MORNING CALL

January 11th, 2023

"The sideways trend dominates, the money flow diverges again"

- Global stocks trading struggled
- Domestic stocks continued to hesitate, sideways trend dominated
- Update on seafood export situation in the first 11 months of 2022 #ANV #IDI #VHC
- ASEAN – A bright spot for pangasius exporters in 2023 #ANV
- Technical view and recommendations
- Economic calendar
- Q&A

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

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Major stock markets trading struggled

- The Dow added almost 200 points on Tuesday, while the S&P 500 and Nasdaq 100 rallied 0.7% and 0.9%, respectively, as investors reassessed the outlook for economic growth and monetary policy. European equity markets closed lower on Tuesday, with the benchmark Stoxx 600 falling 0.6% from an over 8-month closing high on Monday led by losses in retail companies. Among single stocks, Belgium shipping firm Euronav was among the worst performers, down 17.7% on the back of news of the collapse of its potential merger with rival Frontline.
- On the policy front, Federal Reserve Governor Michelle Bowman was among the latest officials to warn that rates will have to rise further to bring down inflation to its 2% target. Meanwhile, in a speech delivered to Sweden's Riksbank, Chair Jerome Powell emphasized the need for the central bank to be free of political influence while noting that climate change should not be a priority for monetary policymakers.
- China's banks extended CNY 1.4 trillion in new yuan loans in December 2022, up from CNY 1.21 trillion in the previous month and above market expectations of CNY 1.1 trillion, following Beijing's latest efforts to boost growth in the world's second-biggest economy, which was hit hard by COVID-19 lockdowns and slowing global demand.
- The seasonally adjusted unemployment rate in South Korea posted at 3.3% in December 2022 up from 2.9% in November, recording the highest reading since January 2022.
- Stocks of crude oil in the United States rose by 14.865 million barrels in the week ended January 6th, 2022, following a 3.298 million barrels gain in the previous week, data from the American Petroleum Institute showed. It was the sharpest weekly build on record, while analysts expected a 2.375 million barrels decline.
- WTI crude futures stabilized around $75 per barrel on Tuesday, now up more than 3% from last week's lows of $72.5 on prospects for a rebound in economic activity in China and persistent tight global supplies.

