MORNING CALL

February 07rd, 2023

"Green color is back but market order matching is low"

- Global stocks fell slightly
- Domestic stocks bounce from support with low liquidity
- Future rubber prices recover, oil prices continue to struggle
- Technical view and recommendations #PLX #VNM #FPT
- Economic calendar
- Q&A

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Open Account

Global Market Review - Week 06/02 - 10/02/2023

Major stock markets fell slightly

- The Dow Jones closed more than 30 points lower on Monday, while the S&P 500 and Nasdaq 100 were down 0.6% and 1%, respectively, as stronger-than-expected US jobs data dashed market hopes that the Federal Reserve would pause its monetary policy tightening cycle soon. European equity markets also fell on Monday, with the pan-European STOXX 600 down 0.8% and the German DAX falling 0.8%
- Investors in Australia remain cautious ahead of the Reserve Bank of Australia's policy decision, where it is expected to raise interest rates for the ninth straight time with a 25 basis point increase. Australia's trade surplus declined to AUD 12.23 billion in December 2022 from November's five-month high of AUD 13.47 billion, below market forecasts of a AUD 12.5 billion surplus.
- Retail sales in the United Kingdom increased 3.9% on a like-for-like basis in January 2023 from a year ago, decelerating from a 6.5% rise in December and lagging far behind inflation amid falling sales volumes.
- Rubber futures were trading around 140 USD cents /kg, not far from a five-month peak of 147 USD cents /kg touched on January 25th, on prospects of a demand recovery fuelled by China's economic reopening. The Chinese manufacturing PMI in January increased to 50.1 from 47.0 in the prior month, while auto sales rebounded almost 10% MoM in December. Adding to the bullish outlook, the International Rubber Consortium said output might not increase "at a large scale" in the coming months by the three major producing countries: Thailand, Indonesia, and Malaysia.
- WTI crude futures fell below $74 per barrel on Monday, as the dollar shot to over 103.5 acting as a headwind for dollar-denominated commodities. Still, IEA Executive Director Fatih Birol said over the weekend that China's economy could be poised for a stronger-than-anticipated rebound that will boost demand for crude, Bloomberg reported. Also, operations at the Ceyhan oil terminal in southern Turkey were suspended as a precaution after a 7.8 magnitude earthquake hit the country and Syria. However, no damages to the pipeline were reported. At the same time, Saudi Arabia raised the crude price for Asian markets for the first time in six months.

