MORNING CALL

February 2st, 2023

“The reversal signal has appeared, the trade needs to be more cautious”

- Global stocks gain after the decision of the Fed
- Domestic stocks suddenly dropped sharply with sudden order matching
- Vietnam's manufacturing PMI improved but still below 50
- Update Business Results #Bank #FRT #GVR #GMD
- Technical view and recommendations
- Economic calendar
- Q&A

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Open Account

Global Market Review - Week 30/01 - 03/02/2023

Major stock markets recovered

- The Dow finished marginally higher on Wednesday, while the S&P 500 and Nasdaq 100 added 1% and 2%, respectively, and pared earlier losses after the Fed Chair Powell's news conference. Powell was more optimistic about the outlook for inflation, saying: "We can now say for the first time that the disinflationary process has started.", which sent stocks higher.
- The Federal Reserve raised the fund's rate by 25bps to 4.5%-4.75% target range, as expected, dialing back the size of the hike for a second straight meeting. The Committee anticipates that ongoing increases in the target range will be appropriate in order to attain a stance of monetary policy that is sufficiently restrictive to return inflation to 2% over time.
- The Hong Kong Monetary Authority (HKMA) raised the base rate by 25bps to 5.0% on February 2nd, hours after the US Fed delivered a rate hike of a similar margin. The latest move brought borrowing costs in the city to the highest level since January 2008.
- The Saudi Central Bank raised its repo rate by 25 bps to 5.25%, following in lockstep with the Federal Reserve's decision
- The dollar index lost nearly 1% to 101.1 on Wednesday as investors digest the latest FOMC decision and Chair Powell comments during the regular press conference. The yield on the 10-year US Treasury note also fell to 3.39% on Wednesday, approaching low levels not seen since April last year.
- The ISM Manufacturing PMI fell to 47.4 in January, the lowest since May 2020 at the height of the covid pandemic and below market forecasts of 48. The number of job openings in the United States increased to 11.0 million in December of 2022, the most in 5 months and above market expectations of 10.25 million.
- WTI crude futures dropped more than 3% to below $77 per barrel on Wednesday, as data showing a greater-than-expected inventory build added to concerns about weakening demand in the US. The EIA weekly report showed that crude oil stocks in the US rose by 4.14 million barrels in the week ended January 27th, much more than market expectations of a 0.376-million-barrel increase.

