MORNING CALL

January 05th, 2023

Shinhan Securities

“The struggle is back, the trend is in favor of shaking”

- ❑ Global stocks rose slightly but gains were more limited
- ❑ Domestic stocks continued to gain, although trading started to be cautious
- ❑ The Fed still has a view to continue raising interest rates
- ❑ Technical view and recommendations #C4G #FPT #VCG
- ❑ 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 03 - 06/01/2023

Major stock markets rose slightly but gains were more limited

- US stocks closed marginally higher on a choppy Wednesday, as minutes from the December FOMC meeting confirmed policymakers' previous signals that interest rates must continue to rise and remain elevated for the foreseeable future. Officials also emphasized that investors should not interpret the slower 50bps rate hike as a dovish pivot, warning markets against pricing interest rate cuts this year.
- European equities rally for third session. European equities extended gains for a third consecutive session on Wednesday, with the regional STOXX 600 adding more than 1% to around 440 points, driven by a rally in the consumer discretionary and technology sectors.
- Fed policymakers continued to anticipate that ongoing increases in the federal funds rate would be appropriate and that a restrictive policy stance would need to be maintained until inflation is on a sustained downward path, minutes from the December meeting showed. Also, no participants anticipated that it would be appropriate to begin reducing the federal funds rate target in 2023.
- The S&P Global Services PMI for the Eurozone was revised higher to 49.8 in December 2022, up from the preliminary estimate of 49.1 and above the previous month's 48.5.
- European natural gas prices continued to decline and tumbled over 5% to below €70/MWh, hitting a new low since mid-February, before the war in Ukraine started, as warmer-than-expected temperatures eased concerns over shortages and the need for gas rationing.
- WTI crude futures dropped 5% to around $73 per barrel on Wednesday, not far from a one-year low of $70.3 hit on December 9th, pressured by a weakening global demand outlook amid growing fears of a Fed-induced recession in the US and persistent coronavirus-related uncertainties in top consumer China.

