MORNING CALL

January 18th, 2023

“The market gives out lucky money before Tet, many industries prosper”

- Global stocks rallied but diverged
- Domestic stocks prospered, green prevailed
- Business results update season #FPT #VHC #VCI #AGR #DPG #BMP #HND #PAT
- Technical view and recommendations #VCG $MBB
- Economic calendar
- Q&A

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Open Account

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

Major stock markets rallied but diverged

- The Dow Jones Index lost almost 400 points on Tuesday, dragged by the financial sector, as investors digested a slew of earnings reports while reassessing the growth outlook. The S&P 500 seesawed around the 4,000 mark while the Nasdaq 100 outperformed by adding roughly 0.1%, driven by an over 7% rally in Tesla. Goldman Sachs reported a larger-than-expected 69% decline in fourth-quarter profits due to heavy losses in its investment banking unit and asset management revenue, which drove its shares down almost 7%.
- European equity markets closed slightly higher on Tuesday, with the benchmark Stoxx 600 rising to an 11-month high. Domestically, the German DAX rose about 0.5% to a new high since February 2022, after the ZEW economic research institute said German investor sentiment rose into positive territory in January for the first time in nearly a year, and the country's CPI report suggested cost pressure eased in December.
- The Reuters Tankan sentiment index for manufacturers in Japan fell sharply to -6 in January 2023, turning negative for the first time in two years, reflecting a slow recovery from the pandemic amid rising costs and economic uncertainties.
- Copper futures rose past the $4.2 per pound mark in the third week of January, the highest in seven months, underpinned by evidence of low supply and expectations of increasing demand.
- China closed the gap with Japan after auto exports overtook Germany by 54.4% to 3.11 million vehicles in 2022.
- WTI crude futures rose more than 2% to above $80 per barrel, closing in on its highest level since early December, underpinned by hopes of a recovery in global demand. In its latest monthly report, OPEC sounded upbeat regarding the outlook for 2023, saying that demand for crude will rise by 2.22 million barrels per day (bpd), or 2.2%, lifted by more robust Chinese crude consumption and a recovery in economic activity among advanced economies. On the supply side, OPEC crude production rose in December, led by higher Nigerian output, despite the cartel's agreement to cut production to support the market.

