MORNING CALL

December 28th, 2022

"Retesting the threshold of 1,000 points, the market is nearing the end of a volatile 2022"

- Global stocks prospered, expecting China to reopen
- Domestic stocks regained the threshold of 1,000 points but liquidity remained low
- China is moving towards reopening its economy, which businesses will benefit? #HVN
- Technical view and recommendations
- 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 26 - 30/12/2022

Major stock markets prospered

- The blue-chip Dow recovered from a weak start to add 100 points on Tuesday, as investors welcomed the news that China will end quarantine for inbound visitors, thus paving the way for a swifter reopening of the world's second-largest economy. European equities gained ground on Tuesday, with the pan-European STOXX 600 closing around 430 points, driven by gains in the consumer discretionary sector, on optimism about China's reopening. Asian stocks also traded in the green.
- The S&P CoreLogic Case-Shiller 20-city home price index in the US dropped by 0.8% from a month earlier in October, a fourth consecutive decline, as demand for housing was hit by rising interest rates, low housing inventory, and stubbornly high inflation.
- The US trade deficit in goods narrowed by 15.6 percent from a month earlier to USD 83.3 billion in November 2022, the largest decline since 2009, an advance estimate showed. Wholesale inventories in the US rose by 1.0 percent month-over-month to $933.6 billion in November of 2022, picking up from a revised 0.6 percent rise in the prior month, preliminary estimates showed.
- Industrial production in Japan fell slightly by 0.1% month-on-month in November 2022, improving markedly from a 3.2% decline in October and coming in better than economists' forecasts for a 0.3% drop.
- Copper futures surged to $3.9 per pound level, the highest level since June 22nd, amid hopes of demand revival in China.
- WTI crude futures pared early gains to hover at $79.5 per barrel on Tuesday after forecasts of moderate weather and news that some US refineries are expected to resume operations quickly eased fears of low supply after Artic blasts in the region halted output.

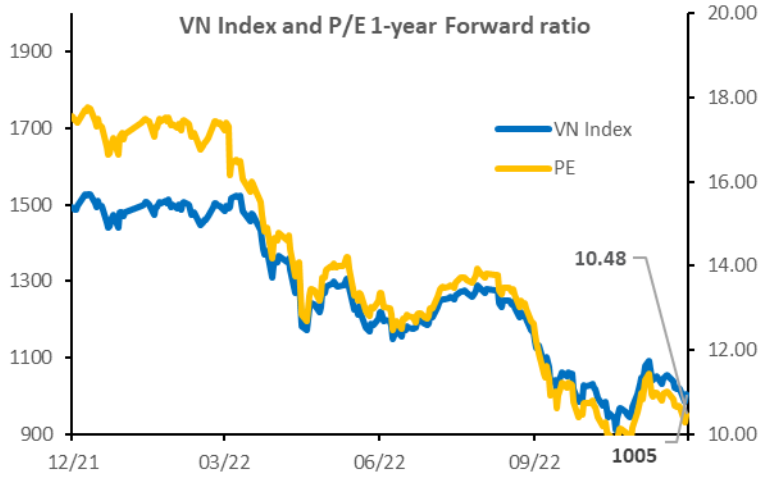
Market

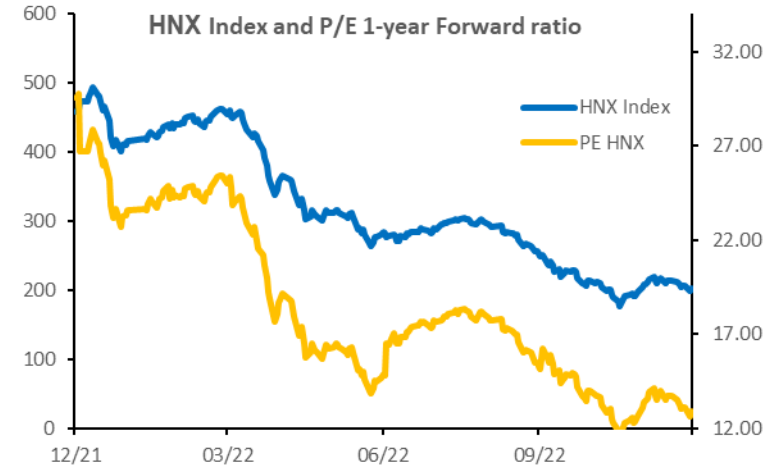
	Close	%1D	%1M	%1Y
VN-Index	1,005	1.97%	-0.11%	-32.78%
S&P 500 Index	3,829	-0.40%	-4.89%	-18.97%
Dow Jones Index	33,242	0.11%	-3.22%	-7.54%
GP 100	7,473	0.05%	-0.18%	1.37%
Nikkei 225	26,448	0.16%	-6.09%	-9.02%
SHCOMP Index	3,096	0.98%	0.55%	-14.73%
STOXX 600	428	0.13%	-2.25%	-12.38%
KOSPI Index	2,333	0.68%	-3.13%	-22.76%
Hang Seng	19,593	-0.44%	11.49%	-15.63%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.18	-0.13%	-1.68%	8.41%
USD/VND	23,605.00	0.05%	5.06%	-3.34%
EUR/USD	1.06	-0.01%	2.89%	-5.93%
USD/CNY	6.96	0.04%	3.55%	-8.46%
Brent	84.33	0.49%	0.84%	7.29%
WTI	79.84	0.39%	3.37%	5.08%
Natural gas	5.18	-1.87%	-22.78%	27.82%
Coal	400.50	-0.15%	14.63%	135.45%
Gold	1,814.03	0.02%	4.17%	0.43%

