MORNING CALL

February 08th, 2023

Shinhan Securities

"Lack of new demand along with divergence, the market dropped to a lower level"

- Global stocks regain the green color
- Domestic stocks reversed and dropped to support
- Weak signal on derivatives chart, stock market base scenario
- 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 back to green

- The Dow Jones finished more than 260 points higher after it pared 250 points losses during the session. Meanwhile, the S&P 500 and Nasdaq 100 gained 0.6% and 0.9%, respectively as investors digest Fed Chair Jerome Powell's remarks at the Economic Club of Washington.
- European equity markets closed marginally higher on Tuesday, helped by gains in energy-related shares as oil prices rose for a second day and BP reported a record profit, increased dividend and a $2.75 billion share buyback.
- Mr. Jerome Powell, the head of the US central bank reiterated that the disinflationary process has begun, particularly in the goods sector, while saying that the Fed has the tools to bring down inflation to its 2% target. At the same time, when asked about the strong January jobs report, Powell's comments did not suggest that it would change the central bank's approach to future rate increases. However, he warned that if robust labor data persists, the terminal level of the Fed funds may be higher.
- The dollar weakened against a basket of major currencies on Tuesday, pulling back from a one-month peak of around 104 to hit a session low of 103, as remarks from Fed Chair Jerome Powell spooked investors.
- According to Sputnik News, on February 6, the Japanese Foreign Ministry announced that Japan had joined a measure to impose price ceilings on Russian oil products.
- WTI crude futures jumped more than 3% to around $77 per barrel, extending gains for a second consecutive session amid concerns over supply shortages and optimism about a recovery in demand. Stocks of crude oil in the United States dropped by 2.184 million barrels in the week ended February 3rd, 2023, following a 6.330 million barrels rise in the previous week. In addition, the terminal at Turkey's Ceyhan port, which exports Azeri crude oil, is set to be closed until Wednesday as a precaution after major earthquakes hit the country.

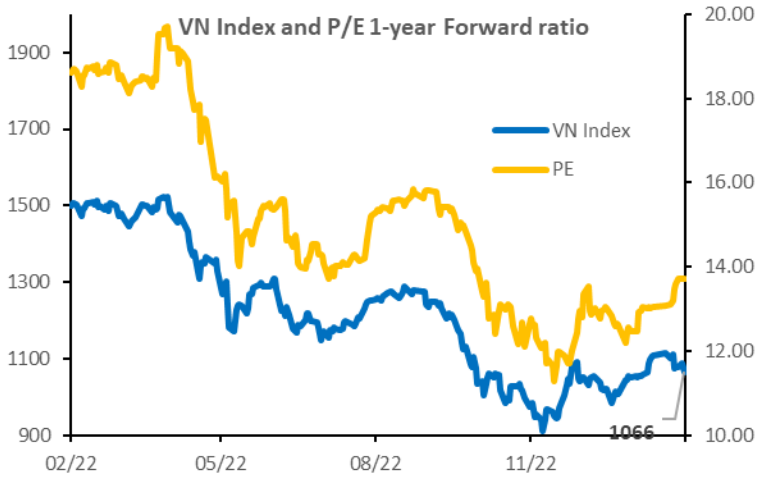
Market

	Close	%1D	%1M	%1Y
VN-Index	1,066	-2.15%	1.37%	-28.99%
S&P 500 Index	4,164	1.29%	6.90%	-7.13%
Dow Jones Index	34,157	0.78%	1.56%	-2.66%
GP 100	7,865	0.36%	2.15%	3.93%
Nikkei 225	27,481	-0.74%	5.80%	0.72%
SHCOMP Index	3,248	0.29%	2.86%	-5.92%
STOXX 600	458	0.23%	3.10%	-1.54%
KOSPI Index	2,472	0.82%	7.94%	-10.00%
Hang Seng	21,299	0.36%	1.46%	-12.46%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.43	-0.19%	-0.44%	8.42%
USD/VND	23,594.00	-0.51%	-0.57%	-3.91%
EUR/USD	1.07	0.06%	0.02%	-5.98%
USD/CNY	6.78	0.17%	-0.19%	-6.22%
Brent	83.69	3.33%	6.52%	-9.71%
WTI	77.48	0.44%	5.03%	-13.29%
Natural gas	2.58	-0.12%	-30.43%	-39.24%
Coal	255.65	1.45%	-35.47%	8.33%
Gold	1,875.68	0.14%	0.21%	2.73%

Vietnam Market Snapshot 07/02/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,065.84	13.79	-23.45	-2.15	673	12,167
HNX INDEX	210.00	15.62	-4.47	-2.09	70	1,075

