MORNING CALL

January 04th, 2023

Shinhan Securities

"Stocks prospered in the first session of the year, the momentum spread widely across industry groups"

- Global stocks diverged
- Domestic stocks surged, green color prevailed
- Macroeconomic update Q4/2022 and full year 2022, Vietnam manufacturing PMI continues to stay below the threshold of 50
- Technical view and recommendations
- Economic calendar
- Q&A

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Open Account

Global Market Review - Week 03 - 06/01/2023

Major stock markets diverged

- US stocks erased early gains on the first trading day of the year to close firmly lower, as investors continued to worry about the Federal Reserve raising interest rates into a recession to suppress inflation. The Dow closed below the flatline, while the S&P 500 and the Nasdaq 100 fell 0.4% and 0.7%, respectively.
- European stocks kick off 2023 with a positive trading day. Germany's DAX index, the Eurozone's leading economy, rose 1% while other markets also traded in the green on the first day of 2023. Equities in Hong Kong jumped 363.88 point or 1.84% to finish at 20,145.29 on the first trading session of a new year, its highest close since August 26th, 2022, with traders betting that the pace of a recovery in China from COVID disruptions could accelerate in 2023.
- The S&P Global US Manufacturing PMI was unrevised at 46.2 in December of 2022, pointing to the biggest contraction in factory activity since May of 2020, amid weak client demand. The Eurozone's S&P Global Purchasing Managers' Index (PMI) rose to 47.8 in December from 47.1 in November, in line with preliminary estimates, though still well below the 50 mark for growth.
- The annual consumer price inflation in Germany fell to 8.6% in December 2022, from 10% reported in November and below the market consensus of 9.1%, a preliminary estimate showed.
- The dollar strengthened sharply against a basket of major currencies on Tuesday, approaching the 105 mark ahead of the upcoming Federal Reserve meeting, which could provide cues on its policy tightening path. The US central bank hiked its federal-funds rate by a cumulative 4.25% in 2022, the most since 1980, bringing borrowing costs to the highest level in 15 years. WTI crude oil futures extended their decline to $77 a barrel on Tuesday, down sharply from a one-month high of $80.3 reached in the previous session as investors gauged economic difficulties. macro for demand measures.

