MORNING CALL

February 20th, 2023

Shinhan Securities

"Money flow returns to Midcap group, expecting a short-term recovery"

- Global stocks lost momentum, selling pressure returned
- Domestic stocks balance, money flow returned to Midcap group
- Update Conference to promote healthy and sustainable real estate market on the morning of February 17
- The Fed may raise interest rates more aggressively in the upcoming meeting
- Technical view and recommendations #C4G #LTG
- Economic calendar

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Open Account

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

Major stock markets lost momentum

- Global stocks cooled. On Wall Street, the consumer price index (CPI) in the US fell more slowly along with the PPI producer price index rising more than expected, suggesting that the decline in inflation is slowing, raising fears thatThe Fed will further tighten its monetary policy. Europe is more prosperous, inflation in the UK has fallen more than consensus and the European Commission (EC) has just raised its growth forecast for the Eurozone in 2023 has boosted optimism. As for Asia, investors are re-evaluating the prospect of China opening up, in addition to watching new interest rate raising policies from major central banks. At the end of the week, Dow Jones, S&P 500 fell slightly by 0.1% and 0.3%. European stocks narrowed gains with Stoxx Euro up 1.4% after a strong start to the week. Asian stocks mostly dropped, led by Hang Sen and Shanghai with a drop of 2.2% and 1.1%, respectively. Nikkei also traded in the red as it lost 0.6%.
- Thailand's gross domestic product (GDP) expanded by 1.4% yoy in Q4 of 2022, below the market consensus of 3.5% and easing from an upwardly revised 4.6% growth in Q3. This was the 5th consecutive period of rise, but the weakest pace in the sequence, due to a slowdown in both private consumption (5.7% vs 9.1% in Q3) and fixed investment (3.9% vs 5.5%).
- Singapore's non-oil domestic exports (NODX) slumped by 25% yoy in January 2023, worse than market forecasts of a 22% drop and after a 20.6% plunge in December 2022.
- According to data from Japan's Finance Ministry, the country's trade balance ran a deficit of 3.49 billion yen (about $26.1 billion) in January 2023, the highest level since 1979, mainly due to weak Chinese demand affecting its exports.
- In the spotlight this week, in the US, the focus will be on the FOMC Meeting minutes and speeches by Fed officials. Investors also closely watched PCE price index data, the second estimate of Q4 GDP growth. In addition, manufacturing and services PMIs will be released for major economies including the US, UK, France, Germany and Japan. Ultimately, central banks in South Korea, New Zealand and Turkey will decide on monetary policy.

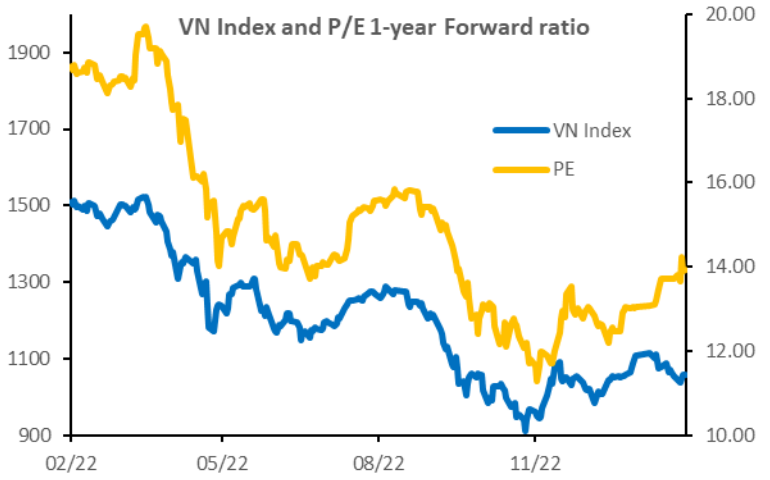
Market

	Close	%1D	%1M	%1Y
VN-Index	1,059	0.10%	-4.40%	-29.61%
S&P 500 Index	4,079	-0.28%	2.68%	-6.20%
Dow Jones Index	33,827	0.39%	1.35%	-0.74%
GP 100	8,004	-0.10%	3.01%	6.53%
Nikkei 225	27,469	-0.16%	3.45%	1.28%
SHCOMP Index	3,224	-0.77%	-1.25%	-7.64%
STOXX 600	464	-0.20%	2.69%	0.76%
KOSPI Index	2,433	-0.72%	1.60%	-11.33%
Hang Seng	20,720	-1.28%	-6.01%	-14.83%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.04	0.17%	1.99%	8.33%
USD/VND	23,725.00	-0.28%	-1.22%	-4.03%
EUR/USD	1.07	-0.20%	-1.68%	-5.63%
USD/CNY	6.87	-0.16%	-1.41%	-7.72%
Brent	83.07	0.08%	-5.20%	-11.19%
WTI	76.40	0.08%	-6.04%	-16.11%
Natural gas	2.23	-1.93%	-29.71%	-49.65%
Coal	209.35	-2.17%	-43.30%	-9.92%
Gold	1,837.74	-0.25%	-4.59%	-3.60%