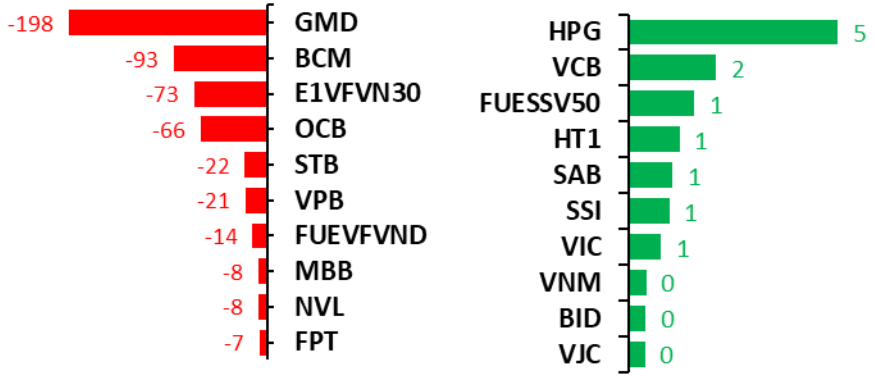
Money flow and sector rotation (VND bn)

Sector	%1D	2/7/2023	2/6/2023	20-session Average
Health Care	144.8	24	10	16
Media	138.4	1	0	1
Basic Resources	100.0	1,545	772	1,074
Industrial Goods & Services	53.3	497	324	461
Financial Services	50.4	1,151	765	1,146
Construction & Materials	44.0	662	460	690
Retail	35.9	409	301	269
Food and Beverage	34.2	747	557	766
Real Estate	27.6	1,526	1,195	1,439
Banks	27.2	2,308	1,814	2,364
Chemicals	24.7	437	351	372
Insurance	11.7	46	41	45
Utilities	5.3	193	184	202
Technology	-4.2	80	84	91
Oil & Gas	-5.4	108	114	116
Personal & Household Goods	-6.9	82	88	108
Travel & Leisure	-16.4	45	54	78
Automobiles & Parts	-16.8	82	98	77

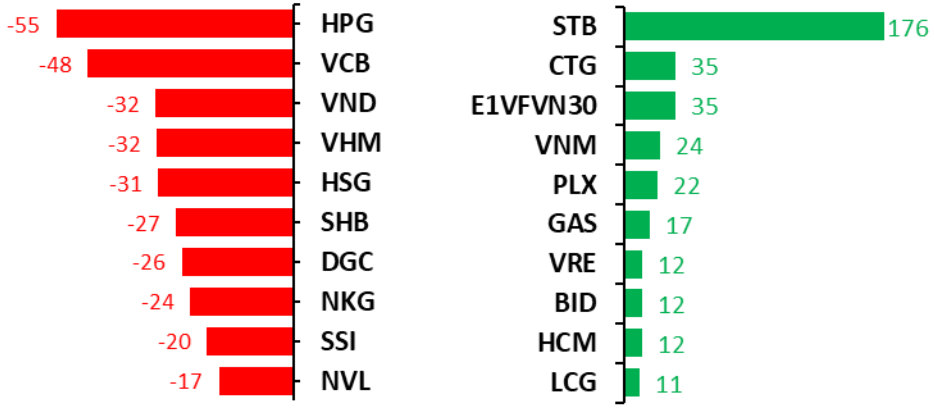
Source: Bloomberg, Sinhan Securities Vietnam

Vietnam Market Snapshot 07/02/2023

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	(103)	(59)	111	(51)
Basic Resources	5	(120)	127	(7)
Media	-	-	0	(0)
Industrial Goods & Services	(199)	(13)	(38)	51
Health care	(0)	2	(2)	(0)
Chemicals	(6)	(29)	58	(29)
Financial Services	(87)	(6)	55	(49)
Travel & Leisure	(0)	8	(10)	2
Banks	(138)	153	(213)	60
Construction & Materials	1	17	(43)	26
Food and Beverage	1	9	32	(40)
Retail	(6)	4	(418)	414
Utilities	(1)	28	(38)	10
Personal & Household Goods	(2)	2	3	(5)
Technology	(7)	(0)	(3)	3
Automobiles & Parts	(0)	1	(1)	0
Insurance	0	10	(9)	(2)
Oil & Gas	0	30	(25)	(5)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- According to statistics, the number of new cars sold in Vietnam in 2022 reached a record of 508,547 vehicles. The number of more than 500,000 vehicles in 2022 is an important factor to promote supporting industries and investment in automobile production lines in Vietnam.
- At a meeting with leaders of Ba Ria - Vung Tau province on February 6, the representative of Kyoei Group (Japan) wished to implement phase 2 of Thi Vai port project, in Phu My ward, TX. Phu My. Phase 1 of the project has been put into operation since 2018. The project aims to turn Thi Vai port into a commercial port, making a positive contribution to the province's socio-economic development.