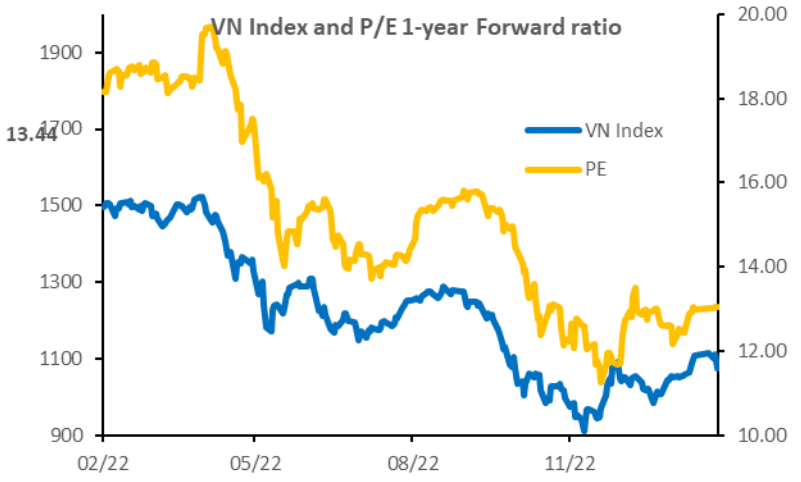
Market

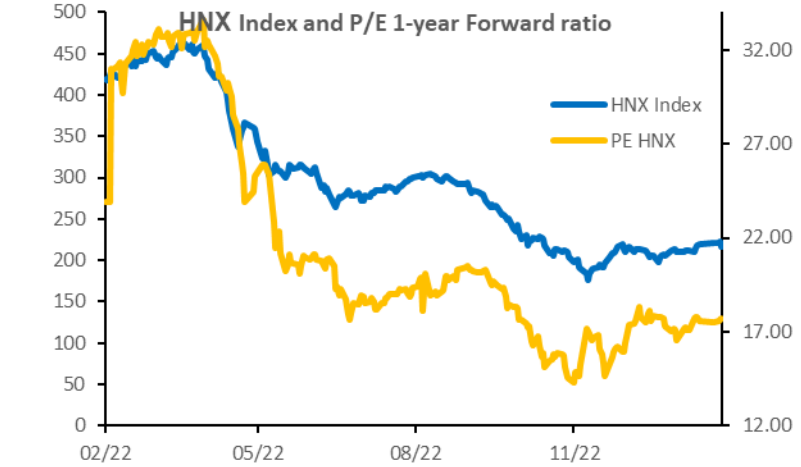
	Close	%1D	%1M	%1Y
VN-Index	1,076	-3.17%	6.84%	-27.25%
S&P 500 Index	4,119	1.05%	7.29%	-9.40%
Dow Jones Index	34,093	0.02%	2.85%	-3.71%
GP 100	7,761	-0.14%	4.15%	2.35%
Nikkei 225	27,469	0.45%	5.27%	-0.24%
SHCOMP Index	3,285	0.90%	6.33%	-2.28%
STOXX 600	453	-0.03%	5.63%	-5.01%
KOSPI Index	2,478	1.14%	11.33%	-6.97%
Hang Seng	22,072	1.05%	11.58%	-7.27%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.22	-0.86%	-2.23%	5.01%
USD/VND	23,450.00	0.00%	0.78%	-3.36%
EUR/USD	1.10	0.25%	3.28%	-2.55%
USD/CNY	6.74	0.19%	2.32%	-5.65%
Brent	82.84	-3.07%	-3.57%	-7.09%
WTI	76.85	0.58%	-4.25%	-12.93%
Natural gas	2.53	2.31%	-43.58%	-54.10%
Coal	247.00	-1.89%	-38.88%	13.25%
Gold	1,952.46	0.10%	7.04%	8.06%

Vietnam Market Snapshot 01/02/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,075.97	13.70	-35.21	-3.17	1,029	17,623
HNX INDEX	216.01	17.91	-6.42	-2.89	131	1,956

Money flow and sector rotation (VND bn)

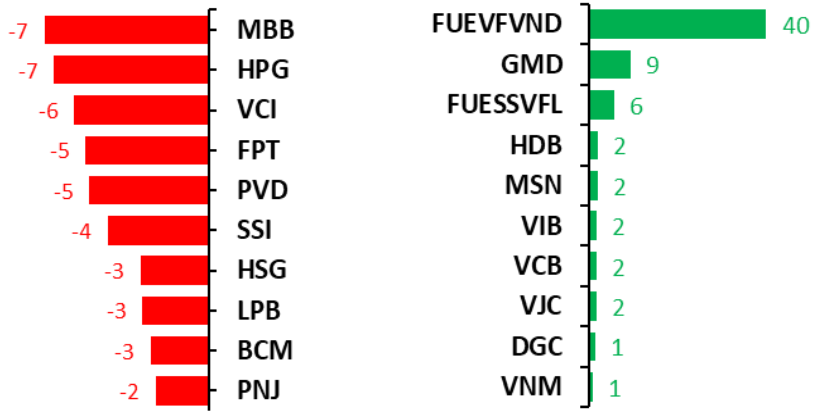
Sector	%1D	2/1/2023	1/31/2023	20-session Average
Retail	93.95	635	328	225
Basic Resources	92.02	2,215	1,154	981
Insurance	90.81	104	54	41
Real Estate	86.25	2,996	1,609	1,425
Automobiles & Parts	78.04	161	91	73
Utilities	74.96	361	206	191
Oil & Gas	62.27	185	114	116
Financial Services	59.00	2,229	1,402	1,099
Construction & Materials	41.60	1,095	773	641
Travel & Leisure	28.04	95	74	78
Chemicals	27.98	836	653	340
Health Care	23.02	17	14	16
Industrial Goods & Services	16.12	694	598	441
Food and Beverage	15.57	1,227	1,062	754
Banks	1.67	3,230	3,177	2,212
Media	-11.6	1	2	1
Technology	-22.1	112	144	85
Personal & Household Goods	-29.1	151	213	94

