MORNING CALL

March 17th, 2023

"The cautious sentiment dominated, the index dropped again but still kept the balance"

- Global stocks recovered. ECB decided to raise the main interest rates by 50 basis points
- Domestic stocks fell again but order matching was low
- Technical view and recommendations #SSI
- 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 13 - 17/03/2023

Major stock markets regain ground

Wall Street recovered from a sour open, with the Dow Jones rising almost 400 points, and S&P 500 and Nasdaq up 1.8% and 2.7% respectively. Lower yields supported tech shares while a group of major financial institutions including BoA, JPMorgan, and Citi has agreed to deposit $30 billion in the First Republic to stabilize it. Meanwhile, data showed banks borrowed a record $164.8 billion from two Fed backstop facilities in the week ended March 15th.

European equity markets rebounded on Thursday, with the benchmark Stoxx 600 up 1.3% and the Stoxx bank index recovering 1.1% from their worst day in over a year. Shares of Credit Suisse jumped 18% from a record low after saying it would borrow up to $54 billion from the country's central bank under a covered loan facility and a short-term liquidity facility.

The ECB raised interest rates by 50 bps as expected on Thursday, further pushing borrowing costs to the highest level since late 2008, in order to help temper the region's stubbornly high inflation. Policymakers also said the euro area banking sector was resilient, with strong capital and liquidity positions, and that they were monitoring current market tensions closely, while they stood ready to respond as necessary to preserve price stability and maintain financial stability in the region. The interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility were all increased to 3.50%, 3.75% and 3.00%, respectively.

WTI crude futures rose 1% to above $68 per barrel on Thursday, recovering from an over one-year low of around $66 in the prior session, as optimism about a rebound in Chinese demand and a weaker dollar prompted investors to open new positions. Also, concerns over a deepening banking crisis eased after Treasury Secretary Janet Yellen told lawmakers that the American financial system is in good shape despite the collapse of two midsize banks.

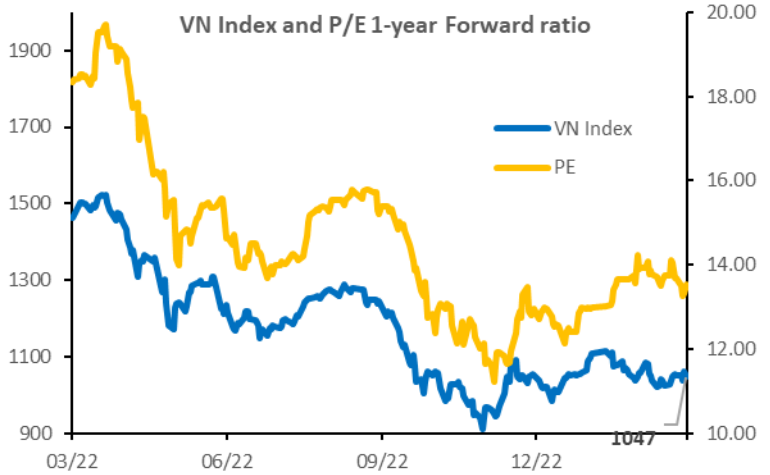
Market

	Close	%1D	%1M	%1Y
VN-Index	1,047	-1.39%	-1.12%	-28.33%
S&P 500 Index	3,960	1.76%	-2.91%	-10.23%
Dow Jones Index	32,247	1.17%	-4.67%	-6.48%
GP 100	7,410	0.89%	-7.43%	0.33%
Nikkei 225	27,086	0.28%	-1.55%	1.62%
SHCOMP Index	3,227	-1.12%	0.09%	0.37%
STOXX 600	442	1.19%	-4.88%	-1.96%
KOSPI Index	2,388	0.42%	-2.58%	-11.38%
Hang Seng	19,204	-1.72%	-7.32%	-10.68%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.42	0.00%	0.53%	6.58%
USD/VND	23,580.00	0.01%	0.34%	-2.99%
EUR/USD	1.06	0.05%	-0.75%	-4.29%
USD/CNY	6.90	0.12%	-0.59%	-7.91%
Brent	74.72	0.03%	-9.98%	-29.93%
WTI	68.33	-0.03%	-10.49%	-33.65%
Natural gas	2.50	-0.52%	9.93%	-49.88%
Coal	174.00	-0.57%	-18.69%	-48.82%
Gold	1,919.63	0.01%	4.19%	-1.20%

Vietnam Market Snapshot 16/03/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,047.40	13.63	-14.79	-1.39	444	7,841
HNX INDEX	204.19	18.54	-2.82	-1.36	53	730

Money flow and sector rotation (VND bn)

