MORNING CALL

February 17th, 2023

Shinhan Securities

"Recovering but diverging, the index approaches the resistance area of 1,060 – 1,080 points"

- ❑ Global stocks fell again after US PPI data rose more than expected
- ❑ Domestic stocks kept in green but order matching dropped
- ❑ Update Business Results #TNG #HAH #IBC
- ❑ Technical view and recommendations #PVS
- ❑ Economic calendar
- ❑ Q&A

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Open Account

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

Major stock markets fell again

- All three major US indexes finished in the red on Thursday, after better-than-expected producer's inflation report raised worries that the Fed will take its monetary policy tightening further. The Dow lost more than 400 points, while the S&P 500 and Nasdaq 100 were down almost 1.4% and 1.8%, respectively.
- Asian equity markets fell on Thursday, tracking Wall Street lower as stronger-than-expected US economic data and hawkish remarks from Fed officials who hinted at another 50 basis point rate hike rattled financial markets. In Australia, RBA's Lowe also said further rate increases would be needed to tame sky-high inflation. Shares in Australia, Japan and South Korea all declined.
- Producer prices for final demand in the US increased 0.7% month-over-month in January of 2023, the most in seven months and higher than market forecasts of 0.4%. Goods prices jumped 1.2%, also the largest increase since rising 2.1% in June 2022, led by a 6.2% surge in gasoline cost.
- Housing starts in the United States fell by 4.5 percent from a month earlier to a seasonally adjusted annualized rate of 1.309 million in January of 2023, the lowest since June 2020 and well below market expectations of 1.36 million.
- The Netherlands' seasonally adjusted unemployment rate inched to 3.6% in January 2023 from 3.5% in the previous month.
- DXY turns positive after PPI data. The dollar index turned positive and rose to above 104 on Thursday, approaching a 6-week high after stronger-than-expected producer price inflation reinforced expectations that the Federal Reserve will need to extend its tightening cycle.
- WTI crude oil futures fell below $78 a barrel on Thursday, as concerns about sluggish near-term demand, particularly in the US, prompted investors to unwind some long positions after a rally that saw prices hit a peak of almost $81 on February 13th.