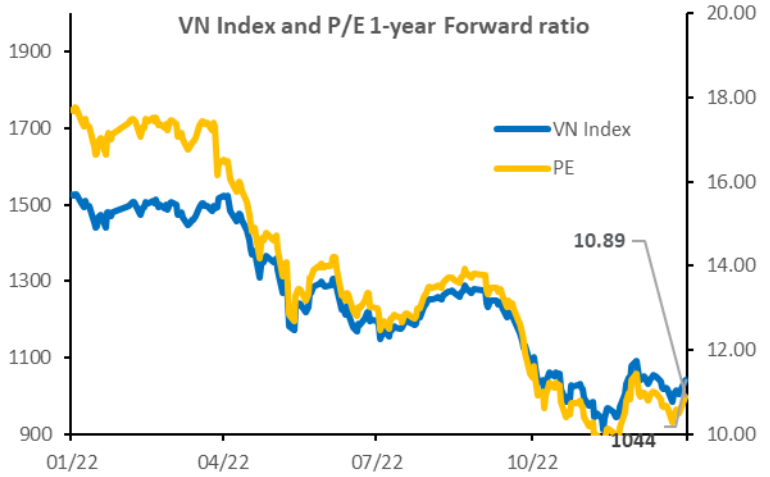
Market

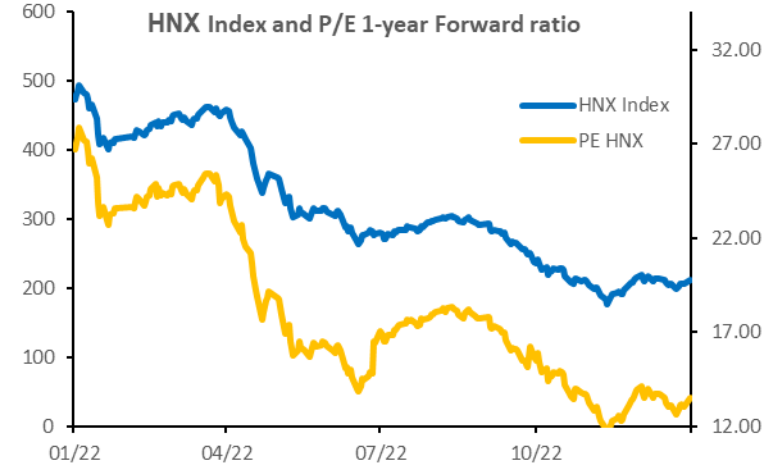
	Close	%1D	%1M	%1Y
VN-Index	1,044	3.66%	-3.34%	-31.57%
S&P 500 Index	3,824	-0.40%	-6.08%	-19.77%
Dow Jones Index	33,136	-0.03%	-3.76%	-8.81%
GP 100	7,554	1.37%	-0.03%	0.65%
Nikkei 225	25,748	-1.33%	-7.31%	-10.57%
SHCOMP Index	3,117	0.88%	-1.26%	-14.20%
STOXX 600	434	1.22%	-2.06%	-12.11%
KOSPI Index	2,221	0.12%	-8.75%	-25.69%
Hang Seng	20,145	1.84%	7.87%	-13.50%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.52	0.96%	-0.03%	8.63%
USD/VND	23,543.00	0.38%	1.95%	-3.18%
EUR/USD	1.06	0.09%	0.64%	-6.46%
USD/CNY	6.92	-0.24%	0.69%	-8.08%
Brent	82.10	-4.43%	-4.06%	3.95%
WTI	77.12	0.25%	-3.58%	0.17%
Natural gas	4.01	0.43%	-36.24%	7.75%
Coal	393.10	0.90%	0.54%	149.59%
Gold	1,838.03	-0.08%	3.92%	1.29%

Vietnam Market Snapshot 03/01/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,043.90	10.89	36.81	3.66	551	9,249
HNX INDEX	212.56	13.49	7.26	3.53	69	879

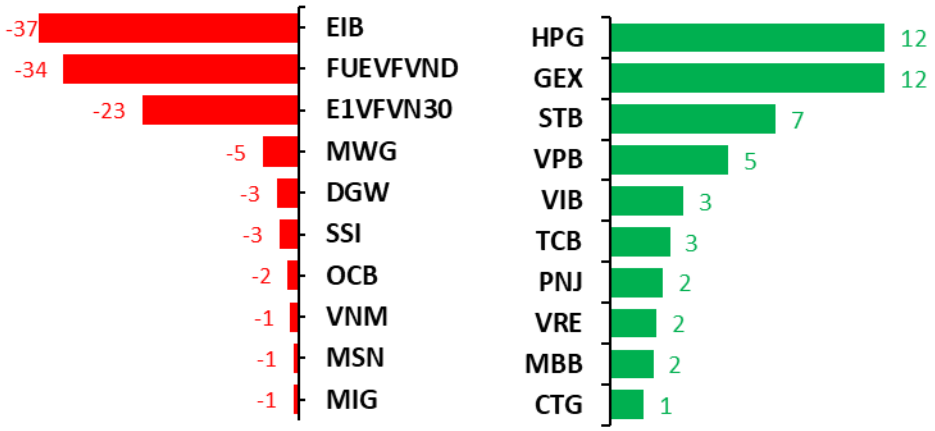
Money flow and sector rotation (VND bn)

Sector	%1D	1/3/2023	12/30/2022	20-session Average
Insurance	150.73	38	15	47
Oil & Gas	118.78	156	71	129
Travel & Leisure	117.26	81	37	84
Technology	115.68	132	61	89
Media	104.98	1	0	2
Financial Services	96.92	1,031	523	1,549
Basic Resources	85.49	844	455	1,064
Industrial Goods & Services	72.53	459	266	518
Chemicals	72.31	334	194	418
Retail	66.95	227	136	286
Construction & Materials	60.08	607	379	578
Food and Beverage	36.66	782	572	894
Banks	30.41	1,796	1,377	2,549
Real Estate	29.02	1,530	1,186	2,327
Personal & Household Goods	9.40	84	77	114
Utilities	2.76	149	145	166
Automobiles & Parts	-1.0	69	70	81
Health Care	-21.8	13	16	16