Vietnam Market Snapshot 17/02/2023





	Close	PE	Difference	%1D	volume (mn stocks)	value (VND bn)
VNI NDEX	1,059.31	13.77	1.02	0.10	412	6,841
HNX INDEX	209.95	16.58	-0.89	-0.42	62	916

Money flow and sector rotation (VND bn)

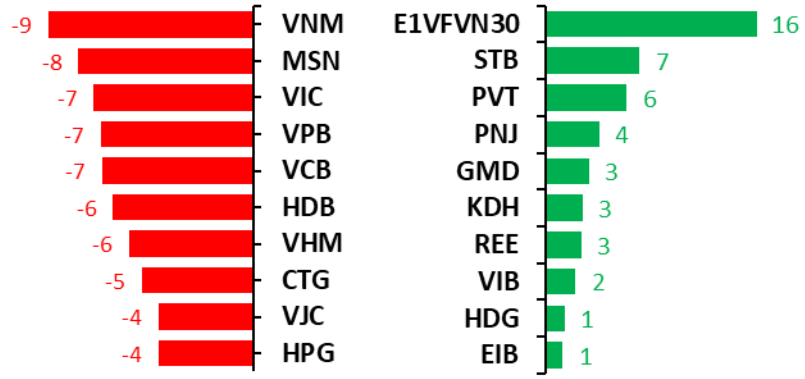
Sector	%1D	2/17/2023	2/16/2023	20-session Average
Construction & Materials	42.40	773	543	674
Insurance	34.12	50	37	44
Technology	31.78	52	40	88
Travel & Leisure	25.68	33	26	61
Banks	17.99	1,711	1,451	2,241
Real Estate	15.82	1,256	1,085	1,445
Retail	11.89	142	127	280
Automobiles & Parts	10.45	71	64	77
Food and Beverage	1.95	427	419	714
Chemicals	-4.8	247	260	380
Utilities	-9.4	161	178	177
Industrial Goods & Services	-11.2	270	304	421
Financial Services	-11.5	645	729	1,072
Personal & Household Goods	-12.6	87	100	117
Health Care	-20.9	7	9	15
Media	-30.0	0	1	1
Basic Resources	-37.1	803	1,278	1,108
Oil & Gas	-42.1	101	175	113

Source: Bloomberg, Sinhan Securities Vietnam

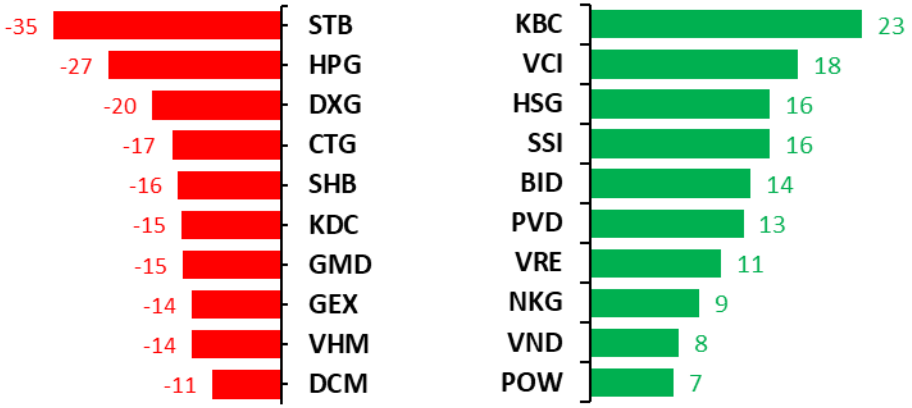
Vietnam Market Snapshot 17/02/2023

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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	(14)	13	13	(25)
Basic Resources	(5)	(1)	14	(13)
Media	-	-	0	(0)
Industrial Goods & Services	12	(25)	32	(7)
Health care	-	1	(0)	(0)
Chemicals	(0)	(12)	27	(15)
Financial Services	14	43	(41)	(3)
Travel & Leisure	(4)	5	(6)	2
Banks	(25)	(60)	55	5
Construction & Materials	(3)	2	8	(10)
Food and Beverage	(19)	(1)	(3)	4
Retail	(1)	0	5	(5)
Utilities	(2)	9	(11)	2
Personal & Household Goods	4	(4)	1	4
Technology	(4)	0	5	(5)
Automobiles & Parts	(0)	2	(1)	(0)
Insurance	(0)	4	(4)	(0)
Oil & Gas	(0)	14	(17)	3

