MORNING CALL

March 09th, 2023

Shinhan Securities

"Technical recovery, index approaching short-term resistance, trading will shake"

- Global stocks struggled, BOC kept interest rate target
- Domestic stocks rebounded with improved order matching but close to resistance
- Technical view and recommendations #VCG #KSB
- 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 traded struggling

The Dow Jones closed 58 points lower on Wednesday, while the S&P 500 and Nasdaq 100 edged up 0.1% and 0.4%, respectively, after Powell's remarks in the past two days and hot employment data that reinforced the view of a higher-for-longer outlook for interest rates. The latest ADP and JOLTs Job figures report showed a still-tight US labor market, underpinning convictions that the Federal Reserve's monetary policy tightening may be far from over.

European stocks ended Wednesday's session slightly higher, with the STOXX 600 gaining 0.1% and Germany's DAX 40 adding 0.5% at 15,632 points. Markets tried to recover from their steepest one-day fall in nearly two weeks, as investors weighed the prospect of more aggressive rate hikes in the US against a batch of corporate and economic news.

The number of job openings in the United States fell by 410,000 to 10.824 million in January 2023 from an upwardly revised 11.234 million in December, compared to market expectations of a 10.5 million decrease. Besides, private businesses in the US unexpectedly created 242K jobs in February, well above an upwardly revised 119K in January and market forecasts of 200K.

Japan Q4 GDP revised lower to show no growth. The Japanese economy stagnated quarter-on-quarter in the three months to December 2022, compared with a flash figure of 0.2% growth and after a 0.3% contraction in the previous period. The latest figure highlighted the fragility of a recovery in the economy, as private consumption grew less than initially anticipated amid rising cost pressures.

The Bank of Canada held the target for its overnight rate unchanged at 4.5% in its March 2023 meeting, as previously signaled, and stated that it should continue to hold the rate at the current level should economic conditions develop broadly in line with expectations in the latest Monetary Policy Report.

WTI crude futures dropped 1% below $77 per barrel on Wednesday, extending losses for a second session after EIA data pointed to persistently sluggish demand, which exacerbated worries that more aggressive tightening from the Federal Reserve is set to dent economic growth.

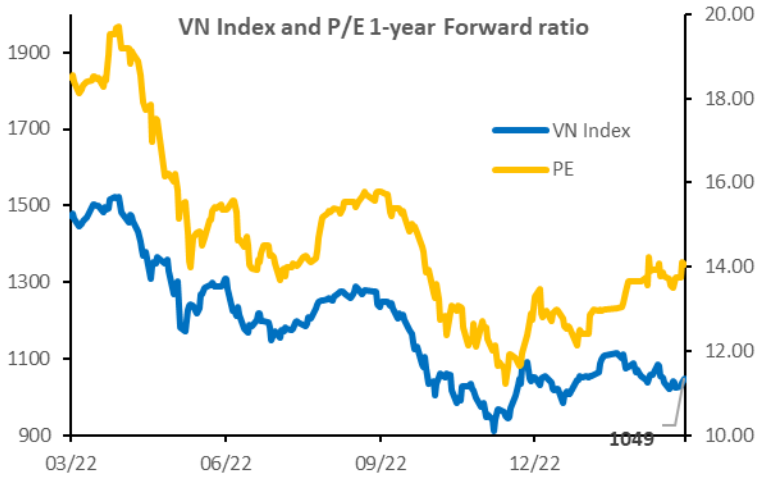
Market

	Close	%1D	%1M	%1Y
VN-Index	1,049	1.09%	-1.40%	-28.81%
S&P 500 Index	3,992	0.14%	-3.06%	-4.28%
Dow Jones Index	32,798	-0.18%	-3.39%	0.51%
GP 100	7,930	0.13%	0.24%	10.28%
Nikkei 225	28,659	0.76%	3.90%	15.95%
SHCOMP Index	3,283	-0.06%	0.39%	0.82%
STOXX 600	461	0.08%	-0.29%	6.11%
KOSPI Index	2,436	0.17%	-1.83%	-7.11%
Hang Seng	20,051	-2.35%	-7.27%	-2.79%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	105.66	0.04%	2.17%	6.66%
USD/VND	23,725.00	-0.19%	-0.94%	-3.69%
EUR/USD	1.05	0.03%	-1.79%	-4.77%
USD/CNY	6.96	0.10%	-2.40%	-9.20%
Brent	82.66	-0.76%	-2.86%	-35.41%
WTI	76.52	-0.18%	-1.97%	-29.60%
Natural gas	2.61	2.12%	7.20%	-42.44%
Coal	179.50	0.14%	-25.01%	-57.58%
Gold	1,815.94	0.12%	-2.46%	-8.83%

Vietnam Market Snapshot 08/03/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,049.18	13.64	11.34	1.09	463	7,775
HNX INDEX	208.68	18.96	1.18	0.57	99	903

Money flow and sector rotation (VND bn)