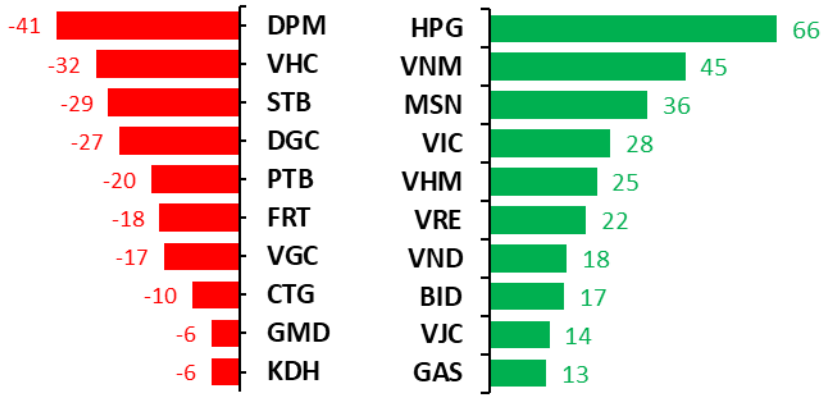
Source: Bloomberg, Sinhan Securities Vietnam

Vietnam Market Snapshot 03/01/2023

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	4	105	(74)	(67)
Basic Resources	12	52	(71)	47
Media	-	0	0	(0)
Industrial Goods & Services	13	11	(45)	23
Health care	-	2	(29)	(0)
Chemicals	0	(71)	11	(6)
Financial Services	(58)	70	51	(13)
Travel & Leisure	1	14	(49)	2
Banks	(14)	(19)	(20)	112
Construction & Materials	-	(11)	(17)	(8)
Food and Beverage	(2)	52	(2)	(25)
Retail	(8)	(11)	(22)	(11)
Utilities	(0)	20	(45)	(4)
Personal & Household Goods	2	2	(68)	(1)
Technology	(0)	2	34	31
Automobiles & Parts	-	1	(2)	(0)
Insurance	(1)	8	0	0
Oil & Gas	0	14	0	8

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- The Ministry of Transport has just promoted the construction progress of the North-South Expressway Phase 2 right after the groundbreaking ceremony.
- The Prime Minister asked Quang Ngai to focus on promoting the development of Dung Quat Economic Zone and VSIP Quang Ngai Industrial Park.

Less positive

- The Purchasing Managers' Index (PMI) of Vietnam's manufacturing industry dropped to 46.4 points in December from 47.4 in November.
- 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.



Business news

- HBC, From Coteccons to Hoa Binh, conflicts for the chair.
- Viettel Group's pre-tax profit in 2022 is more than 43,000 billion VND, the highest in 5 years, earning 3 billion USD from the foreign market.
- HDC, Ba Ria - Vung Tau House Development JSC received the decision of the People's Committee of Vung Tau City on approving the project to adjust the detailed planning at the scale of 1/500 Ocean resort.

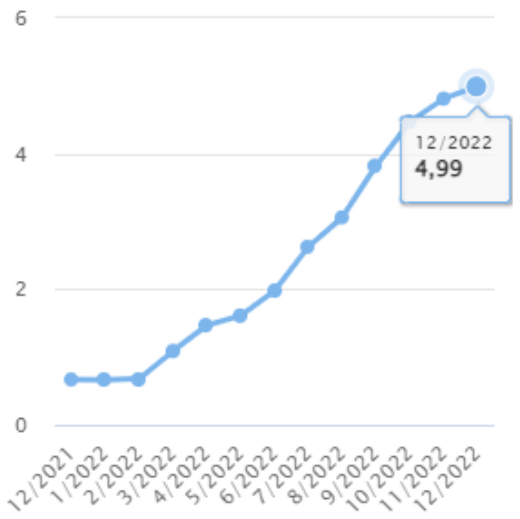
  Ocean resort is located in Chi Linh - Cua Lap area, ward 11, Vung Tau city with an area of 19.6 hectares. The project develops into a tourist-resort complex with a variety of functional subdivisions.
- NLG, Nam Long Group have handed over to customers the first apartments in the cluster of 3 blocks Flora Mizuki MP6-7-8, Mizuki Park integrated urban area. The handover time of 3 months earlier shows the project development capacity and the reputation of the investor in the present time.
- CTG, VietinBank estimated that individual pre-tax profit in 2022 will reach more than VND 19,450 billion.
- KBC, Kinh Bac will receive nearly VND 1,200 billion in dividends from its subsidiary, Saigon - Hai Phong Industrial Park.
- TLG, Thien Long Group recorded a profit of VND 444 billion in 11 months, the highest in history, intending to increase capital of foreign projects.
- GEG completed issuing more than 64 million preferred shares to Deutsche Investments - Und (DEG) fund.
- THD, Thaiholdings replaced the General Director and Chief Accountant on the last day of the year.