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- For the whole year of 2022, the total rice export turnover is estimated at 7.17 million tons, equivalent to 3.49 billion USD, up 14.9% in volume and 6.2% in turnover over the same period last year.
- Ho Chi Minh City Department of Transport denied rumors of investing 12,000 billion VND in 4 routes in Thu Thiem Urban Area.
- The Tax Department of Ho Chi Minh City has just announced a 30% reduction in land rent and water surface rent payable in 2022 for those affected by the Covid-19 epidemic.

Less positive

- 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.
- The merchandise trade balance had a deficit of $39 million in the second half of January.
- In January 2023, Vietnam's rubber exports decreased by 30% in volume and 44.9% in value over the same period in 2022.

Business news

Update of the online conference to promote the healthy and sustainable development of the real estate market this morning of February 17:

- ✓ Prime Minister Pham Minh Chinh: Real estate businesses must be responsible for themselves, cannot face difficulties and still claim profits..., develop a sustainable market, no one rescues anyone.
- ✓ Prime Minister: The land, beautiful location and advantages must be prioritized for production and business.
- ✓ Prime Minister: It is necessary to find a balance between supply and demand for real estate.
- ✓ The Deputy Minister of Construction proposed that the Government arrange a credit package of about VND 110,000 billion according to the method of refinancing (similar to the VND 30,000 billion package that performed very well in the period 2013-2016).
- ✓ Governor of State Bank: There will be a credit package of VND 120,000 billion for social housing development. Besides, Ms. Nguyen Thi Hong also said that there is no separate credit room for real estate.
- ✓ Mr. Nguyen Thanh Tung, General Director of Vietcombank: It is necessary to bring the price level to a level suitable to the market.
- ✓ Novaland President Bui Thanh Nhon wants the Prime Minister to direct and select Aqua City as a pilot project to remove difficulties.



Dividend payment schedule for week 20 - 24/02/2023

Cash dividends

No.	Stock	Exchange	Ex-Right Date	Exercise Date	Ratio
1	NDP	UPCoM	23/02/2023	26/04/2023	5%
2	APF	UPCoM	23/02/2023	10/3/2023	15%
3	NTH	HNX	23/02/2023	13/03/2023	10%
4	DAD	HNX	23/02/2023	22/03/2023	15%
5	CLC	HOSE	23/02/2023	16/03/2023	15%
6	QTP	UPCoM	23/02/2023	9/3/2023	5%
7	DNC	HNX	21/02/2023	28/03/2023	15%
8	S4A	HOSE	21/02/2023	15/03/2023	6%
9	SMB	HOSE	20/02/2023	28/02/2023	10%

Stock dividends

No.	Stock	Exchange	Ex-Right Date	Record Date	Ratio
1	IDV	HNX	22/02/2023	23/02/2023	100:20
2	DBD	UPCoM	23/02/2023	24/02/2023	314:100

Business news

- PV Power has just updated its business results in January 2023 with total revenue of VND 1,712 billion, fulfilling 85% of the monthly plan. Contributing the most to PV Power's total revenue in January is Ca Mau 1 & 2 Power Plant (accounting for 47% of revenue structure). Followed by Nhon Trach 2 Power Plant and Vung Ang 1 Power Plant.

  According to POW leadership, the first month of 2023 is the time of the dry season in the North and the South, and the end of the rainy season in the South Central region. In addition, mid-January is the time of the Lunar New Year, the demand for load drops sharply, power plants (especially thermal power) operate with low output.
- DGW, Q1/2023, management expects DGW's revenue to drop by 43% and net profit by 38%. This was mainly due to a drop in demand for laptops, tablets and mobile phones - especially the iPhone 14 models. Management expects revenue and profit to grow again in the second half of 2023.