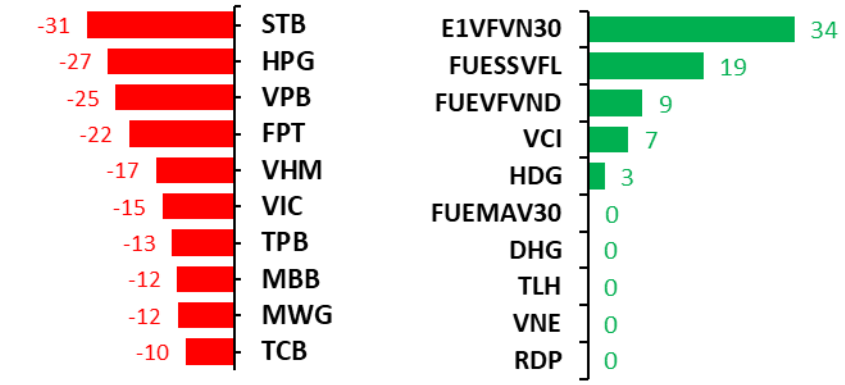
Ngành	%1D	3/8/2023	3/7/2023	TB 20 phiên
Dầu khí	96.41	165	84	130
Xây dựng và Vật liệu	91.86	829	432	629
Hàng & Dịch vụ Công nghiệp	61.45	277	172	326
Bán lẻ	49.64	228	153	190
Ô tô và phụ tùng	38.63	59	42	74
Bất động sản	18.56	1,269	1,071	1,353
Dịch vụ tài chính	17.38	1,002	854	862
Ngân hàng	16.57	1,876	1,610	1,663
Hàng cá nhân & Gia dụng	13.44	56	49	81
Thực phẩm và đồ uống	5.23	555	527	542
Điện, nước & xăng dầu khí đốt	4.08	171	165	162
Bảo hiểm	3.68	19	18	30
Y tế	-8.4	16	18	17
Truyền thông	-15.8	1	1	1
Hóa chất	-22.0	164	210	286
Du lịch và Giải trí	-29.9	22	31	43
Công nghệ Thông tin	-30.1	48	68	71
Tài nguyên Cơ bản	-31.3	1,015	1,478	979

Source: Bloomberg, Shinhan Securities Vietnam

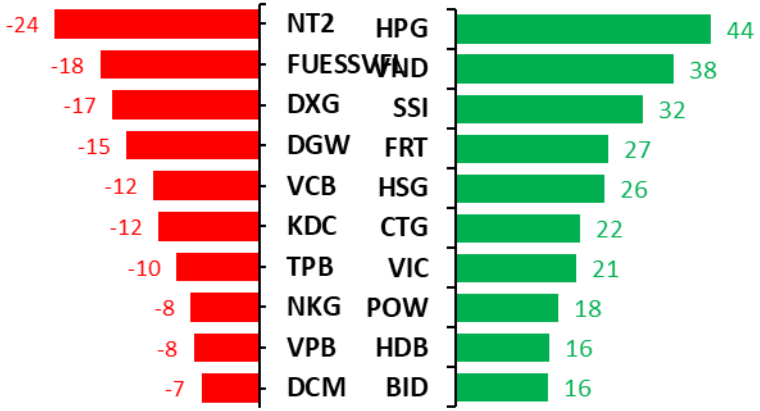
Shinhan Securities

Vietnam Market Snapshot 08/03/2023

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	(42)	11	54	(64)
Basic Resources	(27)	63	(36)	(27)
Media	-	0	(0)	0
Industrial Goods & Services	(1)	(1)	2	(0)
Health care	0	(0)	1	(0)
Chemicals	(0)	(7)	11	(4)
Financial Services	64	72	(129)	57
Travel & Leisure	(5)	1	7	(8)
Banks	(135)	42	99	(142)
Construction & Materials	(2)	16	(22)	6
Food and Beverage	(18)	11	3	(14)
Retail	(12)	12	37	(48)
Utilities	(8)	3	1	(4)
Personal & Household Goods	(2)	1	(3)	2
Technology	(22)	3	13	(15)
Automobiles & Parts	(0)	1	(5)	4
Insurance	(1)	7	(6)	(1)
Oil & Gas	(1)	11	(19)	8

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- In the first two months of 2023, the UK is among the very few markets with positive growth in seafood imports from Vietnam.

Less positive

- Accumulated in the first 2 months of 2023, the electricity output of the whole system reached 38.61 billion kWh, down 2.2% over the same period in 2022.
  - ✓ Hydroelectricity reached 10.57 billion kWh, accounting for 27.4%
  - ✓ Coal thermal power reached 16.47 billion kWh, accounting for 42.7%
  - ✓ Gas turbines reached 4.32 billion kWh, accounting for 11.2%
  - ✓ Renewable energy reached 6.45 billion kWh, accounting for 16.7% (of which solar power reached 3.87 billion kWh, wind power reached 2.4 billion kWh).
  - ✓ Imported electricity reached 735 million kWh, accounting for 1.9%.
- As of yesterday (March 7), the amount of money that the State Bank has withdrawn through the outstanding balance of bills of sale amounted to VND 160,000 billion.



