MORNING CALL

March 02th, 2023

Shinhan Securities

"Technical recovery, there are still many resistances ahead for the index's rally"

- Global stocks struggled
- Domestic stocks regained the green after a series of days of decline
- Vietnam's manufacturing PMI rebounds above 50
- Technical view and recommendations
- Q&A

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Open Account

Global Market Review - Week 27/02 - 03/03/2023

Major stock markets struggled

The Dow Jones closed slightly higher on Wednesday, while the S&P 500 and NASDAQ fell about 0.5% and 0.7%, respectively, as rate-sensitive indexes were hurt by rising bond yields. The yield on the 10-year US Treasury note rose to 3.99% for the first time since November and the 1-year Treasury yield climbed above 5%. European equity markets closed the first trading session of March on a weaker foot, with the STOXX 600 losing 0.8% and Germany's DAX 40 falling 0.4%, as stronger-than-expected German CPI data and hawkish remarks by ECB officials. Germany's consumer price inflation remained unchanged at 8.7 percent year-on-year in February 2023, not far from a peak of 8.8 percent seen in October and November and above market expectations of 8.5 percent, a preliminary estimate showed.

The official NBS Manufacturing PMI increased to 52.6 in February of 2023 from 50.1 in the previous month, exceeding market estimates of 50.5. This was the second straight month of expansion in factory activity and the fastest pace since March 2012, buoyed by Beijing's recent decision to exit from a zero-COVID policy. The official NBS Non-Manufacturing PMI for China increased to 56.3 in February 2023 from 54.4 a month earlier, pointing to the highest reading since March 2021.

The au Jibun Bank Japan Manufacturing PMI fell to 47.7 in February 2023 from 48.9 in January, revised slightly higher from a preliminary estimate of 47.4 but indicating the sharpest. The S&P Global India Manufacturing PMI edged down to a four-month low of 55.3 in February of 2023 from 55.4 in the previous month while pointing to the 20th straight month of expansion.

The S&P Global Thailand Manufacturing PMI rose to a record second high of 54.8 in February 2023 from 54.5 in January.

The S&P Global Indonesia manufacturing PMI fell slightly to 51.2 in February 2023 from a three-month high in January of 51.3. Indonesia's annual inflation rate rose to 5.47% in February 2023 from January's 5-month low of 5.28% and compared with market consensus of 5.44%.

WTI crude futures were trading around $77 per barrel on Wednesday as investors weighed prospects of a recovery in Chinese demand against a gloomy outlook for the US.