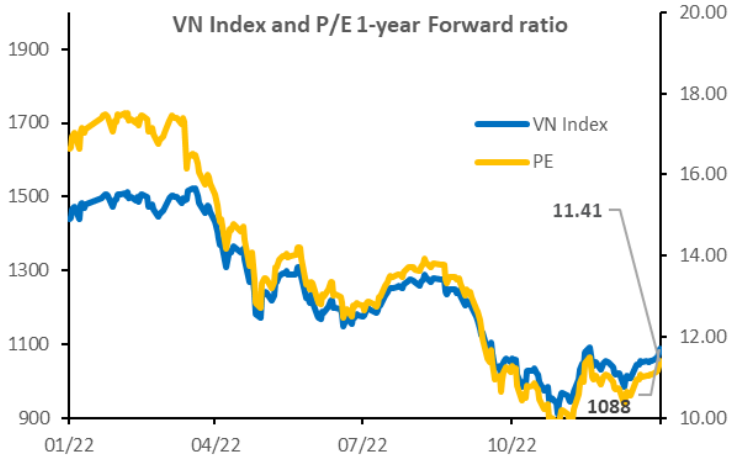
Market

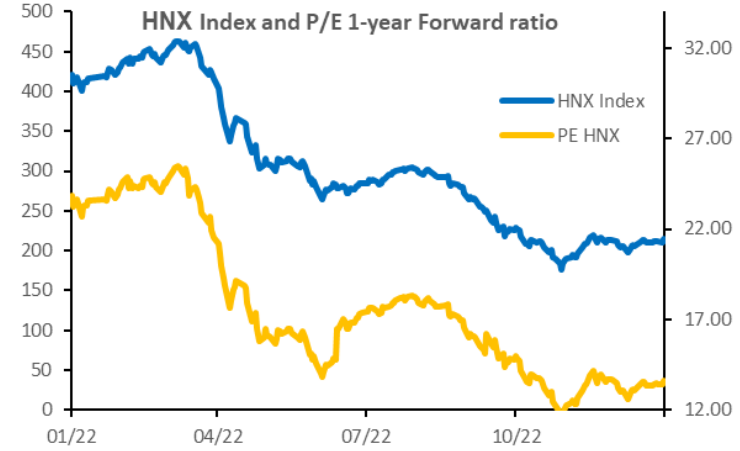
	Close	%1D	%1M	%1Y
VN-Index	1,088	2.03%	3.40%	-24.37%
S&P 500 Index	3,991	-0.20%	3.60%	-14.41%
Dow Jones Index	33,911	-1.14%	3.01%	-5.57%
GP 100	7,851	-0.12%	7.08%	3.80%
Nikkei 225	26,139	1.23%	-5.04%	-7.50%
SHCOMP Index	3,224	-0.10%	1.78%	-9.68%
STOXX 600	456	0.40%	7.47%	-4.86%
KOSPI Index	2,365	-0.61%	0.20%	-17.44%
Hang Seng	21,578	-0.78%	10.94%	-10.51%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.39	0.18%	-2.21%	7.59%
USD/VND	23,436.00	0.03%	1.10%	-3.08%
EUR/USD	1.08	-0.03%	1.68%	-4.77%
USD/CNY	6.77	-0.50%	3.07%	-6.25%
Brent	85.92	1.73%	8.70%	-0.65%
WTI	80.64	0.57%	8.55%	-5.61%
Natural gas	3.62	1.06%	-45.09%	-15.39%
Coal	369.25	0.14%	-8.37%	67.46%
Gold	1,908.50	-0.01%	6.76%	5.22%

Vietnam Market Snapshot 17/01/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,088.29	11.41	21.61	2.03	673.93	11,752.85
HNX INDEX	215.15	13.66	4.27	2.02	71.18	1,048.5

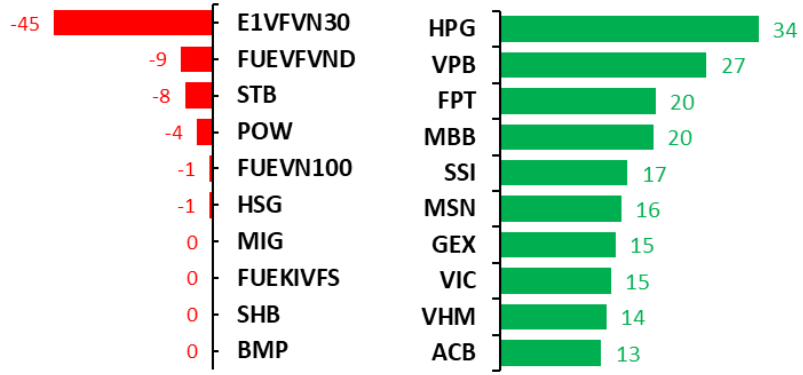
Money flow and sector rotation (VND bn)

Sector	%1D	1/17/2023	1/16/2023	20-session Average
Health Care	173.22	25	9	16
Travel & Leisure	98.65	98	49	71
Financial Services	88.45	1,359	721	1,008
Utilities	70.33	217	127	170
Basic Resources	70.31	1,548	909	863
Banks	66.41	3,007	1,807	2,090
Automobiles & Parts	60.10	82	52	62
Technology	58.60	90	57	73
Insurance	54.90	37	24	34
Chemicals	54.66	340	220	287
Industrial Goods & Services	50.16	446	297	424
Oil & Gas	49.23	122	81	121
Retail	48.76	213	143	184
Construction & Materials	34.65	715	531	529
Food and Beverage	16.80	615	526	689
Personal & Household Goods	9.50	68	62	77
Real Estate	5.68	1,121	1,061	1,421
Media	-36.2	0	1	1

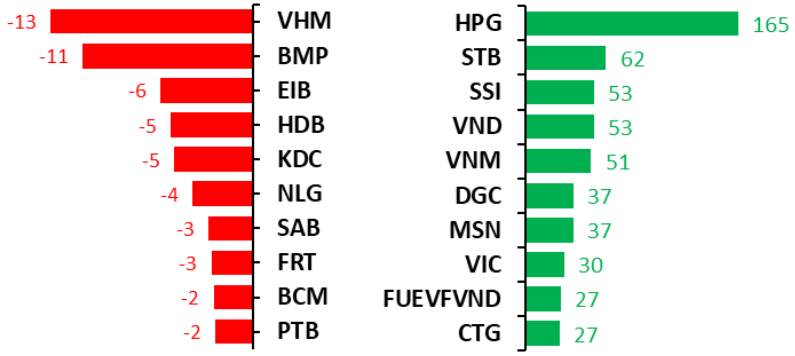
Source: Bloomberg, Sinhan Securities Vietnam

