MORNING CALL

March 10th, 2023

Shinhan Securities

"Markets are moving closer to short-term resistance, bullish momentum will be challenged"

- Global stocks fell again
- Domestic stocks kept in green but are approaching the resistance zone
- China opens group tour to Vietnam
- Technical view and recommendations #VCG #KSB
- Economic calendar
- Q&A

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Open Account

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

Major stock markets fell again

The Dow Jones closed 543 points lower on Thursday, while the S&P 500 and the Nasdaq shed 1.8 and 2%, respectively, as investors continued to weigh hawkish remarks by Fed Chair Powell this week while remained concerned ahead of tonight's payroll report. The Fed Chairman stated that signs of a hotter economy from the start of the year warrant faster rate hikes, driving investors to believe a 50bps interest rate hike could be locked in this month should Friday's jobs report and next week's CPI print remain heated.

European stocks closed mostly lower on Thursday, with the STOXX 600 index edging 0.2% lower and Germany's DAX 40 finishing near the flat line at 15,633 points, as investors weighed prospects of interest rates staying higher for longer against the latest US weekly jobs report that showed claims rose last week to a two-and-a-half-month high. Market's focus will now turn to the highly anticipated US jobs report due Friday and the European Central Bank's policy meeting due next week.

Asian equity markets fell on Friday, tracking a bank-led selloff on Wall Street overnight amid concerns that higher interest rates are pressuring bank balance sheets due to borrower defaults. Shares in Australia, Japan and South Korea all declined in early trade.

The number of Americans filing unemployment benefits jumped by 21,000 from the previous week to 211,000 on the week ending March 4th, the most since December 2022 and well above market expectations of 195,000.

China's annual inflation rate fell to 1.0% in February 2023 from 2.1% in the prior month, missing market forecasts of 1.9%. This was the weakest print since February 2022, with prices of both food and non-food easing sharply, as consumers stayed cautious despite the removal of zero-COVID policy.

WTI crude fell below $76 a barrel on Thursday. Keeping a lid on prices were lingering worries that more aggressive tightening from the Federal Reserve would dent economic growth and curb demand. OPEC Secretary-General Haitham Al-Ghais echoed such concerns, saying decreasing oil consumption in the US and Europe could threaten the market. On the supply side, strike-related supply disruptions in France offset concerns about weak global demand.

