HOSE	27/12/2022	09/01/2023	7%
18	PIC	HNX	27/12/2022	01/02/2023	8%
19	QHD	HNX	26/12/2022	06/01/2023	20%
20	ISH	UPCoM	26/12/2022	15/02/2023	8%

Stock dividends

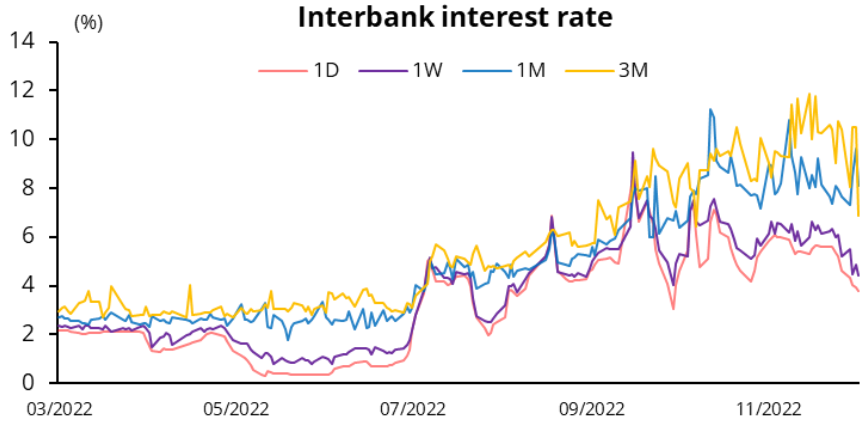
No.	Stock	Exchange	Ex-Right Date	Record Date	Ratio
1	GKM	HNX	30/12/2022	03/01/2023	10:1

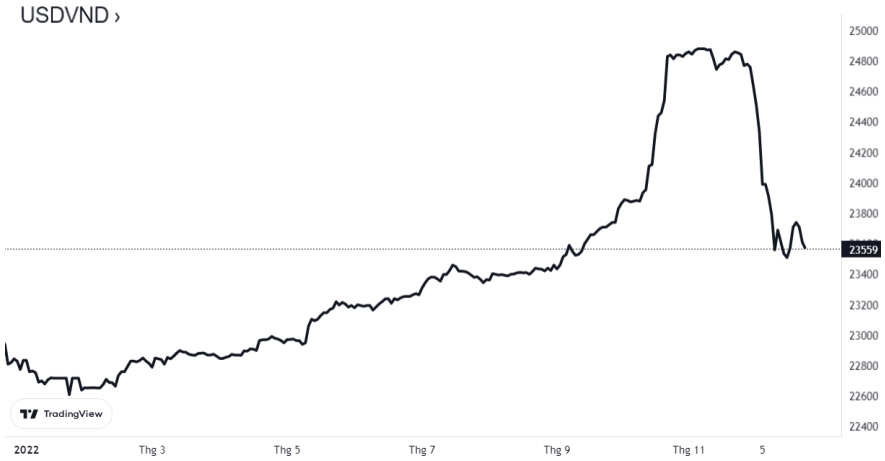
Bonus shares

No.	Stock	Exchange	Ex-Right Date	Record Date	Ratio
1	PNJ	HOSE	29/12/2022	30/12/2022	3:1
2	SVC	HOSE	28/12/2022	29/12/2022	1:1
3	AGR	HOSE	28/12/2022	29/12/2022	100000:1602



Information highlights





Interbank interest rates fell in most terms

- The interbank interest rate has dropped sharply compared to the beginning of November, the overnight interest rate is below 4%. System liquidity seems to have eased the pressure.
- 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.
- Many banks have also reduced lending rates to support customers at the end of the year. For example, Vietcombank, Sacombank have just reduced the loan interest rate by 1% or Vietinbank also launched preferential packages with lower interest rates.

USD/VND exchange rate cools down

- The exchange rate is trading stably around 23,550 dong, the weak USD signal is helping the exchange rate to be somewhat less hot than in the previous period.

