MORNING CALL

January 17th, 2023

Shinhan Securities

"Going up in doubt, the money flow continues to diverge"

- Global stocks maintained their upward momentum, but trading struggled.
- Domestic stocks gained slightly, liquidity remained low
- Technical view and recommendations #VCG
- Economic calendar
- Q&A

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Open Account

Global Market Review - Week 16 - 20/01/2023

Major stock markets maintained their upward momentum, but trading struggled

Wall Street were trading flat on Monday, as investors assessed whether the recent rally has legs given the deteriorating outlook for growth and sharp downward earnings revisions. Fourth-quarter earnings season kicked off last week with a bunch of big banks reporting mixed results, with JPMorgan Chase, Bank of America, and Citigroup surprising investors on the upside but warning that they are setting aside more money for a recession.

European equity markets closed higher on Monday, with the STOXX 600 extending its 2023 rally to a fresh nine-month high led by retail, financial and media stocks.

The Nikkei 225 Index fell 1.14% to close at 25,822, while the broader Topix Index decreased by 0.88% to 1,886 on Monday, extending losses from the previous session as a sharp yen rally dimmed the outlook for Japanese exporters. Investors also remain cautious ahead of the Bank of Japan's policy meeting on Wednesday as the market continues to pressure the central bank to tweak its yield control policy again.

TTF natural gas futures fell more than 14% to €55/MWh, the lowest since September 2021 on expectations of stronger supply. It was reported that full stockpiles in China are forcing LNG importers to divert February and March shipments to Europe.

Wholesale price inflation in Germany rose to 12.8% year-on-year in December of 2022, the softest rise since August of 2021, following a 14.9% gain in November.

The WTI crude contract was steady around $79 a barrel on Monday as investors weighed the prospect of improving demand in China against recession fears in other major economies. Meanwhile, sentiment remains cautious with major US banks increasing reserves to protect against a deteriorating economic outlook this year. Investors are now awaiting market outlook reports from OPEC on Tuesday, followed by the IEA on Wednesday.

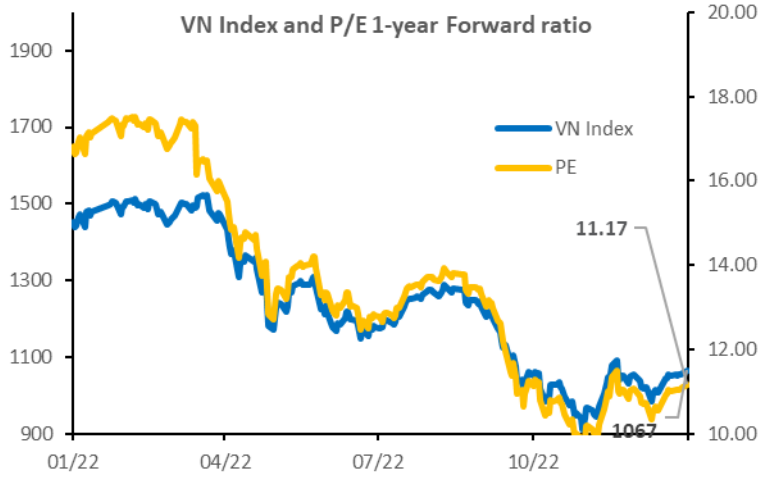
Market

	Close	%1D	%1M	%1Y
VN-Index	1,067	0.61%	1.35%	-26.58%
S&P 500 Index	3,999	0.40%	3.81%	-14.24%
Dow Jones Index	34,303	0.33%	4.20%	-4.48%
GP 100	7,860	0.20%	7.20%	3.27%
Nikkei 225	26,069	0.96%	-5.30%	-7.99%
SHCOMP Index	3,228	1.01%	1.89%	-8.87%
STOXX 600	455	0.46%	7.04%	-6.17%
KOSPI Index	2,393	-0.30%	1.39%	-17.21%
Hang Seng	21,747	0.04%	11.80%	-10.20%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.20	0.00%	-2.38%	7.40%
USD/VND	23,443.00	-0.01%	0.68%	-3.11%
EUR/USD	1.08	0.05%	2.07%	-5.09%
USD/CNY	6.74	-0.55%	3.50%	-5.78%
Brent	84.46	-0.96%	6.86%	-1.86%
WTI	78.78	-1.35%	6.04%	-6.01%
Natural gas	3.66	7.05%	-44.55%	-14.12%
Coal	368.75	-0.41%	-8.50%	70.13%
Gold	1,917.95	0.10%	7.29%	5.43%