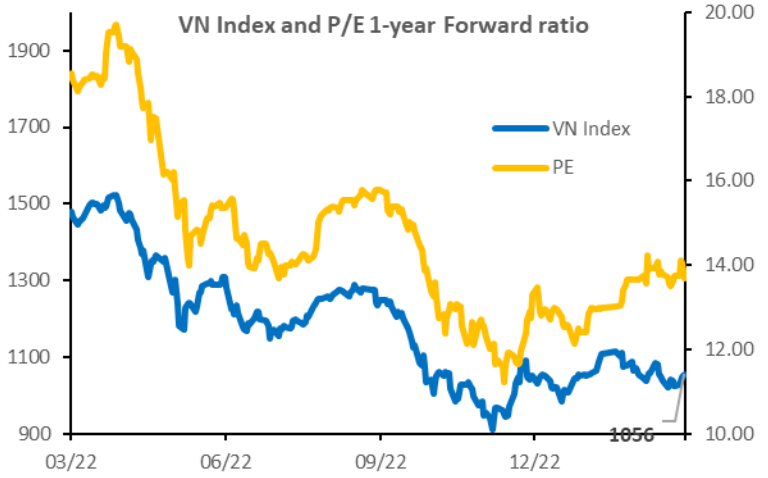
Market

	Close	%1D	%1M	%1Y
VN-Index	1,056	0.65%	0.06%	-28.61%
S&P 500 Index	3,918	-1.85%	-4.00%	-8.41%
Dow Jones Index	32,255	-1.66%	-4.29%	-3.10%
GP 100	7,880	-0.63%	-0.03%	11.00%
Nikkei 225	28,311	-1.09%	2.31%	10.20%
SHCOMP Index	3,276	-0.22%	0.47%	-0.61%
STOXX 600	460	-0.22%	0.46%	7.69%
KOSPI Index	2,401	-0.77%	-2.80%	-10.44%
Hang Seng	19,926	-0.63%	-5.97%	-4.62%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	105.31	-0.33%	2.02%	7.49%
USD/VND	23,702.00	0.10%	-0.58%	-3.62%
EUR/USD	1.06	0.14%	-0.77%	-3.55%
USD/CNY	6.97	-0.08%	-2.57%	-9.30%
Brent	81.59	-1.29%	-3.44%	-26.59%
WTI	75.46	-0.34%	-5.34%	-28.82%
Natural gas	2.48	-2.60%	-1.47%	-46.51%
Coal	180.00	0.28%	-20.18%	-57.21%
Gold	1,833.82	0.15%	-1.70%	-8.17%

Vietnam Market Snapshot 09/03/2023





	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)

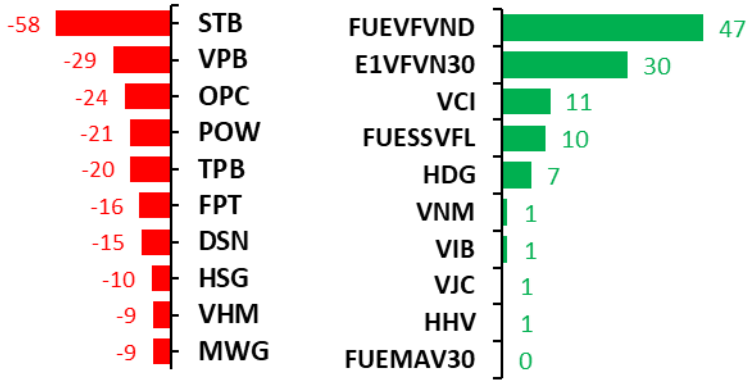
Sector	%1D	3/9/2023	3/8/2023	20-session Average
Travel & Leisure	242.03	75	22	45
Chemicals	123.83	366	164	292
Utilities	99.25	342	171	174
Personal & Household Goods	58.08	88	56	80
Industrial Goods & Services	56.32	433	277	336
Banks	53.65	2,883	1,876	1,695
Media	43.75	1	1	2
Technology	30.12	62	48	71
Basic Resources	29.52	1,315	1,015	1,012
Insurance	28.00	24	19	31
Food and Beverage	26.30	700	555	542
Financial Services	8.02	1,083	1,002	887
Health Care	4.84	17	16	17
Automobiles & Parts	-0.8	58	59	75
Retail	-4.2	219	228	192
Real Estate	-12.0	1,118	1,269	1,359
Construction & Materials	-25.2	620	829	642
Oil & Gas	-32.1	112	165	129

Source: Bloomberg, Shinhan Securities Vietnam

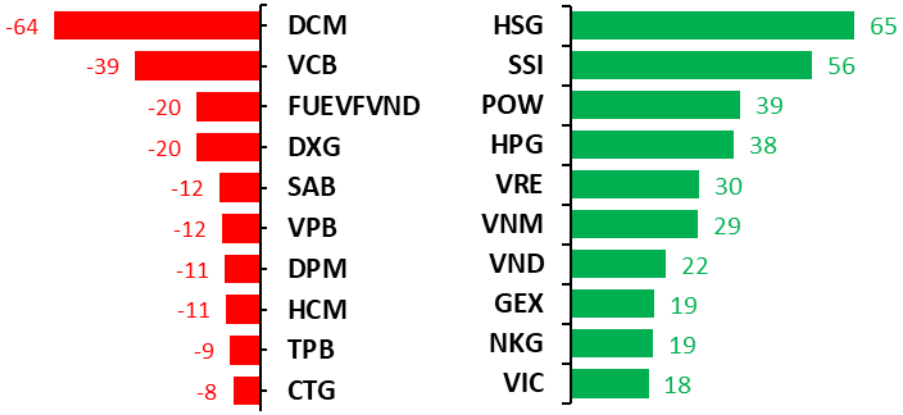
Vietnam Market Snapshot 09/03/2023

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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	(21)	24	0	(25)
Basic Resources	(15)	122	(158)	35
Media	-	0	(0)	(0)
Industrial Goods & Services	(2)	8	(19)	11
Health care	(23)	0	1	(1)
Chemicals	(3)	(73)	89	(15)
Financial Services	96	62	(95)	34
Travel & Leisure	(14)	(5)	11	(6)
Banks	(145)	(50)	59	(10)
Construction & Materials	(3)	17	(18)	1
Food and Beverage	(3)	35	(19)	(16)
Retail	(10)	(4)	19	(15)
Utilities	(21)	52	(41)	(11)
Personal & Household Goods	(4)	(9)	10	(1)
Technology	(16)	2	(4)	2
Automobiles & Parts	(0)	(1)	1	0
Insurance	(1)	6	(5)	(1)
Oil & Gas	0	5	(11)	7

