# MORNING CALL

February 21th, 2023

Shinhan Securities

## “The index successfully surpassed the resistance of 1,080 points, the spreading momentum improved”

- Global stocks diverge
- Domestic stocks rebounded strongly with large order matching, signal of "Follow Through Day”
- Update Business Results #MPC #ABB #HSG
- Technical view and recommendations #C4G #LTG
- Economic calendar
- Q&A


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# Global Market Review - Week 20/02 - 24/02/2023

## Major stock markets diverge

- US stock futures slipped in post-holiday trade on Tuesday as investors remain cautious about the prospect that the Federal Reserve will have to raise interest rates further to tame inflation, heightening the risk of a recession. Dow and S&P 500 futures fell 0.3%, while Nasdaq 100 futures lost 0.1%. Investors now look ahead to the latest FOMC meeting minutes on Wednesday and the Fed-preferred inflation gauge on Thursday that could guide the rates outlook.
- Asian stocks were green when the Central Bank of China (PBoC) decided to keep the basic lending rates for 1-year and 5-year terms unchanged. Accordingly, the basic 1-year loan interest rate in February in China will be 3.65%, unchanged. The basic 5-year loan interest rate was also kept unchanged at 4.3%.
- The central bank of Israel raised its key interest rate by another 50bps to 4.25% on February 20th 2023, above most analysts forecasts of a 25bps hike.
- The au Jibun Bank Japan Manufacturing PMI fell to 47.4 in February 2023 from a final 48.9 in the prior month, a flash reading showed. This was the fourth consecutive month of contraction in factory activity and the steepest pace since August 2020, as both output and new orders fell the most since July 2020 and foreign sales shrank at a steeper rate due to feeble global demand.
- The consumer confidence indicator in the Euro Area rose by 1.7 points to -19 in February of 2023, the highest in a year and in line with market expectations, preliminary estimates showed. Sentiment improved on expectations that inflation has slowed as the energy crises eased thanks to mild weather and the region would be able to avoid a recession this year.
- WTI crude futures climbed above the $77 per barrel mark, rebounding from an almost two-week low of around $75 touched last week, as investors weighed optimism about a recovery in Chinese demand against rising US supplies and persistent worries about a global economic slowdown.