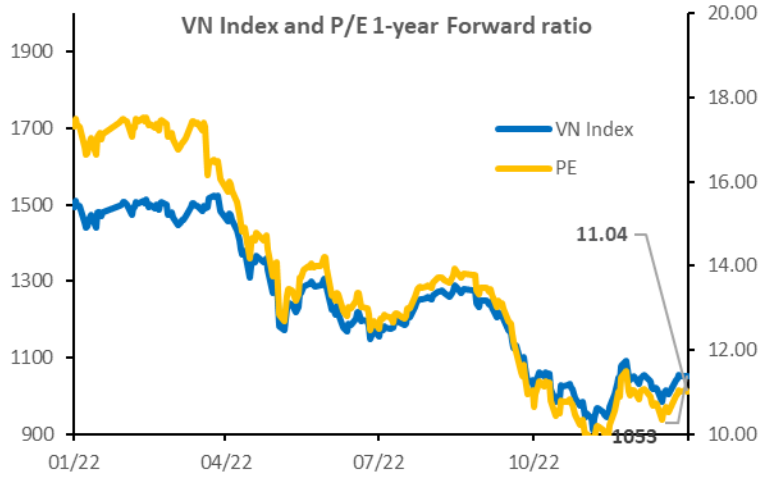
Market

	Close	%1D	%1M	%1Y
VN-Index	1,053	-0.08%	0.15%	-29.41%
S&P 500 Index	3,919	0.70%	-0.38%	-16.08%
Dow Jones Index	33,704	0.56%	0.68%	-6.56%
GP 100	7,694	-0.39%	2.91%	2.71%
Nikkei 225	26,384	0.80%	-5.44%	-6.51%
SHCOMP Index	3,170	-0.21%	-1.17%	-11.15%
STOXX 600	446	-0.59%	1.50%	-7.74%
KOSPI Index	2,362	0.44%	-1.15%	-19.33%
Hang Seng	21,331	-0.27%	7.19%	-10.14%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.23	0.00%	-1.51%	7.96%
USD/VND	23,451.00	0.03%	1.09%	-3.26%
EUR/USD	1.07	0.11%	1.97%	-5.47%
USD/CNY	6.78	-0.11%	2.92%	-5.95%
Brent	80.10	0.56%	5.26%	-0.95%
WTI	74.60	-0.69%	5.04%	-8.15%
Natural gas	3.60	-1.07%	-42.35%	-15.27%
Coal	390.45	-0.86%	-2.99%	98.70%
Gold	1,878.02	0.05%	5.42%	3.10%

Vietnam Market Snapshot 10/01/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,053.35	11.04	-0.86	-0.08	546	9,710
HNX INDEX	210.63	13.37	0.96	0.46	53	893

Money flow and sector rotation (VND bn)

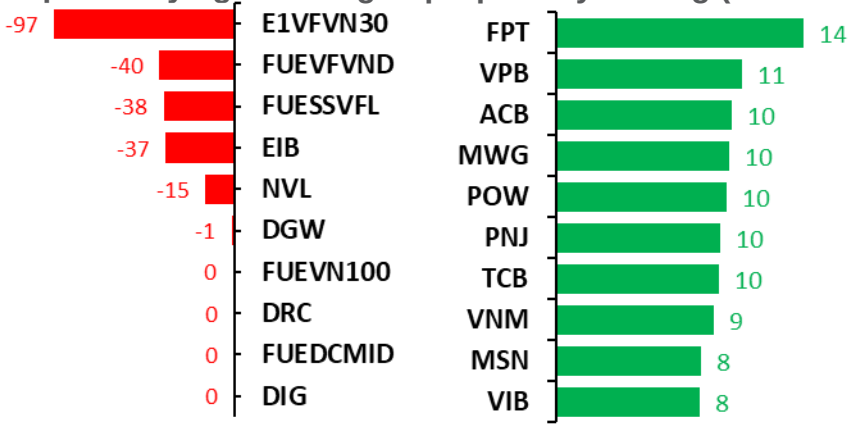
Sector	%1D	1/10/2023	1/9/2023	20-session Average
Construction & Materials	87.72	753	401	549
Basic Resources	50.16	904	602	938
Technology	37.95	67	49	78
Insurance	36.20	25	18	40
Oil & Gas	29.31	110	85	120
Industrial Goods & Services	24.69	342	274	467
Personal & Household Goods	21.76	63	52	91
Chemicals	12.86	254	225	343
Financial Services	10.24	764	693	1,221
Real Estate	0.28	1,025	1,022	1,760
Food and Beverage	-0.9	620	626	791
Automobiles & Parts	-3.5	59	61	70
Banks	-5.4	1,717	1,815	2,289
Utilities	-19.3	136	168	173
Media	-20.7	1	1	1
Retail	-31.9	136	199	227
Travel & Leisure	-34.4	68	104	81
Health Care	-36.8	10	16	15

Source: Bloomberg, Sinhan Securities Vietnam

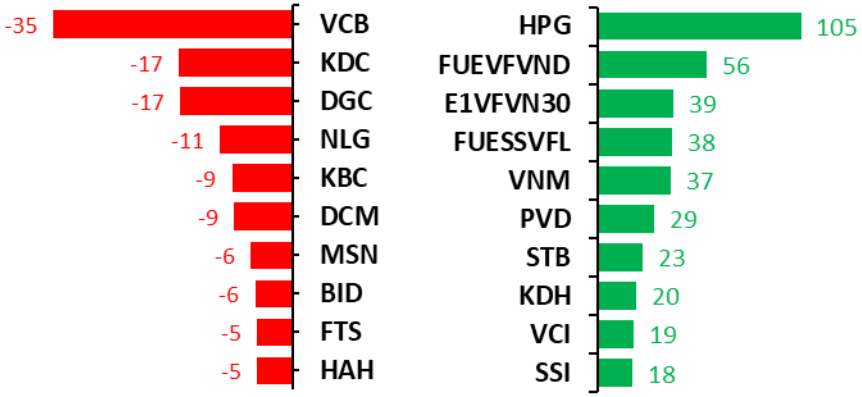
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Vietnam Market Snapshot 10/01/2023