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- China opened a group tour to Vietnam from March 15.
- Sunny Group agreed to invest an additional 2.5 billion USD in Thai Nguyen.
- 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

- Total import and export turnover in the first 2 months of 2023 reached 95.84 billion USD, down 13.4%.
- 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.
- 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

- REE: According to the recently published document of the 2023 General Meeting of Shareholders, REE will submit a 25% dividend to shareholders. In which 10% is cash dividend and 15% in stock at the rate of 100:15.

  The enterprise plans to approve the use of treasury shares to sell preferential prices to managers with excellent business performance in 2023, according to the ESOP-2023 program. The total amount of treasury shares sold was more than 1 million shares, with a fixed selling price of 10,000 VND/share.
- VSH continued to buy back VND 111 billion of bonds before maturity. Previously, VSH announced that it had bought back VND 108 billion of bonds before the maturity date from February 28 to March 7, 2023.
- VCI: According to the plan for 2023, VCI sets the target of revenue of VND 3,246 billion, profit before tax of VND 1,000 billion, down slightly by 5.6%.
- CTD: Coteccons is about to issue more than 550,000 ESOP shares, accounting for 0.75% of outstanding shares, at the price of 10,000 VND/share.
- APH: Ms. Nguyen Thi Tien, Standing Vice Chairman of the Board of Directors and Deputy General Director of An Phat Holdings, has just completed the purchase of 750,000 APH shares by agreement method from March 3-6, 2023.
- POM: Ms. Truong GEB Do Thi Cam Huong - sister of Chairman Do Duy Thai, registered to sell all 2.1 million POM shares (rate 0.75%).
- Previously, Ms. Cam Huong sold 379,800 out of 2,486,118 shares registered for sale (rate 0.89%) from February 21 to March 8, 2023. The reason for not selling out is that the price is not as expected.
- ABB: Mr. Nguyen Danh Luong, Independent Member of the Bank's Board of Directors has just registered to buy 100,000 shares of ABB.

Breaking News



Source: IR POW Newsletter

- **POW:** PV Power has just announced its business results in February with estimated revenue of VND 2,809 billion, up 64% compared to the previous month, up 35% over the same period (VND 2,081 billion). Total electricity output from power plants is about 1.5 billion kWh, up 36% from the previous month. Compared to the set target, the company exceeded 49% and 45% respectively in terms of revenue results and total electricity output.