Macro update

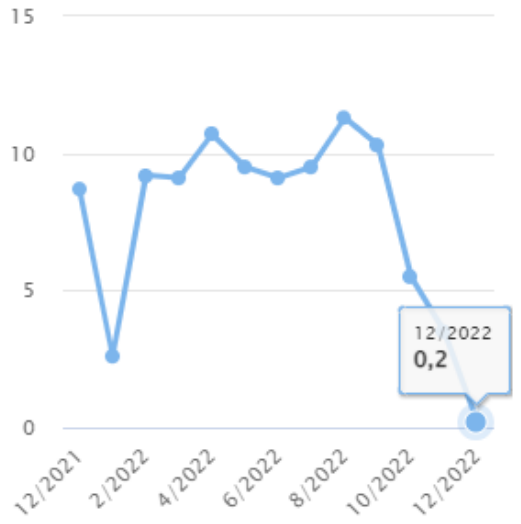
Consumer Price Index (YoY)



Core Inflation (YoY)



Industrial Production Index (YoY)



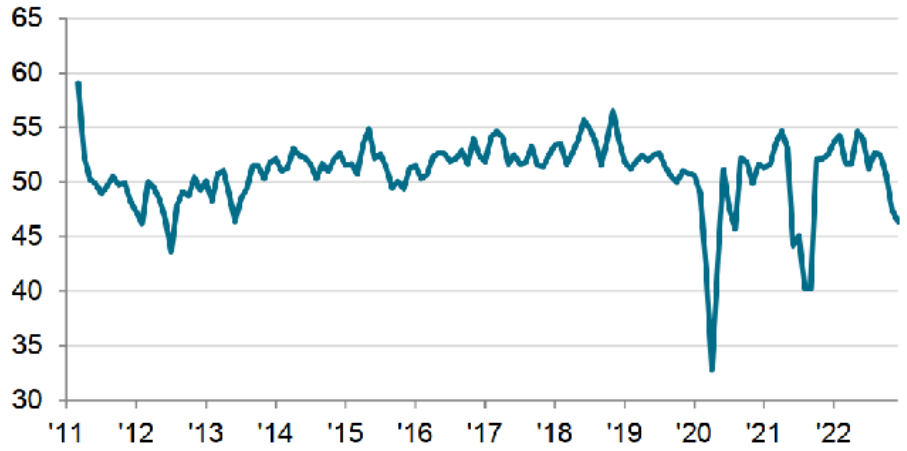
- Core inflation in December 2022 increased by 0.33% over the previous month and by 4.99% over the same period last year. It can be seen that inflation is at a high level compared to previous years.
- Both CPI and core inflation have not cooled down and continued to move higher.
- The Index of Industrial 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 quarter. last month and only increased by 0.2% over the same period last year.

