MORNING CALL

February 28th, 2023

Shinhan Securities

"The decline hasn't stopped, index approaches the psychological threshold of 1,000 points might appear a technical retracement"

- Global stocks recovered slightly after the sell-off week
- Domestic stocks continued to decline, approaching the psychological threshold of 1,000 points
- Russia-Ukraine tensions escalate again
- Technical view and recommendations #LTG #C4G
- 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 27/02 - 03/03/2023

Major stock markets recovered slightly

The Dow closed 72 points higher on Monday, while the S&P 500 and Nasdaq 100 added 0.3% and 0.6%, respectively, after the worst weekly selloff of the year as investors digested new economic data and reassessed the outlook for monetary policy. The US Census Bureau reported that durable goods orders fell more than expected in January as consumers pulled back spending on big-ticket items.

European equity markets rose on Monday, after booking their worst weekly performance this year, with the DAX and the STOXX 600 adding 1.1% each. Travel and leisure stocks led gains in the Old Continent, rising more than 2%. Among single stocks, Commerzbank advanced almost 5%, as investors cheered the come back of its shares to Germany's blue-chip DAX index on Monday.

Pending home sales in the US unexpectedly surged 8.1% month-over-month in January of 2023, following a downwardly revised 1.1% rise in December and beating market forecasts of a 1% gain. It is the biggest hike since June of 2020, with contract signings increasing in all four major regions.

Retail sales in Japan rose by 6.3% yoy in January 2023, topping market forecasts of 4.0% and accelerating from a 3.8% growth a month earlier. This was the 11th straight month of increase in retail trade and the steepest pace since May 2021, as consumption strengthened further as the economy fully reopened following the removal of all pandemic restrictions.

WTI crude futures fell more than 1% to around $75 per barrel on Monday, as lingering concerns about a recession-driven demand downturn offset prospects of tighter global supplies. Hotter-than-expected US inflation data fanned concerns of more Federal Reserve interest rate hikes that could weigh on demand at a time when inventories continue to rise.