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	63	(124)	(23)
Basic Resources	7	102	(11)	0
Media	-	0	0	0
Industrial Goods & Services	7	(5)	(163)	(6)
Health care	-	3	(47)	(0)
Chemicals	2	(21)	3	(15)
Financial Services	(167)	172	3	(151)
Travel & Leisure	4	1	(76)	9
Banks	30	(8)	(26)	296
Construction & Materials	(0)	6	(89)	8
Food and Beverage	19	52	(19)	11
Retail	9	6	21	4
Utilities	11	18	(56)	(2)
Personal & Household Goods	10	6	(5)	3
Technology	14	3	1	10
Automobiles & Parts	(0)	3	(0)	(0)
Insurance	0	2	(0)	(0)
Oil & Gas	0	36	(0)	6

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- In 2022, Vietnam added nearly 2.6 million new securities accounts, a growth of 60% over the previous year.
- For the first time, Vietnam has a national master plan on water resources.
- The National Assembly sets a target of 2030 GDP per capita reaching 7,500 USD.
- The Ministry of Industry and Trade proposed to assign the management of petrol prices to the Ministry of Finance.

Less positive

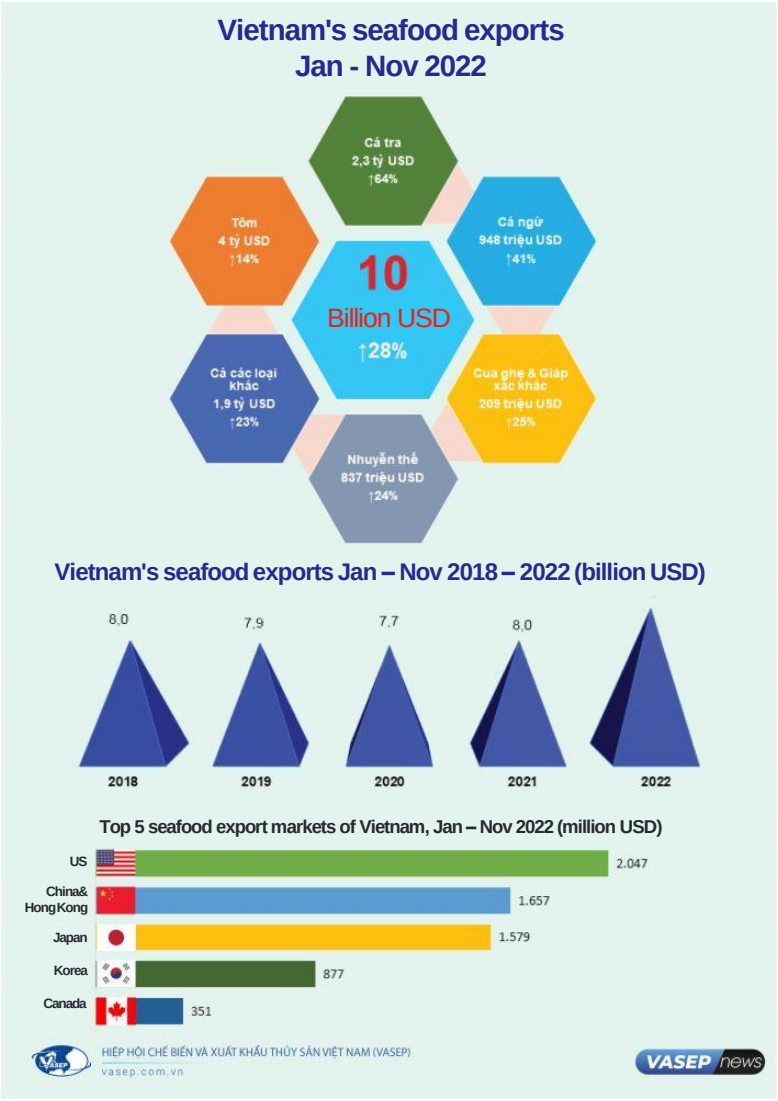
- More than VND 16,000 billion of bonds of real estate and construction businesses need to be paid in January 2023, according to VBMA.