Vietnam Market Snapshot 27/12/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,004.57	10.48	19.36	1.97	593	9,569
HNX INDEX	203.14	12.91	4.64	2.34	71	1,107

Money flow and sector rotation (VND bn)

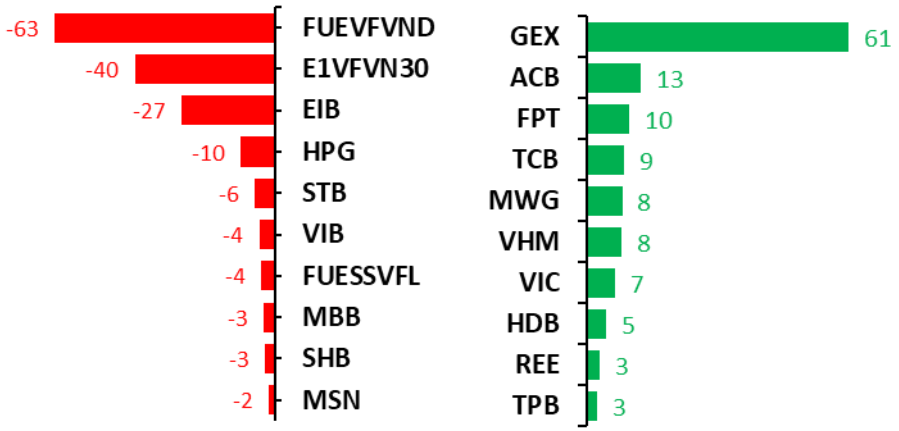
Sector	%1D	12/27/2022	12/26/2022	20-session Average
Industrial Goods & Services	56.77	570	364	576
Media	25.07	1	1	2
Personal & Household Goods	22.92	86	70	131
Travel & Leisure	15.18	61	53	91
Real Estate	11.22	1,513	1,360	3,027
Health Care	8.09	18	16	18
Food and Beverage	-1.2	654	662	975
Technology	-3.7	72	75	105
Automobiles & Parts	-11.8	56	63	96
Retail	-13.0	189	217	354
Insurance	-13.8	31	36	60
Utilities	-15.9	131	155	191
Oil & Gas	-18.7	125	154	146
Financial Services	-21.0	970	1,228	1,823
Basic Resources	-22.1	728	935	1,255
Construction & Materials	-23.5	381	498	646
Banks	-25.3	1,671	2,237	2,995
Chemicals	-26.6	250	340	520