Vietnam Market Snapshot 17/01/2023

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	45	94	(366)	76
Basic Resources	33	182	(98)	194
Media	-	-	0	0
Industrial Goods & Services	21	3	(119)	313
Health care	(0)	1	(44)	(1)
Chemicals	5	60	(18)	(3)
Financial Services	(17)	175	(18)	(2)
Travel & Leisure	10	13	(77)	6
Banks	99	125	(21)	101
Construction & Materials	(0)	8	84	(197)
Food and Beverage	29	93	(105)	14
Retail	9	(2)	(111)	5
Utilities	(1)	11	(3)	(10)
Personal & Household Goods	5	6	(24)	(5)
Technology	20	0	(80)	30
Automobiles & Parts	-	4	(330)	(0)
Insurance	1	5	0	1
Oil & Gas	1	18	0	5

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- Deputy Prime Minister Tran Hong Ha has just signed a decision to adjust the investment policy of the Dong Dang - Tra Linh expressway construction project in the form of PPP with a total investment of nearly 22,700 billion VND.
- The US became Vietnam's first 100 billion USD export market.
- The Ministry of Industry and Trade said that the total import-export turnover of goods between Vietnam and European countries in 2022 will reach about 76.3 billion USD, up 5% compared to the same period in 2021. The trade balance is inclined to a trade surplus of 35.5 billion USD.

Less positive

- The Standing Committee of the National Assembly decided to convene the third extraordinary session of the 15th National Assembly to consider the content of personnel work within the competence of the National Assembly. Recently, the 13th Party Central Committee held a meeting to consider and give opinions on President Nguyen Xuan Phuc's desire to stop holding positions, quit working and retire.
- More than VND 16,000 billion of bonds of real estate and construction businesses need to be paid in January 2023, according to VBMA.



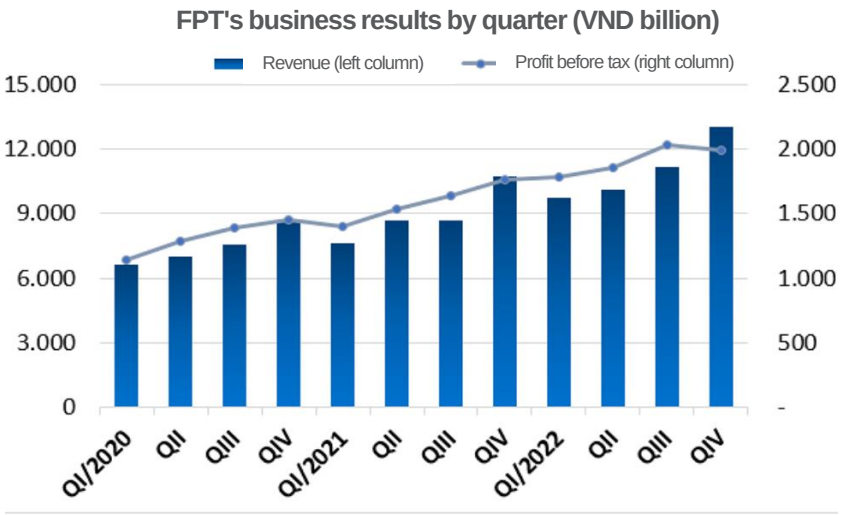
Business news

- The Ho Chi Minh City Stock Exchange (HOSE) has just announced the change of the VN30 basket list in the restructuring period of January 2023. Accordingly, BCM stock of Industrial Development and Investment Corporation JSC (Becamex) replaced KDH of Khang Dien Housing Investment and Trading in the index basket.
- VCI, the total operating revenue of the fourth quarter of Viet Capital Securities reached more than VND 796 billion, down nearly 30% compared to the same period last year. Revenue from securities brokerage activities was equivalent to the same period, recorded nearly VND 210 billion. Notably, VCI recorded an exchange rate difference and unrealized loss of nearly VND 106 billion, resulting in a sudden increase in the company's financial expenses to nearly VND 230 billion. Excluding expenses, Viet Capital Securities reported a pre-tax profit of VND 32.4 billion in Q4/2022, down 94.5% over the same period. This is the lowest profit since the third quarter of 2015.