Source: Bloomberg, Sinhan Securities Vietnam

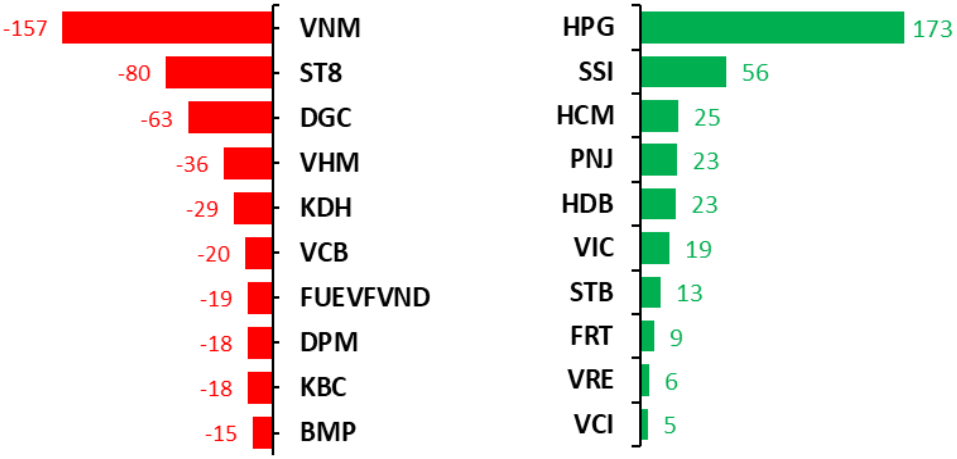
Vietnam Market Snapshot 01/02/2023

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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)	(53)	(140)	(21)
Basic Resources	(10)	175	(8)	(30)
Media	-	-	(0)	(0)
Industrial Goods & Services	6	(10)	(8)	26
Health care	-	1	1	0
Chemicals	2	(85)	58	(41)
Financial Services	33	63	(9)	(17)
Travel & Leisure	2	(1)	148	7
Banks	(8)	20	102	(57)
Construction & Materials	(0)	(11)	22	2
Food and Beverage	3	(184)	67	(6)
Retail	(2)	13	78	12
Utilities	(2)	4	11	(7)
Personal & Household Goods	(2)	26	24	(42)
Technology	(5)	(80)	(48)	6
Automobiles & Parts	-	3	(2)	2
Insurance	0	7	0	(1)
Oil & Gas	(5)	(9)	(0)	3

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- Vietnam's manufacturing PMI reached 47.4 points in January 2023, up from 46.4 the previous month. Although it has improved, it is still below the 50 average. There are 3 highlights:
  - ✓ Output and new orders continue to decline but at a slower rate
  - ✓ New export orders increase for the first time in three months
  - ✓ Rising costs hit a six-month high.
- Ho Chi Minh City Committee recommends inspecting bond issuers without collateral.

Less positive

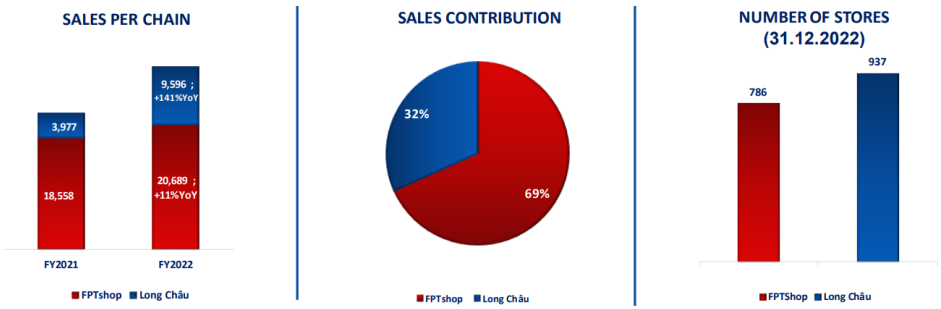
- In January 2023, nearly 35,000 businesses suspended their business.
- Electricity consumption during the Lunar New Year 2023 decreased by more than 30%, according to the National Load Dispatch Centre.
- The IMF lowered its forecast for ASEAN economic growth in 2023 from 4.5% in October last year to 4.3%.