  Regarding the plan for 2023, DGW aims to achieve VND 25,109 billion in revenue and VND 787 billion in profit after tax, up 14% and 15% respectively compared to the implementation in 2022.
- MWG sets a target of net revenue of VND 135,000 - 150,000 billion and net profit of VND 4,200 - 4,700 billion in 2023, stopping opening An Khang and narrowing the AVASport and Bluetronics chains.
- TDC has just announced that it cannot afford to pay interest on bonds due, estimated to be 1 month behind the prescribed time.
- VCB, Real estate bad debt at Vietcombank is less than 1%.
- QTP was fined more than 110 million VND in tax.
- DVP forecasts a 12% drop in profits in the first quarter of 2023.
- CNG sets its 2023 profit after tax plan to be only 67% of the previous year.
- GAB shares will be suspended from trading in the near future.

Crude oil fell, steel and iron ore prices recovered.





- WTI crude oil fell 4% for the week to around $76 a barrel, pressured by lingering concerns about a potential recession-driven demand downturn. Hotter-than-expected US economic data fanned concerns of more Federal Reserve interest rate hikes that could weigh on demand at a time when inventories continue to rise. 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. At the same time, prices have also been under pressure after the US government announced plans to release 26 million barrels of oil from strategic reserves.

  Helping limit the downside, the IEA and OPEC raised their forecast for 2023 oil demand growth, citing higher consumption from China..

- Prices for iron ore cargoes with a 63.5% iron ore content for delivery into Tianjin rebounded to near the seven-month high of $130 touched on January 30th, as traders reassessed demand expectations from China amid its economic reopening. China's manufacturing sector rebounded after three months of contraction per NBS PMI data, supporting bullish sentiment. Also, the end of the zero Covid policy and large initiatives to spur construction activity, such as liquidity injections and new credit lines for developers, are expected to stimulate steel demand. On the other hand, Investors also remained cautious about taking long positions as Chinese authorities pledged to crack down on price speculation.

  On the supply side, cyclones and first-quarter mining maintenance programs threatened steady exports from top producer Australia.

Fed may raise interest rates more aggressively





There is a view from Fed officials that they need to raise interest rates more aggressively

- Cleveland Fed President Loretta Mester said she sees a "compelling economic case" to raise rates by 50 basis points and that the U.S. central bank is not stuck raising rates by 0.25 percentage points over the next few months. upcoming policy meeting.

  According to Mester, it is still too early to say specifically about the appropriate rate hike at the next Fed meeting on March 21 and 22, 2023.

- Fed President St. Louis James Bullard also stated that he would not rule out a half percentage point increase at the Fed's March meeting.

- In public statements, no other Fed official has spoken in favor of raising interest rates to the traditional 0.25% percentage point because they are trying to work out how much interest rates can be reduce inflation without causing too much economic impact.

- Goldman Sachs and Bank of America have just made a forecast that the US Federal Reserve (Fed) may raise interest rates three more times in 2023. This is an increase that is said to be higher than forecast 2. The bank's announcement came after new US economic data showed persistent inflation and a recovery in the labor market.

  ➢ The Dollar Index surged to 104 on Friday, a six-week high as US economic data was hotter than expected and hawkish comments from Fed officials. Besides, the US 10-year Treasury yields also rose above 3.8%, levels not seen in three months.

Technical view



Trend: Technical recovery

- The index has found a relatively balanced area around 1,050 points. The bright spot in this week's trade is the signal of buying demand accepting participation at low prices, along with a weaker upper selling supply. This is easy to push the market to recover in the short term. In general, the improved momentum in the mid-cap group caused many stocks to outperform the main index, which was affected by the currently quiet large-cap group. The prosperity can be mentioned as Public Investment, Oil and Gas, Garment. Particularly, the Finance and Real Estate groups recovered but were still under a lot of pressure. In terms of trading, it should be noted, the index still hasn't escaped the bearish channel, so the rallies tend to be technical retracements. A suitable entry position is surfing and euphoria should be avoided. The nearest resistance for the trend is at 1,080 points, while the current support is at 1,025 points.

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

20/2/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
LTG	Buy	27	30	25.5	11%	-6%	27.5	Breaking out of the correcting trend, surpassing the daily MA, the volume improves
C4G	Buy	11.5	14	10.5	22%	-9%	11.6	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	Sold	24.3	26	23	7%	-5%		4	9.05%	14/02/2023	
PLX	Hold	38	42	36	11%	-5%	38.6	8	1.58%	08/02/2023	

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

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Q&A

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