Vietnam Market Snapshot 16/01/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,060.17	11.11	3.78	0.36	670	12,394
HNX INDEX	211.26	13.38	-0.68	-0.32	64	879

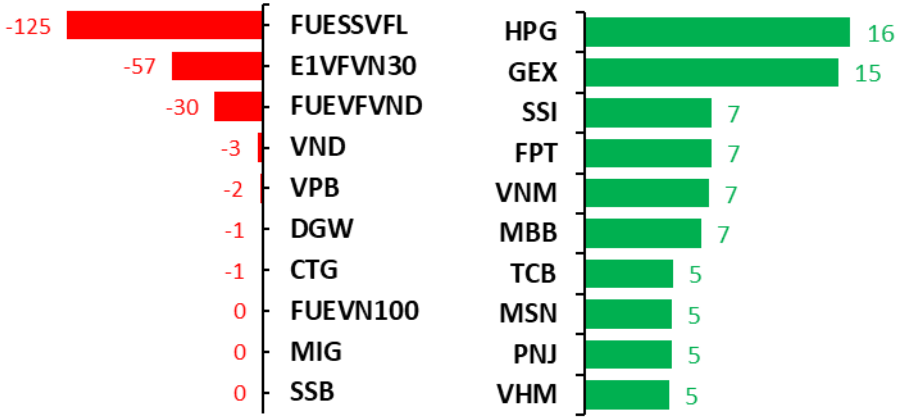
Money flow and sector rotation (VND bn)

Sector	%1D	1/16/2023	1/13/2023	20-session Average
Media	41.73	1	0	1
Basic Resources	25.59	909	724	876
Construction & Materials	0.34	531	529	532
Retail	-3.1	143	148	195
Real Estate	-3.9	1,061	1,105	1,488
Oil & Gas	-5.6	81	86	120
Technology	-6.5	57	61	73
Personal & Household Goods	-10.5	62	69	78
Automobiles & Parts	-12.0	52	59	63
Food and Beverage	-12.6	526	602	714
Chemicals	-13.4	220	254	294
Travel & Leisure	-16.0	49	59	72
Banks	-16.8	1,807	2,172	2,089
Health Care	-24.4	9	12	15
Utilities	-25.9	127	172	171
Insurance	-37.3	24	38	35
Financial Services	-39.6	721	1,195	1,069
Industrial Goods & Services	-39.8	297	493	429

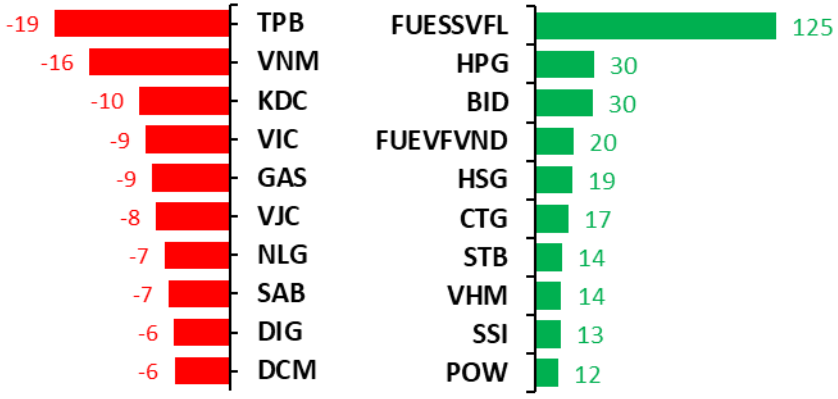
Source: Bloomberg, Sinhan Securities Vietnam

