MORNING CALL

March 21th, 2023

Shinhan Securities

“Weakened to the psychological threshold of 1,000 points when the balancing attempt failed, expecting bottom-fishing demand”

- Global stocks struggled to recover. The People's Bank of China (PBoC) leaves key lending rates unchanged
- Domestic stocks dropped, cautious sentiment prevailed
- Technical view and recommendations #BSR
- 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 20 - 24/03/2023

Major stock markets regain ground

The Dow Jones added almost 400 points, the S&P 500 gained nearly 1% and the Nasdaq also rose as bank's fears of contagion eased after UBS rescues Credit Suisse. In Europe, major bourses erased early losses to gain 1%.

The People's Bank of China (PBoC) left key lending rate unchanged for the seventh consecutive month when it was set in March, as many expected. The one-year loan prime rate (LPR), which medium-term lenders use for corporate and household loans, was left unchanged at 3.65%, while the five-year rate, a reference projections for mortgages, maintained at 4.3%.

The Euro Area recorded a trade deficit of EUR 30.6 billion in January of 2023, widening slightly from a EUR 30.2 billion gap in the corresponding period of the previous year. Imports grew by 9.7% to EUR 253.5 billion in the period, while exports jumped by 11% to EUR 222.9 billion. Meanwhile, the European Union posted a trade deficit of EUR 34.6 billion, narrowing from the EUR 38.6 billion gap in January 2022.

The annual producer inflation in Germany slowed for the fifth straight month to a 17-month low of 15.8% in February 2023 from a downwardly revised 17.6% in the previous month, and compared with market forecasts of 14.5%, amid softer rises in energy prices.

The dollar index fell to below 103.5 on Monday, extending losses for the 3rd session as investors anticipate that the Federal Reserve might not hike rates as much as previously thought because of the banking crises.

WTI crude futures rebounded 1.4% to $67.6 a barrel on Monday, after falling as much as 4.1% early in the session to levels not seen since late 2021, on hopes that UBS Group AG's takeover of Credit Suisse Group would avert a wider banking crisis and as investors weighed the likelihood of a pause in interest rate hikes from the Federal Reserve this week..

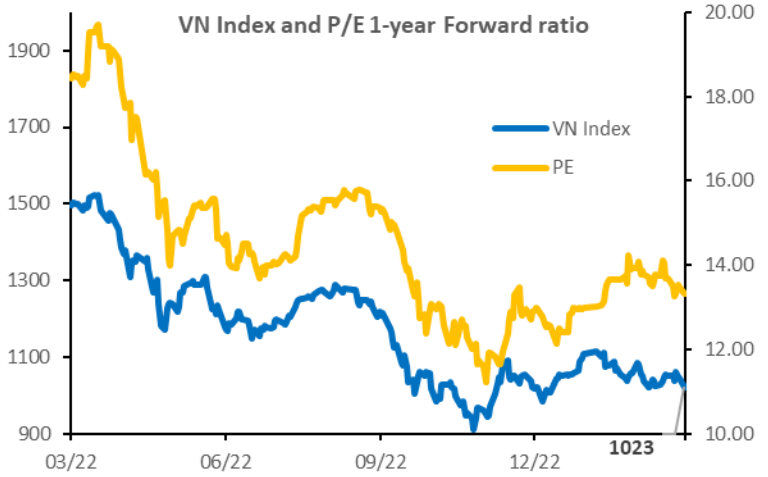
Market

	Close	%1D	%1M	%1Y
VN-Index	1,023	-2.11%	-5.46%	-31.56%
S&P 500 Index	3,952	0.89%	-3.13%	-11.46%
Dow Jones Index	32,245	1.20%	-4.68%	-7.22%
GP 100	7,404	0.93%	-7.19%	-0.52%
Nikkei 225	26,946	-1.42%	-1.92%	0.44%
SHCOMP Index	3,235	-0.48%	-2.17%	-0.58%
STOXX 600	441	0.98%	-5.00%	-3.12%
KOSPI Index	2,397	0.74%	-2.53%	-10.77%
Hang Seng	19,001	-2.65%	-7.45%	-10.46%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.34	0.05%	-0.81%	4.91%
USD/VND	23,587.00	0.00%	0.98%	-3.08%
EUR/USD	1.07	-0.02%	0.67%	-2.70%
USD/CNY	6.88	0.14%	-0.32%	-7.58%
Brent	73.68	-0.15%	-11.28%	-36.27%
WTI	67.40	-0.35%	-11.50%	-39.89%
Natural gas	2.25	1.12%	8.44%	-54.12%
Coal	172.25	-0.43%	-16.24%	-48.74%
Gold	1,977.49	-0.07%	7.76%	2.15%

Vietnam Market Snapshot 20/03/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,023.10	13.29	-22.04	-2.11	455	7,936
HNX INDEX	201.62	19.50	-2.85	-1.39	57	801