Source: Bloomberg, Sinhan Securities Vietnam

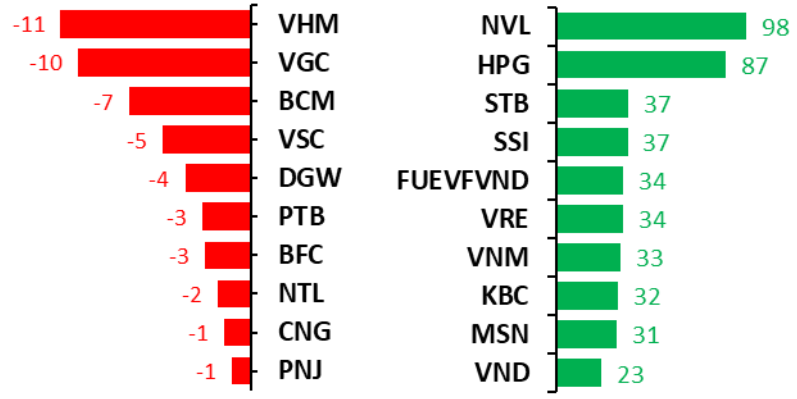
Shinhan Securities

Vietnam Market Snapshot 27/12/2022

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	16	242	(232)	(1)
Basic Resources	(9)	93	(53)	(6)
Media	-	(0)	0	0
Industrial Goods & Services	65	8	(113)	125
Health care	0	0	(17)	0
Chemicals	0	31	(5)	(4)
Financial Services	(107)	144	(28)	(31)
Travel & Leisure	1	14	(51)	(6)
Banks	(12)	84	(41)	4
Construction & Materials	(0)	7	(75)	9
Food and Beverage	(3)	105	(91)	3
Retail	7	(3)	(64)	14
Utilities	1	15	(18)	6
Personal & Household Goods	2	4	(82)	7
Technology	10	(0)	(33)	17
Automobiles & Parts	-	2	(2)	(0)
Insurance	0	3	0	(3)
Oil & Gas	3	25	(0)	4

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- Adjusted more than VND 911,000 million of the medium-term public investment plan funded by the central budget in the 2021-2025 period.
- Vietnam set a target for exports to increase by 6% in 2023.
- Export of agricultural, forestry and fishery products reached a new record of over 53.2 billion USD, up 9.3% compared to 2021.

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

- MWG, In November, MWG recorded a revenue of about VND 9,971 billion, down 13% over the same period and more notably, profit after tax decreased by 67%, reaching VND159 billion. This is the lowest profit since April 2017 of the Vietnamese retail giant.

  Generally, in 11 months, MWG recorded net revenue of nearly VND 124 trillion, up 12% over the same period. Meanwhile, profit after tax decreased by 9% over the same period, to nearly VND 4 trillion. With this result, MWG has fulfilled 88% of revenue target and 63% of profit target for the year.

- PVT, PVTrans's revenue in 2022 is estimated at VND 9,150 billion (over 41% of the plan); profit after tax is estimated at VND 1,094 billion (exceed by 128% of the plan); contribution to the State budget is estimated at 481 billion VND (96% higher than the plan).

- ACV, In 2022, ACV's total revenue is estimated at VND 15,381 billion, reaching 149% of the year plan, 2 times higher than in 2021. Pre-tax profit is VND 7,561 billion, reaching 295% of the year plan, up nearly 10 times compared to 2021. State budget contribution is estimated at 1,548 billion VND.

  In the fourth quarter alone, ACV is estimated at more than VND 5,600 billion in revenue, and pre-tax profit is VND 306 billion, a sharp decrease compared to the previous 2 quarters.

- PVC estimated business results in 2022 with total revenue of VND 2,820 billion, pre-tax profit of VND 39 billion, up 2% and 13% respectively compared to last year.

- ACG, 2022 profit is expected to reach VND 600 billion, up 35-40% over the previous year.

- DPM, the 2022 Extraordinary General Meeting of Shareholders of Phu My Fertilizer has approved to increase the cash dividend payment to 7,000 VND/share.

Signals expect China to fully reopen





➢ Chinese stocks recovered strongly in early November 2022 thanks to the expectation of reopening the economy, in addition to solutions to rescue the real estate market.

Mechanism open to international guests

- China Daily reported on December 27, China's National Health Commission (NHC) said in a statement on December 26 that the country would cancel the quarantine requirement for international visitors starting from January 8, 2023.
- In addition, China will cancel measures to control the number of international passenger flights such as the "5-in-1 flight" regulation and limit the number of passengers.

Downgrade the epidemic to open trade

- According to NHC, China has renamed the Chinese term for COVID-19 from "new coronavirus pneumonia" to "new strain of corona virus infection".
- At the same time, the State Council of China has approved the cancellation of measures to prevent and control class A infectious diseases under the country's Law on Prevention and Control of Infectious Diseases for new strain of corona virus infection, as well as no classify this disease into the category of infectious disease management according to the provisions of the Border Medical Quarantine Law.

Stop publishing daily Covid-19 case data

- According to the Global Times, on December 25, China's National Health Commission (NHC) announced that it would no longer publish the daily number of Covid-19 cases. Information related to Covid-19 will be published by the Chinese Center for Disease Control and Prevention (CDC) for reference and study.

