MORNING CALL

March 14th, 2023

Shinhan Securities

"Balance trade but need more catalyst for breakout"

- ❑ Global stocks continued to decline
- ❑ Domestic stocks traded in balance, liquidity improved
- ❑ Update Business Results #HAG #VHC
- ❑ Technical view and recommendations
- ❑ Economic calendar
- ❑ Q&A

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Open Account

Global Market Review - Week 13 - 17/03/2023

Major stock markets continued to decline

Major US stock indexes see-sawed on Monday as concerns about the latest banking crisis increased and investors started pricing in the lower possibility of a rate hike by the Federal Reserve. The Dow closed 90 points lower after gaining 200 points during the session and the S&P 500 lost 0.1%, while Nasdaq 100 added 0.4%. Goldman Sachs was among the first to say that it no longer expects the Fed to deliver a rate hike at its March 22nd meeting. Bank stocks led the loss during the session while big tech and other growth stocks gained.

European equity markets tumbled to two-month lows on Monday, after the collapse of US lender Silicon Valley Bank sent European banks to their worst day in more than a year. The pan-continent Stoxx 600 declined 2.3% and the Stoxx bank index fell more than 5% after HSBC acquired the British arm of SVB in a government-facilitated private sale to protect depositors. The German DAX slipped 3% to below 14,960, the lowest since January 19th, led by Commerzbank (-10%).

Bitcoin surged more than 12% to above $24,000 on Monday, closing in on its highest level since June 2022. US regulators announced a series of emergency measures to provide liquidity following the collapse of Silicon Valley Bank and New York-based Signature Bank. Investors were also betting that the Federal Reserve would be less aggressive in raising interest rates, which, in turn, sparked an appetite for recent beaten-down cryptocurrencies.

The dollar index fell below the 104 mark on Monday, sliding for the third straight session to a three-week low. Besides, US 10 Year Government Bond Yield also decreased to a 5-week low of 3.55%.

WTI crude oil futures fell below $75 a barrel on Monday, at times as low as $73, a level not seen since early December, as financial contagion fears drove a broad risk-off day across markets. The collapse of Silicon Valley Bank and New York-based Signature Bank triggered concerns about risks to other banks from the Federal Reserve's sharpest rate hike cycle since the early 1980s.

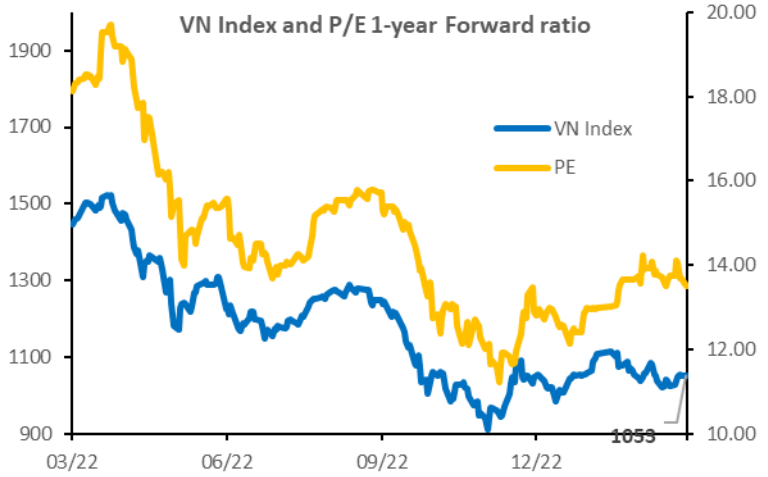
Market

	Close	%1D	%1M	%1Y
VN-Index	1,053	-0.02%	1.36%	-27.20%
S&P 500 Index	3,856	-0.15%	-6.78%	-7.60%
Dow Jones Index	31,819	-0.28%	-6.66%	-3.42%
GP 100	7,549	-2.58%	-5.09%	4.94%
Nikkei 225	27,195	-2.29%	-1.48%	7.46%
SHCOMP Index	3,269	1.20%	-0.75%	1.40%
STOXX 600	443	-2.42%	-4.24%	1.48%
KOSPI Index	2,362	-2.02%	-4.21%	-10.73%
Hang Seng	19,696	1.95%	-6.72%	0.84%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.76	0.16%	0.51%	4.81%
USD/VND	23,624.00	0.29%	-0.20%	-3.13%
EUR/USD	1.07	-0.09%	-0.16%	-2.00%
USD/CNY	6.85	1.01%	-0.44%	-7.05%
Brent	80.47	-0.37%	-5.97%	-24.72%
WTI	74.47	-0.44%	-5.81%	-27.71%
Natural gas	2.63	0.73%	2.26%	-43.65%
Coal	182.90	-1.27%	-17.24%	-50.39%
Gold	1,913.52	-0.01%	3.19%	-1.92%