Business news

- STB, Sacombank reported a pre-tax profit in 2022 of more than VND 6,339 billion, up 44% over the previous year, thanks to a sharp increase in all revenue sources. The bank deducts VND 8,838 billion for credit risk provision, 2.5 times higher than the previous year. The improved loan quality contributed to Sacombank's bright picture when the total bad debt as of December 31, 2022 decreased by 25% compared to the beginning of the year, to only VND 4,298 billion. The ratio of bad debt to outstanding loans decreased sharply from 1.47% to 0.98%.
- MBB, Military Commercial JSC reported a pre-tax profit of VND 22,729 billion in 2022, up 38%. MB deducts VND 8,048 billion for credit risk provision, approximately the previous year. Total bad debt as of December 31, 2022 was VND 5,031 billion, an increase of 54% compared to the beginning of the year. The ratio of bad debt to outstanding loans increased slightly from 0.9% at the beginning of the year to 1.09%.
- HDB, HDBank earned VND 10,268 billion in pre-tax profit, up 27% over the previous year and exceeding 5% of the target. Notably, service activities earned a profit of nearly VND 2,957 billion, up 53%. Total consolidated bad debt as of December 31, 2022 was VND 4,404 billion, up 31% compared to the beginning of the year. The ratio of bad debt to outstanding loans increased slightly from 1.65% at the beginning of the year to 1.67%.
- OCB reported after-tax profit of VND 3,509 billion in 2022, down 20%, spending nearly VND 1,068 billion for credit risk provision, a slight increase of 7% compared to the previous year. The highlight in business activities is a breakthrough in digital transformation and retail operations.
- SHB, In 2022, SHB recorded a pre-tax profit of VND 9,659 billion, up 54% compared to the previous year. The bank also reduced the provision for risks to VND 5,329 billion, down 29% compared to 2021. The bad debt ratio increased from 1.69% to 2.53%. Particularly in the fourth quarter of 2022, most of the banking business grew negatively over the same period. This brought the bank's pre-tax profit in the fourth quarter of 2022 down 48% to VND 624 billion.
- VBB, Q4/202, pre-tax profit dropped sharply by 53.1% to 113.1 billion dong. For the whole year, Vietbank's pre-tax profit reached VND 649 billion, a slight increase of 2.1% over the same period in 2021. The bank's bad debt balance increased by 26% to VND 2,324 billion. NPL ratio remained unchanged at 3.65%.

Cập nhật Kết quả kinh doanh



Unit: Billion VND

FPT Digital Retail Joint Stock Company

- FRT, The sudden increase in expenses eroded the profit, making the Company's profit after tax only VND 94.5 billion in Q4/2022, down 72% over the same period. In addition, revenue from new Apple products fell short of expectations.
- For the whole year, although revenue still increased by 34%, to more than VND 30.1 trillion and exceeded 12% of the year plan, FRT's pre-tax profit was only nearly VND 486 billion, down 12% compared to the previous year and achieved 67% target.
- In the revenue structure, FPTShop achieved a revenue of nearly VND 20.7 trillion, up 11% over the same period, contributing 69% of total revenue; Long Chau achieved an impressive figure of nearly VND 9.6 trillion, 2.4 times higher than in 2021, accounting for 32% of total revenue structure.

- BVH, Insurance claim expenses increased rapidly, BVH recorded a 37% decrease in Q4 net profit to nearly VND 342 billion. Net profit in 2022 reached VND 1,530 billion, down 20%.
- GVR, Q4/2022, net revenue decreased by 7% over the same period to 9,013 billion VND. The main reason is due to the decrease in revenue of rubber latex and wood processing. Revenue from rubber products and real estate business increased, but it was still not enough to compensate for the decrease in revenue. Notably, other profit was recorded at VND 581 billion, nearly 6 times higher than the same period last year. This is mainly the compensation the Company received when allocating rubber land for industrial park. However, GVR only net profit of VND 912 billion in Q4, down 37% YoY.

