MORNING CALL

February 13th, 2023

Shinhan Securities

"The index tests important support, patiently and cautiously"

- Global stocks lost momentum, downward pressure returned
- Domestic stocks continued to retreat, without a leading group
- Inter-market update, USD and US Treasury yields rebounded
- Dividend payment schedule for week 13 - 17/02/2023
- Technical view and recommendations
- Economic calendar
- Q&A

Open Account

[Analysts]

Khang Tran
☎ (84-28) 6287-8037
✉ khang.lt@shinhan.com

Nhut Nguyen
☎ (84-28) 6287-7751
✉ nhut.nq@shinhan.com

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

Major stock lost momentum, downward pressure returned

- Global stocks had a struggling trading week but lost momentum towards the end of the week and reversed to decline. The wave of interest rate hikes from central banks continued to cause concern among investors. The jobs report remains strong in the US, showing a stubbornly tight labor market that dashes hopes the Fed will end its rate-raising cycle soon. In Europe, inflation in Germany rose less than expected, giving the market some respite, however, selling pressure quickly returned. At the end of the week, Dow Jones, S&P 500 fell 0.2% and 1.1% respectively. European stocks also retreated as the Stoxx Euro fell 0.6%, away from the highs set for the week. Asian stocks were mostly in the red with Hang Seng dropping 2.2%, Shanghai down 0.1% and Japan's Nikkei narrowing its gains to 0.6%.
- The Riksbank (Sweden) raised its repo rate by 50 bps to 3.0 percent during its February meeting, bringing borrowing costs to the highest level since December 2008, as inflation was far too high and had continued to rise despite the aggressive policy tightening.
- China's annual inflation rate rose to 2.1% in January 2023 from 1.8% in the prior month, compared with market forecasts of 2.2%. This was the highest reading in three months, as prices of food jumped and those of non-food increased further on the back of the Lunar New Year celebration and the removal of pandemic measures.
- China's banks extended CNY 4.9 trillion in new yuan loans in January 2023, up from CNY 1.40 trillion in the previous month and above market expectations of CNY 4.0 trillion. It was the largest amount of new loans on record following the lifting of pandemic controls and a full week of celebrations of the Lunar New Year holiday, as well as Beijing's efforts to boost economy growth. Last year, total new lending hit a new all-time high of CNY 21.3 trillion, up from the previous record of CNY 19.95 trillion in 2021. Source: People's Bank of China.
- In focus this week, in the US, inflation rate data, producer prices, retail sales and some speeches by Fed officials take center stage. In addition, CPI, retail sales and employment data are also released for the UK. Elsewhere, investors will keep an eye on Japan and Thailand's fourth-quarter GDP growth and new interest rate decisions in the Philippines and Indonesia.