Vietnam Market Snapshot 13/03/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,052.80	13.71	-0.20	-0.02	503	8,795
HNX INDEX	205.85	18.74	-2.01	-0.97	55	745

Money flow and sector rotation (VND bn)

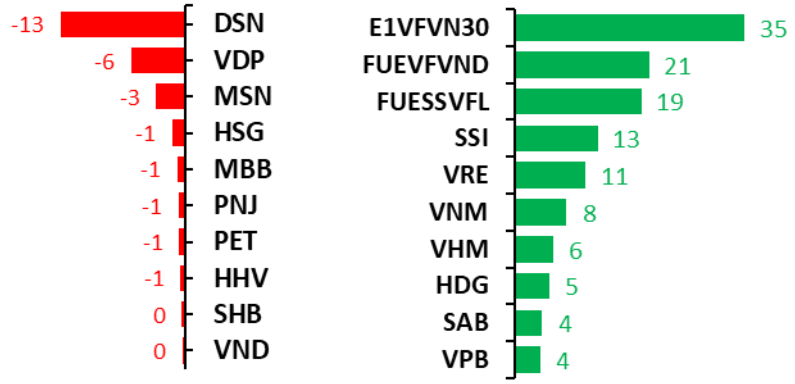
Sector	%1D	3/13/2023	3/10/2023	20-session Average
Insurance	184.58	31	11	29
Banks	60.86	2,782	1,729	1,734
Utilities	47.12	264	179	180
Media	40.10	2	1	2
Technology	23.91	82	66	71
Real Estate	19.70	1,245	1,040	1,338
Financial Services	18.06	1,116	945	900
Food and Beverage	13.90	713	626	537
Personal & Household Goods	11.82	81	73	79
Construction & Materials	-4.1	569	593	642
Retail	-8.2	140	152	182
Health Care	-11.2	12	13	16
Industrial Goods & Services	-18.7	248	305	323
Basic Resources	-19.4	1,007	1,250	1,053
Automobiles & Parts	-23.8	51	67	74
Chemicals	-26.4	291	396	288
Oil & Gas	-39.1	87	143	127
Travel & Leisure	-42.4	74	129	51

Source: Bloomberg, Shinhan Securities Vietnam

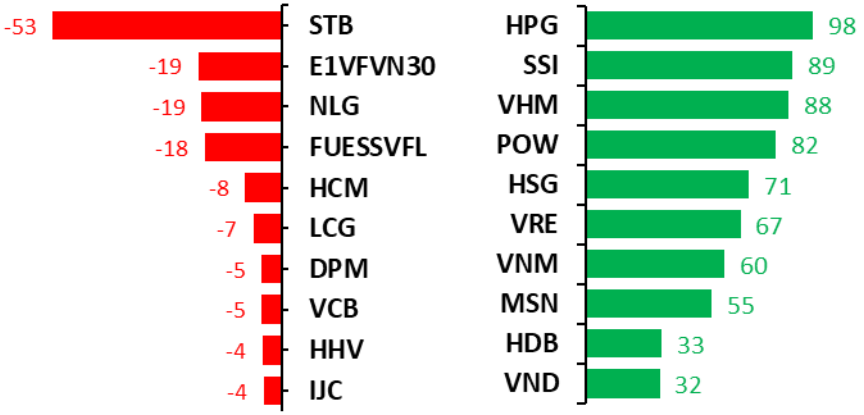
Vietnam Market Snapshot 13/03/2023

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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	(31)	87	(37)	(51)
Basic Resources	(21)	128	(104)	(24)
Media	-	0	(0)	(0)
Industrial Goods & Services	(2)	18	(4)	(15)
Health care	-	0	0	(0)
Chemicals	10	(9)	8	1
Financial Services	30	86	(99)	12
Travel & Leisure	(11)	(13)	23	(10)
Banks	(103)	(23)	24	(0)
Construction & Materials	0	12	(8)	(4)
Food and Beverage	(37)	80	(46)	(34)
Retail	(13)	7	25	(32)
Utilities	(5)	51	(46)	(4)
Personal & Household Goods	(3)	(5)	5	(1)
Technology	(19)	2	19	(21)
Automobiles & Parts	-	2	(2)	0
Insurance	(1)	(1)	0	1
Oil & Gas	(1)	(4)	5	(1)

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- The Government issued Resolution 33 to remove difficulties for the real estate market, deploying a credit package of VND 120,000 billion.
- It is estimated that Vietnam's rubber exports in February reached about 150 thousand tons, worth 212 million USD, up 47.8% in volume and 16.6% in value over the same period last year.
- Bloomberg: HSBC Buys SVB's UK Unit for £1 in Reprieve for Tech Sector.
- US Treasury Secretary Janet Yellen said the US government will not rescue SVB but only protect depositors here.

