MORNING CALL

February 22th, 2023

Shinhan Securities

"Global stocks reverse, will the domestic market find its own way"

- Global stocks fell again, the contrast in PMI data just released for major economies increased concerns about the Central Bank raising interest rates
- Domestic stocks cooled down, profit-taking pressure prevailed
- More information about two credit packages for the upcoming real estate market
- Update Business Results #PNJ #NVB #PVS
- Technical view and recommendations #PLX
- Economic calendar
- Q&A

[Analysts]

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

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

Open Account

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

Major stock markets diverge

- Wall Street tumbles. The Dow Jones lost 697 points, the S&P 500 shed 2% and the Nasdaq sank 2.5% on Tuesday as a renewed surge in Treasury yields and disappointing forecasts from heavyweight retailers added to concerns that inflation and higher interest rates have started hurting the purchasing power of US consumers. European equity markets fell on Tuesday, with the benchmark Stoxx 600 down 0.2% led by tech, auto and basic resources stocks while banks moved higher. Among single stocks, Credit Suisse tumbled more than 3% on news about financial regulator Finma reviewing the validity of the company's chairman's statement about outflows.
- The S&P Global US Composite PMI rose to 50.2 in February 2023, up sharply from 46.8 in the previous month and easily beating market expectations of 47.5, a preliminary estimate showed.
- PMI data for France and Germany show a contrast as manufacturing slows and services improve. The S&P Global Eurozone Composite PMI increased to 52.3 in February 2023, up from 50.3 in the previous month and easily beating market consensus of 50.6, a preliminary estimate showed. However , The S&P Global Eurozone Manufacturing PMI fell to 48.5 in February of 2023 from 48.8 in January, missing estimates of 49.3 to mark the eighth consecutive contraction of the bloc's factory activity.
- Existing home sales in the US which include completed transactions of single-family homes, town homes, condominiums and co-ops declined 0.7% to a seasonally adjusted annual rate of 4.0 million in January of 2023, a twelfth straight month of decreases, and compared to forecasts of 4.1 million.
- The yield on the US 10-year Treasury note, seen as a proxy for global borrowing costs, topped 3.9%, a level not seen in three months.
- WTI crude futures fell below the $77 per barrel mark on Tuesday as lingering concerns about a recession-driven demand downturn offset prospects of tighter global supplies. 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.

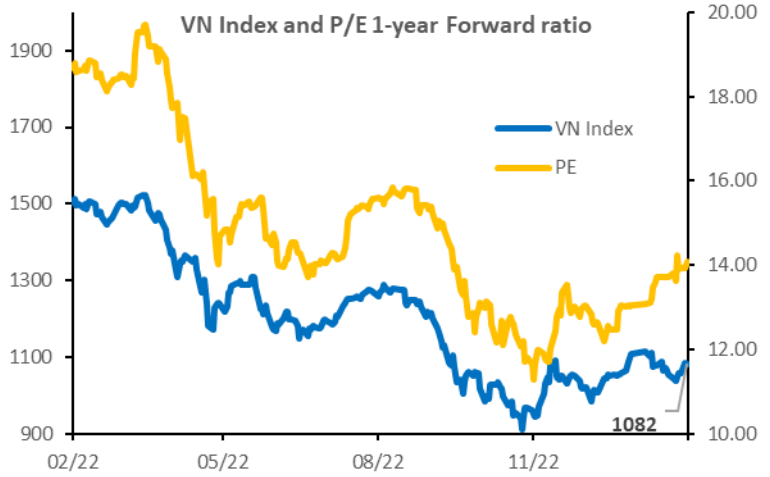
Market

	Close	%1D	%1M	%1Y
VN-Index	1,082	-0.41%	-2.33%	-28.02%
S&P 500 Index	3,997	-2.00%	0.62%	-8.08%
Dow Jones Index	33,130	-2.06%	-0.74%	-2.79%
GP 100	7,978	-0.46%	2.67%	6.45%
Nikkei 225	27,222	-0.92%	2.52%	2.92%
SHCOMP Index	3,307	0.49%	1.28%	-4.36%
STOXX 600	464	-0.19%	2.58%	1.90%
KOSPI Index	2,428	-1.25%	1.38%	-10.29%
Hang Seng	20,529	-1.71%	-6.87%	-12.71%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.18	0.30%	2.12%	8.47%
USD/VND	23,721.00	0.40%	-1.15%	-3.76%
EUR/USD	1.07	0.08%	-1.99%	-5.91%
USD/CNY	6.88	-0.35%	-1.38%	-7.91%
Brent	83.05	-1.21%	-5.23%	-12.94%
WTI	76.14	-0.29%	-6.36%	-17.55%
Natural gas	2.06	-0.87%	-35.26%	-54.31%
Coal	208.50	1.39%	-40.59%	-10.84%
Gold	1,836.65	0.09%	-4.89%	-3.27%