Unit: %

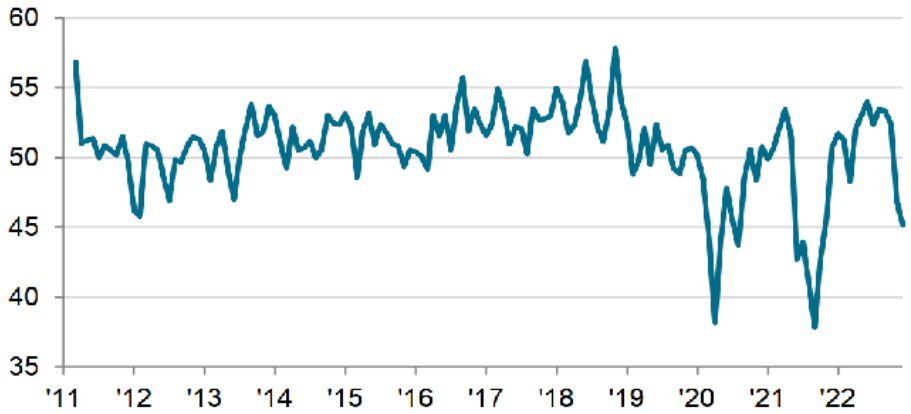
	2018	2019	2020	2021	2022
Core inflation in December (MoM)	0,09	0,68	0,07	0,16	0,33
Core inflation in December (YoY)	1,70	2,79	0,99	0,67	4,99
Average core inflation per year (YoY)	1,48	2,01	2,31	0,81	2,59

PMI continues to stay below 50

Vietnam's manufacturing PMI



Vietnam Employment Index PMI



Source: S&P Global

- The Vietnam Manufacturing Purchasing Managers' Index (PMI) fell to 46.4 points in December from 47.4 in November, showing that the index fell below the neutral threshold of 50 points for the second time, reflects the continued deterioration of business conditions in the manufacturing sector.

There are 3 highlights:

- Output and new orders fell more sharply.

  This is due to the weak general demand situation, and the weakness mentioned in several key export markets. These markets include China, the EU and the US. Faced with a drop in new orders, manufacturers cut output for the second month in a row. Furthermore, the rate of decline is the strongest since September 2021.

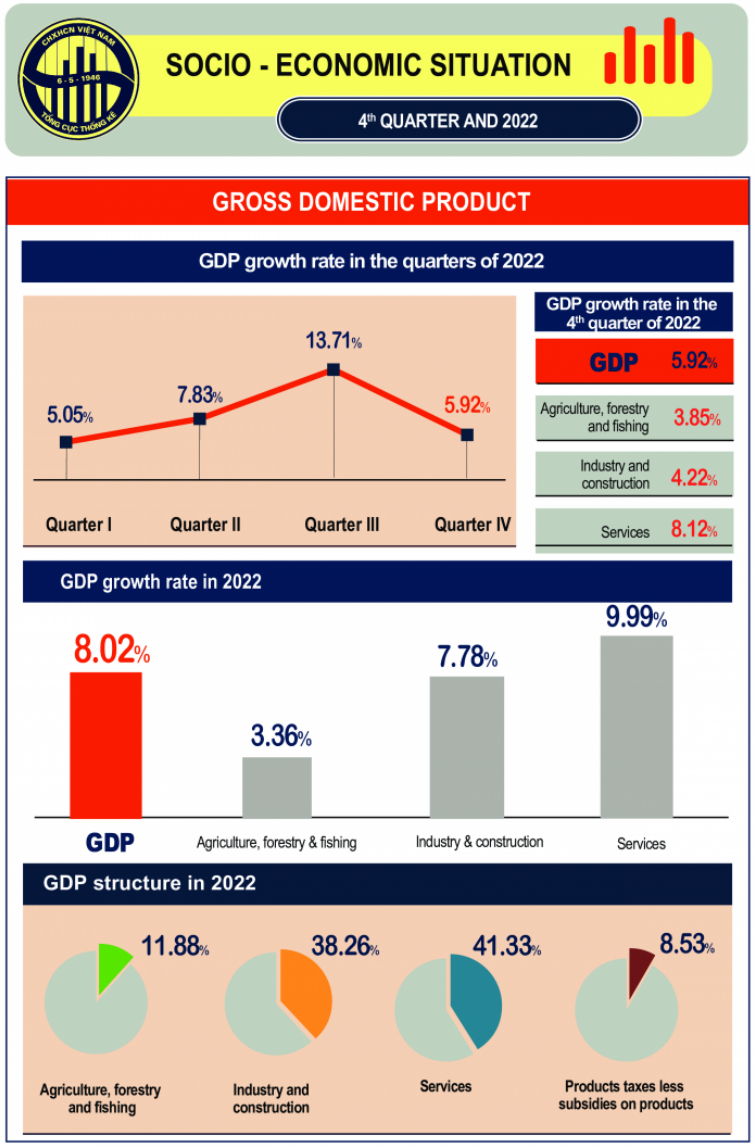
- Output prices fell for the second month in a row.