Business news

- TDM: The company targets total revenue in 2023 to reach VND 642.2 billion (up 27%), with the largest contribution from water production revenue. Profit after tax is estimated at VND 298.4 billion, up 35% compared to 2022. The company strives to pay dividends in 2023 at the rate of at least 13%.

  TDM says its 2023 profit is built on 10% growth in water production revenue, plus nearly VND 94 billion from Biwase (BWE) dividend at 13%. In 2023, the company plans to continue to construct 3 raw water pipelines for Di An Water Plant and Bau Bang Water Plant with a total investment value of VND 591 billion.

  At the same time, TDM also continued to complete procedures to increase charter capital from VND 1,000 billion to VND 1,100 billion.
- FTS proposed a plan for 2023 with the target of total operating revenue and financial revenue at VND 770 billion, down 26.5% compared to the previous year. Profit before tax realized VND 420 billion, down 34%.

  The company will also submit to shareholders for approval the plan to issue shares to increase charter capital in 2023 from equity to existing shareholders. The volume is expected to issue more than 19.5 million shares, the issue ratio is 10:1.
- VNM: Vinamilk and its Japanese partner built the Vinabeef Tam Dao farm complex with a total investment of 500 million USD.
- VOC: Due to the incomplete completion of related procedures, Vocarimex will suspend the payment of special cash dividends, rate of 100%.
- PDR: Ms. Tran Thi Huong, Vice Chairwoman of the Board of Directors has completed the sale of more than 1.24 million PDR shares.
- DCL: The company plans to issue another 2 million shares at the price of 10,000 VND/share under the Employee Options Program (ESOP). Post-issuance shares are restricted from being transferred from 1 to 3 years for specific target groups. After the issuance, the charter capital of DCL will increase to VND 750 billion.

Technical view



Trend: Finding the balance zone

- Market held firm today and regained the green despite a sharp drop in global equities after Mr. Powell's hawkish remarks fueled fears of a larger rate hike. Active transactions include Public Investment, Oil and Gas. Technically, the MACD is improving and is close to crossing the signal line along with the RSI rising back above 50 which will further support the recovery inertia. Besides, liquidity is also better than previous sessions. However, the index is approaching the resistance zone around 1,050 - 1,060 points and it will be difficult to continue breaking out. Therefore, the strategy should only focus on stocks with strong trends while avoiding excitement. The upcoming period will be quite shaky and there may be a "bullish trap".

Scenarios:

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

Recommended stocks

` 9/3/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VCG	Buy	21	23	19.5	10%	-7%	21	Rebounded after the correction, MACD crossed the signal along with RSI > 50
KSB	Buy	25.5	29	23.5	14%	-8%	25.8	Break out, consensus volume
HPG	Watch							Good reaction around the 20-day MA
NKG	Watch							Good reaction around the 10-day MA
PVD	Watch							Good reaction around the 10-day MA
PVC	Watch							Good reaction around the 10-day MA
PC1	Watch							Good reaction around the 10-day MA
NT2	Watch							Good reaction around the 10-day MA
POW	Watch							Good reaction around the 10-day MA
STB	Watch							Good reaction around the 10-day MA

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
BSR	Hold	27.5	30	25.5	9%	-7%	28.3	2	1.83%	07/03/2023	

Economic calendar

Shinhan Securities

March 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
26	27	28	1 Vietnam PMI CPI y/y (Australia) Manufacturing PMI (Eurozone, Germany, France, Italy, England) ISM Manufacturing PMI	2 ECB Monetary Policy Meeting Accounts CPI and Core CPI Flash Estimate y/y (Europe)	3 FTSE portfolio review Q1 RBNZ Gov Orr Speaks Services PMI ((Eurozone, Germany, France, Italy, England) ISM Services PMI (US)	4
5	6 CPI m/m (Switzerland) Factory Orders (US)	7 Fed Chair Powell Testifies RBA Rate Statement	8 BOC Rate Statement RBA Gov Lowe Speaks ADP Non-Farm Employment Change JOLTS Job Openings	9 CPI, PPI y/y (China) Unemployment Claims (US)	10 VanEck announced the list BOJ Policy Rate, BOJ Press Conference Non-Farm Employment Change, Unemployment Rate (US)	11
12	13	14 CPI and core CPI (US)	15 PPI and Core PPI m/m Retail Sales and Core Retail Sales m/m Monetary Policy Meeting Minutes (BOJ)	16 Futures contract expiration VN30F1M FTSE and VanEck restructure portfolio ECB Press Conference, Monetary Policy Statement Employment Change, Unemployment Rate (Australia)	17 Final CPI and Core CPI y/y (Europe) Prelim UoM Consumer Sentiment. Prelim UoM Inflation Expectations	18
19	20	21 CPI and core CPI (Canada)	22 CPI and core CPI (UK)	23 FOMC Statement, Federal Funds Rate SNB Monetary Policy Assessment, SNB Policy Rate MPC Official Bank Rate Votes, Official Bank Rate	24 Flash Services and Flash Manufacturing PMI (US)	25
26	27	28 CB Consumer Confidence	29 Vietnam macroeconomic data	30	31 Core PCE Price Index m/m	1

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



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.