Business news

- HBC, Hoa Binh Construction has just won the contract of nearly 600 billion VND from the investor BWID - a joint venture between Becamex IDC and Warburg Pincus. The project is a cargo warehouse with a scale of 2 floors and 2 mezzanines, a total construction area of more than 85,000 m2, located in Xuyen A Industrial Park, Long An province.
- FRT, FPT Long Chau officially signed a cooperation agreement to distribute genuine Blackmores healthcare products in Vietnam.
- LAS, estimated net revenue in 2022 will reach VND 3,257 billion, equal to 108% of the year plan, up 12% over the same period. Profit before tax is estimated at VND 102 billion, completing the target in 2022 and increasing 20% compared to 2021.
- PLX, In terms of business results in 2022, the total consolidated revenue is estimated at VND 300,000 billion, up 78% compared to the performance in 2021. Consolidated pre-tax profit is estimated at VND 2,068 billion, down 45% compared to the implementation in 2021. Previously, Petrolimex adjusted its business plan in 2022 with the revenue target increasing from VND 186,000 billion to VND 240,000 billion, but pre-tax profit decreased by 90% from VND 3,060 billion to VND 300 billion. For the fourth quarter of 2022 alone, Petrolimex is estimated to achieve more than VND 74,200 billion in consolidated revenue and VND 1,454 billion in pre-tax profit, up 50% and 75% respectively over the same period last year.
- HAG, Revenue in 2022 is estimated at VND 4.57 trillion. In which, the livestock industry accounts for more than 35% (VND 1.6 trillion), fruit trees account for nearly 50% (VND 2.28 trillion), the rest is ancillary industry (VND 677 billioN). Profit after tax is estimated at VND 1.18 trillion, fulfilling 105% of the 2022 plan. This is also the first time since 2011, HAG has made a profit of over trillion VND.



Update on seafood export situation in 11 months of 2022



- November 2022 – for the first time since the beginning of the year, seafood export growth fell to a negative level (down over 14%) compared to the same period last year, reaching only about 780 million USD. However, in the first 11 months of 2022, Vietnam's seafood exports reached 10.2 billion USD, up nearly 28% over the same period in 2021.
- The US market contributes the largest amount of foreign currency to Vietnam's seafood with over US$2 billion, up nearly 10% over the same period in 2021. Seafood exports to China - Hong Kong and the Japanese market achieved nearly 10 percent sales. equivalent, about 1.6 billion USD. The EU market by the end of November brought in over 1.2 billion USD for Vietnamese seafood.