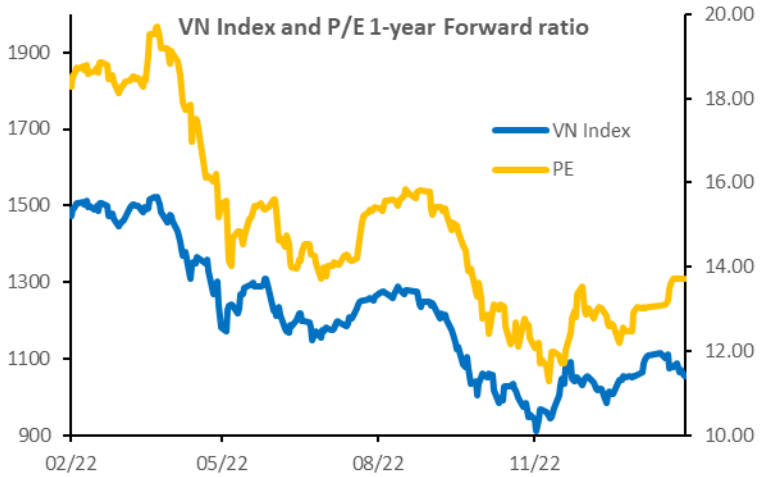
Market

	Close	%1D	%1M	%1Y
VN-Index	1,055	-0.82%	-0.46%	-29.73%
S&P 500 Index	4,090	0.22%	2.28%	-7.43%
Dow Jones Index	33,869	0.50%	-1.26%	-2.50%
GP 100	7,882	-0.36%	0.49%	2.89%
Nikkei 225	27,473	-0.72%	5.18%	-0.81%
SHCOMP Index	3,261	-0.30%	2.05%	-5.84%
STOXX 600	458	-0.96%	1.18%	-2.49%
KOSPI Index	2,460	-0.41%	3.08%	-10.49%
Hang Seng	21,190	-2.01%	-2.52%	-14.92%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.67	0.04%	1.43%	7.90%
USD/VND	23,572.00	-0.03%	-0.51%	-3.72%
EUR/USD	1.07	-0.06%	-1.46%	-5.62%
USD/CNY	6.81	-0.41%	-0.51%	-6.76%
Brent	85.96	-0.50%	0.80%	-8.98%
WTI	79.32	-0.50%	-0.68%	-14.80%
Natural gas	2.56	1.83%	-25.12%	-35.04%
Coal	226.10	0.27%	-42.09%	-5.44%
Gold	1,862.19	-0.18%	-3.02%	-0.48%

Vietnam Market Snapshot 11/02/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,064.03	13.77	0.00	0.00	473	9,221
HNX INDEX	210.13	15.93	-0.79	-0.37	46	743

Money flow and sector rotation (VND bn)

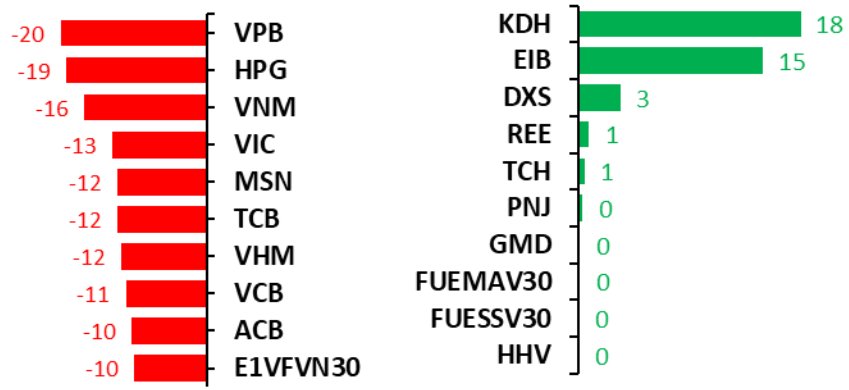
Sector	%1D	2/10/2023	2/9/2023	20-session Average
Insurance	147.18	36	14	43
Utilities	56.68	166	106	180
Industrial Goods & Services	39.21	325	233	425
Financial Services	32.02	756	573	1,111
Retail	24.14	236	190	280
Construction & Materials	22.41	447	365	657
Real Estate	13.67	1,125	989	1,391
Automobiles & Parts	10.79	50	45	76
Chemicals	4.58	268	256	363
Basic Resources	4.39	684	655	1,080
Technology	-0.8	73	73	91
Travel & Leisure	-3.8	34	36	73
Personal & Household Goods	-10.1	93	103	112
Food and Beverage	-16.7	580	696	738
Health Care	-25.4	13	17	16
Banks	-26.5	1,654	2,252	2,279
Oil & Gas	-36.8	91	145	112
Media	-42.6	0	1	1

