MORNING CALL

February 16th, 2023

“Liquidity improved, expecting the market to find a balance”

- Global stocks regained the green color
- Domestic stocks slowed down although trading was still struggling
- Update Business Results #CTR #POW #HAG #VHC
- Technical view and recommendations
- Economic calendar
- Q&A

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Global Market Review - Week 13/02 - 17/02/2023

Major stock markets returned to green

- The Dow Jones finished roughly 40 points higher on Wednesday, while the S&P 500 and the Nasdaq added 0.2% and 0.9%, respectively, as investors weighed January retail sales and inflation data while remained cautious about prolonged rate hikes. European equity markets rose on Wednesday, with the benchmark Stoxx 600 up 0.5% led by construction and industrial stocks. In corporate headlines, Europe's largest food retailer Carrefour advanced 8% after it announced an 800 million euro share buyback and increased dividends by 8% to 0.56 euros per share.
- Retail sales in the US unexpectedly jumped 3% month-over-month in January of 2023, the biggest increase since March of 2021 and way above market forecasts of a 1.8% rise. It follows a 1.1% drop in December.
- The European Central Bank governing council member Gabriel Makhlouf has said the bank could increase interest rates above 3.5% and likely will not cut them again this year as it moves forcefully to bring inflation back to target, in an interview with the Wall Street Journal, as Reuters quoted. Makhlouf has previously said he would not be surprised if policymakers need to keep increasing interest rates beyond the end of March.
- Annual inflation rate in the UK fell to 10.1% in January from 10.5% in December, below market forecasts of 10.3%. Inflation fell for a third consecutive month to the lowest since September last year, with the largest downward contribution coming from transport passenger transport, motor fuels and restaurants and hotels.
- Australia's seasonally adjusted unemployment rate unexpectedly increased to 3.7% in January 2023 from December's near five-decade low of 3.5% and above market estimates of 3.5%. This was the highest jobless rate since last May, as the number of unemployed climbed by 21,900 to 523,200.
- WTI crude futures fell more than 1% to around $78 per barrel on Wednesday, extending losses for a second session amid lingering concerns about weak demand. The latest EIA report showed that US crude inventories jumped by 16.283 million barrels to 842.973 million last week, the highest level since early October.

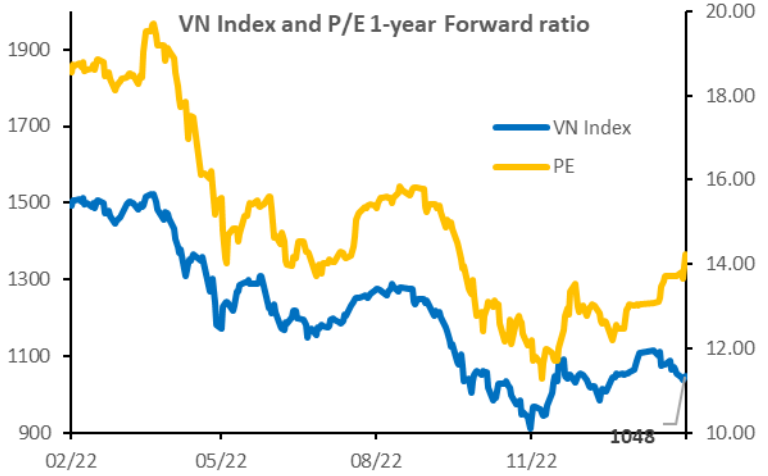
Market

	Close	%1D	%1M	%1Y
VN-Index	1,048	0.92%	-1.73%	-29.75%
S&P 500 Index	4,148	0.28%	3.71%	-7.23%
Dow Jones Index	34,128	0.11%	-0.51%	-2.46%
GP 100	7,998	0.55%	1.75%	5.18%
Nikkei 225	27,675	0.63%	7.17%	0.78%
SHCOMP Index	3,280	-0.39%	1.64%	-5.35%
STOXX 600	464	0.42%	2.14%	-0.73%
KOSPI Index	2,450	0.91%	2.09%	-10.25%
Hang Seng	20,812	-1.43%	-4.30%	-15.80%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.92	0.67%	1.68%	8.27%
USD/VND	23,614.00	-0.10%	-0.72%	-3.67%
EUR/USD	1.07	0.00%	-1.23%	-6.01%
USD/CNY	6.86	-0.40%	-1.70%	-7.52%
Brent	85.38	-0.23%	0.12%	-8.47%
WTI	78.48	-0.14%	-1.73%	-16.21%
Natural gas	2.45	-0.77%	-28.28%	-48.02%
Coal	219.90	0.18%	-40.61%	-7.99%
Gold	1,836.60	0.03%	-4.15%	-1.78%

Vietnam Market Snapshot 15/02/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,048.20	13.63	9.56	0.92	468	7,837
HNX INDEX	207.97	15.76	3.11	1.52	61	975

Money flow and sector rotation (VND bn)