Vietnam Market Snapshot 21/02/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,082.23	14.05	-4.46	-0.41	628	10,282
HNX INDEX	214.08	17.18	-1.74	-0.81	87	1,255

Money flow and sector rotation (VND bn)

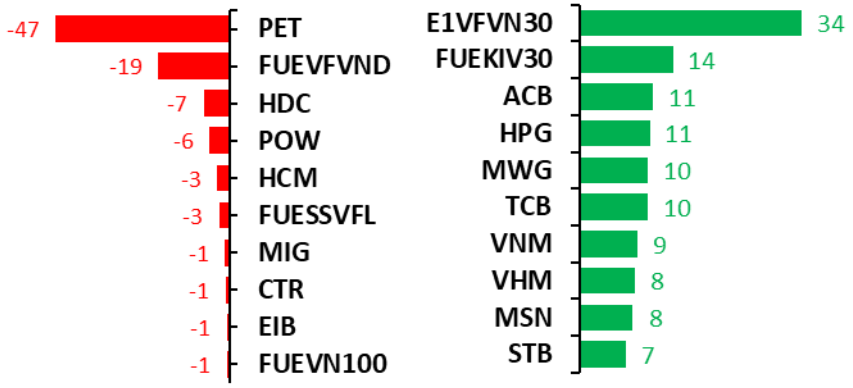
Sector	%1D	2/21/2023	2/20/2023	20-session Average
Media	182.69	3	1	1
Oil & Gas	62.51	211	130	120
Construction & Materials	57.92	1,226	777	712
Automobiles & Parts	38.31	170	123	85
Retail	10.93	286	258	290
Personal & Household Goods	10.90	116	105	122
Travel & Leisure	7.61	50	46	59
Industrial Goods & Services	6.69	504	472	432
Insurance	6.65	48	45	46
Real Estate	3.99	1,868	1,797	1,519
Food and Beverage	-2.6	635	651	722
Basic Resources	-3.2	1,186	1,225	1,105
Health Care	-8.3	16	17	15
Utilities	-9.0	200	220	180
Banks	-12.5	2,036	2,327	2,219
Chemicals	-15.1	422	497	397
Financial Services	-23.1	1,221	1,588	1,108
Technology	-35.1	83	128	91

Source: Bloomberg, Sinhan Securities Vietnam

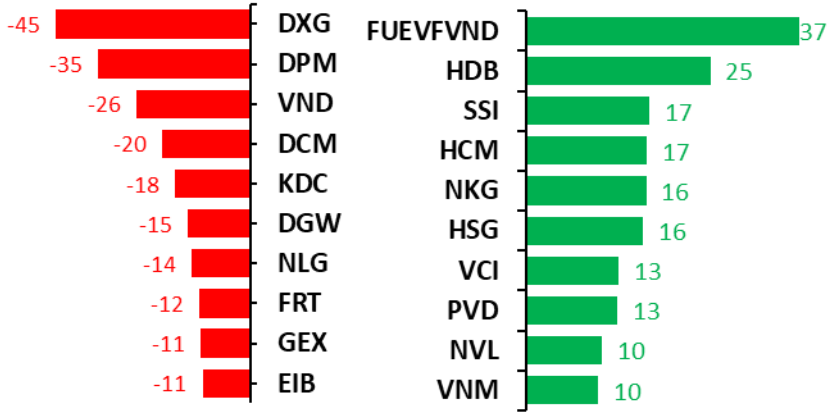
Vietnam Market Snapshot 21/02/2023

Shinhan Securities

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	18	(64)	73	(9)
Basic Resources	10	28	(43)	15
Media	-	(0)	(0)	0
Industrial Goods & Services	6	(32)	42	(10)
Health care	-	(2)	0	1
Chemicals	2	(71)	107	(36)
Financial Services	11	57	(8)	(49)
Travel & Leisure	4	7	(13)	6
Banks	57	6	(100)	94
Construction & Materials	(2)	7	(20)	13
Food and Beverage	19	(4)	(2)	5
Retail	(36)	(26)	16	11
Utilities	(4)	0	23	(23)
Personal & Household Goods	3	5	(5)	0
Technology	7	0	(6)	6
Automobiles & Parts	-	0	(2)	1
Insurance	(1)	4	(3)	(1)
Oil & Gas	(0)	13	(13)	(0)

Source: Fiinpro, Shinhan Securities Vietnam

Shinhan Securities

More information about the upcoming two credit packages for the real estate market



Photo: Construction Newspaper

➢ Thus, it can be understood that the credit package of VND 110,000 billion proposed by the Ministry of Construction is implemented by the method of refinancing. And this package has not been passed yet. The 120,000 billion package is a commitment program of four state-owned commercial banks with preferential interest rates (lower than the market), details of allocation have not been specified. However, the State Bank said that it will lend to credit institutions participating in this package to make up for the shortfall in payment.