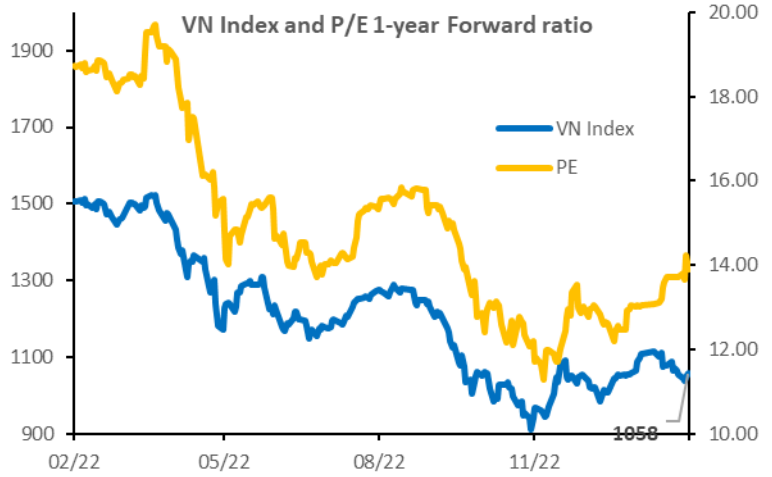
Market

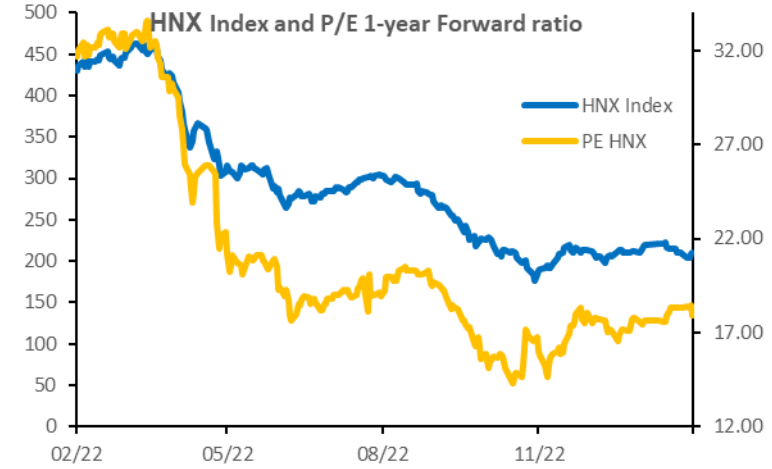
	Close	%1D	%1M	%1Y
VN-Index	1,058	0.96%	-2.76%	-29.82%
S&P 500 Index	4,090	-1.38%	2.28%	-8.59%
Dow Jones Index	33,697	-1.26%	-1.77%	-3.54%
GP 100	8,013	0.18%	2.06%	6.30%
Nikkei 225	27,696	0.71%	5.96%	1.70%
SHCOMP Index	3,249	-0.96%	0.77%	-6.31%
STOXX 600	465	0.19%	1.92%	0.15%
KOSPI Index	2,457	-0.76%	3.25%	-10.48%
Hang Seng	20,988	0.84%	-2.73%	-15.35%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.86	-0.06%	1.62%	8.52%
USD/VND	23,659.00	-0.19%	-0.91%	-3.79%
EUR/USD	1.07	-0.09%	-1.15%	-6.14%
USD/CNY	6.86	-0.04%	-1.74%	-7.59%
Brent	85.14	-0.28%	0.81%	-10.20%
WTI	77.84	-0.83%	-2.92%	-15.17%
Natural gas	2.41	0.75%	-32.88%	-46.34%
Coal	214.00	-2.68%	-41.97%	-9.13%
Gold	1,833.34	-0.16%	-3.95%	-3.43%

Vietnam Market Snapshot 16/02/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,058.29	13.77	10.09	0.96	393	6,827
HNX INDEX	210.84	15.98	2.87	1.38	69	1,108

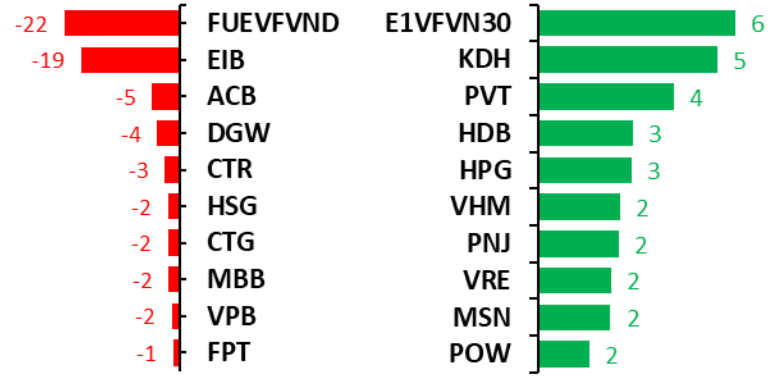
Money flow and sector rotation (VND bn)

Sector	%1D	2/16/2023	2/15/2023	20-session Average
Insurance	62.95	37	23	44
Utilities	51.55	178	117	177
Basic Resources	33.48	1,278	957	1,104
Oil & Gas	32.53	175	132	112
Personal & Household Goods	21.45	100	82	117
Industrial Goods & Services	14.59	304	265	432
Automobiles & Parts	9.63	64	59	77
Media	5.06	1	1	1
Health Care	3.56	9	9	16
Chemicals	0.81	260	258	380
Financial Services	-0.2	729	730	1,099
Retail	-5.3	127	134	281
Food and Beverage	-22.7	419	543	723
Banks	-26.2	1,451	1,966	2,264
Travel & Leisure	-26.3	26	36	63
Construction & Materials	-29.9	543	775	662
Technology	-34.6	40	60	89
Real Estate	-35.8	1,085	1,689	1,438

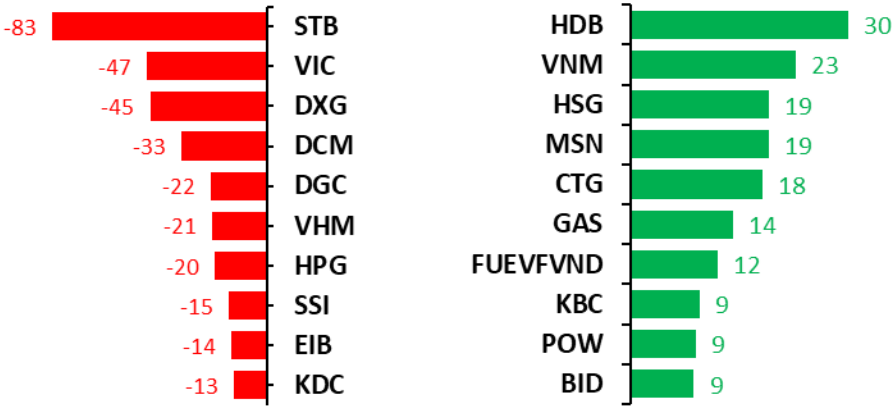
Source: Bloomberg, Sinhan Securities Vietnam