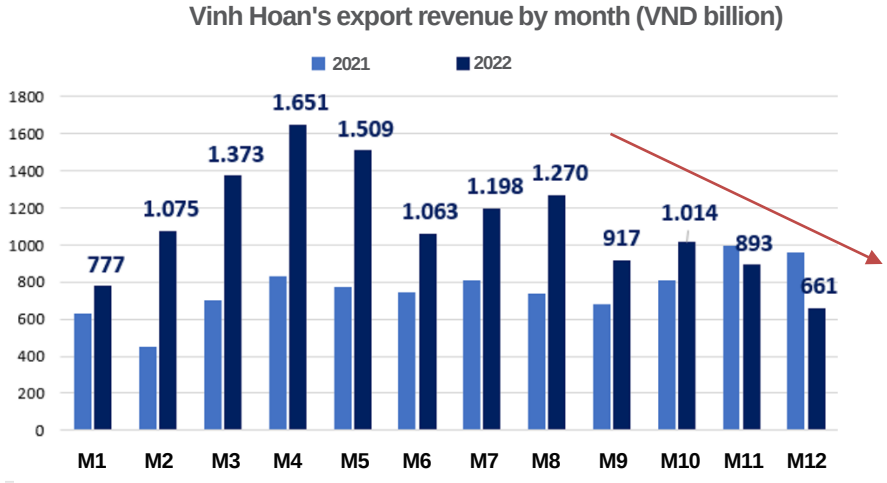
  In the whole year of 2022, VCI recorded operating revenue of VND 3,156.2 billion and pre-tax profit of VND 1,060 billion, down 14.9% and 42.7% respectively compared to the whole year of 2021.
- AGR, Q4/2022, Agribank Securities JSC recorded a 23% decrease in operating revenue over the same period, reaching VND 95.18 billion. After deducting expenses, Agriseco recorded a pre-tax profit of VND 55.33 billion, down nearly 39% over the same period.

  Accumulated from the beginning of 2022, Agriseco recorded a pre-tax profit of VND 180.4 billion, down nearly 60% compared to 2020 but still completed the whole year plan.
- PDR, Phat Dat Real Estate Development JSC has just announced the settlement of bond lots ahead of time with a total value of nearly 900 billion VND.
- DBD, KWE Beteiligungen AG Fund from Switzerland has just reported completing the purchase of 50,000 DBD shares to increase its ownership to 5.06% and become a major shareholder of Binh Dinh Pharmaceutical.

Update Business Results



Source: Compiled from FPT's financial statements



Source: Compiled from VHC's financial statements

- **FPT,** In 2022, the Group recorded revenue of VND 44,017 billion, profit before tax of VND 7,654 billion, up 23.4% and 20.8% respectively over the same period last year. With this result, the company exceeded 4% of revenue target and completed 100% of annual profit.

  For the fourth quarter of 2022 alone, FPT's revenue was VND 13,040 billion, profit before tax was VND 1,990 billion, up 22% and 13% respectively over the same period.

  The Technology Division continues to play a key role, contributing 58% of the group's revenue and 45% of the group's profit. All key markets maintained high growth momentum, especially in the US (up 50%) and Asia - Pacific (up 36.4%). The Japanese market, despite being affected by the depreciation of the Yen, still grew by 16% over the same period.

- **VHC,** Vinh Hoan JSC has just announced business results in December 2022 with export revenue down 31% over the same period last year to VND 661 billion. Compared to the months from the beginning of the year until now, December is the month with the lowest export revenue, the third month with a consecutive decrease in revenue.

  The main export market is the US, which recorded a 63% drop in revenue, as consumers are tightening spending amid inflation and high inventories of white fish after massive imports. Meanwhile, the Chinese market has not been able to recover. In which, the pangasius segment decreased by 44% to VND 297 billion and was the second consecutive month of negative revenue growth.

Update Business Results

- **HND,** Quarter IV/2022, Hai Phong Thermal Power JSC recorded net revenue of VND 2,238 billion, up VND 21 billion over the same period. Cost of goods sold was up to VND 2,196 billion, accounting for 98% of net revenue, so gross profit was 42 billion VND, down 87%. Profit margin reached 1.8%, while the same period 15%.