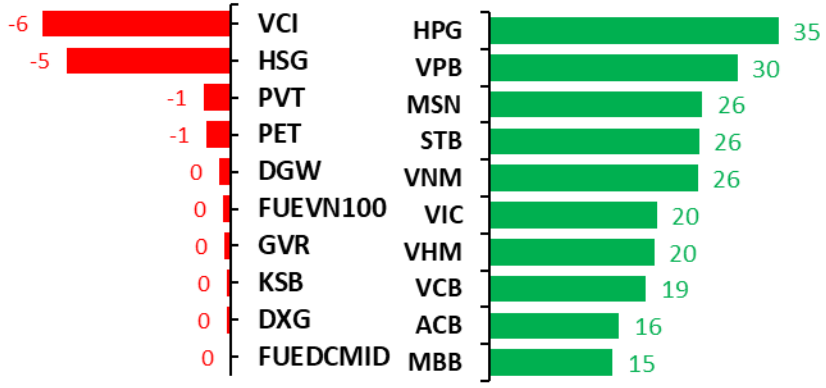
Sector	%1D	3/16/2023	3/15/2023	20-session Average
Oil & Gas	58.29	152	96	129
Media	22.76	1	1	2
Technology	9.92	73	67	73
Automobiles & Parts	7.02	61	57	75
Personal & Household Goods	0.82	64	64	77
Real Estate	-0.4	1,290	1,295	1,331
Basic Resources	-0.7	1,111	1,118	1,090
Food and Beverage	-6.4	551	588	561
Industrial Goods & Services	-9.3	282	311	331
Travel & Leisure	-10.6	55	61	55
Retail	-14.8	162	190	191
Financial Services	-15.2	1,428	1,685	1,010
Construction & Materials	-23.0	426	553	641
Banks	-23.2	1,759	2,290	1,822
Utilities	-27.8	200	277	196
Chemicals	-30.5	204	293	291
Insurance	-62.5	12	31	27
Health Care	-64.4	10	28	18

Source: Bloomberg, Shinhan Securities Vietnam

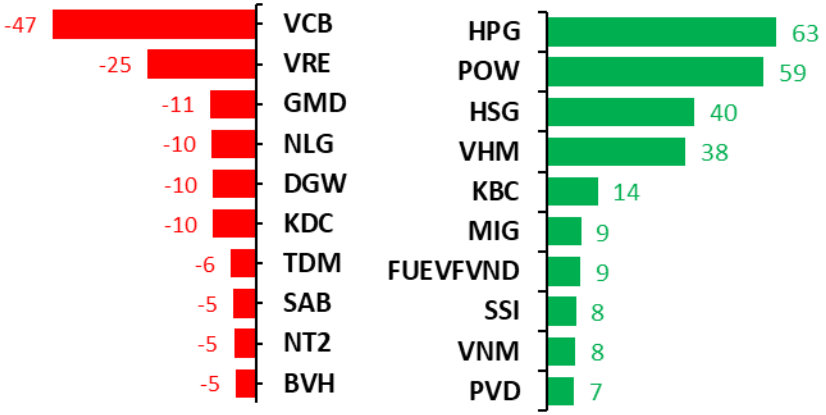
Vietnam Market Snapshot 16/03/2023

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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	(12)	72	(23)	(49)
Basic Resources	(0)	114	(75)	(39)
Media	-	0	(0)	(0)
Industrial Goods & Services	(19)	19	(3)	(16)
Health care	0	1	(2)	1
Chemicals	(0)	1	3	(3)
Financial Services	143	(55)	(56)	110
Travel & Leisure	(1)	(5)	2	2
Banks	(22)	(59)	144	(85)
Construction & Materials	0	21	(21)	(1)
Food and Beverage	(1)	(20)	11	8
Retail	(12)	2	14	(16)
Utilities	(3)	21	(4)	(17)
Personal & Household Goods	(13)	(0)	11	(11)
Technology	(7)	(0)	18	(18)
Automobiles & Parts	-	(5)	5	0
Insurance	0	1	(0)	(0)
Oil & Gas	1	(19)	26	(7)

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- The Swiss National Bank (SNB) is committed to providing emergency financing to Credit Suisse if needed.
- JPMorgan Chase: Fed will provide $2 trillion in liquidity to the US banking system.
- Many power plants of EVNGENCO1 exceeded the output plan in February 2023.

Less positive

- In the first 2 months of the year, the trade balance of goods had a surplus of more than 3.4 billion USD, but the total import and export value decreased by 13.4%, reaching 95.83 billion USD.



Business news

- VIC: Mr. Pham Nhat Vuong will convert more than 50.7 million VIC shares into 95% contributed capital in the new company GSM.
- REE targets revenue and net profit in 2023 at VND 10,962 billion and VND 2,700 billion, respectively, up 17% and 0.3% compared to 2022.