Vietnam Market Snapshot 16/02/2023

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	14	(94)	87	6
Basic Resources	1	4	36	(40)
Media	-	0	(0)	(0)
Industrial Goods & Services	6	(24)	1	23
Health care	(0)	0	(0)	(0)
Chemicals	0	(55)	74	(20)
Financial Services	(16)	3	5	(9)
Travel & Leisure	1	7	(5)	(1)
Banks	(26)	(43)	240	(198)
Construction & Materials	(3)	14	(14)	(1)
Food and Beverage	4	34	(33)	(2)
Retail	(5)	1	(3)	2
Utilities	2	21	(22)	1
Personal & Household Goods	2	(2)	2	0
Technology	(1)	0	0	(0)
Automobiles & Parts	(0)	2	(19)	17
Insurance	0	8	(8)	(0)
Oil & Gas	0	12	(4)	(8)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- Economists of Moody's said that Vietnam's inflation peaked in the first quarter of 2023, then gradually decreased.
- The 3-section Ring Road project through Binh Duong province is expected to start construction on the occasion of April 30, 2023.
- According to Alltech, Vietnam ranks 8th in the world in animal feed production.

Less positive

- In January 2023, Vietnam's rubber exports decreased by 30% in volume and 44.9% in value over the same period in 2022.
- 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.

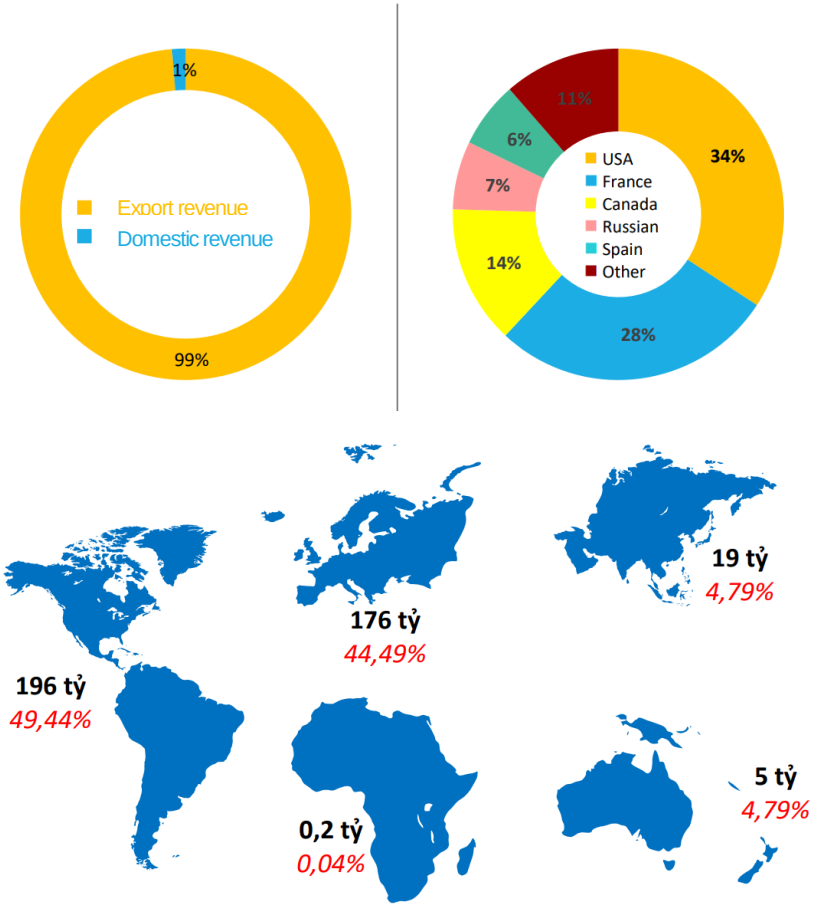


Business news

- **HAH,** Hai An Transport and Handling JSC has just announced the audited consolidated financial statements for 2022. Accordingly, in 2022, HAH's net revenue reached VND 3,206 billion, up 64% over the same period. Minus cost of goods sold, gross profit reached VND 1,422 billion, nearly double 2021. Gross profit margin also increased to 44.35%, compared to 36.5% last year. As a result, HAH's NPAT reached VND 1,041 billion, an increase of 89% compared to the implementation in 2021, EPS in 2022 reached VND 11,306.

