MORNING CALL

February 24th, 2023

Shinhan Securities

“The support at 1,040 points holds but the upward direction is still difficult”

- ❑ Global stocks recovered
- ❑ Domestic stocks narrowed their dropping momentum, temporarily holding the threshold of 1,040 points
- ❑ Profit in Q4/2022 of coal enterprises prospered #TC6 #MDC #CLM
- ❑ Technical view and recommendations
- ❑ 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 recovered

- The Dow Jones closed 111 points higher in a back-and-forth session on Thursday, and the S&P 500 and Nasdaq 100 added 0.5% and 0.7%, respectively, as investors digested a slew of economic data amid uncertainty over Federal Reserve policy future path. European equity markets recovered from two straight sessions of losses on Thursday, with the benchmark Stoxx 600 adding 0.1% and the German DAX rising 0.5%. Oil and gas stocks led gains in the Old Continent, and tech stocks also rebounded after chipmaker Nvidia issued a bullish outlook.
- The US economy expanded an annualized 2.7% on quarter in Q4 2022, slightly below 2.9% in the advance estimate, mainly due to a downward revision for consumer spending. On the other hand, private inventories and business investment rose more than initially anticipated. Considering full 2022, the economy grew 2.1%.
- The number of Americans filing for unemployment benefits fell by 3,000 to 192,000 in the week ending February 18th, below market expectations of 200,000, giving further evidence that the US labor market remains tight. This could force employers to raise wages to attract and keep staff, adding to further inflationary pressure in the world's largest economy.
- The consumer price inflation in the Euro Area was revised slightly higher to 8.6 percent year-on-year in January 2023, up from a preliminary estimate of 8.5 percent and well above the European Central Bank's target of 2.0 percent.
- The annual inflation rate in Japan rose to 4.3% in January 2023 from 4.0% in the prior month. This was the highest reading since December 1981, amid a rise in prices of imported raw commodities and yen weakness.
- WTI crude futures rallied almost 2% to trade above $75 per barrel on Thursday, looking set to snap two days of losses amid lingering concerns about tight global supplies. Russia has announced its plans to cut oil exports from its western ports by up to 25% in March, exceeding its announced output curbs of 500,000 barrels per day.