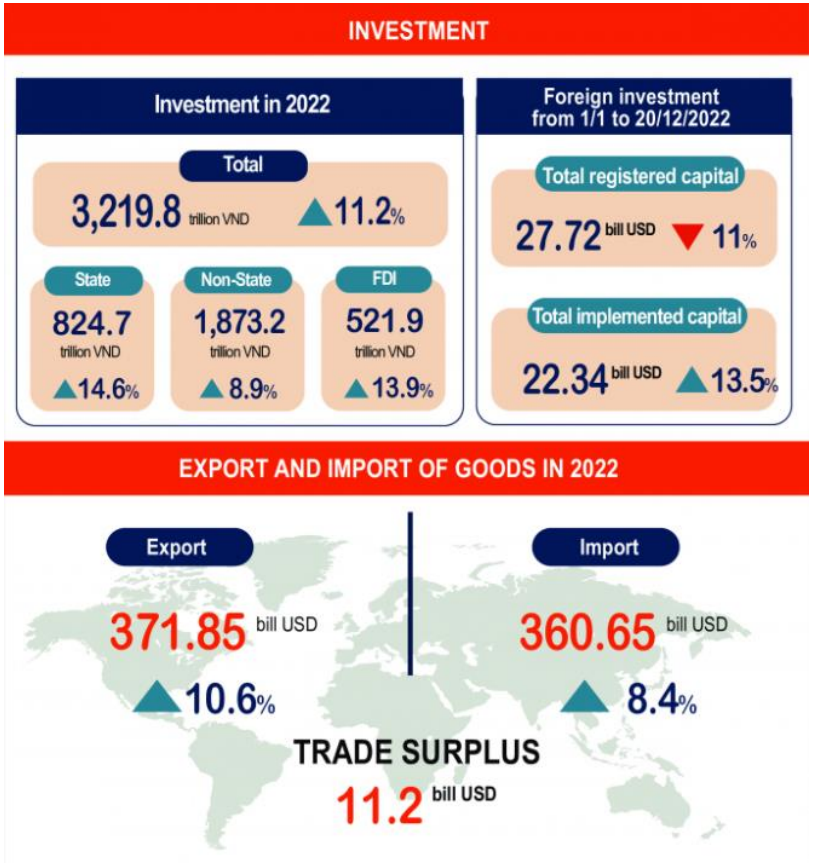
  Manufacturers also reduced their purchases of inputs, but inventories of purchased goods rose for the first time in three months as output fell to the point where inputs are usually stored rather than put into production. Companies can offer discounts to customers to attract more new orders.

- Companies reduce employment and purchasing activity.

  As production requirements fell amid a drop in new orders, companies reduced their headcount accordingly. Employment fell at a remarkable rate, and the decline was the steepest in a 14-month period.

Macro update





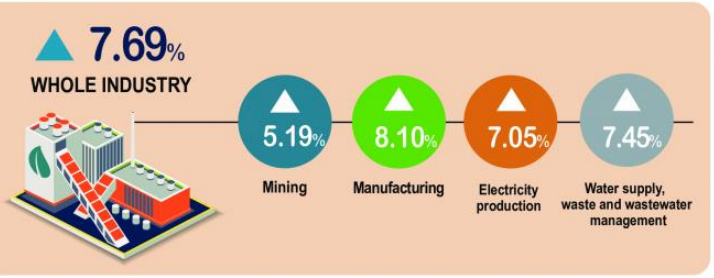
- Gross domestic product (GDP) in 2022 is estimated to increase by 8.02% compared to the same period last year (up by 5.05% in the first quarter; 7.83% in the second quarter; 13.71% in the third quarter; 5.92% in the fourth quarter) due to the economy. recovered, this is the highest increase in the period 2011-2022. Besides, Vietnam continued to maintain a trade surplus of 11.2 billion USD.