  Net profit in 2022 decreased by 8% to VND 3,819 billion, completing 98% of the profit target thanks to the adjustment of the plan.
- GMD, Q4/2022, Gemadept's net revenue reached VND 1,066 billion, up 3% over the same period, profit after tax of VND 216 billion, flat compared to 2021. In the whole year of 2022, Gemadept's net revenue reached about VND 3,916 billion, profit after tax reached VND 1,157 billion, up 22% and 60% respectively compared to 2021. This is also the highest profit in GMD's history.
- ITA, Tan Tao Investment and Industry Corporation recorded negative revenue of thousands of billion VND, a record net loss of VND 330 billion in Q4/2022.
- TCM reported a net profit in Q4/2022 nearly VND 60 billion, 2.4 times higher than the same period, net profit in 2022 reached VND 279 billion, up 96%.
- PAN reported net profit in 2022 to reach VND 363 billion, up 22% despite difficulties in the last quarter of the year.
- KDC, KIDO Group only made a profit of VND 5 billion in Q4/2022, down 97%, nearing the 10-year bottom.
- POM, Pomina Steel reported a record loss of VND 1,068 billion in 2022, the worst level since 2006.

Technical view



Trend: Trade cautiously

- The market suddenly reversed at the end of the session and the red color engulfed the VN-Index. Contrary to yesterday's gain, the main selling pressure pushed the index to close at the session low and covered the previous gain, creating a Bearish Engulfing candlestick pattern. Order matching was also exceptionally high compared to the average of 20 sessions. This meaning a possible reversal signal and the trade needs to be more cautious. The nearest support for the trend is 1,060 points. The right strategy is to take partial profits and observe further.

Scenarios:

- Positive (60%): The index successfully tested the support around the 20-day MA, corresponding to 1,060 points and created a recovery pace to 1,150 points.
- Less positive (40%): The index losing the 1,060 threshold might drop to test the psychological level of 1,000 points and lower to the 980 point area.

Recommended stocks

2/2/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
CTG	Watch							Retest the 20-day MA
SKG	Watch							Retest the 20-day MA
HPG	Watch							Return to increasing inertia after accumulation, retest the old peak 21
PVS	Watch							Good reaction around MA10
NT2	Watch							Watch for reaction around the MA20-50 day area
PC1	Watch							Waiting to retest the old price base around 24
POW	Watch							Retest the old peak 12

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
VRE	Hold	29	32	27.5	10%	-5%	28	1	-3.45%	01/02/2023	
FPT	Hold	80	86	77	8%	-4%	82	13	2.50%	09/01/2023	
VNM	Hold	79.5	86	76	8%	-4%	77.2	13	-2.89%	09/01/2023	

Economic calendar

February 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
29	30	31	**1** FOMC Statement (US) Federal Funds Rate (US) ISM Manufacturing PMI (US) OPEC-JMMC Meetings	**2** BOE Monetary Policy Report (UK) Monetary Policy Statement (Euro)	**3** Non-Farm Employment Change, Unemployment Rate, ISM Services PMI (US)	**4**
5	**6** RBA Rate Statement (Australia)	**7**	**8**	**9**	**10** GDP m/m (UK) Prelim UoM Consumer Sentiment (US)	**11**
12	**13**	**14** CPI, Core CPI (US)	**15** CPI m/m (UK) Retail Sales m/m (US)	**16** Derivatives contract maturity PPI, Core PPI (US)	**17**	**18**
19	**20** Flash Manufacturing and Services PMI (UK)	**21** Flash Services and Manufacturing PMI (US) CPI y/y (Canada)	**22** FOMC Meeting Minutes (US)	**23** Prelim GDP q/q (US)	**24** Core PCE Price Index m/m (US)	**25**
26	**27**	**28** Vietnam macro data GDP m/m (Canada) CB Consumer Confidence (US) CPI, GDP (Australia)	1	2	3	4

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Q&A

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