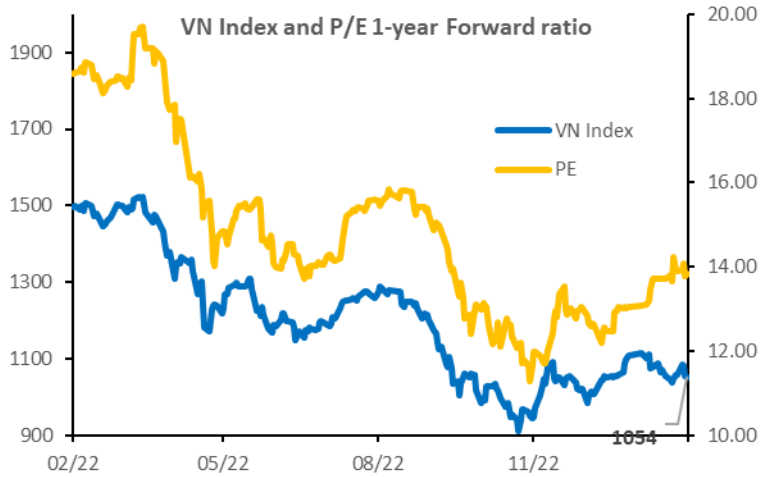
Market

	Close	%1D	%1M	%1Y
VN-Index	1,054	-0.06%	-4.91%	-29.51%
S&P 500 Index	4,012	0.53%	-0.19%	-5.05%
Dow Jones Index	33,154	0.33%	-1.41%	0.07%
GP 100	7,908	-0.29%	1.94%	9.72%
Nikkei 225	27,262	0.58%	1.32%	3.07%
SHCOMP Index	3,287	-0.11%	0.69%	-4.15%
STOXX 600	463	0.06%	2.01%	5.36%
KOSPI Index	2,444	0.18%	2.01%	-7.75%
Hang Seng	20,351	-0.35%	-7.68%	-11.14%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.60	0.01%	2.41%	8.74%
USD/VND	23,751.00	-0.04%	-1.27%	-3.87%
EUR/USD	1.06	0.05%	-2.63%	-5.28%
USD/CNY	6.91	-0.22%	-1.79%	-8.59%
Brent	82.21	2.00%	-6.78%	-15.11%
WTI	75.66	0.36%	-5.58%	-18.48%
Natural gas	2.34	0.99%	-28.27%	-48.84%
Coal	210.10	0.21%	-41.64%	-11.61%
Gold	1,825.09	0.15%	-5.80%	-4.14%

Vietnam Market Snapshot 23/02/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,053.66	13.67	-0.62	-0.06	596	9,793
HNX INDEX	209.31	18.52	-0.66	-0.31	82	1,291

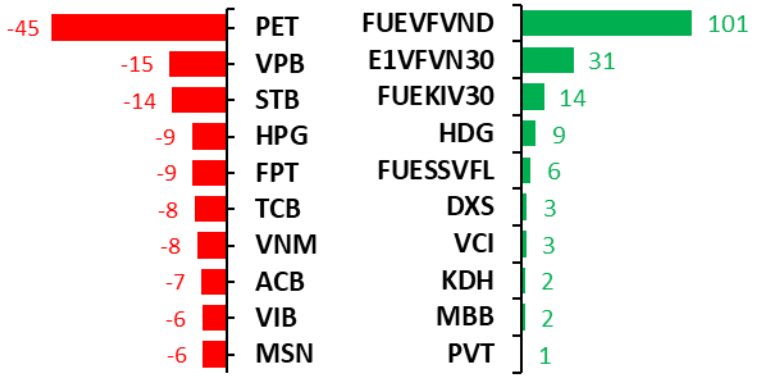
Money flow and sector rotation (VND bn)

Sector	%1D	2/23/2023	2/22/2023	20-session Average
Travel & Leisure	39.98	82	59	57
Technology	37.22	107	78	90
Health Care	37.09	20	15	15
Food and Beverage	2.05	706	691	699
Banks	0.42	1,946	1,938	2,181
Chemicals	-2.0	414	422	405
Insurance	-9.6	36	39	44
Automobiles & Parts	-16.1	103	122	88
Media	-16.3	4	5	1
Oil & Gas	-17.1	194	234	133
Personal & Household Goods	-17.3	87	105	120
Construction & Materials	-18.7	862	1,060	740
Basic Resources	-21.6	1,401	1,788	1,141
Financial Services	-22.3	1,303	1,676	1,107
Real Estate	-22.3	1,669	2,148	1,572
Utilities	-23.1	168	218	184
Industrial Goods & Services	-25.9	471	635	440
Retail	-39.2	222	364	288

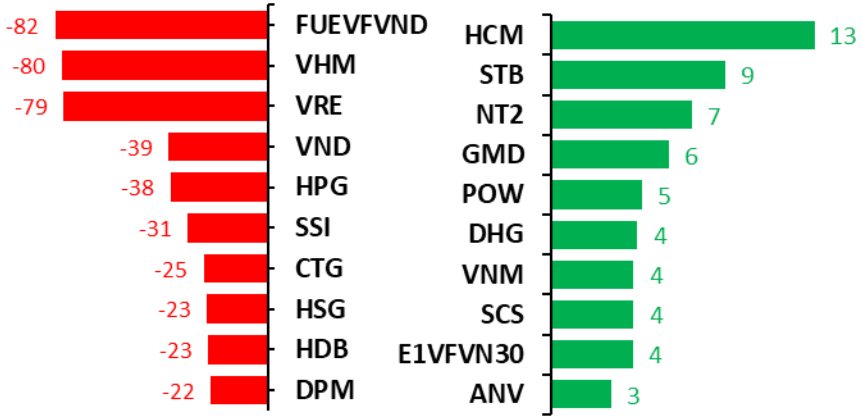
Source: Bloomberg, Sinhan Securities Vietnam

