MORNING CALL

January 03th, 2023

“Selling continued to dominate the year-end session, trade cautiously”

- Global stocks mixed
- Domestic stocks continued to be under pressure, liquidity dropped
- Technical view and recommendations
- Economic calendar
- Q&A

[Analysts]

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Open Account

Global Market Review - Week 26 - 30/12/2022

Major stock markets mixed

- US stocks ended a dismal year on a sour note with the Dow closing 70 points down, while the S&P 500 and Nasdaq fell 0.3% and 0.1%, respectively, as investors continued to assess the outlook for growth and tighter monetary policy worldwide. European stocks rebounded nearly 1% on the first trading day of 2023 after suffering the worst year since 2018, driven by gains in the energy sector. In a session marked by thin trading volumes, investors digested a slew of economic data while reassessing the outlook for monetary policy.
- Asian equity markets were mixed in holiday-thinned trade on Monday, with most major bourses in the region remaining shut for the New Year's Day. South Korean stocks edged lower and Indian shares gained, while other major markets including Australia, Japan, mainland China and Hong Kong remain closed for the holidays. Investors also continued to assess the outlook for global growth as major central banks are expected to raise interest rates further in an ongoing effort to bring down inflation. Meanwhile, China's swift reopening sparked hopes for a faster economic recovery, though the possibility of a global surge in infections and worldwide restrictions remain a huge risk for the markets.
- China factory activity shrinks further. The official NBS Manufacturing PMI was down to 47.0 in December 2022 from 48.0 in the previous month, pointing to the third straight month of drop, amid the rapid spread of COVID infections that hurt production following Beijing's abrupt relaxation of pandemic measures. The official NBS Non-Manufacturing PMI for China declined sharply to 41.6 in December 2022 from 46.7 a month earlier.
- WTI crude futures closed above $80 per barrel on Friday and gained nearly 8% in a year marked by extreme volatility as various supply risks vied with persistent demand concerns.

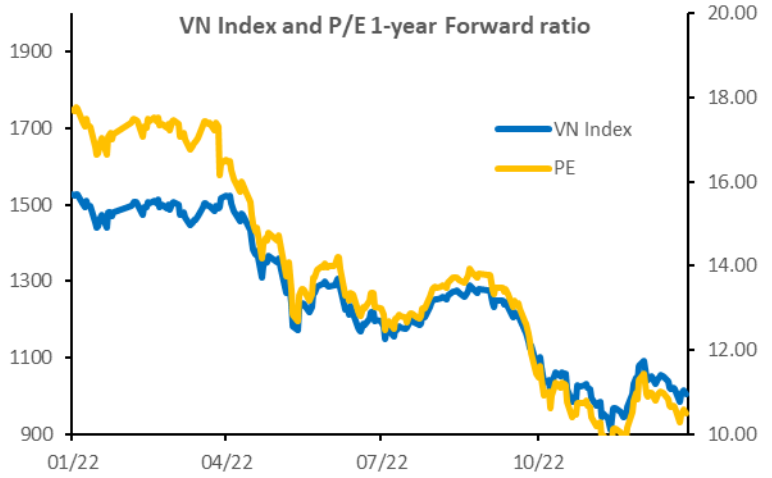
Market

	Close	%1D	%1M	%1Y
VN-Index	1,007	-0.22%	-6.75%	-32.78%
S&P 500 Index	3,840	-0.25%	-5.70%	-19.44%
Dow Jones Index	33,147	-0.22%	-3.73%	-8.78%
GP 100	7,452	-0.81%	-1.38%	0.91%
Nikkei 225	26,095	0.00%	-6.06%	-9.37%
SHCOMP Index	3,089	0.51%	-2.12%	-15.13%
STOXX 600	429	0.96%	-3.23%	-12.46%
KOSPI Index	2,201	-1.11%	-9.58%	-26.36%
Hang Seng	19,781	0.20%	5.92%	-15.46%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.52	-0.30%	-2.29%	7.87%
USD/VND	23,633.00	-0.03%	4.52%	-3.55%
EUR/USD	1.07	0.06%	1.73%	-5.52%
USD/CNY	6.90	0.95%	2.81%	-7.62%
Brent	85.91	0.00%	0.40%	10.45%
WTI	80.45	0.24%	0.59%	5.74%
Natural gas	4.18	-6.61%	-33.47%	9.54%
Coal	389.60	2.51%	-2.23%	129.04%
Gold	1,831.30	0.40%	3.54%	1.66%