Source: Bloomberg, Sinhan Securities Vietnam

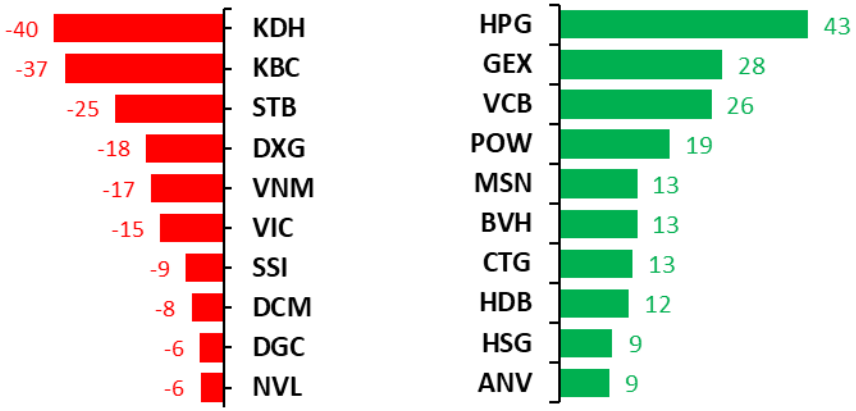
Vietnam Market Snapshot 11/02/2023

Shinhan Securities

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	(15)	(114)	140	(26)
Basic Resources	(19)	51	(33)	(19)
Media	-	0	0	(0)
Industrial Goods & Services	1	28	(39)	11
Health care	(0)	1	(3)	1
Chemicals	(10)	(15)	48	(32)
Financial Services	(20)	(11)	33	(22)
Travel & Leisure	(6)	1	10	(10)
Banks	(66)	40	(53)	13
Construction & Materials	0	2	(1)	(0)
Food and Beverage	(31)	1	41	(42)
Retail	(14)	(4)	31	(27)
Utilities	(5)	31	(13)	(18)
Personal & Household Goods	0	(1)	(2)	3
Technology	(10)	0	(20)	20
Automobiles & Parts	1	0	(1)	1
Insurance	(1)	14	(20)	6
Oil & Gas	(1)	4	(11)	7

Source: Fiinpro, Shinhan Securities Vietnam

Shinhan Securities

Breaking News

Macro

Positive

- In the first month of 2023, Binh Dinh attracted 8 new projects with a total investment capital of more than 5,800 billion VND.
- The project of Compal (one of Apple's manufacturers and major global technology corporations) is certified for investment registration, with a scale of 260 million USD in Thai Binh.

Less positive

- Industrial production in February is forecast to continue to decline.
- China opens railways to Thailand and Laos, exporting Vietnamese agricultural products will face challenges.
- HSBC forecasts that the State Bank may continue to raise interest rates by 50 basis points in both the first and second quarters of 2023.



Business news

- In the February 2023 review of the MSCI Frontier Markets Small Cap Index, 5 Vietnamese stocks were added and 7 stocks were eliminated. Specifically, DGC, HAG, KDH, KOS and PDR were added to the basket, while BCG, DXG, HPX, NKG, NVB, SCS, VIX were excluded.

  For the MSCI Frontier Markets Index, SSB and EIB are added to the basket while DGC, KDH and PDR are excluded.
- VSC, GMD: At the end of 2022, Gemadept approved the BOD Resolution on transferring all shares in Nam Hai Dinh Vu Port Joint Stock Company, authorizing the General Director to search and select suitable partners to sign the contract. transfer. Nam Hai Dinh Vu Port is one of four ports of Gemadept in Hai Phong.

  Expected buyer is Viconship. If the deal is successful, Viconship will become the largest port company in Hai Phong in 2023.
- PLX, Petrolimex auctioned shares in Dong Nai Fuel and Building Materials JSC with the starting price of 40,900 VND/share.
- Rubber prices fell, profits in the fourth quarter of 2022 of enterprises in the industry decreased sharply (GVR, PHR, DRP, BRR, RTB ...)
- HBC, Hoa Binh have just signed a cooperation agreement with Keystone Company to build 5 projects in the US.
- MSN, Masan aims to own 25% of the shares of Trusting Social (through The Sherpa) with the orientation of developing artificial intelligence in retail (Retail AI) and artificial intelligence in consumption (Consumer AI).
- QTP, Q4/2022 profit after tax decreased by 86%. However, the profit in 2022 still exceeded 76% of the plan, reaching VND 770.4 billion, long-term debt decreased but short-term debt increased sharply.
- IMP, Imexpharm set a target of VND 305 billion in pre-tax profit in 2023.
- DIG, Hau Giang Provincial People's Committee has adjusted the detailed construction planning area of 1/500 Vi Thanh Residential and Commercial Area from 195.63 ha to 83.46 ha, equivalent to a decrease of more than 57% compared to the original area.