Source: GSO

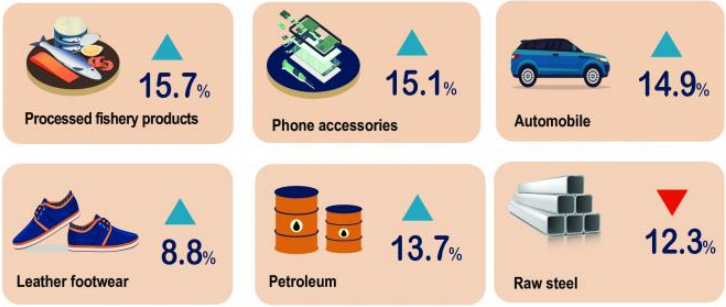
Macro update

INDUSTRIAL PRODUCTION IN 2022

Industry value added's growth rate over the same period last year



Growth rate of some major industrial products over the same period last year



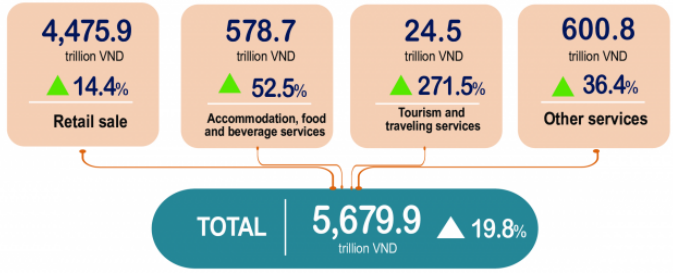
ENTERPRISE REGISTRATION STATUS IN 2022

(over the same period last year)

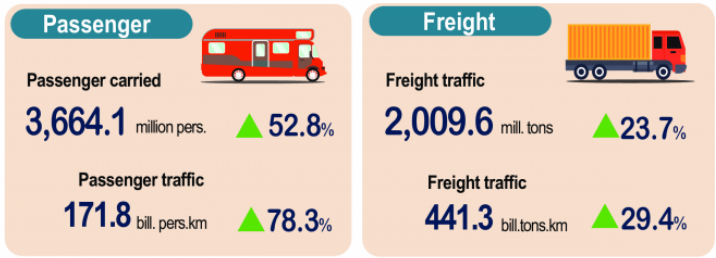


SERVICE ACTIVITIES IN 2022

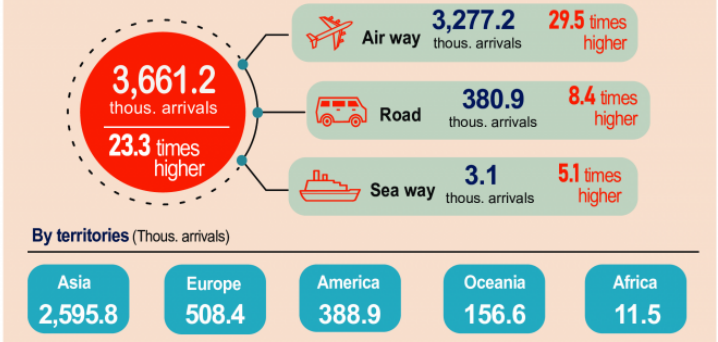
Retail sales of consumer goods and services



Passenger and freight transport



Foreigners arrivals in Viet Nam



Source: GSO

Detailed Consumer Price Index (CPI)

Figure 1: CPI increase/decrease in December 2022 (MoM)