Vietnam Market Snapshot 23/02/2023

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	(3)	(238)	196	43
Basic Resources	(9)	(62)	142	(80)
Media	-	0	(0)	0
Industrial Goods & Services	0	(18)	20	(2)
Health care	-	3	(5)	2
Chemicals	0	(65)	88	(23)
Financial Services	135	(144)	128	16
Travel & Leisure	(3)	(0)	3	(2)
Banks	(67)	(101)	1	99
Construction & Materials	(4)	(19)	38	(19)
Food and Beverage	(15)	(31)	52	(21)
Retail	(50)	(8)	8	(0)
Utilities	(1)	6	(4)	(2)
Personal & Household Goods	(2)	2	6	(8)
Technology	(9)	(0)	(4)	5
Automobiles & Parts	-	(1)	1	0
Insurance	1	(1)	(4)	5
Oil & Gas	0	0	(19)	19

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- Framework Agreement on gas sale contract between O Mon II Power Company Limited and Vietnam Oil and Gas Group (PVN) has just been signed.

  When O Mon II Thermal Power Plant comes into operation, it will produce an average of about 6,300 GWh per year, creating jobs for more than 1,000 workers.

- The State Bank of Vietnam and the Ministry of Finance have directed the inspection and supervision of the insurance market to prevent the situation that bank employees "force" customers to buy insurance when taking out loans.

Less positive

- The export value of wood and wood products in January 2023 reached USD 806 million, down 38.4% from the previous month and down 48.6% over the same period.
- Russia suspended the nuclear arms control treaty (New START) with the US.
- In January 2023, Vietnam's seafood export turnover reached 456 million USD, down 48% over the same period in 2022.
- ECB President reaffirms interest rate hike by 0.5 percentage point for March meeting.



Business news

Profit in Q4/2022 of coal enterprises prospered

- TC6: Coal Coc Sau – Vinacomin recorded a slight increase in revenue of Q4/2022 by 8% y/y to VND 1,207 billion. Profit after tax is more than 10 times higher than Q4/2021 with VND 348 billion, contributing nearly 83% to the total profit in 2022 of the business. The company said that this quarter's profit increased sharply thanks to increased coal consumption, lower production costs. In addition, TKV Group also adjusted the output plan, production costs and adjusted the coal purchase price for the company in accordance with the specific conditions of deep mining of the mine.

  In general, in 2022, the net revenue of Coal Coc Sau reached VND 3,241 billion, up 21% over the same period last year, exceeding 3% of the 2022 revenue plan, after-tax profit was only VND 420 million, down 99% due to Q3 recorded a big loss.

- CLM: Coalimex's Q4/2022 consolidated report said net revenue reached VND 3,200 billion, 5 times higher than Q4/2021, profit after tax reached VND 44 billion, 5.3 times higher.

  In general, in 2022, Coalimex's net revenue reached VND 13,227 billion, 5 times higher than in 2021, profit after tax about VND 337 billion, 11 times higher.

  According to the explanation, the company said that in 2022, the high volume of imported and mixed coal will lead to a corresponding increase in profits. In particular, the company has successfully implemented a number of international bidding packages for supplying coal to domestic steel mills with high profit rates.

- MDC: Mong Duong Coal recorded Q4/2022 net revenue of VND 939 billion, up 69% over the same period in 2021. Profit after tax increased 9.2 times over the same period to VND 92.5 billion thanks to improved gross profit margin from 12% to 18%.

  In the whole year of 2022, Mong Duong Coal's net revenue reached VND 2,817 billion, up 22% compared to 2021, profit after tax reached VND 109 billion, 3.3 times higher.