Dividend payment schedule for week 13 - 17/02/2023

Cash dividend

No.	Stock	Exchange	Ex-Right Date	Exercise Date	Ratio
1	ICG	HNX	17/02/2023	09/03/2023	5%
2	SHP	HOSE	16/02/2023	28/02/2023	10%
3	VPI	HOSE	16/02/2023	27/02/2023	10%
4	DPM	HOSE	16/02/2023	22/03/2023	40%
5	THP	UPCoM	14/02/2023	01/03/2023	3%
6	DNH	UPCoM	13/02/2023	28/02/2023	10%

Stock dividends

No.	Stock	Exchange	Ex-Right Date	Record Date	Ratio
1	EIB	HOSE	17/02/2023	20/02/2023	100:20
2	ITD	HOSE	13/02/2023	14/02/2023	10:1
3	FIR	HOSE	13/02/2023	14/02/2023	100:20



USD and bond yields regain momentum





Dollar Index is regaining momentum

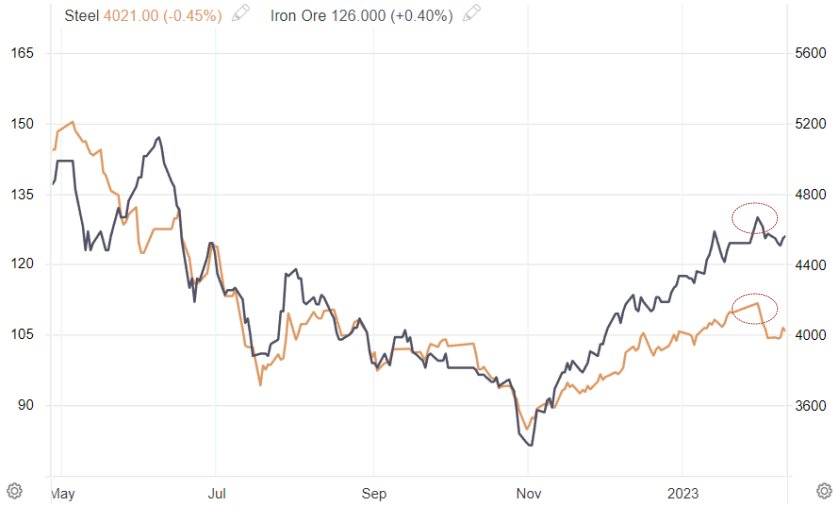
- The dollar index stabilized above 103 on Friday as investors look ahead to US inflation data next week for clues about the trajectory of Federal Reserve interest rate hikes.
- Investors also heeded hawkish signals from Fed officials this week who reaffirmed their commitment to bring inflation down with further policy tightening, against the backdrop of robust jobs numbers. Meanwhile, investors remain cautious about escalating risks of a recession and signs of cooling inflation in the US. Fed Chair Jerome Powell said earlier this week that the disinflationary process has started, but warned of more rate increases if the jobs market remains strong.

Yields on U.S. Treasury bonds surpass 3.7%

- The yield on the US 10-year Treasury note, seen as a proxy for global borrowing costs, topped 3.7%, a level not seen in more than a month, as investors adjust their portfolios for a higher terminal rate. Richmond Federal Reserve president Thomas Barkin was among the latest officials to acknowledge that the US economy is slowing but warning that it is fundamental to continue hiking to ensure inflation doesn't get entrenched.
- Investors now see the Fed raising the fed funds rate to 5%-5.25%, with the world's most influential central bank delivering a 25 bps hike in March and May before pausing. Looking ahead, Wall Street and the Fed are again in a standoff on the future path of interest rates, with the former betting on a rate cut later this year while the latter reaffirmed its view that interest rates will stay higher for longer.