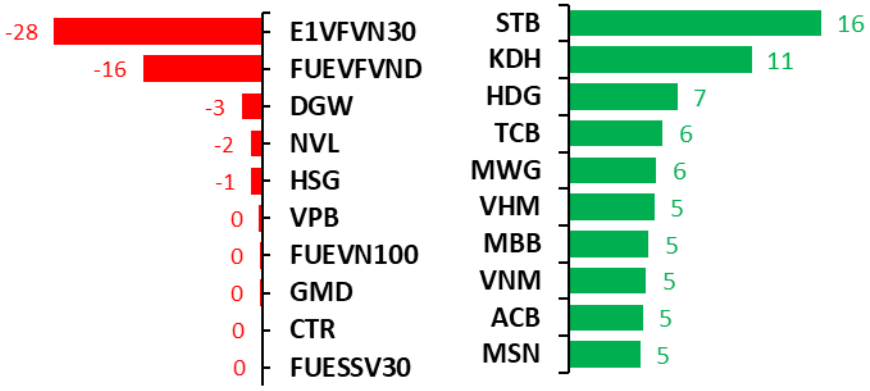
Sector	%1D	2/15/2023	2/14/2023	20-session Average
Construction & Materials	127.21	775	341	663
Oil & Gas	86.74	132	71	115
Financial Services	59.40	730	458	1,092
Banks	53.31	1,966	1,282	2,272
Real Estate	42.26	1,689	1,187	1,436
Utilities	36.85	117	86	176
Automobiles & Parts	31.41	59	45	76
Basic Resources	29.58	957	739	1,076
Personal & Household Goods	28.52	82	64	114
Food and Beverage	21.82	543	445	735
Travel & Leisure	19.83	36	30	64
Insurance	15.99	23	20	44
Technology	8.81	60	56	89
Retail	8.01	134	124	280
Industrial Goods & Services	7.11	265	247	428
Chemicals	5.48	258	244	378
Health Care	4.22	9	8	16
Media	-26.1	1	1	1

Source: Bloomberg, Sinhan Securities Vietnam

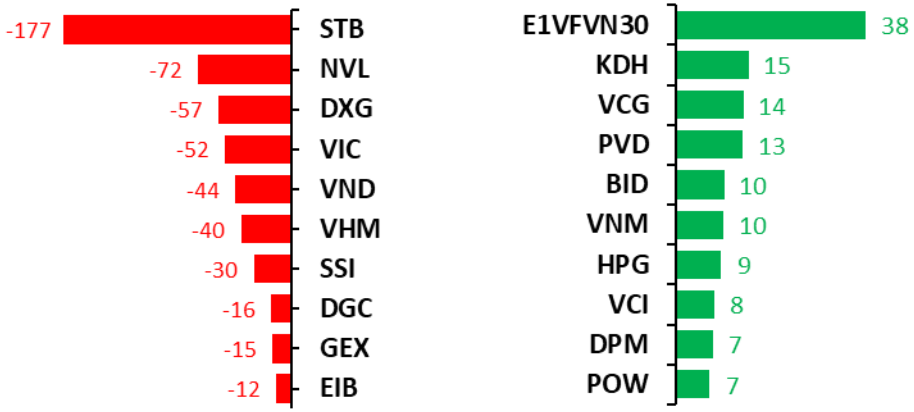
Vietnam Market Snapshot 15/02/2023

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Top net buying & selling of proprietary trading (VND billion)



Top net buying & selling foreign investors (VND billion)



The net 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	30	(184)	164	20
Basic Resources	1	18	12	(29)
Media	-	0	0	(0)
Industrial Goods & Services	4	(10)	20	(10)
Health care	(0)	0	(1)	1
Chemicals	1	(8)	(30)	37
Financial Services	(43)	(18)	58	(40)
Travel & Leisure	2	3	(9)	6
Banks	42	(179)	71	108
Construction & Materials	(0)	19	(25)	6
Food and Beverage	10	2	(72)	69
Retail	3	5	(14)	8
Utilities	1	12	(26)	14
Personal & Household Goods	1	(2)	5	(3)
Technology	4	(0)	(18)	18
Automobiles & Parts	-	2	(1)	(0)
Insurance	0	(2)	(3)	5
Oil & Gas	0	15	(10)	(4)

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- The Ministry of Finance proposed that some provisions of Decree 65 will be delayed to 2024 instead of immediately applied.
- Vietnam's total export value of goods will reach $371.85 billion in 2022, ranking second in ASEAN-6.
- Deposit interest rates continued to cool down after the Lunar New Year.

Less positive

- A series of e-wallet websites, banks, large e-commerce platforms were faked.
- The merchandise trade balance had a deficit of $39 million in the second half of January.
- According to VBMA's statistics, in 2023, there will be about VND 285,000 billion of bonds to maturity. It is expected that in February 2023, the value of mature corporate bonds will be more than 5,200 billion VND, all of which are corporate bonds issued by private placement.



Business news

- **CTR,** Viettel Construction have just announced business results in January 2023 with revenue of nearly VND 758 billion and pre-tax profit of VND 43 billion, an increase of 12% over the same period last year. The mining and operation segment contributed the most to revenue (accounting for 58%) with VND 440 billion, up 9% over the same period. In second place, the construction and installation segment brought in nearly VND 220 billion, accounting for 29% of revenue and up 43% over the same period. Most of the company's revenue comes from the domestic market, accounting for 88%. The foreign market contributes only 12% of revenue.