Breaking News



- GAS: On February 17, PV GAS kicked off the Thi Vai LPG Tank Project.
- MBS targets total revenue and profit before tax in 2023 at VND 2,700 billion and VND 900 billion, respectively, up 37% and 36% compared to the previous year.
- BAF: On the morning of February 23, BaF Vietnam Agriculture JSC announced a strategic partnership and signed private contracts with the International Finance Corporation (IFC).
- IFC will provide a funding package of up to VND 600 billion of convertible bonds and VND 300 billion of common bonds to BAF, equivalent to about USD 39 million.
- GEX: Gelex completed buying back more than VND 150 billion of bonds before maturity.
- NVL: Petroleum Securities announces the event of cross violation 2 Novaland bond lots. The two bonds mentioned are NVH2224006 and NVLH2123014.

  Novaland informed that the delay in payment of interest and principal of bonds was due to the fact that the enterprise could not arrange payment sources. Currently, the company is still trying to come up with appropriate financial structure solutions.

Business news

- HNX named 54 enterprises that were late to pay bond principal and interest. Many familiar names such as Novaland, Apax English, Danh Khoi, Hung Thinh Incons, ... are on the list of HNX.
- LCG: Lizen JSC approved a plan to invest in machinery and equipment that can be up to VND 150 billion to serve new projects in 2023 - 2024.

  Previously, Lizen announced information on the closing date of the list of shareholders participating in the 2023 Annual General Meeting of Shareholders on March 10, the meeting is expected to be held on April 15.
- FPT: FPT Software (a member company of FPT Corporation) announced the acquisition of the entire Technology Services segment (IT Services), one of the strategic business segments of Intertec International - USA (Intertec).

  This deal is part of FPT Software's strategy of expanding global technology service centers, aiming to become a world-class billion-dollar technology company.
- KBC: City People's Committee. Hai Phong and Sai Gon-Hai Phong Industrial Park JSC (a subsidiary of Kinh Bac) signed a Memorandum of Understanding on cooperation in studying the investment project, construction and infrastructure business of Trang Due Industrial Park. 3 in An Lao district.

  The total investment of the above project is expected to be about 8,000 - 10,000 billion VND. According to the investor, Trang Due 3 Industrial Park will attract projects in the fields of electronics, electronic components, precision mechanics, especially large projects such as LG and LG's satellites.
- ACB: Dragon Capital has just bought 4 million ACB shares through member funds, raising its ownership rate to more than 8%.
- VHM: Vinhomes's two key projects in Hung Yen (The Empire and The Crown) are expected to bring in VND 61,500 billion in net profit in the period of 2023 - 2024.

Technical view



Trend: Increased risk

- Selling pressure continued to dominate during the session but bottom-fishing cash flow re-entered at the end of the afternoon, helping the index narrow the drop significantly. VN-Index closed creating a "Dragonfly Doji" candlestick pattern with high order matching above the 20-session average. In general, the bullish signal shows that the market has a good reaction at the short-term support of 1,040 points, which also corresponds to the lower edge of the trend channel. However, in the bigger picture, the gaining momentum has been violated so it will still be difficult for the index to recover in the following sessions. Moreover, the MACD is still below the signal line and pointing down along with the RSI has not risen above 50, meaning that the money flow is still weak. Therefore, today's bounce is not enough basis to confirm the reversal point, the appropriate strategy is still to lower the weight and stay out of observation.

Scenarios:

- Positive (40%): The index balanced above 1,040 points and created a recovery pace to 1,080 points, more optimistic than 1,100 points.
- Less positive (60%): The index losing the support level of 1,040 points might drop to retest the psychological level of 1,000 points and lower to the area of 950 points.

Recommended stocks

24/2/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
BSR	Watch							Waiting to test the 20-day MA
VCG	Watch							Waiting to test the 20-day MA
BCC	Watch							Retest the old peak
HPG	Watch							Waiting to test the 20-day MA
PC1	Watch							Retest the old peak

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	4	-2.55%	20/02/2023	
C4G	Hold	11.5	14	10.5	22%	-9%	11.9	4	0.87%	20/02/2023	

Economic calendar

Shinhan Securities

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.