About Shrimp Export

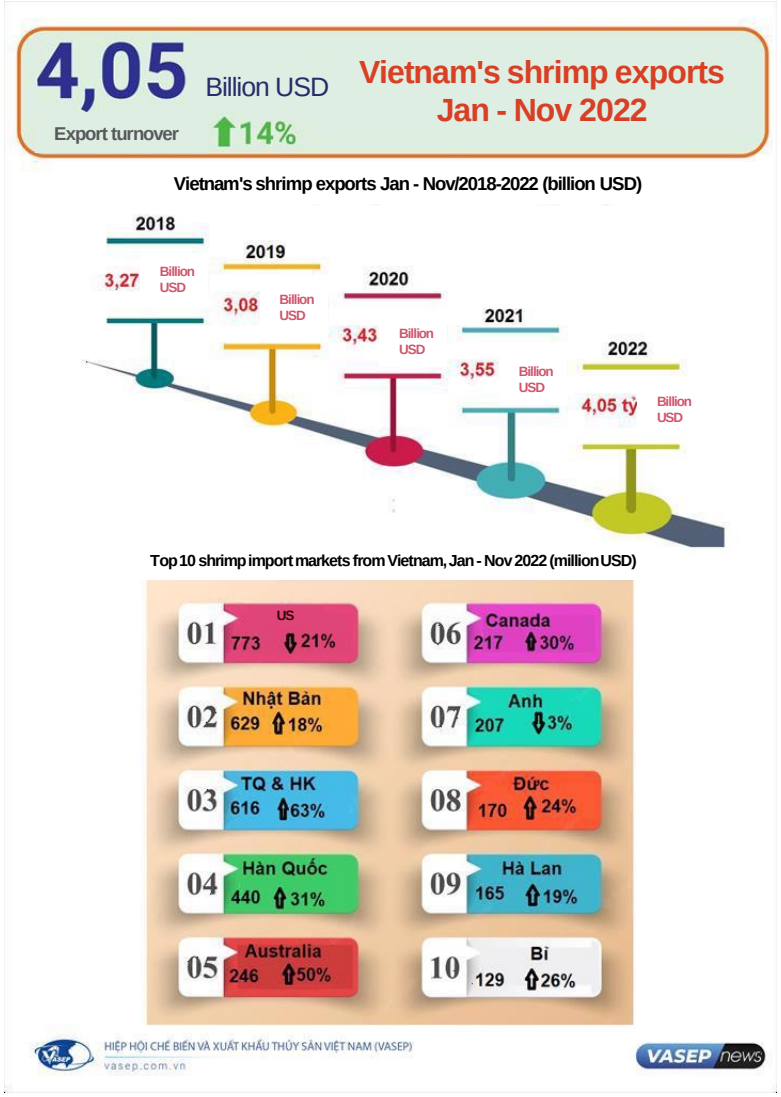
- According to Vietnam Customs data, in November 2022, Vietnam's shrimp export value continued to decrease compared to the same period in 2021, down 18% to nearly 300 million USD. Accumulating 11 months of 2022, shrimp exports reached over 4 billion USD, up 14% over the same period.

About exporting pangasius

- Pangasius exports in the first 11 months of the year reached nearly 2.3 billion USD, up 64% over the same period last year. After increasing continuously for 10 months, by November, pangasius exports had decreased by 20% over the same period. China and the US still dominate with sales of 632 million USD and 531 million USD respectively in the past 11 months.

➢ Many seafood businesses said that orders dropped sharply not only for high-priced items such as black tiger shrimp, large-sized white leg shrimp, and high-class seafood such as squid, octopus, tuna, etc., but also products with moderate prices such as small shrimp, pangasius, small sea fish, fish cake, surimi... also saw a significant reduction in demand for the next quarter..