Vietnam Market Snapshot 30/12/2022





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,007.09	10.50	-2.20	-0.22	407	7,423
HNX INDEX	205.31	13.05	-1.23	-0.60	42	604

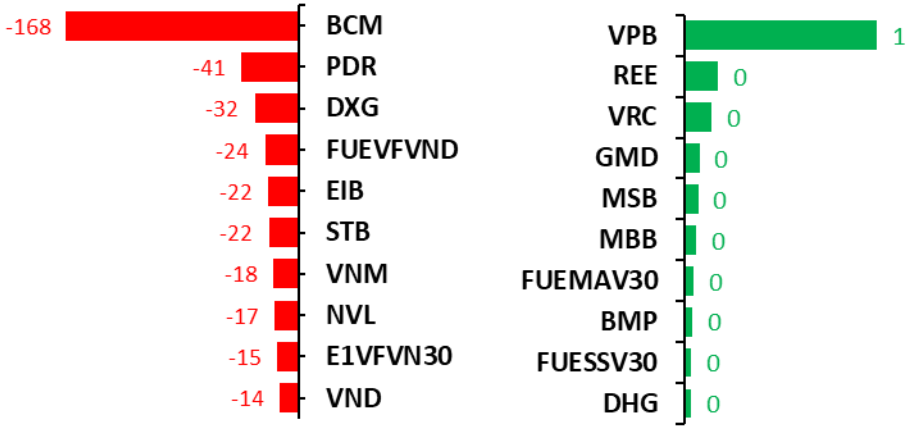
Money flow and sector rotation (VND bn)

Sector	%1D	12/30/2022	12/29/2022	20-session Average
Utilities	49.95	145	97	172
Personal & Household Goods	30.32	77	59	117
Chemicals	27.30	194	152	434
Automobiles & Parts	26.65	70	55	84
Health Care	21.21	16	13	17
Retail	8.15	136	126	298
Construction & Materials	6.98	379	354	585
Food and Beverage	6.05	572	540	905
Technology	3.59	61	59	88
Banks	-4.0	1,377	1,434	2,686
Real Estate	-8.7	1,186	1,300	2,479
Industrial Goods & Services	-8.8	266	292	531
Oil & Gas	-12.7	71	82	130
Financial Services	-14.6	523	613	1,618
Media	-15.1	0	0	2
Basic Resources	-16.6	455	545	1,094
Insurance	-46.2	15	28	50
Travel & Leisure	-46.5	37	70	85

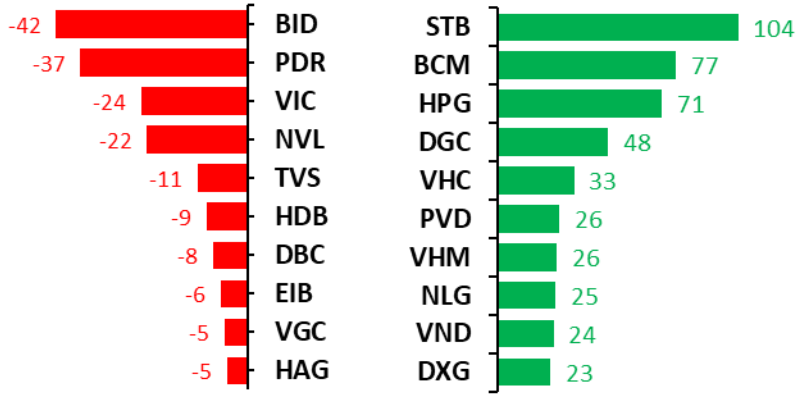
Source: Bloomberg, Sinhan Securities Vietnam

Vietnam Market Snapshot 30/12/2022

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	(286)	103	12	(212)
Basic Resources	(4)	72	17	6
Media	-	0	0	0
Industrial Goods & Services	0	22	(127)	1
Health care	0	1	(10)	1
Chemicals	(3)	73	(66)	0
Financial Services	(68)	27	(46)	(82)
Travel & Leisure	(6)	13	33	(8)
Banks	(85)	88	(7)	(279)
Construction & Materials	0	8	26	13
Food and Beverage	(33)	39	(40)	(49)
Retail	(6)	11	10	26
Utilities	(5)	14	58	(15)
Personal & Household Goods	(1)	(4)	46	12
Technology	(8)	4	159	13
Automobiles & Parts	-	1	(1)	(0)
Insurance	(1)	2	(0)	0
Oil & Gas	(1)	33	(0)	3

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- In 2022, the total import and export turnover of the country is estimated at 732.5 billion USD, with a trade surplus of 11.2 billion USD.
- Commencement of construction of An Phu (Thu Duc city) intersection with a total investment of VND 3,408 billion.
- Vietnam maintains its position in the group of 30 most powerful countries in the world, according to US News & World Report.
- Component project of the Hoai Nhon - Quy Nhon section of the project of Construction of the North-South Expressway in the East in the 2021-2025 period, has been approved by the Ministry of Transport with a total investment of VND 12,401 billion.