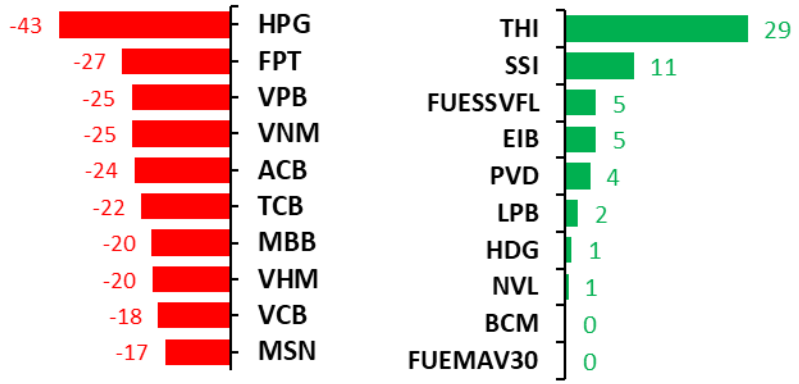
Money flow and sector rotation (VND bn)

Sector	%1D	3/20/2023	3/17/2023	20-session Average
Media	232.88	2	1	2
Retail	131.25	270	117	190
Technology	71.05	73	43	70
Construction & Materials	67.24	587	351	610
Health Care	5.15	17	16	18
Personal & Household Goods	-0.8	70	71	75
Industrial Goods & Services	-1.5	254	258	319
Utilities	-6.1	196	209	197
Financial Services	-7.2	1,146	1,235	1,017
Basic Resources	-10.8	997	1,118	1,095
Banks	-13.4	1,952	2,253	1,830
Automobiles & Parts	-15.9	52	62	71
Food and Beverage	-27.4	568	782	575
Oil & Gas	-27.5	179	246	139
Real Estate	-28.1	1,226	1,706	1,325
Chemicals	-33.4	265	398	287
Travel & Leisure	-50.3	55	111	59
Insurance	-54.1	22	47	26

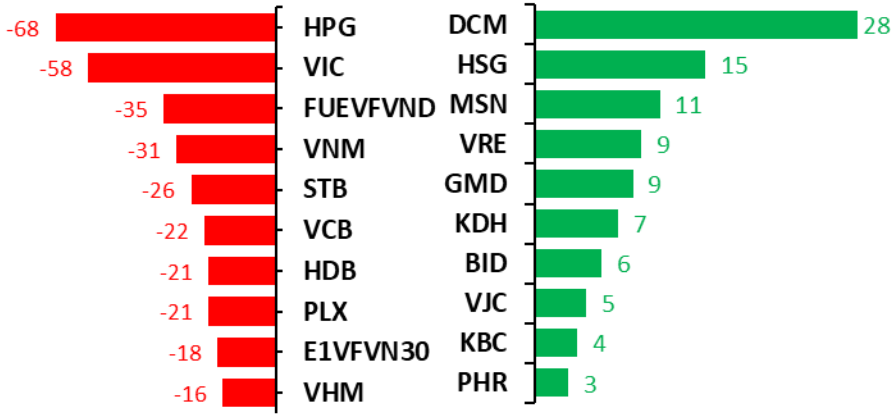
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 20/03/2023

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	(40)	(80)	115	(34)
Basic Resources	(43)	(53)	109	(56)
Media	-	0	(0)	(0)
Industrial Goods & Services	21	6	(29)	23
Health care	0	2	(5)	3
Chemicals	(2)	27	(19)	(8)
Financial Services	9	(79)	25	54
Travel & Leisure	(4)	3	5	(8)
Banks	(144)	(101)	229	(128)
Construction & Materials	(2)	(11)	35	(24)
Food and Beverage	(43)	(27)	77	(50)
Retail	(17)	(6)	33	(27)
Utilities	(6)	1	13	(13)
Personal & Household Goods	(7)	(1)	17	(15)
Technology	(27)	(1)	31	(31)
Automobiles & Parts	-	(0)	0	0
Insurance	(0)	1	(1)	0
Oil & Gas	4	(24)	18	6

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- Interbank interest rates continued to fall deeply. During the session on March 17, the banking system did not borrow a single coin from the Operator on the open market.

  At the regular Government meeting held in early March, Governor of the State Bank Nguyen Thi Hong said that the liquidity of the system is now abundant again.

- FDIC announces sale of Signature Bank assets to New York Community Bancorp.

Less positive

- Total import and export turnover of goods in the first half of March (March 1 - March 15) of Vietnam reached 27.15 billion USD, down 11% compared to the same period in 2022. In this period, Vietnam had a trade deficit of 0.49 billion USD.
- Accumulated from the beginning of the year to March 15, 2023, the total import and export turnover of Vietnam's goods reached 122.94 billion USD, down 13% over the same period in 2022, according to data of the General Department of Customs.
- Live hog prices have continuously decreased since the third quarter of 2022 until now. Currently, the lowest pig price has reached VND 45,000/kg – down 40% from the peak set early last year.