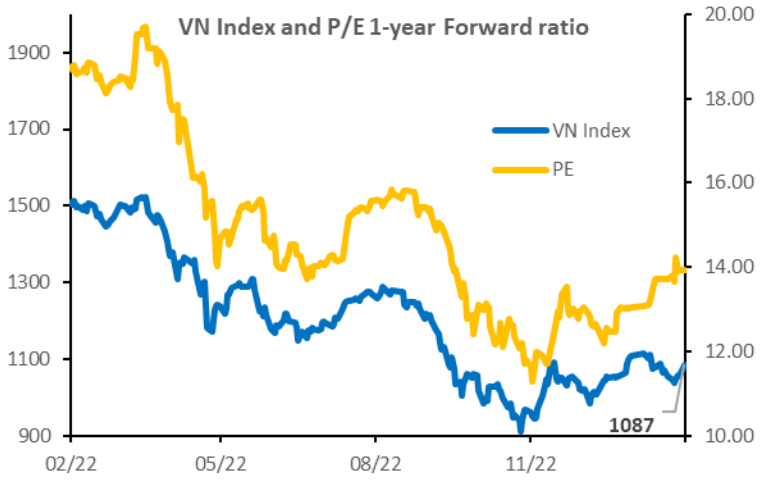
## Market

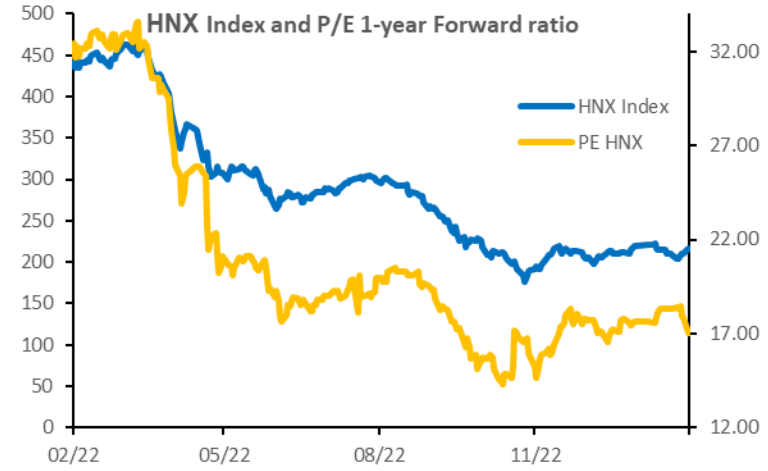
| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| VN-Index | 1,087 | 2.58% | -1.93% | -28.07% |
| S&P 500 Index | 4,079 | -0.28% | 2.68% | -6.20% |
| Dow Jones Index | 33,827 | 0.39% | 1.35% | -0.74% |
| GP 100 | 8,014 | 0.12% | 3.14% | 7.08% |
| Nikkei 225 | 27,492 | -0.14% | 3.53% | 2.16% |
| SHCOMP Index | 3,290 | 2.06% | 0.78% | -5.74% |
| STOXX 600 | 465 | 0.07% | 2.77% | 2.16% |
| KOSPI Index | 2,464 | 0.34% | 2.85% | -10.21% |
| Hang Seng | 20,887 | 0.81% | -5.25% | -13.58% |

## Currency & Commodity

| | Close | %1D | %1M | %1Y |
|---|---|---|---|---|
| Dollar Index | 103.86 | 0.00% | 1.81% | 8.14% |
| USD/VND | 23,817.00 | -0.39% | -1.57% | -4.14% |
| EUR/USD | 1.07 | -0.05% | -1.76% | -5.57% |
| USD/CNY | 6.86 | 0.20% | -1.03% | -7.59% |
| Brent | 84.07 | 1.29% | -4.06% | -10.12% |
| WTI | 77.05 | 0.93% | -5.24% | -15.39% |
| Natural gas | 2.24 | -1.67% | -29.52% | -49.51% |
| Coal | 205.65 | -1.77% | -41.40% | -11.49% |
| Gold | 1,843.00 | 0.09% | -4.56% | -3.32% |

# Vietnam Market Snapshot 20/02/2023




| | Close | PE | Difference | %1D | Trading volume (mn stocks) | Trading value (VND bn) |
|---|---|---|---|---|---|---|
| **VNI NDEX** | 1,086.69 | 14.13 | 27.38 | 2.58 | 600 | 10,411 |
| **HNX INDEX** | 215.83 | 17.29 | 5.88 | 2.80 | 92 | 1,435 |

## Money flow and sector rotation (VND bn)

| Sector | %1D | 2/20/2023 | 2/17/2023 | 20-session Average |
|---|---|---|---|---|
| Financial Services | 146.19 | 1,588 | 645 | 1,115 |
| Technology | 145.31 | 128 | 52 | 92 |
| Health Care | 140.85 | 17 | 7 | 16 |
| Media | 113.97 | 1 | 0 | 1 |
| Chemicals | 100.80 | 497 | 247 | 393 |
| Retail | 81.50 | 258 | 142 | 286 |
| Industrial Goods & Services | 75.06 | 472 | 270 | 429 |
| Automobiles & Parts | 73.03 | 123 | 71 | 81 |
| Basic Resources | 52.49 | 1,225 | 803 | 1,123 |
| Food and Beverage | 52.41 | 651 | 427 | 721 |
| Real Estate | 43.04 | 1,797 | 1,256 | 1,482 |
| Travel & Leisure | 40.83 | 46 | 33 | 61 |
| Utilities | 36.22 | 220 | 161 | 181 |
| Banks | 35.99 | 2,327 | 1,711 | 2,267 |
| Oil & Gas | 27.86 | 130 | 101 | 116 |
| Personal & Household Goods | 20.12 | 105 | 87 | 120 |
| Construction & Materials | 0.42 | 777 | 773 | 686 |
| Insurance | -10.1 | 45 | 50 | 46 |