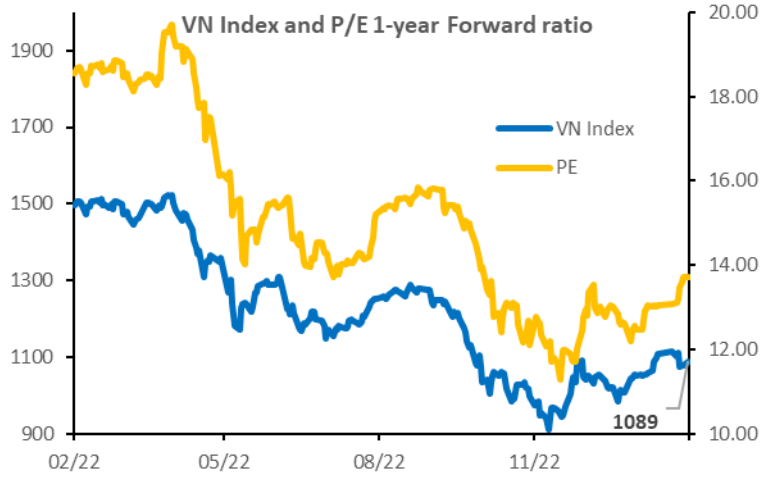
Market

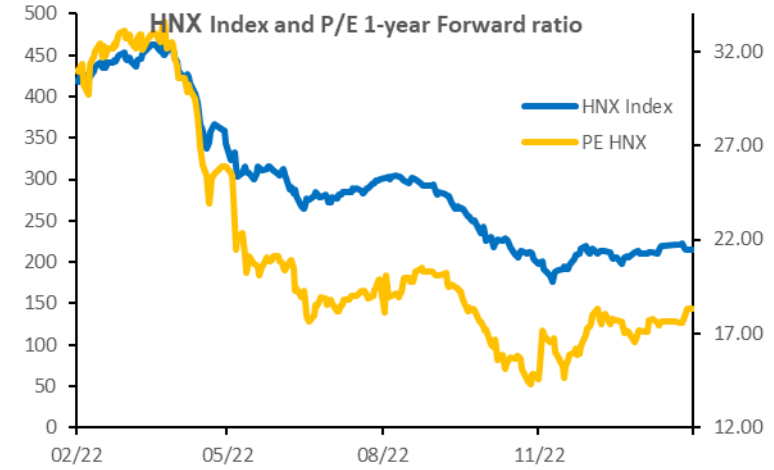
	Close	%1D	%1M	%1Y
VN-Index	1,089	1.13%	3.60%	-27.27%
S&P 500 Index	4,111	-0.61%	5.55%	-8.65%
Dow Jones Index	33,891	-0.10%	0.77%	-3.42%
GP 100	7,837	-0.82%	1.78%	3.48%
Nikkei 225	27,758	0.23%	6.87%	1.87%
SHCOMP Index	3,239	-0.76%	2.57%	-5.57%
STOXX 600	457	-0.78%	2.87%	-1.75%
KOSPI Index	2,445	0.27%	6.76%	-10.94%
Hang Seng	21,222	-2.02%	1.10%	-13.66%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.62	0.69%	-0.25%	8.52%
USD/VND	23,473.00	-0.10%	0.00%	-3.41%
EUR/USD	1.07	0.07%	0.03%	-6.20%
USD/CNY	6.80	0.02%	0.47%	-6.39%
Brent	80.99	1.31%	3.08%	-13.17%
WTI	74.42	0.42%	0.88%	-18.51%
Natural gas	2.50	1.55%	-32.75%	-41.04%
Coal	252.00	6.78%	-36.39%	10.87%
Gold	1,870.83	0.18%	-0.05%	2.77%

Vietnam Market Snapshot 06/02/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,089.29	14.11	12.14	1.13	527	9,607
HNX INDEX	214.47	15.76	-0.81	-0.38	53	797

Money flow and sector rotation (VND bn)

Sector	%1D	2/6/2023	2/3/2023	20-session Average
Oil & Gas	45.01	114	79	118
Utilities	32.58	184	139	200
Automobiles & Parts	30.74	98	75	77
Chemicals	9.10	351	321	367
Insurance	8.12	41	38	44
Financial Services	-3.7	765	795	1,140
Basic Resources	-4.2	772	807	1,039
Food and Beverage	-8.5	557	608	767
Real Estate	-11.4	1,195	1,350	1,440
Travel & Leisure	-26.1	54	73	79
Construction & Materials	-29.1	460	648	687
Retail	-33.0	301	449	260
Banks	-34.9	1,814	2,786	2,338
Industrial Goods & Services	-42.9	324	567	459
Technology	-45.0	84	152	94
Health Care	-56.5	10	23	15
Media	-62.7	0	1	1
Personal & Household Goods	-65.7	88	256	108

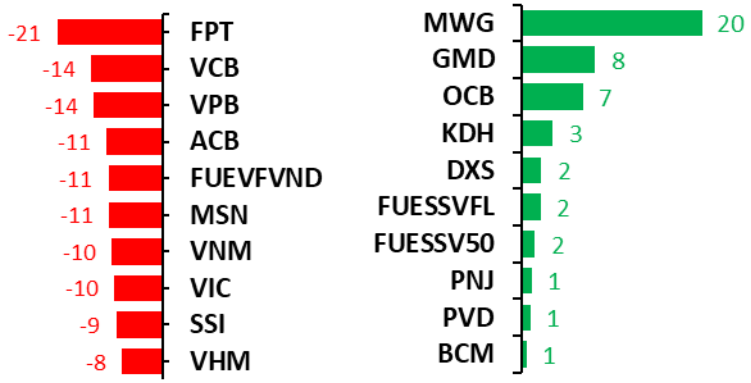
Source: Bloomberg, Sinhan Securities Vietnam