  In 2023, Viettel Construction set a target of VND 10,338 billion in revenue and VND 613 billion in pre-tax profit, an increase of 10% compared to the performance in 2022. Thus, by the end of January, the company has achieved 7%. revenue and profit targets.
- **POW,** PV Power have just announced their January business results with estimated revenue of VND 1,712 billion, down 21% over the same period. Total electricity output from power plants is about 1.1 billion kWh, down 7% over the same period (1.19 billion kWh), 5% higher than the plan.

  January is the dry season in the North and South, and the rainy season begins in the South Central region. Mid-January is the time of the Lunar New Year, the demand for load drops sharply, power plants (especially thermal power plants) operate with low output.
- **HAG,** Hoang Anh Gia Lai JSC - HAGL have just announced business results for January 2023 with revenue of VND 509 billion, of which revenue from livestock, fruit trees and ancillary segments reached VND 206 billion, VND 197 billion, respectively. and 106 billion. After deducting taxes and fees, HAG's profit after tax is nearly VND 99 billion.

  HAGL said that in the context of pork prices still remaining low, in return for the increase in banana prices and high banana output as expected, the group's business results in January 2023 achieved positive results.

Breaking News



- IDV plans to issue more than 5 million shares paying 20% dividend. The ex-rights date is February 22, 2023.
- TPB, TPBank closed the right to pay 25% cash dividend. The ex-rights date is February 20, 2023.
- ACB is planning to pay a dividend at the same rate in 2021 as 25%, but the ratio in cash and in shares has not been determined and must wait for the SBV's opinion.

Business news

- **VHC,** Vinh Hoan JSC has just announced its business results for January 2023 with export revenue down 45% y/y to VND 462 billion, the lowest since March 2021 and the third consecutive month recorded negative revenue growth. All categories recorded a sharp decline in revenue, of which pangasius decreased by 44% to VND 273 billion.

  In terms of export market, the US (the main importer of Vinh Hoan's products) decreased by 65% to 117 billion VND, the European market also decreased by 28%. Revenue in the domestic market also decreased by 34% to VND 140 billion. Meanwhile, the Chinese market improved by 22% to VND 32 billion thanks to the open-door policy, but its contribution to the overall revenue was not large.

  According to VASEP, in January 2023, seafood exports continued to decline sharply following the trend of the last quarter of last year plus the occasion of the Lunar New Year holiday.
- DGW, the Board of Directors of Digital World Joint Stock Company (Digiworld) has just approved the business plan for 2023 with VND 25,109 billion in revenue and VND 787 billion in profit after tax, 14% and 15% higher than 2022, respectively.
- NVL, Petroleum Securities (PSI) requested Novaland to remedy the non-payment of a bond batch of VND 1,000 billion. Bonds of VND 1,000 billion issued by Novaland on August 12, 2021. This is a mobilized fund advised by PSI, which is also a representative organization of bond owners and a security asset management agent.
- FLC proposed HOSE to reconsider the delisting of nearly 710 million shares. One of the serious effects from the above incident is that for a long time, FLC Group could not find an auditing company that approved to audit FLC's financial statements.
- HAX, Haxaco completed the conversion of bonds code HAXH2223001 into 15 million shares, ratio 12:100 (12 bonds converted into 100 shares). Haxaco's charter capital will increase by 150 billion VND from 569 billion VND to 719 billion VND..

Technical view



Trend: Find the balance zone

- The index regained the green color today although the trade was still quite struggling. The bounce to the ceiling in Public Investment group brought light to the market, even so, this group did not contribute much to the index's gain. This shows that the money flow is quite divergent and the index still lacks support, the spreading momentum from there is also more limited. The positive point is that today's order matching was higher compared to the previous session, showing that the money flow accepted to participate at the current price range, creating a basis for a balanced market. In general, the volume signal improves along with RSI, MACD recovering slightly, showing that the market will have technical retracements. However, it should be noted, the index is still moving in a down phase so it may reverse at any time, need more signal to break out of resistance at 1,060 points for confirmation. The retracement pace is only suitable for short-term surfing positions.

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

16/2/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
LCG	Watch							Break out, Volume consensus
C4G	Watch							Breaking out of the correcting trend, surpassing the daily MA, the volume improves
BCC	Watch							Bouncing up from the 20-day MA, the volume spikes
HT1	Watch							Breaking out of the correction trend, the volume spikes
NT2	Watch							Breaking out of the correction trend, the volume spikes
PC1	Watch							Testing the 20-day MA
BID	Watch							Good reaction around 20-day MA

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
PVS	Hold	24.3	26	23	7%	-5%	24.7	2	1.65%	14/02/2023	
PLX	Hold	38	42	36	11%	-5%	38.75	6	1.97%	08/02/2023	
VRE	Hold	29	32	27.5	10%	-5%	28.35	11	-2.24%	01/02/2023	

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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