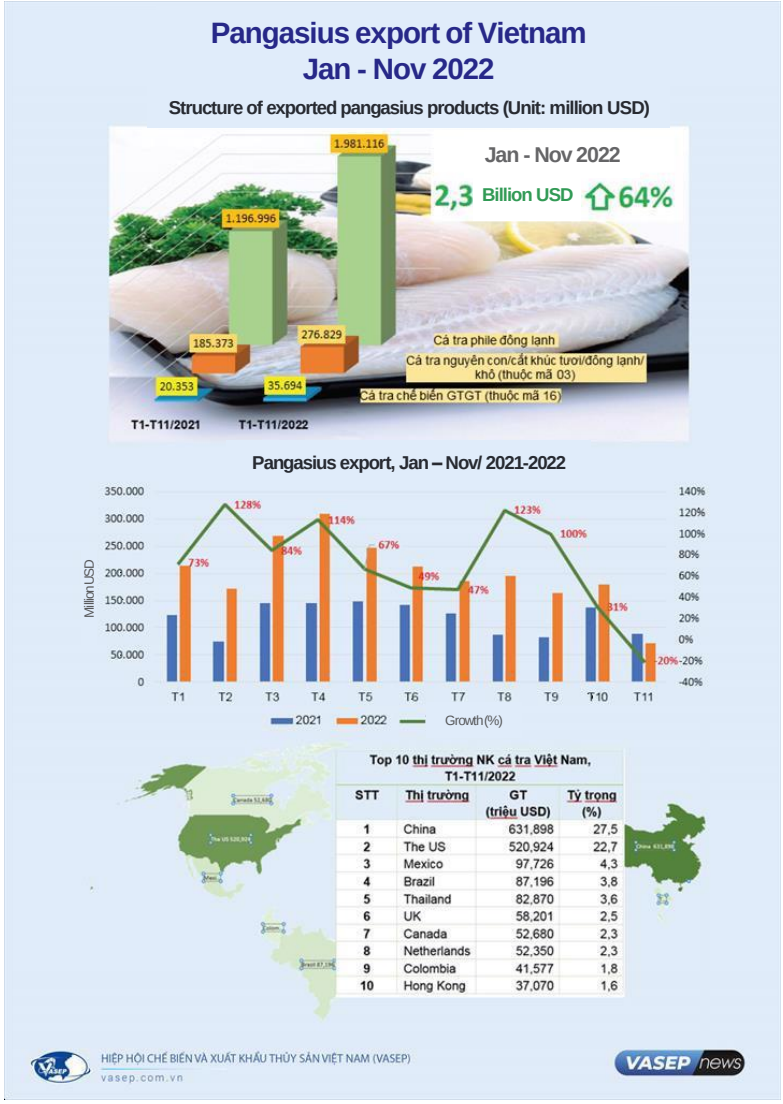
Shrimp exports slow down in November 2022



- Vietnam's shrimp exports in November 2022 reached nearly 300 million USD, down 18%, the strongest decrease since the beginning of the year. November this year is also the month that recorded the lowest export sales since March. However, accumulated in 11 months of this year, shrimp export revenue still reached more than 4 billion USD, the highest level in 11 months over the years. The 11-month accumulated revenue recorded an increase of 14% over the same period in 2021.
- In November, shrimp exports to main markets decreased simultaneously, in which exports to the US and EU decreased the most by approximately 50%, exports to Japan decreased by 16%, exports to South Korea increased by only 2%, only the domestic market decreased by 16%. The Chinese market still strongly increased shrimp imports from Vietnam with a growth rate of 88% in November.
- Accumulating 11 months, export markets all narrowed their growth momentum compared to the beginning of the year, with the US market dropping 21% over the same period, reaching 773 million USD. The reason for the decrease in shrimp imports to the US is due to the large inventory. Retail sales and food service have both been slow, with retailers sometimes asking to delay deliveries. Despite high inventories, the price of shrimp in the US did not decrease because wholesalers did not want to sell because the price was not yet available.

➢ In the first half of 2022, thanks to good export prices, high demand, and orders from the end of 2021, shrimp exports increased quite a bit. In the second half of 2022, businesses have to face many difficulties and challenges such as a decline in world market demand due to record-high global inflation, the Russia-Ukraine conflict, currency fluctuations, and high costs. increased production, limited raw materials, limited capital to rotate production while facing strong competition from rival suppliers such as Ecuador or India. Therefore, shrimp exports in the coming time will still be quite challenging.