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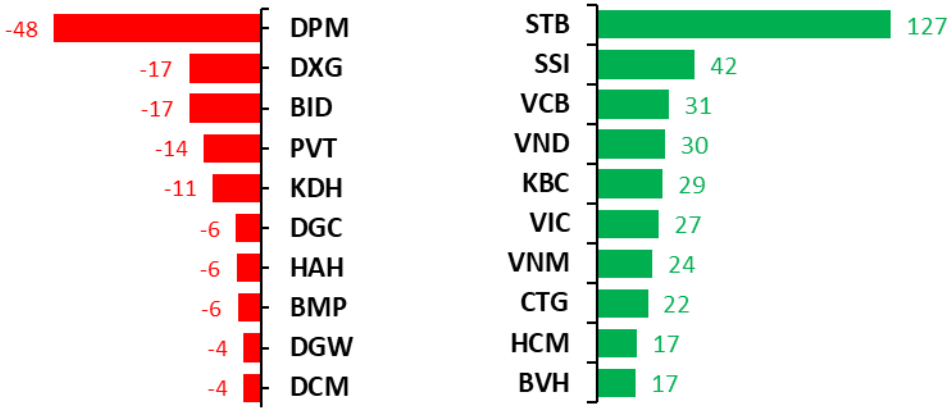
Vietnam Market Snapshot 06/02/2023

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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	(18)	48	9	(57)
Basic Resources	(4)	18	(33)	15
Media	-	(0)	(0)	0
Industrial Goods & Services	8	(18)	(19)	37
Health care	-	1	(1)	0
Chemicals	(5)	(58)	77	(19)
Financial Services	(21)	105	(41)	(65)
Travel & Leisure	(7)	15	(8)	(7)
Banks	(62)	183	(247)	65
Construction & Materials	(7)	28	(28)	(0)
Food and Beverage	(22)	35	7	(42)
Retail	20	(6)	5	0
Utilities	(3)	15	(0)	(15)
Personal & Household Goods	1	(2)	8	(6)
Technology	(21)	(0)	7	(7)
Automobiles & Parts	(0)	1	(0)	(1)
Insurance	(1)	20	(21)	0
Oil & Gas	0	9	(28)	19

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- Deputy Prime Minister Le Minh Khai signed the Decision on increasing the average retail price of electricity.
- Chairman of Ho Chi Minh City People's Committee Phan Van Mai downgraded himself emulation rank because of low disbursement of public investment.
- Thai investors continuously bought strongly Vietnam ETF certificates.

Less positive

- FiinRatings estimates the value of individual corporate bonds maturing in 2023 at about VND 158 trillion.



Business news

- PLX, Petrolimex approved the plan to divest investment capital at Petrolimex Petroleum Commercial Joint Stock Bank - PG Bank. The divestment will be done through a public auction at the Ho Chi Minh City Stock Exchange. Ho Chi Minh City (HOSE) with a starting price will take the highest from one of the following two prices:

  Firstly, the price determined by the price appraisal organization: 21,300 VND/share.

  Second, the average reference price of PGB shares in 30 consecutive trading sessions on UPCoM stock exchange before the approval date of the divestment plan.

- PGB, PG Bank reported a pre-tax profit of nearly VND 506 billion in 2022, exceeding 18% of the plan and increasing by 54% compared to the previous year, thanks to the growth of all revenue sources. Notably, profit from other activities was 3.2 times higher, earning more than VND 164 billion. NPL ratio increased slightly from 2.52% at the beginning of the year to 2.56%.

- HPG, In January, Hoa Phat produced 392,000 tons of crude steel and sold 402,000 tons of steel of all kinds, down 36% over the same period last year. Both New Year and Lunar New Year holidays are in January, making the market demand for building materials in general and steel in particular gloomy.

  Recently, Hoa Phat Phu Tho Poultry Co., Ltd. has signed a contract with WinMart, through which, it will supply about 500,000 - 550,000 clean chicken eggs per month to WinMart supermarket chain through distribution agents.

- SAB, BHN: Q4/2022, with the same growth in revenue, but Sabeco and Habeco have opposite growth in profit. While compared to the low base of the previous year, Habeco recorded a sudden increase in profit to VND 52 billion, while Sabeco saw a decrease of 23% in profit to VND 1,076 billion.

  Sabeco said the reason for the decrease in profit after tax over the same period was the company's promotion of marketing and advertising activities. Habeco also promoted advertising and promotions in the fourth quarter, but thanks to other income of more than VND 30 billion (not disclosed).