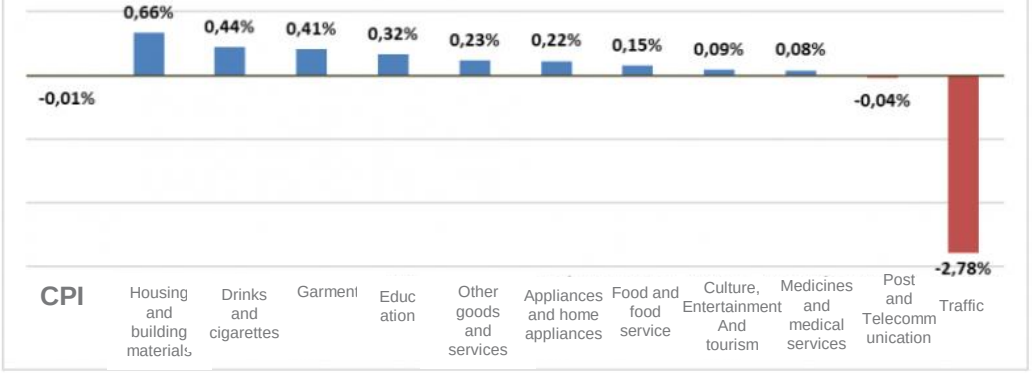
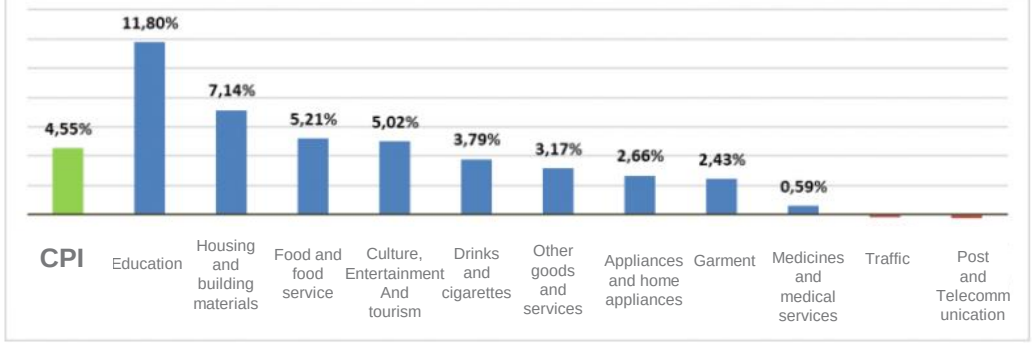


Figure 2: CPI increase/decrease rate in December 2022 (YoY)



Source: GSO

- **Compared to the previous month,** CPI in December 2022 decreased by 0.01%. Among 11 main groups of consumer goods and services, there are 2 groups of reduced prices and 9 groups of increased prices.
- Traffic group price index in December 2022 decreased by 2.78% compared to the previous month, the largest contribution in the downward direction, mainly due to the influence of the downward adjustment of domestic gasoline prices according to world fuel prices.
- The price index of housing and construction materials increased by 0.66%, contributing the most in the increasing direction. In which, gas price increased by 4.08% compared to the previous month. The price of domestic water increased by 0.82% due to the increase in water prices in some localities. The price of rental housing increased by 0.77% and the price of housing maintenance materials increased by 0.35% due to a slight increase in the price of stone, sand, brick and cement.

- **Compared to the same period last year,** CPI in December 2022 increased by 4.55%. Of the 11 main consumer goods groups, there are 9 groups of increasing prices and 2 groups of decreasing prices.
- Education group in December 2022 saw the highest increase with 11.8% over the same period last year due to some provinces and centrally-run cities increasing tuition fees for the 2022-2023 school year. Housing and building materials group increased by 7.14% due to the increase in prices of housing maintenance materials and rental housing.
- Traffic group in December 2022 decreased by 0.16% compared to the same period last year, mainly due to the decrease in petrol price in December by 6.77%. The postal and telecommunications group decreased by 0.25% over the same period last year due to the decrease in the price of smartphone accessories.

Technical view



Trend: Prospered in the first session

- The market opened the first session of the year in green with the majority of excitement, and the spreading momentum was also wider across sector groups. The index closed at the highest level of the session, creating a Marubozu candlestick pattern, meaning that the money flow was actively buying up. Technical indicators also improved when MACD started to narrow the spread with the signal line along with the RSI rising back to 50 level, agreeing to the uptrend. However, today's order matching was higher than previous sessions but still below the 20 session average. In the short term, the index might still struggle around the 20-day MA, ie 1,040 – 1050 points to test the trend. Current resistance is at 1,070 points.

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

` 04/01/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
C4G	Wait to buy							Breakout signal, volume consensus
FPT	Wait to buy							Breakout signal, volume consensus
HVN	Watch							Waiting for retest of 10-day MA, expect China to open
PVT	Watch							Breakout signal, maintaining above the 10-day MA
KBC	Watch							Breakout signal, watch for reaction around 10-day MA
NT2	Watch							Good reaction around the 10-day MA
SBT	Watch							Good reaction around 10-day MA, world sugar price surpasses peak
BID, VCB	Watch							Breakout signal, playing a leading role

Trading portfolio

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

Economic calendar

Shinhan Securities

January 2023

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

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Q&A

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