Pangasius export situation in 11 months of 2022

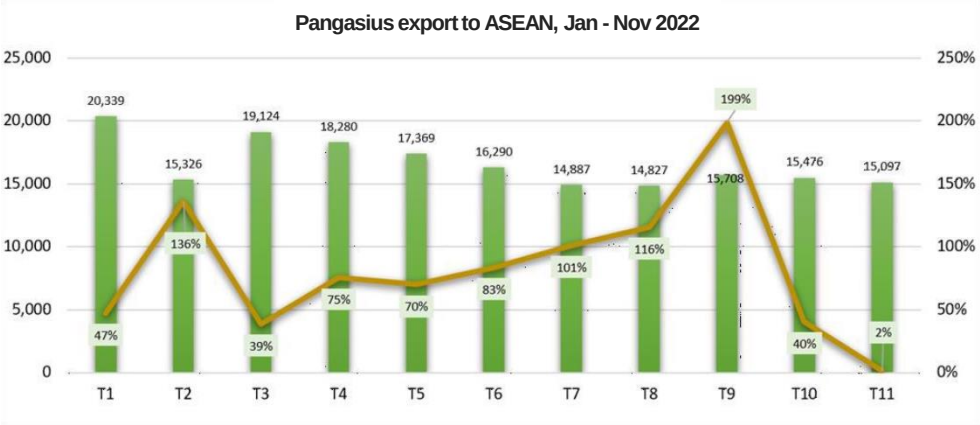


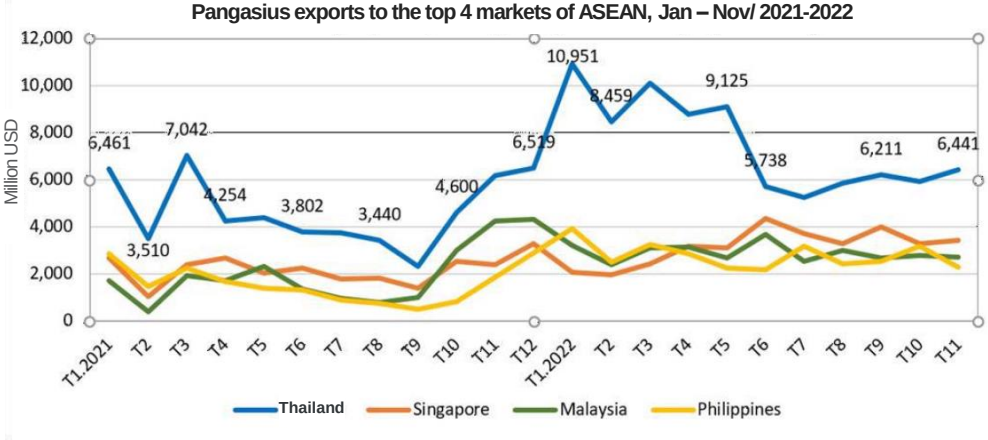
- By the end of November, pangasius exports to all markets recorded 2-3-digit growth thanks to increased demand and export prices. However, in November, for the first time since the beginning of the year, pangasius exports decreased over the same period, a sign of the impact of inflation in the markets.
- It is forecasted that exports to some key markets in the first quarter of 2023 will decline sharply because of reduced orders and the results in 2023 are difficult to maintain as in 2022, especially the US and EU. However, pangasius enterprises can still flexibly adjust the export market because there are still optimistic signals in some markets or market blocks.

Potential markets for pangasius exports in 2023

- China will certainly be the biggest expectation for the pangasius industry next year, after the country removed regulations on controlling and testing Covid for imported goods. Loosening the Covid control policy will strongly boost the demand for food and seafood in this market. It is forecasted that food consumption segments such as hotels, restaurants, and services will see a surge in demand again from this year's Lunar New Year. Among Vietnamese pangasius import markets, China attracts the largest number of export enterprises.
- Besides the Chinese market, ASEAN countries also have great attraction for Vietnamese pangasius exporters. By the end of November 2022, pangasius exports to this market group reached $183 million, up 87% over the same period last year. The top 4 markets in ASEAN that import the most pangasius from Vietnam include Thailand, Singapore, Malaysia and the Philippines, all of which increased by 50-93% in the past 11 months.
- The Middle East is also assessed as a stable economic region in 2022 and 2023 and is also a potential market for pangasius consumption. Exports to the Middle East in the past 11 months reached $129 million, up 64% over the same period last year. This market segment accounts for nearly 6% of Vietnam's pangasius exports in 2022. The top 3 markets in the Middle East region, importing the most Vietnamese pangasius include Egypt, the UAE and Saudi Arabia. In which, the biggest increase was Saudi Arabia with an increase of 165% in the first 11 months of the year.