Less positive

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



Business news

- According to Reuters, Vietnamese electric vehicle manufacturer VinFast plans to partially cut its workforce in the US. This takes place in the context that VinFast is trying to restructure in a large foreign market like the US when it has to postpone the first delivery of cars and prepare for an IPO plan.
- In 2022, Ricons' after-tax profit reached VND 91 billion, continuing to surpass Coteccons (VND 21 billion), but showed a much decrease compared to the pre-pandemic period due to the general difficulties of the entire civil construction industry.
- NVL, Ms. Bui Cao Ngoc Quynh - the daughter of Mr. Bui Thanh Nhon (Chairman of the Board of Directors) registered to buy 44.5 million shares of NVL.
- LPB, SBV allowed VNPost to divest more than 140.5 million shares in LienVietPostBank.

  LienVietPostBank has just closed the last registration date to attend the 2023 annual general meeting of shareholders, which is February 23, 2023. This year's congress is expected to be held in April in Hanoi instead of Ho Chi Minh City as in previous years.
- HPG, Hoa Phat Group announced the resolution of the Board of Directors approving the organization of the 2023 Annual General Meeting of Shareholders scheduled on March 30, 2023.
- MSH, in the fourth quarter of 2022, the company's orders were cut, so revenue dropped 12% to VND 1,141 billion and profit after tax also halved to VND 54.9 billion. Accumulated in 2022, MSH's net revenue reached VND 5,520 billion, up 16% over the same period. Profit before and after tax of MSH both decreased by 19% and 24% respectively compared to 2021 to VND 542 billion and VND 442 billion.
- VPB: VPBank has just cooperated with JCB International Card Organization to launch a new line of credit cards VPBank JCB Z Card exclusively for Gen Z customers with many attractive preferential features.
- SSB: FC invests US$100 million in SeABank to help increase access to housing for low and middle-income families in Vietnam.

Weak signal on derivatives chart





- **In the 1h chart frame:**

  One-month VN30 index futures (VN30F1M) made two higher peaks on December 5, reaching 1,125.5 points and January 27 reaching 1,145 points, respectively. However, the MACD made two lower highs, or in other words a negative divergence with the trend. This reflects a weakening uptrend.

  Besides, the RSI strength during the period when the index created peaks on December 5 and January 27 did not break out, or in other words failed to establish a higher level even though the index increased strongly, showing that buying momentum also slowed down.

- **In the daily chart frame:**

  The MACD and RSI are in sync with the trend, but the MACD has just crossed down the signal line, with the RSI falling nearly to the support of the trendline. If the next few sessions, the RSI penetrates this level, it will show weak buying momentum and the decline can be confirmed.

➢ Derivatives are often ahead of the underlying market and reflect future expectations, so a weakness in the derivatives index could signal a more difficult signal for the underlying market in the coming sessions.

Market scenario





- **Positive:**

(1) The index successfully tested the support around the 20-day MA, corresponding to 1,060 points and created a recovery pace to 1,120 points.

(2) More positively, the gaining momentum will help the index continue to break out of the nearest peak of 1,120 points and continue to rise to the threshold of 1,160 points, corresponding to the old bottom that was broken before. Trading will slow down in this area.

- **Less positive**

(1) The index losing 1,060 might drop to test the psychological level of 1,000 points.

(2) If 1,000 points still fails, the mid-term down wave will return and the index might drop to 900 points, retesting the old bottom in 2022.

Technical view



Trend: Trade cautiously

- The market reversed to decline at the end of the session with red predominating. It can be seen that the market breadth from the overwhelming gain in the morning turned to red in the afternoon session. Along with that, the liquidity could not increase when the index moved to a higher threshold. This is the effect of the lack of money flow to accept buying at high prices. Therefore, the index had to drop to a lower level and triggered selling sentiment among investors. The order matching was above 20 session average, showing active selling. Technically, the MACD has crossed the signal line, after today's drop, the MACD will continue to widen with the signal line, along with the RSI falling below 50, meaning that the bearish inertia is still there. The right strategy is patience and observation.

Scenarios:

- Positive (50%): 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 (50%): 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

8/2/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
PLX	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%	28.55	5	-1.55%	01/02/2023	
FPT	Sold	80	86	77	8%	-4%	81.5	16	1.88%	09/01/2023	Test failed MA20 day
VNM	Sold	79.5	86	76	8%	-4%	77.4	16	-2.64%	09/01/2023	Hit stop loss

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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