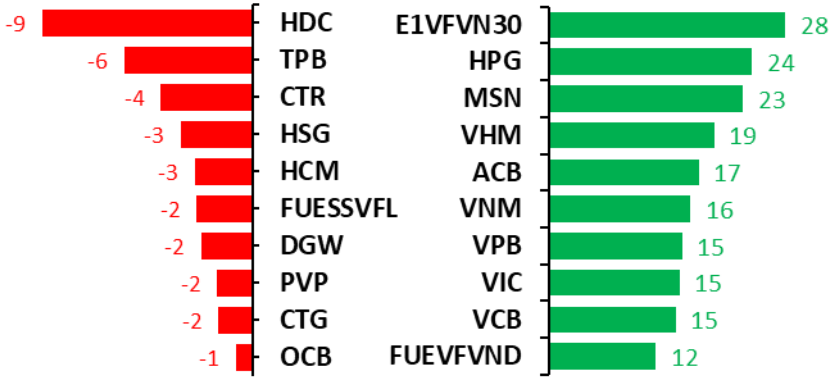
Source: Bloomberg, Sinhan Securities Vietnam



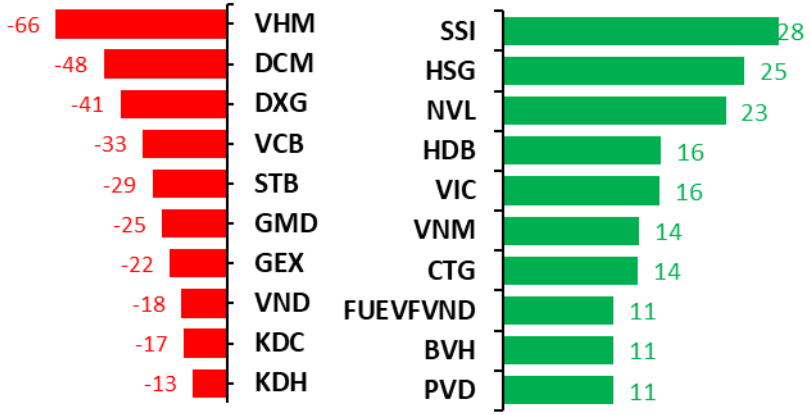
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# Vietnam Market Snapshot 20/02/2023

## 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 | 44 | (94) | 113 | (19) |
| Basic Resources | 20 | 46 | (76) | 30 |
| Media | - | 0 | (0) | (0) |
| Industrial Goods & Services | 7 | (43) | 29 | 14 |
| Health care | 0 | (1) | 0 | 1 |
| Chemicals | 1 | (53) | 85 | (32) |
| Financial Services | 47 | 39 | (58) | 20 |
| Travel & Leisure | 8 | 2 | (14) | 12 |
| Banks | 84 | (22) | (130) | 153 |
| Construction & Materials | (4) | (3) | 11 | (8) |
| Food and Beverage | 42 | 13 | (54) | 42 |
| Retail | 8 | (3) | (3) | 6 |
| Utilities | 10 | 6 | 12 | (19) |
| Personal & Household Goods | 6 | 2 | (1) | (1) |
| Technology | 10 | 1 | (11) | 11 |
| Automobiles & Parts | - | (1) | 18 | (18) |
| Insurance | 0 | 9 | (10) | 2 |
| Oil & Gas | 1 | 13 | (13) | (0) |

Source: Fiinpro, Shinhan Securities Vietnam

# Breaking News

## Macro

### Positive

- 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. This helps investors expect this to be the first step to revive the real estate market.
- 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.
- Vietnam is the only ASEAN country with large-scale offshore wind energy.
- Bloomberg: Vietnam is an attractive land for startups.