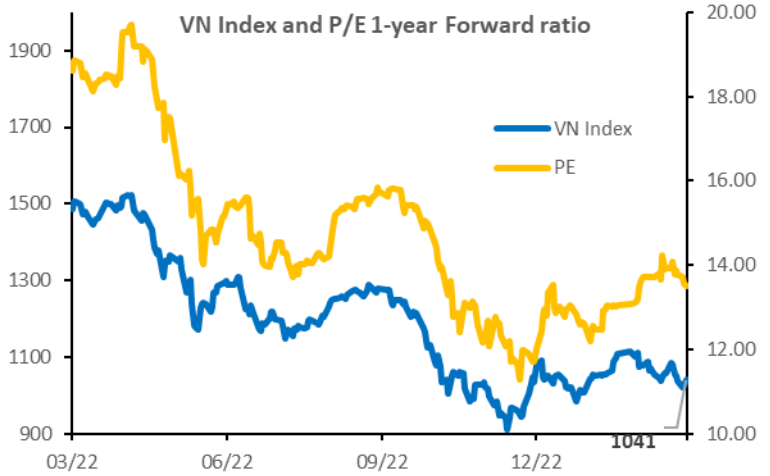
Market

	Close	%1D	%1M	%1Y
VN-Index	1,041	1.55%	-3.44%	-29.95%
S&P 500 Index	3,951	-0.47%	-4.07%	-8.24%
Dow Jones Index	32,662	0.02%	-4.20%	-1.90%
GP 100	7,915	0.49%	1.21%	6.53%
Nikkei 225	27,569	0.19%	0.61%	4.46%
SHCOMP Index	3,312	1.00%	0.81%	-4.93%
STOXX 600	458	-0.74%	-0.33%	2.54%
KOSPI Index	2,431	0.75%	-0.77%	-9.93%
Hang Seng	20,620	4.21%	-6.10%	-7.72%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.48	-0.37%	3.23%	7.26%
USD/VND	23,757.00	0.14%	-1.29%	-3.95%
EUR/USD	1.07	-0.03%	-2.25%	-4.08%
USD/CNY	6.87	0.96%	-1.86%	-8.12%
Brent	84.31	1.03%	1.77%	-19.68%
WTI	77.71	0.03%	2.41%	-29.74%
Natural gas	2.79	-0.92%	13.40%	-41.52%
Coal	193.50	0.34%	-21.66%	-38.18%
Gold	1,836.69	0.00%	-3.98%	-4.77%

Vietnam Market Snapshot 01/03/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,040.55	13.52	15.87	1.55	451	7,106
HNX INDEX	206.83	18.23	4.44	2.19	59	892

Money flow and sector rotation (VND bn)

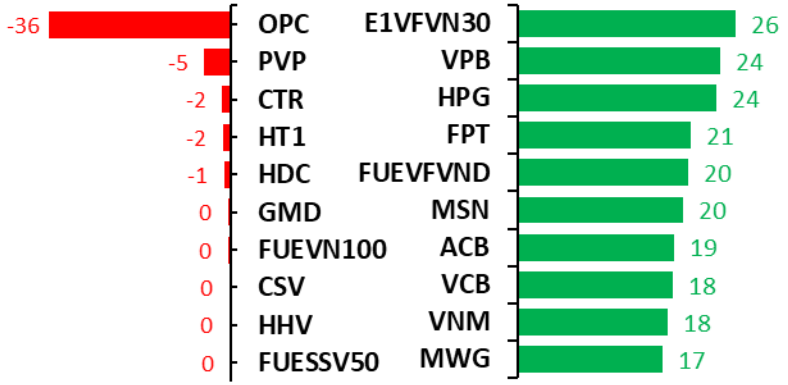
Sector	%1D	3/1/2023	2/28/2023	20-session Average
Oil & Gas	158.22	143	55	128
Technology	122.00	120	54	82
Banks	63.62	1,669	1,020	1,860
Industrial Goods & Services	55.26	336	216	371
Real Estate	49.46	1,494	1,000	1,429
Basic Resources	39.38	841	603	1,007
Personal & Household Goods	36.26	84	62	100
Media	33.03	1	1	1
Financial Services	24.44	770	619	920
Construction & Materials	23.28	551	447	655
Food and Beverage	13.57	499	439	592
Utilities	6.48	110	103	153
Insurance	-16.4	19	23	36
Retail	-19.8	143	179	239
Automobiles & Parts	-20.7	59	74	80
Chemicals	-21.4	207	264	336
Health Care	-35.3	21	32	17
Travel & Leisure	-41.9	29	50	48