Business news

- NVL: Novaland has more than 1,900 billion VND in cash loans and more than 8,200 billion VND in bond loans at Credit Suisse.

  Recently, Novaland proposed to pay VND 1,500 billion bonds in real estate.

- FMC: In 2023, Sao Ta aims to bring in VND 5,900 billion in total revenue and VND 400 billion in consolidated pre-tax profit, up 22% compared to 2022.

  In addition, the cash dividend is expected to be at least 20%.

- NT2 sets a revenue target of nearly VND 8,300 billion in 2023, a slight decrease of 6% compared to 2022, along with a target of producing 4.1 billion kWh of electricity.

  In 2023, NT2 plans to overhaul the factory and is carrying out preparatory procurement activities. In the context of high gas prices affecting production and business activities, NT2 calculates and operates reasonably and has a flexible pricing strategy to ensure the best benefits for the company.

- IJC sets a target in 2023 that revenue will decrease by 18% to VND 1,634 billion and profit of VND 500 billion, down 2%.

  Besides, Becamex IJC increased charter capital through offering shares to existing shareholders at the rate of 50%, asking price 10,000 VND/share. If the issuance is successful, the company will collect more than 1,259 billion VND, raising the charter capital from more than 2,518 billion VND to more than 3,777 billion VND.

- LGC sets a target for 2023 with total revenue of VND 2,082 billion, up 32% and profit after tax up 11%, reaching VND 323 billion. Cash dividend is expected 16%.
- BWE: Biwase wants to acquire Quang Binh Water Supply (NQB), the expected ownership rate is from 20% to less than 50%.
- VIC: CapitaLand may spend $1.5 billion to buy a part of Vinhomes' Ocean Park 3 project, according to Reuters.

Breaking News



Business news

- EIB: In 2023, Eximbank set a profit target of VND 5,000 billion, increasing by more than 34%. The on-balance sheet bad debt ratio is below 1.6%.

  Eximbank said that in 2022, the bank has sharply reduced its bond investment portfolio, especially corporate bonds, prioritizing loans for essential consumption, production and business, which has helped the bank increase business efficiency. business, contributing to liquidity safety.

- HAH submits shareholders to approve the plan to issue up to VND 500 billion of convertible bonds as well as the plan to pay dividends in 2022 at the rate of 50% in shares. It is expected that after the issuance, the charter capital of HAH will increase from nearly VND 683 billion to more than VND 1,034 billion.

  In 2023, HAH targets total revenue and consolidated profit after tax to reach VND 2,960 billion and VND 492 billion, down 8% and 40% respectively compared to the previous year. Plan to pay 15% cash dividend.

- IBC: Egroup wants to sell 6 million IBC shares of Apax Holdings. Currently, Egroup is holding more than 34.9 million IBC shares, equivalent to 42.02% of IBC's total outstanding shares.

- GAS: PV GAS was fined VND 270 million for violating regulations on information disclosure and not having enough independent BOD members.

- KBC: Kinh Bac wants to increase charter capital for Kinh Bac - Da Nang, from 720 billion VND to 1,091 billion VND. At the end of 2022, Kinh Bac holds 100% of the charter capital of Kinh Bac - Da Nang. This company was established in 2018, operating in the field of investment, construction and real estate business.

- FLC used 155 million shares of Bamboo Airways and a golf course in Quang Binh to secure Bamboo Airways' financial obligations at OCB.

Technical view



Trend: Weakening to the support zone

- The market plunged at the opening session of the week when concern about the health of the banking industry dominated and spread to domestic investors. UBS agreed to buy Credit Suisse for about $3.2 billion to prevent the crisis from spreading. However, perhaps investor sentiment has not improved as many unknowns remain. The index dropped to the psychological support zone around 1,020 - 1,000 points. Technically, the MACD has cut back down to the signal line along with the RSI falling below 50, meaning that the market is back in the down phase when the balancing attempt failed. Currently, the index is approaching the short-term support level, so a technical recovery may appear, investors may consider lowering the proportion of stocks and watching for new developments.

Scenarios:

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

21/3/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
ADS	Watch							Staying above MA10, still holding the trend
KHP	Watch							Stay above MA10, volume improves
NKG	Watch							Waiting to test the 50-day MA
PC1	Watch							Waiting to test the 50-day MA
POW	Watch							Waiting to test the 20-day MA
PVS	Watch							Waiting to test the 50-day MA
VTD	Watch							Waiting to test the 20-day MA

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
SSI	Hold	20.15	22	19	9%	-6%	19.5	3	-2.99%	16/03/2023	
KSB	Hold	25.2	29	23.5	15%	-7%	25.2	8	0.00%	09/03/2023	
BSR	Sell	16.4	18	15.3	10%	-7%	15.2	10	-7.32%	07/03/2023	Hit stoploss

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

Shinhan Securities



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