	Doanh thu (+17% so với 2022)	Lợi nhuận sau thuế (+0,3% so với 2022)
	10.962	2.700 (*)
Năng lượng	5.198 (-3,1% so với 2022)	1.351 (-18,9% so với 2022)
Cơ điện lạnh	3.383 (+20,1% so với 2022)	160 (+20,2% so với 2022)
Bất động sản	2.230 (+115,1% so với 2022)	930 (+60,7% so với 2022)
Nước sạch & môi trường	151 (-1,8% so với 2022)	335 (-1,1% so với 2022)

REE Refrigeration Engineering said that it is cautiously planning to do business in the energy sector because in the context of macroeconomic and geopolitical difficulties that are expected to persist, hydropower conditions are forecasted to become more disadvantageous.

- On March 31, Refrigeration Electrical Engineering JSC will hold the 2023 Annual General Meeting of Shareholders in Ho Chi Minh City.
- POW: Profit after tax in 2022 PV Power increased by VND 230 billion after audit, equivalent to an increase of 9.9% compared to the independent report.

  POW explained the reason for the difference mainly because of the change in net profit after tax of NT2 (Nhon Trach 2 Petroleum Power JSC - a subsidiary of POW). Previously, NT2 corrected its financial statements for the fourth quarter, with profit after tax increased by VND 154 billion. Because POW did not repeat the consolidated financial statements of the fourth quarter, this profit difference arises after the audit.

  Besides, net profit and profit after tax of subsidiaries after the audit were adjusted, increasing by VND 75 billion compared to the pre-audit report.

Breaking News



Business news

- HUT: Tasco sets a plan for 2023 with total revenue of VND 22,500 billion and profit after tax quadrupled, reaching VND 600 billion.

  This plan already includes a plan to consolidate SVC Holdings in 2023. Tasco is planning to issue 543.88 million shares to swap shares to own 100% of SVC Holdings' capital. SVC Holdings is currently the largest shareholder, holding 53.68% of the shares of Saigon General Services JSC (Savico).

- DAG sets a target of consolidated net revenue in 2023 of VND 2,248 billion, a slight increase from VND 2,244 billion in 2022. Pre-tax profit target of VND 22 billion, up 55% compared to the previous year.

  In addition, the Board of Directors of DAG has approved a plan to issue shares to creditors for debt swaps in 2023, in order to implement the financial restructuring plan and at the request of the lender.

- PHR: Phuoc Hoa Rubber Joint JSC's Board of Directors has just approved the parent company's 2023 business plan with VND 1,813 billion in revenue, VND 488 billion in profit after tax, down 17% and 36% respectively over the same period. In which, revenue from rubber business is about 1,302 billion VND. This year, the company is expected to pay cash dividends at the rate of at least 30%.

- DGC: Dragon Capital raised its stake in Duc Giang Chemical to 6.07% despite the decline in DGC's business.

- VDS targets a profit of VND 217 billion in 2023, brokerage revenue down 27%. Last year, VDS lost VND 115 billion.

- OIL: In 2022, PVOIL's after-tax profit is VND 723.20 billion, equal to 93.6% of the realized profit in 2021.

- VGR: Profit doubled after 3 years, VGR is about to pay a cash dividend of 30%. Previously, the company paid the first cash dividend at the rate of 10% at the end of October 2022.

Technical view



Trend: Technical recovery

- The excitement quickly passed and investors' cautious sentiment returned to concerns about the health of the current banking system. This put downward pressure on the index and the market lost most of yesterday's gain to fall back to the short-term support area around 1,040 points. The positive point in today's trading is that despite the decline, the order matching was at a low level, showing that the selling supply was not really drastic. Perhaps investor sentiment is also calmer in the face of information uncertainties coming from the global market. Technical indicators remain neutral. In general, the market will still shake to find the balance.

Scenarios:

- Positive (60%): 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 (40%): 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

` 17/3/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
SSI	Buy	20	22	19	10%	-5%	20.15	Exit the correcting trend, consensus volume
CTG	Watch							Waiting to test the MA20 - 50 day
VIB	Watch							Waiting to test the MA20 - 50 day
GVR	Watch							Waiting to test MA20-50 day, volume improves
NKG	Watch							Waiting to test the 20-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
PVS	Watch							Waiting to test the 50-day MA
HVN	Watch							Waiting to test the MA10 - 20 day

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
KSB	Hold	25.2	29	23.5	15%	-7%	25.1	6	-0.40%	09/03/2023	
BSR	Hold	16.4	18	15.3	10%	-7%	15.6	8	-4.88%	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

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



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