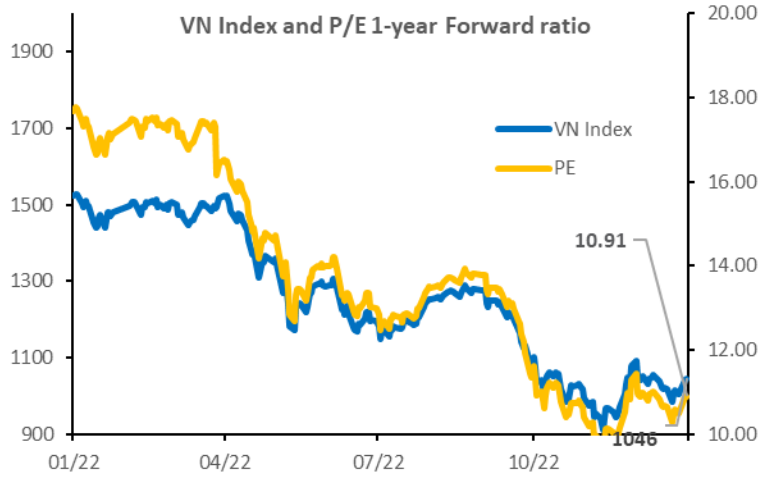
Market

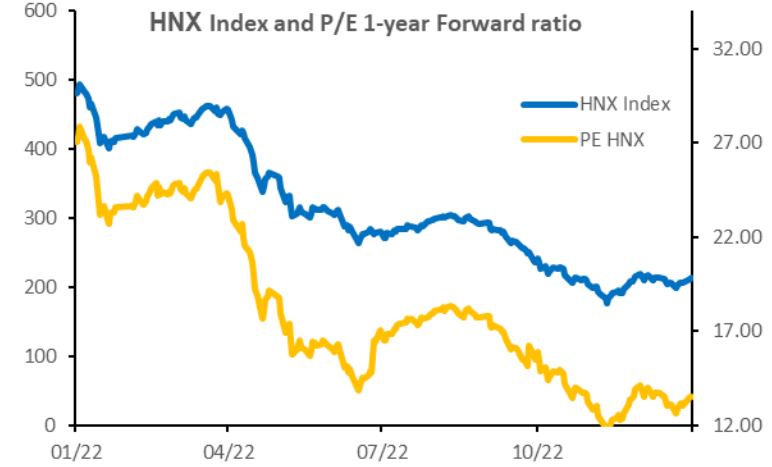
	Close	%1D	%1M	%1Y
VN-Index	1,046	0.23%	-4.33%	-31.27%
S&P 500 Index	3,853	0.75%	-5.37%	-19.62%
Dow Jones Index	33,270	0.40%	-3.37%	-9.59%
GP 100	7,585	0.41%	0.23%	0.91%
Nikkei 225	25,866	0.58%	-7.03%	-11.82%
SHCOMP Index	3,124	0.22%	-2.75%	-13.12%
STOXX 600	440	1.38%	-0.29%	-10.96%
KOSPI Index	2,268	0.55%	-6.24%	-23.21%
Hang Seng	20,793	3.22%	6.53%	-9.23%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.25	-0.26%	-0.28%	8.30%
USD/VND	23,523.00	0.09%	2.03%	-3.23%
EUR/USD	1.06	0.25%	1.32%	-6.05%
USD/CNY	6.90	0.26%	0.95%	-7.61%
Brent	77.84	-5.19%	-9.03%	-2.70%
WTI	73.35	0.70%	-4.65%	-5.78%
Natural gas	4.10	-1.80%	-26.54%	5.54%
Coal	394.55	0.37%	0.91%	126.62%
Gold	1,856.03	0.08%	4.94%	2.52%

Vietnam Market Snapshot 04/01/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,046.35	10.91	2.45	0.23	647	10,532
HNX INDEX	213.06	13.52	0.50	0.23	74	1,143

Money flow and sector rotation (VND bn)

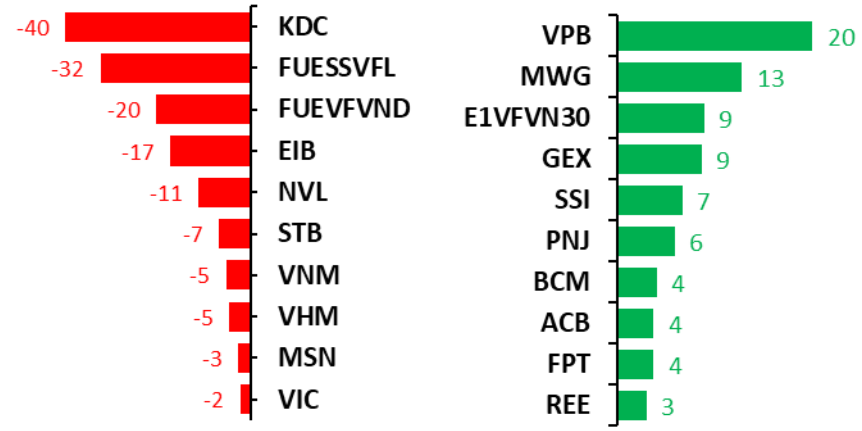
Sector	%1D	1/4/2023	1/3/2023	20-session Average
Construction & Materials	37.70	835	607	565
Banks	30.38	2,341	1,796	2,427
Chemicals	27.59	426	334	383
Industrial Goods & Services	15.01	528	459	500
Media	13.53	1	1	1
Oil & Gas	9.10	171	156	126
Real Estate	7.22	1,641	1,530	2,152
Food and Beverage	0.38	785	782	854
Utilities	-0.7	148	149	160
Insurance	-1.0	38	38	45
Automobiles & Parts	-7.7	64	69	76
Financial Services	-8.9	939	1,031	1,439
Health Care	-11.2	11	13	15
Basic Resources	-11.8	744	844	1,001
Retail	-25.2	170	227	266
Personal & Household Goods	-30.8	58	84	109
Travel & Leisure	-36.1	52	81	81
Technology	-46.5	70	132	84