  The company said that commercial power output was lower than the same period last year, and higher coal prices led to higher fuel costs. Deducting expenses, Hai Phong Thermal Power suffered a loss after tax of VND 7.5 billion, while in the same period a profit of VND 272 billion. In addition to the reason that revenue is not enough to cover fixed costs as above, the company's loss in the fourth quarter is also due to the overhaul of unit 4, which causes a small increase in power generation output.

  In the whole year of 2022, the net revenue of Hai Phong Thermal Power Company reached VND 10,511 billion, up 16% compared to 2021. Pre-tax profit reached nearly VND 601 billion, up 25%. With this result, the company has achieved 99% of the revenue target and exceeded 1% of the annual profit target.

- **PAT,** Quarter 4/2022, Phosphorus Apatite Vietnam achieved sales of VND 711 billion, slightly down from the previous quarter but up 21% over the same period in 2021, profit after tax collected VND 186 billion - down nearly VND 10 billion over the same period and the lowest level in 2022.

  For the whole year, the company recorded VND 3,150 billion in revenue - nearly doubling in 2021, net profit reached more than VND 964 billion - an increase of 276% YoY and also a record level in the history of the business, exceeding 61% of the target of profit after tax for the whole year.

  Phosphorus Apatite Vietnam is controlled by Duc Giang - Lao Cai Chemical JSC (a subsidiary of DGC).

- **BMP,** Binh Minh Plastics JSC has just announced the financial report for the fourth quarter of 2022 with net revenue of VND 1,408 billion, down VND 12 billion over the same period. However, thanks to a sharp drop in COGS by 18%, gross profit margin increased to 34% compared to 20% in the fourth quarter of 2021. Profit after tax reached 248 billion dong, 2 times higher than the same period last year.

  In the whole year of 2022, the company's net revenue reached VND 5,808 billion, up 28%, profit after tax was about VND 696 billion, 3 times higher than the same period. Thus, Binh Minh Plastics exceeded 2% of the revenue target and 55% of the year profit target.

  By the end of Q4/2022, the company's total assets reached VND 3,040 billion. The item that accounts for the largest proportion (43%) in the asset structure is cash, equivalent to cash, and term deposits are about VND 1,324 billion. In which, the interest received by Binh Minh Plastics in 2022 is more than VND 53 billion.

- **DPG,** Q4 net revenue reached VND 1,094 billion, up 8% over the same period last year. However, due to high cost of goods sold, gross profit was only VND 261 billion, down 18% over the same period. Gross profit margin dropped to 23.9%. In the whole year of 2022, DPG achieved VND 3,319 billion in net revenue, up 30% compared to the same period last year. Profit after tax reached VND 530 billion, up 18% compared to 2021.

  Most of Dat Phuong's revenue comes from construction contract revenue (accounting for 61% of revenue in 2022), then electricity sales (accounting for 20%). However, electricity is the main segment bringing gross profit for DPG. In 2022, DPG's electricity segment gross profit is VND 503 billion, while the construction segment is VND 112 billion.

Technical view



Trend: Prosperity but near to resistance

- The market rallied strongly after many cumulative sideways sessions to break through the resistance area of 1,080 points and close at the session high, forming a Marubozu candlestick pattern. This reflects a more active and drastic buying money flow. Besides, the bulls agreed with the liquidity above the 20-session average, showing a positive signal. The spillover also spread in many industry groups with green color predominating. However, it should be noted that the RSI is approaching the overbought zone, meaning that the shaking signal will return. The index's immediate resistance is 1,150 points and is likely to be tested in the next sessions.The right strategy is to hold and wait for partial profit taking.

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

18/1/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
HPG	Watch							Breakout signal, consensus volume
SKG	Watch							Break out of accumulation zone, consensus volume
VRE	Watch							Return to increasing inertia after accumulation
PVS	Watch							Good reaction around MA10
NT2	Watch							Watch for reaction around the MA10-20 day area
PC1	Watch							Waiting to retest the old peak around 22
POW	Watch							Break out signal on 05/01, watch the accumulation pace.

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
VCG	Sell	18	21	16	17%	-11%	20.5	7	13.89%	09/01/2023	Near target price
FPT	Hold	80	86	77	8%	-4%	82	7	2.50%	09/01/2023	
VNM	Hold	79.5	86	76	8%	-4%	80.9	7	1.76%	09/01/2023	
MBB	Sell	18	20	17	11%	-6%	19.4	7	7.78%	09/01/2023	Near target price

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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