China reopens border with Hong Kong

- Hong Kong Chief Executive Li Jiachao said the special zone would reopen its border with mainland China in mid-January 2023, speeding up the removal of strict epidemic prevention rules that are hindering economic growth.

Businesses expect to benefit

Sector	Stocks	Opinions	Impact
Aviation	HVN, VJC	China is an important tourist market of Vietnam. In the period 2015-2019, Chinese visitors to Vietnam increased by 3.3 times, an average increase of 34.4% per year. In 2019, China remained the largest tourist stream with 5.8 million arrivals. In 2022, Korea will become the leading market, but, with China fully opening up, expect the influx of tourists from China will soon return to the leading position.	Positive
Fisheries	VHC, ANV, IDI MPC	China has always been one of the leading seafood import markets of Vietnam. In the 11 months of 2022, China's import turnover reached 1.65 billion USD, just behind the US. With pangasius, China leads the import market with 631.9 million USD after 11 months, accounting for 27.5% proportion. According to VASEP, in the first nine months of 2022, the leading enterprises in this market include Vinh Hoan Joint Stock Company, accounting for over 16% of pangasius turnover, East Sea Company Limited accounting for nearly 6% and Nam Viet JSC, I.D.I International Development & Investment Corporation all accounted for 5%. With shrimp, China ranked third with a value of 616 million USD after 11 months.	Positive
Steel	HPG, NKG, HSG	China's reopening will create expectations of higher investment construction demand, unbroken supply chains and an impact on steel and iron ore prices on futures contracts, thereby indirect effect on selling price.	Positive
Cement	BCC, HT1	China is the largest cement and clinker export market of our country in 2021 with 25 million tons (accounting for 55% of total exports).	Positive
Rubber	PHR, DPR	China is Vietnam's largest rubber consumption market in 2021. According to statistics of the General Department of Customs, in 2021, Vietnam will export 1.39 million tons of rubber to China, reaching 2.28 billion USD. In which, natural rubber and synthetic rubber are exported the most, accounting for 87.2% of total rubber exports.	Positive
Garment	VGT, TNG	In the 10 months of 2022, in terms of the export market of Vietnamese textiles and garments, the United States continues to account for the largest proportion with 42%, followed by China 11%, Japan and South Korea together accounted for 9%, according to VITAS.	Positive
Fertilizer	DCM, DPM	China is the world's leading fertilizer exporter, next to the US, Russia, and India. The full opening could put great pressure on supply in the fertilizer market.	Less positive

- However, the backdrop of slowing economic growth for next year, along with a possible drop in demand will still be the main dominating factors. Besides, many enterprises also import quite a lot from China to offset the surplus from exports.

Technical view



Trend: Threshold 1,000 points lost

- The green color returned to the stock market today, however, order matching still remained at a low level. Although gaining, the index still closed below trend lines MA20, MA50 which was broken before. This shows that the buying money flow is not really convincing and the reversal signal has not been confirmed. The MACD also fell back to the negative zone along with the RSI recovering but still below 50, meaning that the money flow is weakening. Therefore, the index needs time to retest the psychological threshold of 1,000 points. Investors need to limit the excitement and the strategy is still in favor of observation.

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

28/12/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
HVN	Watch							Good reaction around 20-day MA, expect China to open
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	Sell	11	12.5	10.4	14%	-5%	10.65	13	-3.18%	09/12/2022	

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

Shinhan Securities

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

Shinhan Securities



Compliance Notice

- Analyst Certification: We/I hereby certify the information and material presented in this report are accurate expressions of their views, and that we/I have not received internally or externally wrongful pressure to express such views.
- All opinions and estimates regarding the company and its securities are accurate representations of the covering analyst's judgments as of this date and may differ from actual results.
- This report is intended to provide information to assist investment decisions only and should not be used or considered an offer or the solicitation of an offer to sell or to buy any securities. Stock selection and final investment decisions should be made at the client's own discretion.
- This report is distributed to our clients only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.

Disclaimers

- This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of Shinhan Securities Vietnam Ltd.., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of Shinhan Securities Vietnam Ltd.
- This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. Shinhan Securities Vietnam Ltd. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Shinhan Securities Vietnam Ltd.., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or Shinhan Securities Vietnam Ltd. The final investment decision is based on the client’s judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.
- Copyright ⓒ 2020 Shinhan Securities Vietnam Ltd. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of Shinhan Securities Vietnam Ltd.