Less positive

- Vietnam and many Asian countries recorded a decline in import and export turnover in the first months of 2023.
- VBMA: The company bought back more than VND 15.3 trillion of bonds in the first 2 months, up 43% over the same period last year.

Business news

- **HAG** said that in the context that pork prices in the domestic market remained low, it was almost unprofitable, but banana prices remained high ($12/barrel) along with similar output same period, so all of February's profit came mainly from bananas.

  Specifically: total revenue in February 2023 of HAG reached VND 665 billion. In which, the livestock industry reached 212 billion VND, the fruit industry reached 210 billion VND and the supporting industry reached 243 billion VND. As a result, the company announced profit after tax of VND 108 billion.

  The company is also piloting free-range chickens and selling this product at BAPI Food stores. The Company expects revenue from banana, pork and chicken products to bring large cash flow for the Company to repay debt and expand its business.
- VPB: VPBank can sell 15% of capital (more than 1 billion shares) to a Japanese partner (Sumitomo Mitsui Group) for 32,000 - 33,000 VND/share (~1.4 billion USD).

  This agreement is expected to be signed in March. In fact, the plan to sell 15% shares to strategic investors has been proposed by VPBank since 2021 and is expected to be completed in 2022.
- DIG: After the inspection information, DIC Corp has extended the time to hold the 2023 Annual General Meeting of Shareholders to June 30.
- PLC was fined and collected more than 628 million dong of tax.
- NBB wants to offer more than 50 million shares to existing shareholders at the price of 15,000 VND/share.
- NAB: In 2023, Nam A Bank expects pre-tax profit of VND 2,400 billion, an increase of more than 9% compared to 2022. It is expected to pay a stock dividend at the rate of 25%.
- VOS: HOSE has just announced to remove VOS stock from the warning from March 14, 2023, which means that VOS is about to be granted margin again.

Breaking News



Business news

- **VHC:** According to the business results update report in February, Vinh Hoan recorded export revenue of VND 758 billion, 29% lower than the same period but an improvement of 69% compared to the previous month, ending 3 months of consecutive decrease.

  In terms of structure, the item with the largest revenue was pangasius, which continued to decrease by 47% over the same period to VND 417 billion. In return, by-products, healthcare increased by 46% and 96% respectively over the same period.

  In terms of export markets, the US is still the largest market, earning VND 197 billion in total revenue for Vinh Hoan. Compared to the previous month, all export markets of Vinh Hoan to the US, China, Europe or the domestic market have recovered.

  On March 1, the enterprise announced that it received the transfer of the right to use aquaculture land with an amount of more than 15 billion VND. This is a farming land located in Cho Moi district, An Giang province with a total area of 80,960 m2.

- CII: In 2023, CII plans to reduce profit by 35.8% to VND 469 billion. The company also plans to approve the plan to distribute bonus shares at the rate of 14% and dividend in 2022 of 12% in cash.

  On March 14, CII will finalize the list of shareholders attending the 2023 Annual General Meeting of Shareholders, which is expected to be held on April 26 in Ho Chi Minh City. HCM.

- QNS: In 2023, the company sets a target of 8,400 billion VND in revenue, up 2%, profit after tax is 1,008 billion VND, down 22% over the same period. The 2023 dividend is expected to be equal to or more than 15%, halving from the previous year.

  Quang Ngai Street also has a report on the issuance of ESOP shares based on the business results in 2023 with 3 options.

Technical view



Trend: Technical recovery

- The index continued to stand firm in the first session of the week when the news of Silicon Valley Bank's collapse last weekend created fear among global investors and led to the sell-off of bank stocks afterwards. It seems that domestic investor sentiment has calmed down to assess the news. However, the market is still moving sideways and sticking to the 20-day MA around 1,050 points. The MACD has crossed the signal line along with the RSI stabilizing above 50, which will reinforce the recovery inertia. It should be noted that the recovery took place in the down phase and the index needs a bounce and break the resistance to confirm the upward reversal point. In case there is still no motivation to break out, the trend is still unclear and investors should be patient.

Scenarios:

- Positive (50%): The index rebounded to 1,050 points and balanced above to continue creating a recovery pace to 1,080 points, more optimistic than 1,100 points.
- Less positive (50%): The index failed to test and lost the support level of 1,050 points, it might drop to retest the psychological level of 1,000 points and lower to the area of 950 points..

Recommended stocks

14/3/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
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
VCG	Hold	20.6	23	19.5	12%	-5%	20.2	3	-1.94%	09/03/2023	
KSB	Hold	25.2	29	23.5	15%	-7%	24.5	3	-2.78%	09/03/2023	
BSR	Hold	16.4	18	15.3	10%	-7%	16.1	5	-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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