Package 110,000 billion VND

- Deputy Minister of Construction Nguyen Van Sinh proposed the Government to arrange a credit package of about VND 110,000 billion by the method of refinancing (similar to the VND 30,000 billion package that was done very well in the previous period 2013-2016) for commercial banks to lend to social housing projects and worker housing.
- Specifically, about 50% of the credit package, equivalent to VND 55,000 billion, will be given to project investors for preferential loans. The remaining 50% of the credit package, equivalent to VND 55,000 billion, is for borrowers, buyers, and renters of social housing and worker housing.
- According to Dr. Can Van Luc, in terms of interest rates, the 110,000 billion package included in the loan program to buy social housing, housing for workers will have an annual interest rate of 4.8 - 5% like home loan packages in society that the Bank for Social Policies is still doing.

Package 110,000 billion VND

- At the conference, Governor of the State Bank (SBV) Nguyen Thi Hong announced that he had met with 4 state-owned commercial banks. (Vietcombank, VietinBank, BIDV, Agribank). Accordingly, these banks also agreed to dedicate a credit package for social housing for workers and low-income people worth 120,000 billion VND with lower interest rates for both builders and home buyers. from 1.5-2% average lending interest rate of banks in the market in each period.
- The interest rate of the package of VND 120,000 billion is only 1.5-2% lower than the market rate. Thus, considering the current interest rate, it is possible that this interest rate is still high, around 10%.

Breaking News

Macro

Positive

- Prime Minister: Must disburse at least 95% of more than 711 trillion VND of public investment capital in 2023.
- According to the General Department of Customs, in the first half of February 2023, Vietnam exported 76,934 tons of rubber, equivalent to 108.55 million USD, up 95% in volume and 55% in value over the same period in 2022.

Less positive

- In January 2023, Vietnam's seafood export turnover reached 456 million USD, down 48% over the same period in 2022.
- Asian central banks may need to continue raising interest rates if core inflation has not shown signs of cooling down to target, according to the International Monetary Fund (IMF).
- 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.