### Less positive

- PouYuen Company plans to cut 6,000 employees due to lack of orders.
- 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.
- 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

- MPC, Minh Phu Seafood Corporation has just announced its consolidated financial statements for the fourth quarter of 2022. Accordingly, the company recorded a net revenue of VND 2,554 billion, down by nearly half compared to the same period in 2021. However, the sharp decrease in COGS brought gross profit to VND 575 billion. This period, financial revenue of Minh Phu increased 9 times to VND 152 billion, financial expenses also increased 6 times to VND 154 billion. Deducting expenses, Minh Phu reported that profit before tax in Q4/2022 increased 3 times to VND 304 billion, profit after tax also increased sharply to VND 265 billion.

  In the whole year of 2022, the "shrimp king" achieved a revenue of VND 16,425 billion, up 21% compared to the results in 2021 and near the peak in the period of 2018 - 2019. Profit before tax increased by 21.4% compared to the previous year, reaching VND 944 billion, and net profit reached VND 829 billion - the highest level ever.

- ABB, Q4/2022, ABBank recorded a decrease in consolidated profit after tax of VND 321 billion, equivalent to -114% compared to the same period in 2021. As of December 31, 2022, the ratio of bad debt to outstanding loans increased from 2.34% at the beginning of the year to 2.88%. Bad debts at ABBank also increased in groups to more than VND 2,270 billion, notably, ABBank's potentially losing debt increased by 63% compared to the beginning of the year to more than VND 1,400 billion.

  Explaining the negative change in profit in Q4/2022, ABBank said that the decrease in income from government bond trading in 2022 is due to fluctuations in market interest rates. In addition, the foreign exchange business results of this bank also decreased compared to the previous period due to the risk of exchange rate fluctuations.

- VSC, Viconship plan to spend 2,250 billion VND to acquire Nam Hai Dinh Vu port. Of which, VND 1,050 billion was mobilized by the company from credit institutions, businesses and individuals, while the remaining VND 1,200 billion came from private placement. Accordingly, Viconship plans to issue 121 million shares.

# Breaking News



## Business news

- Hoa Sen has a business plan for the new year according to two options.

  Option 1 with the scenario of finished product output reaching 1.4 million tons, the planned revenue is VND 34,000 billion, down 32%. Profit after tax was only VND 100 billion dong, "going backward" to 60% of last year's performance.

  In the more optimistic scenario, the output will reach 1.5 million tons, the revenue can reach VND 36,000 billion, down 18% compared to the previous year. NPAT may grow by 20% to VND 300 billion.

- NVL, Novaland added collateral for a loan of VND 1,600 billion at MSB.

  Many businesses related to Novaland announced late payment of bond interest, such as Nova Final Solution JSC, Fuji Nutri Food JSC...

- EIB, Eximbank close the list of shareholders receiving 20% stock dividend, after nearly 10 years.

- CTG, VietinBank will hold the 2023 Annual General Meeting of Shareholders on April 21, 2023 in Hanoi. The last registration date to exercise the right to attend the General Meeting of Shareholders is March 10, 2023.

  Regarding business results in 2022, VietinBank recorded a pre-tax profit of VND 21,113 billion, up 20% compared to the previous year. The bank's after-tax profit reached more than VND 16,972 billion, up 19.4% compared to 2021. The bank's bad debt balance increased by more than 10% to VND 15,796 billion, however the on-balance sheet bad debt ratio decreased slightly from 1.26% at the end of 2021 to 1.24%.

- TVC held an extraordinary General Meeting of Shareholders, dismissed Mr. Pham Thanh Tung - Member of the Board of Directors, caught in the case of securities manipulation.