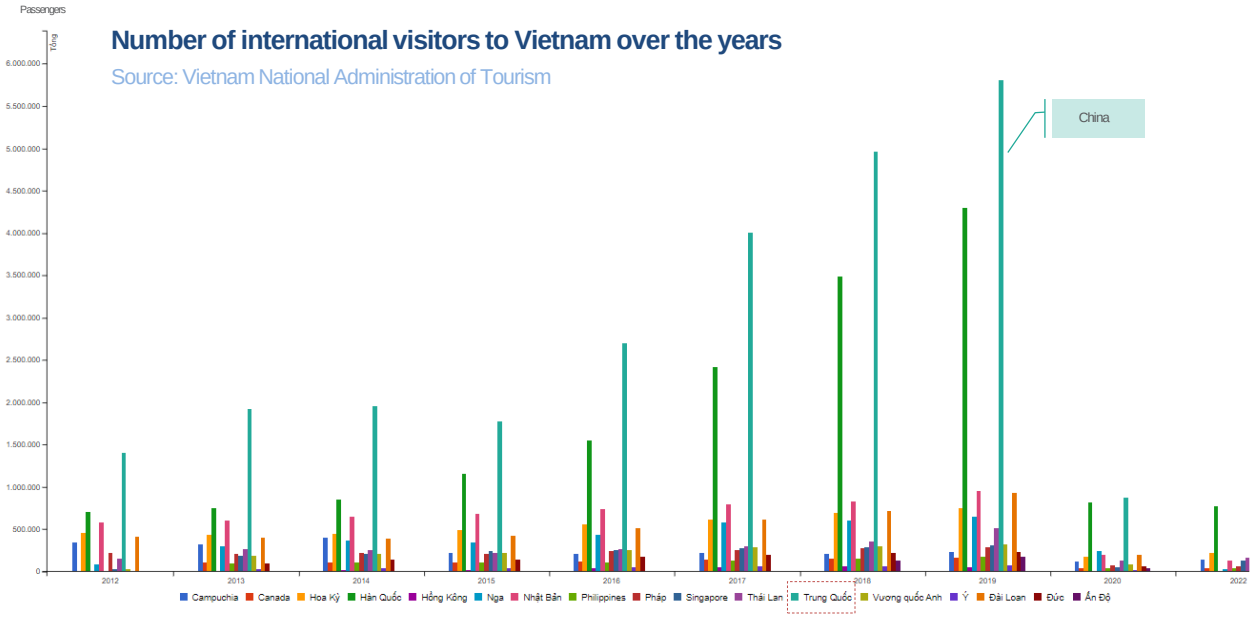
  Accumulated in the first 2 months of the year, PV Power's revenue is estimated at VND 4,974 billion, the total electricity output from power plants is about 2.6 billion kWh.

  February 2023 is the dry season in the North and the South, and the dry season begins in the Central region. The average FMP market price of electricity in February was high, about 1,928 VND/kWh.

  Regarding the investment situation of the new project, PV Power said that the EPC contractor of the Nhon Trach 3 & 4 power plant investment project is handling the background, completing the design to implement the next steps. In addition, the company also arranges capital arrangement, negotiates gas purchase and sale contracts and power purchase and sale contracts for the project on schedule.

  PV Power's plan in March is to strive for an output of more than 1.3 billion kWh and total revenue of VND 2,627 billion. In the coming time, the company plans to research and develop renewable energy power projects.

China opens group tour to Vietnam



Many stocks of tourism and aviation groups hit the ceiling price on March 9

Mã CK	Trần	Sàn	TC	Thông tin dư mua						Khớp lệnh		
				Giá 3	KL 3	Giá 2	KL 2	Giá 1	KL 1	Giá	KL	+/-
HVN	13.30	11.60	12.45	13.20	19,0	13.25	26,2	13.30	2,835,1	13.30	4,4	6.8%
SKG	15.45	13.45	14.45	15.35	6,0	15.40	10,3	15.45	383,5	15.45	1,6	6.9%
VJC	105.10	91.50	98.30	101.50	1,4	101.60	1	101.70	1	101.80	11,9	3.6%
VTD	11.70	8.70	10.20	11.50	7,0	11.60	10,8	11.70	61,2	11.70	2,0	14.7%
DAH	4.51	3.93	4.22	4.49	6	4.50	5,2	4.51	824,8	4.51	1	6.9%
VNG	9.09	7.91	8.50	8.98	1,4	9.05	2,0	9.09	95,7	9.09	1	6.9%

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China opens group tour to Vietnam

- On the afternoon of March 8, Mr. Peng The Doan, Cultural Counselor of the Chinese Embassy in Vietnam, authorized by the Ambassador, announced that China will pilot the group of tourists to Vietnam.
- A representative of the Department of International Cooperation (Ministry of Culture, Sports and Tourism) also confirmed the information: From March 15, China allowed travel companies to organize groups of tourists to Vietnam.
- Previously, on February 6, China allowed pilot tour operators to organize international tours to 20 countries around the world, including many Asian countries, but not Vietnam.

- *China was Vietnam's largest international visitor market before Covid-19. In 2019, Vietnam welcomed 5.8 million Chinese visitors (accounting for nearly a third of international arrivals), with an impressive increase of 17% over the same period in 2018. Vietnamese tourists to China reached about 4.5 million arrivals. , topping Vietnam's list of foreign tourists.*

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	

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

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Q&A

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