Oil prices recover while steel prices are under a lot of pressure





Crude oil prices rebound

- WTI crude futures were trading above $79 per barrel after jumping almost 3% to $80.3 after Russia announced its plans to cut output by 500,000 barrels a day in March, 5% of total production. The unexpected move is a retaliation against the European ban on seaborne imports and price caps for Russian oil products, causing a wave of volatility in oil markets
- Saudi Arabia, the world's top exporter, raised crude prices for Asian markets for the first time in six months in the latest signal that demand could be poised to bounce on the likelihood of higher imports from China.

Steel and iron ore prices cool down

- Steel rebar futures were trading around CNY 4,040 per tonne, down from the six-month high of CNY 4,180 touched on January 30th after a survey of post-Lunar New Year inventories of steel products in China showed a significant increase. Prices for iron ore cargoes with a 63.5% iron ore content for delivery into Tianjin also eased to $128 per tonne from the seven-month high of $130 touched on January 30th, as traders reassessed demand expectations from China amid its economic reopening. Investors also remained cautious about taking long positions as Chinese authorities pledged to crack down on price speculation.
- China's manufacturing sector rebounded after three months of contraction per NBS PMI data, supporting bullish sentiment. the end of the zero Covid policy along with solutions to support the real estate market continues to be the driving force.
- On the supply side, cyclones and first-quarter mining maintenance programs threatened steady exports from top producer Australia. In addition, Brazil's Vale SA, one of the world's largest mining companies, has recently reported a 1% decline in iron ore production in the fourth quarter compared to the same period of the previous year, forcing blast furnaces to vie for the steel-making ingredient.

Technical view



Trend: Correction phase

- A difficult trading week for the market when selling completely overwhelmed the session, making it difficult for the index to recover. At the same time, the absence of a leading group in the context of divergent money flow and limited spread made the market lose its support. As a result, the index dropped to test the short-term support level of MA50-day around 1,050 points. Technical indicators have not improved much, as MACD continues to cut down to the signal line and widen its range along with RSI falling below 50, meaning that the money flow is weak and the falling momentum is still there. Currently, the index has approached the support zone, so the trade will be inclined to shake, but the risk will be higher if this support level is broken. Therefore, the right strategy is still to be patient and observant.

Scenarios:

- Positive (50%): The index successfully tested the support around the 50-day MA, corresponding to 1,050 points and created a recovery pace to 1,150 points.
- Less positive (50%): The index losing the 1,050 threshold might drop to test the psychological level of 1,000 points and lower to the 980 point area.

Recommended stocks

13/2/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
PC1	Watch							Retest the 20-day MA
BSR	Watch							Retest the 20-day MA
BVH	Watch							Retest MA10-20 day area
POW	Watch							Retest the old peak 12, maintained above the 10-day MA
FRT	Watch							Maintained above the 10-day MA
REE	Watch							Testing MA20-weekly resistance, volume down
VSH	Watch							Maintained above the 10-day MA

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
PLX	Buy	38	42	36	11%	-5%	38.3	3	0.79%	08/02/2023	
VRE	Hold	29	32	27.5	10%	-5%	28.2	8	-2.76%	01/02/2023	

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

Shinhan Securities

Q&A

Shinhan Investment Network

SEOUL

Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH

Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000

Shinhan Securities



Compliance Notice

- Analyst Certification: We/I hereby certify the information and material presented in this report are accurate expressions of their views, and that we/I have not received internally or externally wrongful pressure to express such views.
- All opinions and estimates regarding the company and its securities are accurate representations of the covering analyst's judgments as of this date and may differ from actual results.
- This report is intended to provide information to assist investment decisions only and should not be used or considered an offer or the solicitation of an offer to sell or to buy any securities. Stock selection and final investment decisions should be made at the client's own discretion.
- This report is distributed to our clients only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.

Disclaimers

- This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of Shinhan Securities Vietnam Ltd.., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of Shinhan Securities Vietnam Ltd.
- This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. Shinhan Securities Vietnam Ltd. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Shinhan Securities Vietnam Ltd.., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or Shinhan Securities Vietnam Ltd. The final investment decision is based on the client’s judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.
- Copyright ⓒ 2020 Shinhan Securities Vietnam Ltd. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of Shinhan Securities Vietnam Ltd.