Vietnam Market Snapshot 16/01/2023

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	13	1	(121)	16
Basic Resources	16	40	(19)	74
Media	-	0	(0)	0
Industrial Goods & Services	22	(16)	(38)	24
Health care	(0)	0	4	(1)
Chemicals	0	9	24	(11)
Financial Services	(208)	166	(10)	(158)
Travel & Leisure	2	(6)	3	8
Banks	29	46	(28)	217
Construction & Materials	(0)	11	(138)	47
Food and Beverage	13	(24)	(79)	33
Retail	3	(1)	(21)	23
Utilities	3	(1)	(10)	5
Personal & Household Goods	5	4	(59)	(15)
Technology	7	0	(23)	14
Automobiles & Parts	(0)	(3)	(2)	(0)
Insurance	0	2	0	2
Oil & Gas	0	0	0	16

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- According to EuroCham, 41% of European businesses want to move operations from China to Vietnam.
- Nghi Son Refinery has fixed the problem, operating at 100% capacity.

Less positive

- The World Bank has lowered its forecast for global economic growth in 2023 from 3% to 1.7%, the third lowest level in nearly three decades, just behind the recession caused by the COVID-19 pandemic and the global financial crisis of 2009.
- 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

- C4G, Cienco4 reported a sudden increase in profit in Q4/2022, to VND 58.2 billion, more than 5 times higher than the same period last year. Net revenue reached VND 928 billion, up 79.5% over the same period.

  In the whole year of 2022, C4G recorded net revenue of VND 2,975 billion, profit after tax of VND 168 billion, up nearly 48% and 153% respectively over the same period last year. With this result, the Company has just completed 99.2% of the revenue target and 56.1% of the profit target.
- TDM, Thu Dau Mot Water JSC has announced its financial statements for the fourth quarter of 2022 with financial income plummeting 78% y/y to VND 21.9 billion due to the lack of recognition of dividends from Biwase (BWE). During the period, TDM brought in nearly VND 125.8 billion in net revenue, up nearly 12% over the same period and VND 76.8 billion in profit after tax, down 44%.

  In the whole year of 2022, TDM recorded a net revenue increase of nearly 15% to VND 478.9 billion, however, financial income decreased by 87% to VND 24 billion. As a result, TDM's after-tax profit was nearly VND 231 billion, down 31% compared to 2021.
- NTC recorded Q4/2022 revenue of VND 79.72 billion, down 25% y/y and profit after tax down 43.6% to VND 46.34 billion. In the whole year of 2022, NTC brought in VND 268.4 billion in revenue, down 1% over the same period and VND 256.2 billion in profit after tax, down 12.9% over the same period last year.
- DRC, Q4, net revenue is estimated at VND 1,114 billion and pre-tax profit of VND 104 billion, both down 5% compared to the same period last year.

  In the whole year of 2022, DRC estimates net revenue to reach VND 4,898 billion (up 12%), profit before tax at VND 386 billion, up 6% compared to the previous year and exceeding 21% of the year plan.
- PVB recorded a loss for the third quarter in a row, the whole year lost more than VND 12 billion even though its revenue was 7 times higher than the same period last year.
- Technological and Commercial Securities (TCBS) was sanctioned for violations related to corporate bond advisory.
- IDV set a cautious 2023 target, although 2022 did not meet the plan.

Technical view



Trend: Raise points in doubt

- The market started the first session of the week in the green although the liquidity remained low. The sentiment near to the holiday makes trading quieter. State-owned banks returned as the driving force for the index's gain with BID and CTG leading, and Public Investment continued to show positive trade. However, the spread of money flow was still quite limited and concentrated in a few key stocks. The index is also approaching the resistance area around 1,080 points so it will face many challenges ahead. Therefore, investors need to limit excitement and monitor new developments.

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

17/1/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
HPG	Watch							MA10 crosses MA20 daily, liquidity improves
POW	Watch							Break out signal on January 5, watch for corrections pace
PVS	Watch							Good reaction around MA10
KBC	Watch							Break out 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

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
VCG	Wait to sell	18	21	16	17%	-11%	20.1	6	11.67%	09/01/2023	Near target
FPT	Hold	80	86	77	8%	-4%	80.8	6	1.00%	09/01/2023	
VNM	Hold	79.5	86	76	8%	-4%	79.4	6	-0.13%	09/01/2023	
MBB	Hold	18	20	17	11%	-6%	18.5	6	2.78%	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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