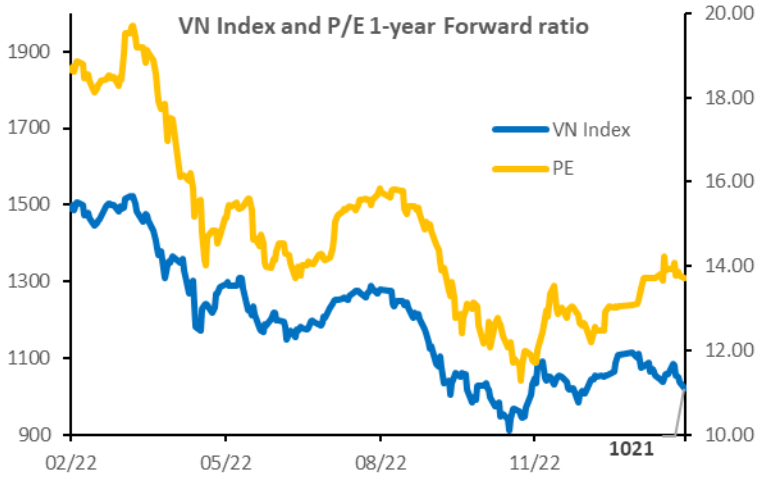
Market

	Close	%1D	%1M	%1Y
VN-Index	1,021	-1.76%	-8.09%	-31.47%
S&P 500 Index	3,982	0.31%	-2.17%	-9.18%
Dow Jones Index	32,889	0.22%	-3.20%	-3.43%
GP 100	7,935	0.72%	2.10%	6.39%
Nikkei 225	27,565	0.52%	0.87%	3.92%
SHCOMP Index	3,258	-0.28%	0.07%	-5.90%
STOXX 600	463	1.07%	2.07%	2.09%
KOSPI Index	2,426	0.97%	0.04%	-10.12%
Hang Seng	19,944	-0.33%	-8.69%	-12.19%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.67	-0.51%	2.69%	8.34%
USD/VND	23,805.00	-0.07%	-1.50%	-4.14%
EUR/USD	1.06	0.01%	-2.33%	-5.43%
USD/CNY	6.94	0.23%	-2.30%	-9.14%
Brent	82.45	-0.85%	-4.86%	-15.81%
WTI	75.75	0.09%	-3.96%	-20.86%
Natural gas	2.70	-1.17%	0.56%	-38.69%
Coal	196.50	-3.79%	-45.13%	-17.64%
Gold	1,817.57	0.02%	-5.75%	-4.79%

Vietnam Market Snapshot 27/02/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,021.25	13.27	-18.31	-1.76	472	7,456
HNX INDEX	203.27	17.91	-4.06	-1.96	70	944

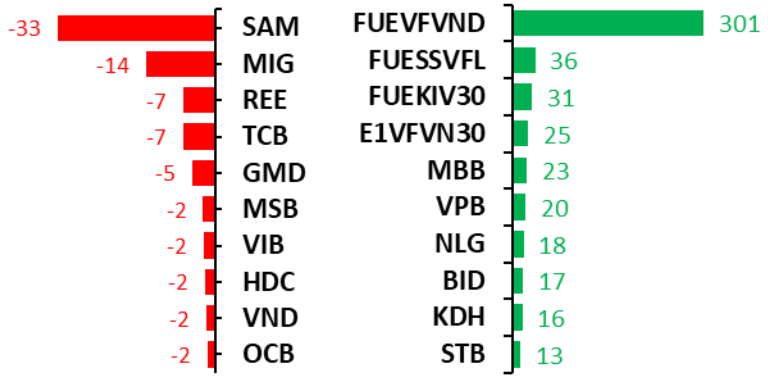
Money flow and sector rotation (VND bn)

Sector	%1D	2/27/2023	2/24/2023	20-session Average
Insurance	123.12	47	21	39
Technology	80.78	91	50	73
Basic Resources	64.19	1,185	722	1,063
Financial Services	57.15	982	625	984
Utilities	43.84	140	97	159
Construction & Materials	43.73	607	422	661
Oil & Gas	26.49	116	92	125
Retail	25.41	219	175	247
Real Estate	21.82	1,456	1,196	1,449
Automobiles & Parts	21.69	83	68	81
Industrial Goods & Services	15.81	280	242	378
Food and Beverage	13.94	515	452	614
Banks	11.68	1,331	1,192	1,878
Chemicals	8.53	262	242	371
Personal & Household Goods	-1.1	86	87	95
Health Care	-12.5	21	24	14
Media	-20.7	2	2	1
Travel & Leisure	-67.8	30	94	49

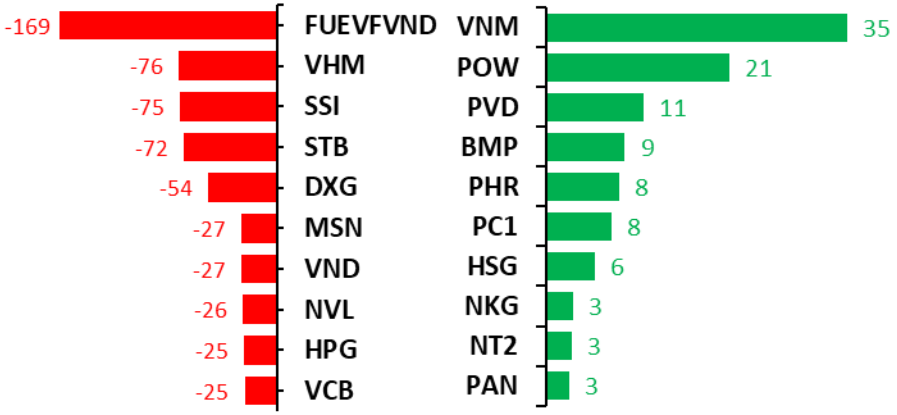
Source: Bloomberg, Sinhan Securities Vietnam