Source: Bloomberg, Sinhan Securities Vietnam

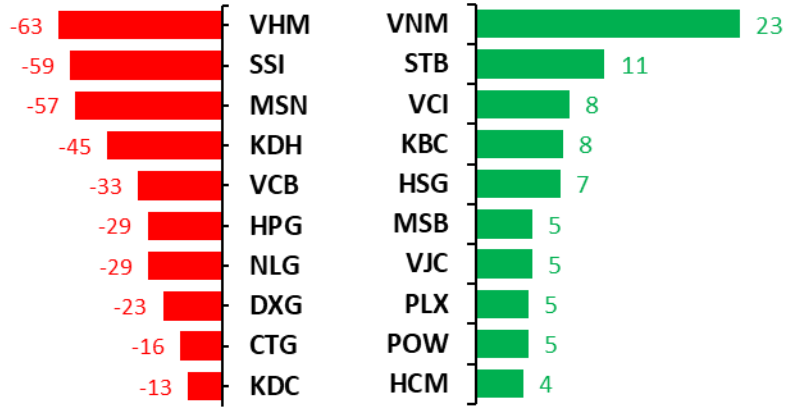
Vietnam Market Snapshot 01/03/2023

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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	50	(141)	50	91
Basic Resources	24	(18)	(8)	26
Media	-	0	0	(0)
Industrial Goods & Services	(6)	(5)	26	(21)
Health care	(36)	(1)	37	(36)
Chemicals	0	(20)	30	(11)
Financial Services	60	(59)	38	20
Travel & Leisure	9	5	(7)	2
Banks	123	(39)	108	(69)
Construction & Materials	(3)	12	(12)	0
Food and Beverage	41	(34)	(35)	69
Retail	17	(2)	(11)	13
Utilities	6	11	(27)	15
Personal & Household Goods	-	0	10	(10)
Technology	21	(5)	(21)	25
Automobiles & Parts	-	(13)	11	2
Insurance	0	2	(7)	5
Oil & Gas	0	(9)	3	6

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- Vietnam's manufacturing PMI in February reached 51.2 points, the number of new orders and jobs increased again.
- Realized public investment capital reached VND 56,900 billion in the first two months of 2023, up 18.3% over the same period.
- Netflix prepares to open representative office in Vietnam, according to Reuters.
- Mexico reduces anti-dumping tax on galvanized steel imported from Vietnam.

Less positive

- More than 1.8 million international visitors came to Vietnam in the first two months of 2023, equaling 58% of the pre-Covid rate.
- 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

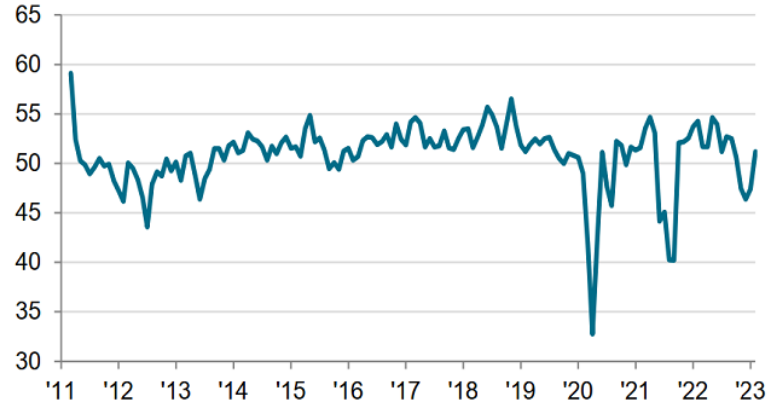
- HHV: The HHV consortium won two bidding packages of nearly VND 11,000 billion for the North - South expressway section Quang Ngai to Hoai Nhon. Project Management Board 2 has just signed two decisions approving the contractor selection results for package XL02 (valued at VND 4,129 billion) and package XL03 (valued at VND 6,686 billion). Accordingly, the winning unit is a joint venture of Deo Ca Transport Infrastructure Investment JSC.
- PVI: In 2022, PVI achieved a total revenue of more than VND 14 trillion, up 30% compared to 2021, pre-tax profit reached more than VND 1.1 trillion, maintaining an increase for 5 consecutive years. PVI continues to maintain its leading position in terms of revenue, profit and market share in both non-life insurance and reinsurance segments. The largest contribution to PVI's total revenue still comes from the non-life insurance business, with the original premium revenue in 2022 surpassing VND 10 trillion, contributing 70% to the total revenue of the system. PVI system.

  Accounting for a significant amount of PVI's total assets is more than VND 7,000 billion in cash and short-term deposits along with a portfolio of highly liquid securities.
- MSN: Masan wants to transfer all shares of Masan MEATLife to Masan Agri JSC (another member company of the Group). The purpose of the transfer is for internal restructuring in the field of agribusiness and production.
- PDR: Phat Dat poured nearly VND 300 billion into a subsidiary that owns an expensive land in Da Nang. Specifically, Phat Dat will buy another 29.7 million shares of Bac Cuong Investment with par value of 10,000 VND/share, total value of 297 billion VND. After completing the procedure to buy more issued shares, Phat Dat will own 99% of the charter capital.