# Technical view




## Trend: Technical recovery

- After regaining the balance in the previous sessions, the market bounced strongly to close at the session high, most stocks traded in the green. The index broke out of MA20-day resistance around 1,080 points with matched orders exceeding 20-session average. The spread was also quite positive with the market breadth skewed in favor of the buyers. The MACD is also close to crossing the signal line along with the RSI recovering above 50, meaning that the trend is healthy. In general, the index has partly regained its gaining momentum, however, the psychological resistance of 1,100 points is quite near, therefore, investors who have accumulated previous positions can hold and wait for more reaction at 1,100 point area..

## Scenarios:

- Positive (60%): The index maintained its increasing inertia and broke out of 1,100 points, more optimistic than continuing to build momentum to move to 1,150 points.
- Less positive (40%): The index returned to retest MA20 around 1,080 points and lost this level, the previous bullish signal might be a bull trap, now the index may drop to the threshold 1,050 points and lower is the psychological threshold of 1,000 points.

# Recommended stocks

21/2/2023

Unit: thousand VND

## Today's watchlist

| | Recommendation | Buying price (+/- 1%) | Target | Cut loss | Upside | Downside | Current price | Signals |
|---|---|---|---|---|---|---|---|---|
| LCG | Watch | | | | | | | Break out, Volume consensus |
| VCG | Watch | | | | | | | Breaking out of the correcting trend, surpassing the daily MA, the volume improves |
| BCC | Watch | | | | | | | Break out, Volume consensus |
| HPG | Watch | | | | | | | Successfully tested the MA10-20 day area |
| NT2 | Watch | | | | | | | Bounced up after adjustment, volume improved |
| PC1 | Watch | | | | | | | Waiting to retest the old peak |
| CTG | Watch | | | | | | | Successfully tested the MA10-20 day area |

## Trading portfolio

| Ticker | Recommendation | Buying price (+/- 1%) | Target | Cut loss | Upside | Downside | Current price | T+ | Profit/Loss | Date | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| LTG | Hold | 27.5 | 30 | 25.5 | 9% | -7% | 28.3 | 1 | 2.91% | 20/02/2023 | |
| C4G | Hold | 11.5 | 14 | 10.5 | 22% | -9% | 11.9 | 1 | 3.48% | 20/02/2023 | |
| PLX | Hold | 38 | 42 | 36 | 11% | -5% | 39.4 | 9 | 3.68% | 08/02/2023 | |

# Economic calendar

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## February 2023

| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|---|---|---|---|---|---|---|
| 29 | 30 | 31 | 1<br>FOMC Statement (US)<br>Federal Funds Rate (US)<br>ISM Manufacturing PMI (US)<br>OPEC-JMMC Meetings | 2<br>BOE Monetary Policy Report (UK)<br>Monetary Policy Statement (Euro) | 3<br>Non-Farm Employment Change,<br>Unemployment Rate,<br>ISM Services PMI (US) | 4 |
| 5 | 6<br>RBA Rate Statement (Australia) | 7 | 8 | 9 | 10<br>GDP m/m (UK)<br>Prelim UoM Consumer Sentiment (US) | 11 |
| 12 | 13 | 14<br>CPI, Core CPI (US) | 15<br>CPI m/m (UK)<br>Retail Sales m/m (US) | 16<br>Derivatives contract maturity<br>PPI, Core PPI (US) | 17 | 18 |
| 19 | 20<br>Flash Manufacturing and Services PMI (UK) | 21<br>Flash Services and Manufacturing PMI (US)<br>CPI y/y (Canada) | 22<br>FOMC Meeting Minutes (US) | 23<br>Prelim GDP q/q (US) | 24<br>Core PCE Price Index m/m (US) | 25 |
| 26 | 27 | 28<br>Vietnam macro data<br>GDP m/m (Canada)<br>CB Consumer Confidence (US)<br>CPI, GDP (Australia) | 1 | 2 | 3 | 4 |

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# Q&A

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