Vietnam Market Snapshot 27/02/2023

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	58	(203)	220	(17)
Basic Resources	2	(16)	53	(37)
Media	-	(0)	0	(0)
Industrial Goods & Services	(11)	(15)	28	(13)
Health care	-	(0)	(4)	4
Chemicals	9	(13)	(3)	16
Financial Services	361	(306)	109	197
Travel & Leisure	(1)	0	1	(1)
Banks	64	(132)	27	105
Construction & Materials	9	18	(7)	(11)
Food and Beverage	6	(4)	14	(9)
Retail	22	(7)	(16)	23
Utilities	1	9	(13)	5
Personal & Household Goods	(1)	3	9	(11)
Technology	(28)	(0)	29	(29)
Automobiles & Parts	(0)	(2)	4	(2)
Insurance	(15)	1	7	(7)
Oil & Gas	(0)	11	(20)	9

Source: Fiinpro, Shinhan Securities Vietnam

Russia-Ukraine tensions escalate again



Sources: Institute for the Study of War with American Enterprise Institute's Critical Threats Project • Note: Areas controlled by Russia and reclaimed by Ukraine are as of Nov. 13. • The New York Times

Belarus can mobilize 1.5 million soldiers if martial law is declared. According to the Belarusian constitution, the President can impose martial law in the event of a military threat or attack, or mobilize the army in whole or in part.

Belarus is an ally of Russia and once allowed it to use its territory to attack Ukraine in early 2022. The European Union (EU), the United States and some Western countries imposed sanctions against Belarus for their support. support Russia in the war in Ukraine.

Ukraine's military says Russia has doubled its warships in the Black Sea. Russia has not commented on the Ukrainian information.

USA, Germany, Poland discuss joint exercises. The German Defense Minister announced that Germany is in discussions with the United States and Poland to hold joint exercises. He declined to provide further details on the discussions between the three countries, but affirmed that the drills in neighboring Ukraine would send a convincing message of reassurance to NATO allies and deter the President Russian Vladimir Putin.

The Wagner Group (considered Russian mercenaries) announced **complete control of the village of Yagidne near Bakhmut**.

According to Vnexpress newspaper

Ukrainian authorities accused the Russian military of conducting an ambush using a suicide drone on the night of February 26, which included the capital Kiev area.

Russian forces attacked Ukrainian tanks to prevent the enemy from launching a counterattack in Vuhledar on the Eastern Front.

Deputy Chairman of the Russian Security Council Dmitry Medvedev warned that the continued supply of weapons by the West to Ukraine **risks causing a global nuclear disaster**.

According to Dantri newspaper

Breaking News

Macro

Positive

- Ho Chi Minh City issued an urgent dispatch on the H5N1 pandemic after Cambodia recorded a death.
- 16 projects with a total capital of more than 2 billion USD were approved to invest in Hoa Binh.

Less positive

- IMF Managing Director Kristalina Georgieva urged central banks to continue tightening monetary policy.
- Interbank interest rates are increasing again in terms, along with the exchange rate is likely to increase when the USD recovers strongly.
- Many businesses announced late payment of interest and principal of bonds, showing short-term money flow problems.



Business news

- PET: Petrosetco ended 2022 with pre-tax profit of VND 213 billion and profit after tax of VND 167.84 billion, only half of 2021, while revenue still increased slightly, reaching VND 17,665.3 billion.