Information highlights





Crude oil recovers above risk zone

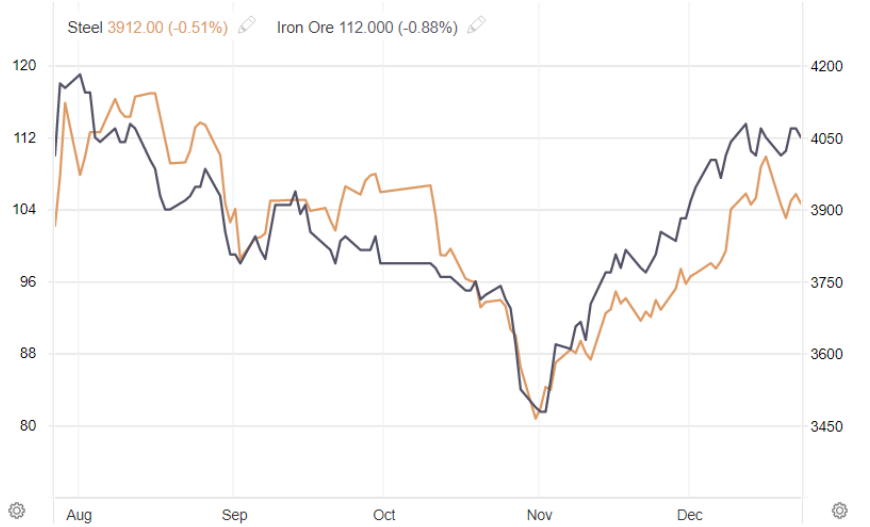
- WTI crude futures extended gains to more than 2% to above $79 per barrel on Friday, on the prospect of lower crude supplies from Russia. Russia's Baltic oil exports are predicted to decline by 20% month-on-month in December and the country may reduce output by 500,000 to 700,000 barrels a day in early 2023 after the European Union and G7 nations imposed sanctions and a price cap on Russian crude.
- The oil market gained for the second straight week on signs of tightening US crude supplies and an improving demand outlook in top crude importer China. Latest data showed that US crude inventories fell by 5.89 million barrels last week, much more than market forecasts for a 1.66 million barrel drop. Still, investors remain worried about surging Covid cases in China that could disrupt economic activities, as well as the prospect of a global economic slowdown next year.

Sugar price surpasses historical peak

- Sugar futures on ICE rose to 20.8 cents per pound in late December, the highest since January of 2017, supported by a stronger Brazilian real and as supply concerns continue to mount.
- At the end of the crushing season, heavy rainfall in top producer and exporter Brazil caused mills to leave millions of tonnes of sugarcane crops untouched in fields to be harvested next year, significantly reducing supply. Output in Brazil has further downside risks amid the possibility that president-elect Lula could lift or cancel the country's gasoline price cap in January, driving producers to allocate cane for the more-profitable biofuel blending instead of sugar crushing. Elsewhere, poor weather also delayed harvests in Thailand, Australia, and Central America.

Information highlights





Dollar Index struggles

- The dollar index weakened to 104.2 on Friday, hovering close to its lowest levels in six months after data showed the core PCE annual rate, which is the Federal Reserve's preferred gauge of inflation, fell to a four-month low of 4.7% in November, in line with market forecasts.
- Before, the greenback gained for the second straight session as stronger-than-expected US data reinforced the Federal Reserve's case to raise interest rates further and keep them higher for longer

Steel and iron ore prices cool down

- Steel rebar futures retreated sharply to the CNY 3,900 level from the three-month high of CNY 4,010 touched on December 16th, as mounting Covid infections in large Chinese cities dashed hopes that the demand in the world's top consumer would rebound swiftly. Adding to voes, new home purchases have plummeted by 30% year-to-date according to the latest data, and credit growth missed expectations in November.
- Still, measures to stimulate construction and industrial activity limited losses for steel prices. The PBoC injected CNY 85 billion via reverse repos in its latest effort to support liquidity, shortly after cutting its reserve requirement ratio by 25bps to stimulate credit growth. Also, banks have agreed to extend $162 billion in new credit lines for private developers and authorities lifted a ban on equity refinancing for firms in the sector.

Technical view



Trend: Retest the support zone

- Indecision still dominated the trade and the index moved in a sideways trend. The selling force was more dominant along with the lack of leading group in the current period, making it difficult for the index to break out to the high zone. The MACD has crossed the signal line, besides the RSI dropping to around 50, meaning that the correcting inertia will continue. The market may need more time to accumulate after the steep climbs in late November. The strategy is for holding, the nearest support for the trend is around 1,000 points, while the resistance is now at 1,060 points. The proportion should only be increased when the market has a clear break out signal.

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

26/12/2022

Unit: thousand VND

Today's watchlist

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

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
POW	Hold	11	12.5	10.4	14%	-5%	10.95	11	-0.45%	09/12/2022	
NT2	Sell	26	29	24.5	12%	-6%	28.7	16	10.38%	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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