Source: Bloomberg, Sinhan Securities Vietnam

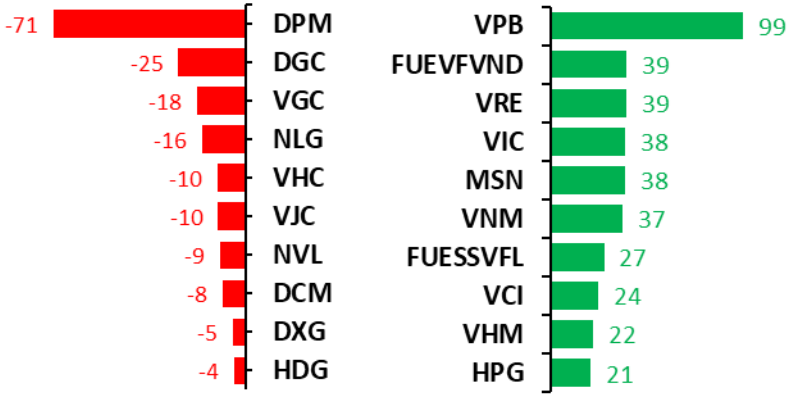
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Vietnam Market Snapshot 04/01/2023

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	(15)	95	62	(73)
Basic Resources	0	23	(54)	(7)
Media	-	-	0	0
Industrial Goods & Services	13	4	(50)	(30)
Health care	-	1	(15)	(1)
Chemicals	(1)	(108)	103	(12)
Financial Services	(33)	120	11	(33)
Travel & Leisure	(2)	(11)	(43)	(4)
Banks	8	151	(35)	(65)
Construction & Materials	(2)	(16)	(37)	4
Food and Beverage	(49)	75	(22)	(50)
Retail	13	4	(18)	12
Utilities	(0)	9	(0)	0
Personal & Household Goods	6	(3)	(41)	8
Technology	4	1	(29)	18
Automobiles & Parts	1	(1)	0	(0)
Insurance	(1)	3	(0)	2
Oil & Gas	(0)	17	(0)	19

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- The Ministry of Industry and Trade has just issued the Decision to review for the first time the application of anti-dumping measures to a number of polyester long fiber products imported from four markets (India, Indonesia, Malaysia and China).
- The Ministry of Industry and Trade will calculate and carefully consider the reasonable adjustment of electricity prices.
- UOB Bank forecasts Vietnam's GDP in 2023 at 6.6%.

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

- ETFs net bought VND 26,500 billion of Vietnamese shares in 2022. Statistics show that there are 19 ETFs currently investing on the Vietnamese stock market with a portfolio size of about $3.3 billion. The number and size of ETFs are forecasted to continue to increase sharply in 2023.
- DXG, Dat Xanh approved a resolution on borrowing capital from Ha An Real Estate Investment JSC with the amount of VND 1,080 billion. Accordingly, the loan has a term of 1 year, a fixed interest rate of 8%/year. Dat Xanh said, the purpose of supplementing business capital or project investment.

  It is known that Ha An Real Estate is a subsidiary of Dat Xanh, with a charter capital of VND 8,800 billion, of which 99.99% of shares are owned by the parent company.
- DBC, Dabaco have just approved the production plan in 2023 with total revenue of VND 24,562 billion, up 9% compared to the plan in 2022. However, profit after tax is expected to decrease by 38% to VND 569 billion.
- BCM, Binh Phuoc stopped planning Dong Phu industrial and residential area over 6,300ha.
- HAR, An Duong Thao Dien JSC wants to buy back 3 lots of bonds before maturity with a total value of VND 80 billion
- IJC, Becamex IJC is expected to issue more than 34 million shares to pay dividends in the first quarter of 2023, rate 16%.
- Gelex Electric (GEE) wants to raise its ownership in Cadivi (CAV) and Thibidi (THI) to 100%.
- FPT, The software export revenue of FPT Software in 2023 is expected to be 1 billion USD.



Technical view



Trend: Struggle

- The trade started to struggle again after the strong gain at the beginning of the new year, so the index closed almost sideways. Order matching continued to improve compared to last week but still below the 20 session average. The MACD has crossed back to the signal line along with the RSI recovering above 50, meaning that the uptrend is consolidated. The market is likely to shake to test the area around the 20-day MA, equivalent to 1,030 points. There should be no rush to get excited in the current period and the disbursement direction can be considered in the adjustment pace, with a small proportion.

Scenarios:

- Positive (60%): The index balanced and successfully tested the area of 1,030 points, corresponding to the 20-day MA to create a recovery momentum to 1,080 points, more optimistically towards the 1,150 point area.
- Less positive (40%): 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

05/01/2023

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
VCG	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

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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

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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