Less positive

- FDI into Vietnam in 2022 reached 27.72 billion USD, down 11% over the same period.
- The Index of Industrial Production (IIP) tended to decrease in the fourth quarter due to declining orders, high input costs and a shortage of raw material supply, of which December 2022 is estimated to decrease by 1% compared to the previous month and only increased by 0.2% over the same period last year. The IIP index in 2022 is estimated to increase by 7.8%.



Business news

- VNG Group listed on Upcom on January 5 with the code VNZ, priced at 240,000 VND/share.
- HVN, Vietnam Airlines achieve revenue of more than VND 72,000 billion in 2022, exceeding 21% of the plan. However, the national airline will continue to report losses, company leaders said that Vietnam Airlines only reduced its loss by nearly 70 billion VND compared to the plan. The Corporation is estimated to transport more than 18 million passengers, reaching 107.8% of the plan and 211.9 thousand tons of goods.
- TLG, After 11 months, Thien Long's net revenue reached more than VND 3,317 billion - an increase of 38% over the same period, and profit after tax reached VND 444 billion - up 74% over the same period, 59% higher than the plan. According to TLG, the trend of revenue and profit growth slowed down in the last months of the year, due to the seasonal nature of the industry.

  Thien Long's Board of Directors has just approved the adjustment to increase overseas investment capital for Flexoffice Pte.Ltd project by VND 31 billion in cash, from 814,402 USD to 1.31 million USD. Sourced from Thien Long's equity.
- NVL, Novagroup JSC has successfully sold nearly 98 million shares of No Va Land Investment Group Corporation out of a total of 150 million registered shares.
- NLG, Nam Long completed the transfer of 25% of capital at Paragon Dai Phuoc.
- ITA, Tan Tao University bought nearly 10 million shares of ITA.
- KBC, Kinh Bac plans to increase its ownership to 85% of the capital in Hung Yen Development Investment Group.
- VTR, VinaCapital become major shareholders in Vietravel.
- DGW, Digiworld would like to extend the publication of financial statements for the fourth quarter of 2022.

Technical view



Trend: Diverged, find direction

- So the stock market has officially closed 2022 with many fluctuations. Liquidity dropped to a low level, showing investors' hesitation, with many thinking that they will wait for disbursement after the holiday. The cash flow is quite divergent in the current period in the context of the lack of a leading team. Technically, the index is still moving below the 10-day MA, showing that the money flow is weak and unclear. The market needs a breakout session to confirm the trend, in case sideways and struggling signals still dominate, the index might drop to lower threshold. Therefore, the right strategy is 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

` 29/12/2022

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
HVN	Watch						13.9	Waiting for retest of 10-day MA, expect China to open
BID	Watch						38.6	Breakout signal, playing a leading role
PVT	Watch						22.0	Breakout signal, maintaining above the 10-day MA
KBC	Watch						24.2	Breakout signal, watch for reaction around 10-day MA
NT2	Watch						28.85	Good reaction around the 10-day MA
SBT	Watch						14.5	Good reaction around 10-day MA, world sugar price surpasses peak
FPT	Watch						76.9	Accumulating sideways, waiting for breakout signal

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note

Economic calendar

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January 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4	5	6	7
		S&P Global Manufacturing PMI (VN)		FOMC Minutes	Non-farm payrolls, unemployment rate (US)	
8	9	10	11	12	13	14
	Unemployment Rate (EU)			Inflation figures (US)		Trade balance (China)
15	16	17	18	19	20	21
		Unemployment rate, GDP growth (China)	Retail Sales, PPI (US)	Expiration of futures contract VN30F1M	Tet Holiday	Tet Holiday
22	23	24	25	26	27	28
Tet Holiday	Tet Holiday	Tet Holiday	Tet Holiday	Tet Holiday		
29	30	31	1	2	3	4

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Q&A

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