Breaking News



- HTN, In Q4/2022, revenue of Hung Thinh Incons dropped sharply compared to the same period last year, to VND 37 billion, gross profit margin at 3%. As a result, HTN suffered a pre-tax loss of VND 39 billion, while in the same period had a profit of VND 123 billion and a loss after tax of VND 44 billion. Accumulated in 2022, net revenue of Hung Thinh Incons decreased by 11% compared to the previous year, to VND 5,464 billion, profit before tax decreased by 57%, reaching VND 129 billion.
- LCG, Although its main business suffered a loss, LCG was still profitable in the fourth quarter of 2022 thanks to a sharp increase in financial revenue of 467.3% to VND 50 billion.

  Accumulated for the whole year, LCG achieved revenue of more than 1,009 billion VND, down 44% compared to 2021 and only completed 50% of the year plan. As a result, profit after tax was VND 195 billion, although increased by 8%, but only reached 78% of the plan. Profit after tax of parent company shareholders reached more than VND 193 billion, up 6%.

Business news

- TLG, Q4/2022, Thien Long reported a loss for the first time after 11 quarters, but the whole year profit still reached a record of more than VND 400 billion. Explaining the reason for the decline, Thien Long said that the revenue in the fourth quarter of 2022 decreased because the international market faced many difficulties, the domestic currency rates of countries fluctuated strongly against the USD, so the import of goods slowed down.
- BCC, Q4/2022 the company's revenue reached VND 919 billion, down 23.6% compared to the same period in 2021, profit after tax was negative VND 25.8 billion.

  Accumulated in 2022, Bim Son Cement's revenue reached VND 4,218 billion, down slightly by 2.5% compared to the same period in 2021. Profit after tax was recorded at VND 62.9 billion, down nearly 39%.
- TNG, According to the business results update report in January 2023, TNG Investment and Trading JSC recorded sales of nearly 397 billion VND, exceeding 5% of the plan. Export revenue accounted for 99%. total revenue, of which the US and France are the two largest markets.
- ANV, Nam Viet JSC has just announced to change the dividend payment time for 2021. The payment period will be shortened on March 31, instead of April 27, 2023 as previously announced.

  Accumulated in 2022, Navico recorded revenue of nearly VND 4.9 trillion, up 40%, profit before tax and net profit of nearly VND 774 billion and VND 674 billion, respectively, more than 5 times higher than in 2021.
- HVN, Vietnam Airlines want to sell aviation fuel company Skypec with charter capital of VND 400 billion, 100% owned by HVN.
- QCG had a net loss of more than 5 billion dong in the fourth quarter of 2022 due to a sharp drop in core business.
- DPM, Phu My Fertilizer are expected to spend nearly 1,600 billion dong in advance on dividends for the first period of 2022.

Technical view



Trend: Trade cautiously

- The green color returned to the market thanks to the motivation from the group of key stocks led by state-owned banks. However, order matching only reached a low level below 20 session average. This shows that the spreading momentum is limited and the money flow is quite diverged in the current period. Investor sentiment is also more cautious. The index's rebounding reaction from the short-term support level is like a technical retracement and there is no basis to confirm the upward reversal point. The MACD has crossed the signal line, meaning that the correcting inertia is still there. The nearest resistance for the trend is the 10-day MA, corresponding to the area of 1,100 points. If the index has not broken through this level, investors need to be patient and limit excitement.

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

7/2/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
CTG	Wait to buy	38	42	36	11%	-5%	38.8	Breaking out after the correction, the volume consensus
GMD	Watch							Break signal, the story of selling Dinh Vu port
CTG	Watch							Retest the 20-day MA
POW	Watch							Retest the old peak 12
HPG	Watch							Break signal, consensus volume, retest the old peak 21
PVS	Watch							Retest the 20-day MA
PC1	Watch							Waiting to retest the old price base around 24
GVR	Watch							Retest the 20-day MA

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%	29.5	4	1.72%	01/02/2023	
FPT	Sell	80	86	77	8%	-4%	80.5	16	0.63%	09/01/2023	Test failed MA20 day
VNM	Sell	79.5	86	76	8%	-4%	77.4	16	-2.64%	09/01/2023	Hit stop loss

Economic calendar

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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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