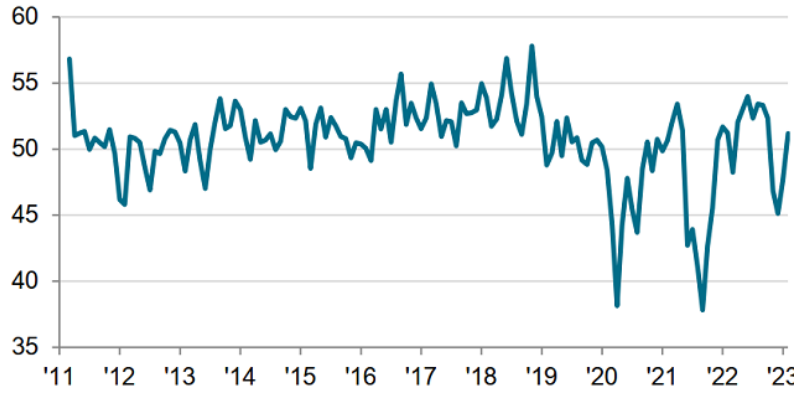
  Owning 99% of the charter capital of Bac Cuong Investment, Phat Dat has full authority to decide on the investment, development and business of the project on a land area of 2,734.9 m2, located at 223 - 225 Tran Phu , Hai Chau district, Da Nang city.
- PLX, PGB: Petrolimex has just announced that it has been granted a certificate of public offering by the State Securities Commission of PGBank for 120 million PGB shares. The above shares are equivalent to 40% of PGBank's shares. The starting price is 21,300 VND, 25% higher than the current market price.

Vietnam's manufacturing PMI rebounds above 50

Vietnam manufacturing PMI according to S&P Global



PMI employment index



Source: S&P Global

- The Purchasing Managers' Index (PMI) of Vietnam's manufacturing industry reached 51.2 points in February, up from 47.4 points in January, showing that the health of the manufacturing industry has begun to improve after a prolonged period of decline three months long.
- In it, there are 3 outstanding highlights:

✓ Output, new orders and employment rebounded

The main factor leading to the improvement of the health of the manufacturing industry is the improvement of market demand. This helps companies gain new customers and have new orders increase in February.

The increase in new orders boosted output, employment and purchasing activity in the middle of the first quarter of the year. Output increased slightly but was a significant improvement from the sharp declines at the end of last year and at the beginning of this year. Statistical data show that output increases are mainly among the producers of basic investment goods.

Faster growth in new export orders reflects improved international market demand.

Both employment and purchasing activity increased for the first time in four months, although the increase was slight, but it also helped companies handle the amount of work that needed to be done.

✓ Suppliers' delivery times shortened for the second month in a row

✓ Rising costs hit an eight-month high.

Cost pressures continued to mount as input prices rose at their fastest pace since mid-last year. To compensate, companies raised their selling prices faster.

Vneconomy

Technical view



Trend: Technical recovery

- Green color returned to the market after a series of declining days. Matching improved compared to yesterday but still below the 20 session average.Today's rally could be a signal of technical recovery in the context of weak upper selling supply and the index's previous long drop. However, the upward momentum will be difficult to sustain when the market approaches the resistance area of 1,060 points, corresponding to the previously lost 50-day MA. It should be noted that in the daily chart, the MA20 trendline is close to crossing below MA50, meaning that the bearish phase is confirmed. Trading will shake and the right strategy will still be on the side 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

1/3/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
PVS	Watch							Maintaining the trend above the 10-day MA
PVD	Watch							Maintaining the trend above the 10-day MA
PVC	Watch							Maintaining the trend above the 10-day MA
PC1	Watch							Maintaining the trend above the 10-day MA
NT2	Watch							Maintaining the trend above the 10-day MA
POW	Watch							Maintaining the trend above the 10-day MA

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note

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Q&A

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