ASEAN – A bright spot for pangasius exporters in 2023





Source: VASEP

- In 2022, besides the Chinese market, ASEAN countries also have great attraction for Vietnamese pangasius exporters. By the end of November 2022, pangasius exports to this market group reached $183 million, up 87% over the same period last year. ASEAN accounts for 8% of the total USD 2.3 billion of pangasius exports in the 11 months of 2022. In which, the most prominent is the Thai market, accounting for over 45% of pangasius import value of the whole bloc.
- The top 4 markets in ASEAN that import the most pangasius from Vietnam include Thailand, Singapore, Malaysia and the Philippines, all of which increased by 50-93% in the past 11 months.

Advantages of ASEAN

- ASEAN is still growing well and is less affected by inflation.
- Geographical advantage, less risk and affected by logistic problems.
- Advantage of preferential tariffs thanks to regional and bilateral FTA agreements with Vietnam.

Thailand - an optimistic destination for pangasius exporters

- By the end of November 2022, pangasius exports to Thailand reached nearly $83 million, up 67% over the same period in 2021. This market has attracted nearly 80 Vietnamese pangasius exporters. In particular, **Nam Viet Joint Stock Company (ANV) alone accounts for more than a quarter of the market share in Thailand.**
- After Covid, Thailand has fully reopened and the tourism industry is recovering strongly. The restaurant and hotel segments create great room for food businesses. Besides, economic stimulus policies after the election are also expected, which is expected to boost domestic consumption.

Technical view



Trend: Balance

- The index continued to fluctuate in a narrow range with the indecision dominating. The market was almost unchanged around the reference level, however, order matching was still below 20 session average. The technical indicators are showing a balanced signal as MACD has crossed the signal line and remained above the positive zone and the RSI is stable above 50. However, the money flow still shows a certain divergence, with attention towards the public investment group (infrastructure, stone, cement ...). Money flow also rotated in large-cap groups to support the index. The right strategy leans towards holding.

Scenarios:

- Positive (60%): The index balanced and successfully tested the area of 1,040 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.

The group of stocks has the current good trend

Group	Sector	Stocks	Opinion	Trend
Public Investment	Building infrastructure	VCG, LCG, C4G, HHV	The latest economic data showed manufacturing activity contracted amid weak demand. Export activities are also expected to be more difficult in 2023. Therefore, to promote economic growth, accelerating disbursement of public investment is an option that can be considered.	Forming short-term bullish inertia with the price sustaining above the 10, 20, and 50-day MA trend lines. However, the stock will still face many challenges when approaching resistance on weekly chart.
	Materials (stone, cement)	KSB, DHA, CTI BCC, HT1		
Utility	Power	NT2, POW VSH, GEG	In the context of a potential recession and slowing economic growth, the defensive industry group will be the right choice.	
	Electrical construction	PC1		
State-owned bank		VCB, BID, CTG	Playing a leading role in the index	Increased momentum is maintained but close to strong resistance, there is not much room left.
Blue chip	Technology	FPT	Playing a leading role in the index, stable growth	Stable in the short term
	Consumer goods	MSN, VNM		
Own story	Industrial park	KBC	Expecting a sudden profit from setting an ambitious business plan of 4,000 billion profit after tax, in addition to the reduction of charter capital.	Increased momentum is maintained
	Aviation	HVN	The story of China reopening, however, businesses still have large accumulated losses, so it will still be difficult for the business situation to improve immediately.	Increased momentum is maintained

Recommended stocks

11/1/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
KBC	Watch							Breakout signal, watch for reaction around 10-day MA
NT2	Watch							Watch for reaction around the MA10-20 day area
SKG	Watch							Good accumulation trend
PC1	Watch							Waiting to retest the old peak around 22
HPG	Watch							Good reaction around 20-day MA

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
VCG	Hold	18	21	16	17%	-11%	19.35	2	7.50%	09/01/2023	
FPT	Buy	80	86	77	8%	-4%	80.4	2	0.50%	09/01/2023	
VNM	Hold	79.5	86	76	8%	-4%	81	2	1.89%	09/01/2023	
MBB	Hold	18	20	17	11%	-6%	18.2	2	1.11%	09/01/2023	

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

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