  HAH's business in 2022 is also affected by the incident of Hai An City ship being collided by Orion Express in the waters of the Bay of Bengal on April 14, 2022. The company estimates the loss value from this problem to be about VND 200 billion. The compensation for loss will be considered and evaluated by PVI Insurance Corporation. PVI has advanced compensation of about VND 16 billion. The rest (about 134 billion VND) HAH is still working with PVI to agree on the amount of compensation.
- **IBC,** According to the consolidated financial statements of Q4/2022 of Apax Holdings Investment JSC, the revenue was negative VND 46 billion while the same period reached VND 352 billion. During the period, revenue from financial activities and selling expenses were all negative. Financial and administrative expenses also increased compared to the previous period, but the company did not have explanation for these expenses. Deducting expenses, Apax Holdings lost VND 93 billion after tax.
- In the whole year of 2022, the company achieved 1,336 billion VND in revenue, up 35% compared to the previous year. Net loss of VND 87 billion while last year's profit was VND 11 billion, this is the highest loss of the company ever.
- KBC, Goertek - one of Apple's largest partners signed a Memorandum of Understanding to lease 62.7 hectares in Nam Son - Hap Linh Industrial Park of Kinh Bac.
- FRT, Mr. Nguyen Viet Anh, Deputy General Director of FPT Retail has just registered to sell 300,000 FRT shares to reduce the holding from 0.69% to 0.44%. The transaction is expected to take place from February 20 to March 20, 2022.
- DGW, Digiworld's leader, revealed that it will conduct two M&A deals in 2023. Net profit margin is expected to be at 3.13% in 2023 and a slight improvement compared to the previous year thanks to the increased contribution of non-ICT segments.

Revenue structure

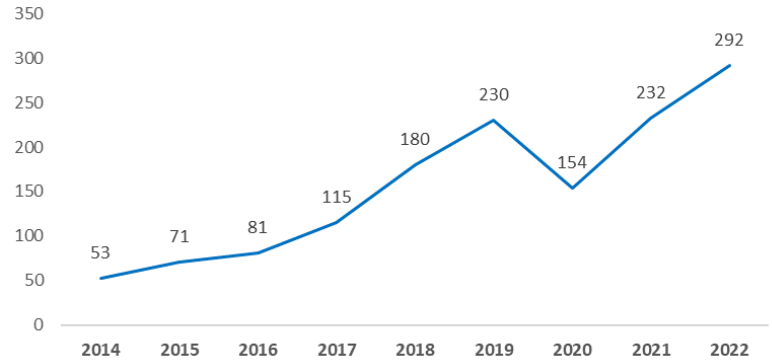


Source: IR TNG

TNG exceeded sales target in January 2023

- In January 2023, TNG Investment and Trading JSC recorded sales revenue of nearly VND 397 billion, completing 105% of the plan (VND 377 billion). In which, export revenue accounted for 99%, with key markets such as the US (34%), France (28%), Canada (14%). The remaining markets include Russia at 7% and Spain at 6%.
- In 2023, the Board of Directors of TNG approved the production and business plan with the target revenue of VND 7,500 billion and profit of VND 337 billion, up 11% and 16% respectively compared to 2022. The minimum dividend level is 16%. .
- Previously, the company also just announced the consolidated financial statements for the fourth quarter of 2022 with net revenue of nearly VND 1,516 billion, up 11% over the same period. As a result, TNG's after-tax profit reached VND 60.3 billion, a slight decrease compared to the same period last year.
- For the whole year of 2022, revenue at TNG reached VND 6,778 billion, up 24.5% over the same period. Deducting expenses, profit before tax was recorded at VND 358 billion, up 27% compared to 2021. This is also the highest profit achieved by TNG.

Profit after tax of TNG
(billions VND)



Source: Compiled from financial statements

Technical view



Trend: Find the balance zone

- The green color continued to be maintained in today's session, however, order matching decreased compared to the previous session. This shows that buying momentum has slowed down attached short positions waiting to sell. Technically, the RSI has recovered above the 50 level along with the MACD showing a narrowing signal with the signal line, reinforcing for the balance zone. The market is likely to see a technical pullback with the target of 1,080 points, this is also a short term resistance area. Note that the index is still moving in the decreasing phase and there is not enough signal to confirm the exit of the channel, the rising and falling pace may intertwine with each other. Therefore, investors can accumulate positions with a small proportion in shaking sessions and limit excitement.

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

17/2/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
C4G	Watch							Breaking out of the correcting trend, surpassing the daily MA, the volume improves
LCG	Watch							Break out, Volume consensus
VCG	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
HPG	Watch							Good reaction around 20-day MA
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	Sell	24.3	26	23	7%	-5%	26.4	3	8.64%	14/02/2023	Hit target
PLX	Hold	38	42	36	11%	-5%	39	7	2.63%	08/02/2023	

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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