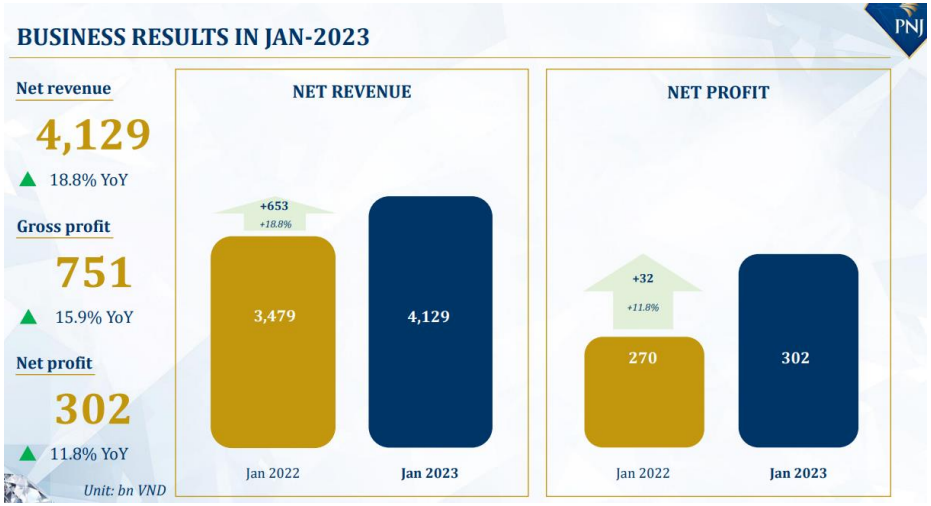
Business news

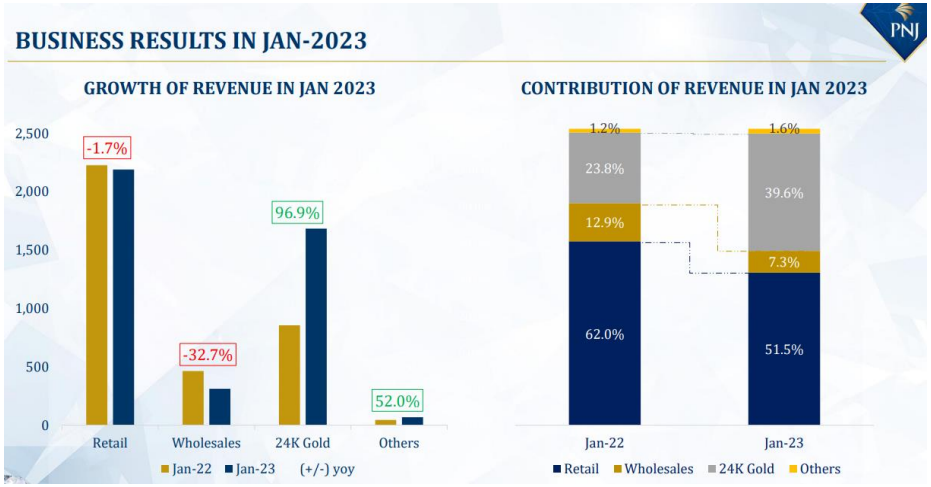
- **NVB:** In the whole year of 2022, NCB's net profit from business activities reached more than VND 309 billion, down 59% compared to the previous year. During the year, the Bank spent more than VND 268 billion to make provision for credit risk along with VND 40 billion for the settlement according to the restructuring plan at the Bank. As a result, NCB earned VND 1.24 billion in pre-tax profit in 2022.

  Notably, NCB's bad debt ratio jumped to nearly 18% at the end of December 31, 2022. Debts likely to lose capital increased 7 times from VND 464 billion to VND 3,280 billion. Total bad debt increased 6.8 times from VND 1,248 billion to VND 8,555 billion compared to the beginning of the year.
- **PVS,** On February 10, Vietnam Petroleum Technical Services Corporation signed a joint development agreement with Sembcorp (Singapore) to develop offshore wind power projects and export electricity from power farms. This wind will be transported to Singapore via an undersea high-voltage cable from 2030.

  The agreement is part of Vietnam's electricity export strategy to Singapore. Although the project poses some challenges for PVS, the company considers the project feasible.
- PC1 announced winning Package 7. Construction of the supply line from the first point to G26 with the winning bid price of VND 79,755 billion. The contract performance period is 540 days, the contract type is fixed price. The above bidding package belongs to the Tuong Duong - Do Luong 220kV transmission line project invested by EVNNPT.
- DIG, Ms. Ha Thi Thanh Chau, sister-in-law of Chairman Nguyen Thien Tuan continued to register to sell 185,000 shares of DIG after selling only 65,000 shares out of 250,000 shares registered for sale previously.
- DXG approved the decision to transfer all shares held in Saigon Riverview JSC to Hoi An Investment JSC.
- HAX After converting bonds into shares, Ms. Vu Ngoc Diep Linh officially became a major shareholder of Haxaco.

Breaking News





Source : IR PNJ

- Compared to the very high base of 2022, in Jan 2023, PNJ recorded YoY growth in both revenue and profit: net revenue was at VND 4,129 bn (+18.8% YoY), and net profit was at VND 302 bn (11.8% YoY).
- Revenue growth by channel:
  - ✓ Retail jewelry sales in Jan 2023 were equivalent to that in 2022 (decreased by 1.7% YoY), while the number of trading days in Jan 2023 was 27 days on average compared to 31 days in 2022 (reduced by 13%) because of the Tet holiday.
  - ✓ Wholesale sales in Jan 2023 decreased by 32.7% YoY.
  - ✓ 24K Gold sales in Jan 2023 increased by 96.9% YoY because the God of Luck day of 2023 was in Jan, and the sales on the God of Luck day set a record of sales and the number of products.
- Blended gross profit margin in Jan 2023 was 18.2% compared to 18.7% in 2022, mainly due to changes in the retail product mix during the God of Luck campaign.
- Total operating expenses in Jan 2023 increased by 21.0% YoY. The total operating expense/gross profit ratio increased from 45.5% in Jan 2022 to 47.5% in Jan 2023 due to the cyclicality of Tet expenses and the higher price base due to inflation.
- As of January 31, PNJ has a total of 365 stores in 55/63 provinces, including: 344 PNJ Gold stores, 7 PNJ Silver stores, 3 CAO Fine Jewelery stores, 5 Style by PNJ stores, 3 PNJ Watch store and 3 PNJ Art stores. In the first month of 2023, the PNJ system opened a new PNJ Gold store.

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

22/2/2023

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	2	1.09%	20/02/2023	
C4G	Hold	11.5	14	10.5	22%	-9%	11.9	2	4.35%	20/02/2023	
PLX	Wait to sell	38	42	36	11%	-5%	40.6	10	6.84%	08/02/2023	RSI is overbought, near to target

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.