  PET said that the reason for not meeting the plan was because market demand had decreased significantly after the outbreak year, and pre-tax profit was partly affected by revenue that did not meet expectations. However, this is clearly not the main reason. The biggest reason leading to PET's sharp decline in 2022 profit was the large provisioning for securities investment and finally cutting losses. Since the end of Q4/2022, the company has restructured its investment portfolio to reduce the ratio to a low level and the current investment value in the stock market is no longer significant.
- GEX: GELEX Corporation has just issued a notice to investors about the recent false rumors. Accordingly, this business asserts that inaccurate and misleading information seriously affects the image, brand, and reputation of the business, investors and customers psychology as well as infringing upon the interests of the Company's shareholders.
- FPT sets a business plan in 2023 with VND 52,289 billion in revenue, up 19%, and pre-tax profit of about VND 9,055 billion, up 18% over the same period. M&A will be a top priority for the global growth strategy.
- VGC: Viglacera will survey investment in construction material factories and industrial parks in the Dominican Republic.

  If the plan is successful, the Dominican Republic will be Viglacera's second foreign investment destination after Cuba.
- NLG: Mr. Cao Tan Thach, Member of the Board of Directors of Nam Long, registered to sell 900,000 shares. The transaction is expected from March 1 to March 30 to balance personal finances.
- HTN: Hung Thinh Incons postponed the third 2021 dividend payment schedule to 2024.

Breaking News



Business news

- NAB: Nam A Bank targets a profit before tax of VND 2,400 billion in 2023, up 9% from the previous year. Bad debt ratio does not exceed 3%.

  Continue to increase charter capital in 2023 by VND 2,116 billion from the issuance of more than 211.6 million shares from equity, a rate of 25%. Charter capital was increased from VND 8,464 billion to VND 10,580 billion.

  Continue to complete the listing documents on HOSE or HNX.

  It is expected to issue a maximum of VND 2,000 billion or USD 100 million of individual convertible bonds.

- HDG: Ha Do's after-tax profit plan in 2023 is VND 1,053 billion, down nearly 24% compared to the results in 2022. Besides, the company is planning to expand its land fund through M&A or participating in auctions.

  Ha Do's recent investor newsletter said that on January 19, the company had finished paying off VND 210 billion of bond packages issued to the public and currently has no outstanding bonds.

- SVC: Savico plans to 2023 with revenue increasing by 39% compared to the previous year, to nearly VND 29.7 trillion. Meanwhile, profit after tax is expected to decrease by 25% year-on-year, at VND 439 billion.

- BWE: Biwase has just been selected to implement the package of collection, transportation and treatment of domestic waste of the Thuan An city in 2023. In the context of stable revenue from clean water supply, Biwase is stepping up its participation in waste treatment packages, many of which do not have to compete on price.

  According to the data of the Bidding Newspaper, from the beginning of 2023 until now, Biwase has been announced to win 9 bidding packages in the public sector with a total winning price of 590.8 billion VND.

- HNX announced that HVG will be suspended from trading from February 28, 2023.

Technical view



Trend: Test threshold of 1,000 points

- The pessimistic sentiment continued to cover the market so the index opened a gap down at the beginning of the session and the market gradually lost its momentum after that when the trade skewed to the red with selling dominated. The MACD and RSI are still sloping down, showing strong falling momentum and weakening of money flow. The point to note is that the MA20 trendline is about to cut down to MA50 on the daily chart, giving negative signal and predicting that the market may return to the medium-term downtrend. However, currently, the index has dropped for 5 consecutive sessions and is near psychological level of 1,000 points so technical retracements may appear, investors should take advantage to lower the proportion of stocks. The right strategy is still to stand outside and observe the market.

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

28/2/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
PVS	Watch							Waiting to test the 20-day MA
PVD	Watch							Waiting to test the 20-day MA
PVC	Watch							Waiting to test the 20-day MA
PC1	Watch							Waiting to test the 20-day MA

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
LTG	Wait to sell	27.5	30	25.5	9%	-7%	28.3	6	-5.82%	20/02/2023	Market risk
C4G	Wait to sell	11.5	14	10.5	22%	-9%	11.9	6	-6.96%	20/02/2023	Market risk

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.