MORNING CALL

March 22th, 2023

“Green color is back but liquidity is low, caution remains”

- Global stocks kept recovering momentum, waiting for the decision of the Fed on March 23
- Domestic stocks recovered with low liquidity
- UK market - an optimistic destination for Vietnamese pangasius in 2023 #VHC
- Technical view and recommendations #KSB
- Economic calendar
- Q&A

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Open Account

Global Market Review - Week 20 - 24/03/2023

Major stock markets kept the momentum of the recovery

US equities closed higher as investors' worries over the health of the global banking system continue to abate ahead of the Federal Reserve's decision on Wednesday. First Republic Bank surged more than 30% and the SPDR Regional Banking ETF gained 5% after Treasury Secretary Janet Yellen said that the government is ready to provide further guarantees of deposits if the banking crisis worsens.

European equity markets extended gains for a second session on Tuesday, amid easing concerns about the global banking crisis and growing expectations that the Federal Reserve will adopt a more cautious policy approach. The benchmark Stoxx 600 rose 1.4%, with financial stocks up 4.5% and banks adding 3.8%. UBS Group AG rose more than 11% even after S&P Global Ratings and Moody's Investors Service lowered its credit outlook.

Existing home sales in the US which include completed transactions of single-family homes, town homes, condominiums and co-ops jumped 14.5 percent to a seasonally adjusted annual rate of 4.58 million in February 2023, snapping a 12-month slide and representing the largest monthly percentage increase since July 2020.

The ZEW Indicator of Economic Sentiment for the Euro Area slipped by 19.7 points to 10 in March 2023, from a one-year high of 29.7 in the prior month and below market forecasts of 16.

The annual inflation rate in Canada fell to 5.2% in February of 2023, the least since January 2022, below market expectations of 5.4% and slowing from the 5.9% in the previous month amid significant base-year effects.

WTI crude futures were slightly higher at above $69 per barrel on Tuesday, following a 1.3% gain in the previous session, as investors slowly return to riskier assets as worries about the recent banking turmoil started to fade. Goldman Sach has downgraded its 12-month price outlook for Brent oil from $100 a barrel to $94, as the banking turmoil and the potential for recession outweigh a surge in demand from China.

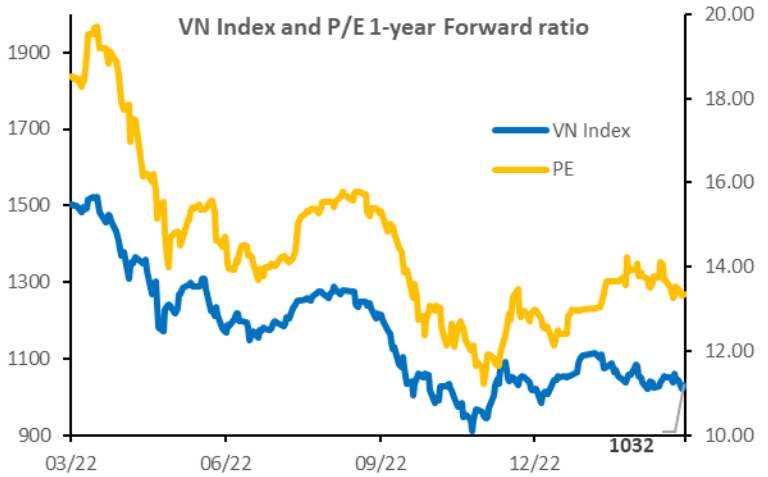
Market

	Close	%1D	%1M	%1Y
VN-Index	1,032	0.91%	-2.07%	-31.34%
S&P 500 Index	4,003	1.30%	0.30%	-11.28%
Dow Jones Index	32,561	0.98%	-1.47%	-6.46%
GP 100	7,536	1.79%	-4.97%	0.80%
Nikkei 225	27,392	1.65%	-0.30%	2.10%
SHCOMP Index	3,256	0.64%	-1.08%	-0.13%
STOXX 600	446	1.33%	-3.41%	-2.66%
KOSPI Index	2,406	0.74%	-0.48%	-11.22%
Hang Seng	19,259	1.36%	-5.70%	-12.02%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.23	-0.02%	-1.29%	4.81%
USD/VND	23,584.00	0.01%	0.58%	-3.07%
EUR/USD	1.08	0.05%	1.58%	-2.32%
USD/CNY	6.88	-0.03%	0.00%	-7.61%
Brent	75.07	-0.33%	-6.86%	-34.99%
WTI	69.37	-0.43%	-6.19%	-37.93%
Natural gas	2.30	-2.26%	5.57%	-55.75%
Coal	174.00	1.02%	-16.55%	-47.18%
Gold	1,944.56	0.23%	6.53%	1.19%

Vietnam Market Snapshot 21/03/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,032.43	13.41	9.33	0.91	368	6,655
HNX INDEX	203.11	19.66	1.49	0.74	46	522

Money flow and sector rotation (VND bn)

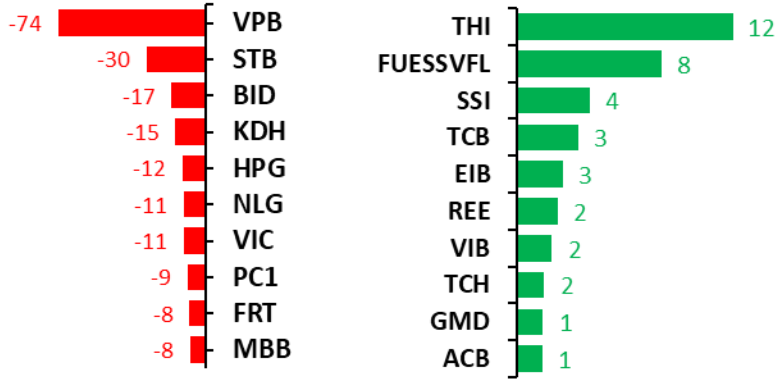
Sector	%1D	3/21/2023	3/20/2023	20-session Average
Travel & Leisure	14.99	63	55	60
Real Estate	-6.0	1,152	1,226	1,289
Chemicals	-9.0	241	265	278
Banks	-9.4	1,769	1,952	1,817
Media	-10.5	2	2	2
Food and Beverage	-12.5	497	568	568
Financial Services	-16.3	959	1,146	1,004
Health Care	-17.5	14	17	18
Basic Resources	-19.6	802	997	1,076
Industrial Goods & Services	-25.7	189	254	303
Personal & Household Goods	-26.3	52	70	72
Construction & Materials	-28.5	419	587	570
Automobiles & Parts	-30.1	36	52	64
Technology	-32.9	49	73	68
Retail	-37.3	169	270	184
Utilities	-37.8	122	196	193
Insurance	-38.0	13	22	24
Oil & Gas	-41.4	105	179	134

Source: Bloomberg, Shinhan Securities Vietnam

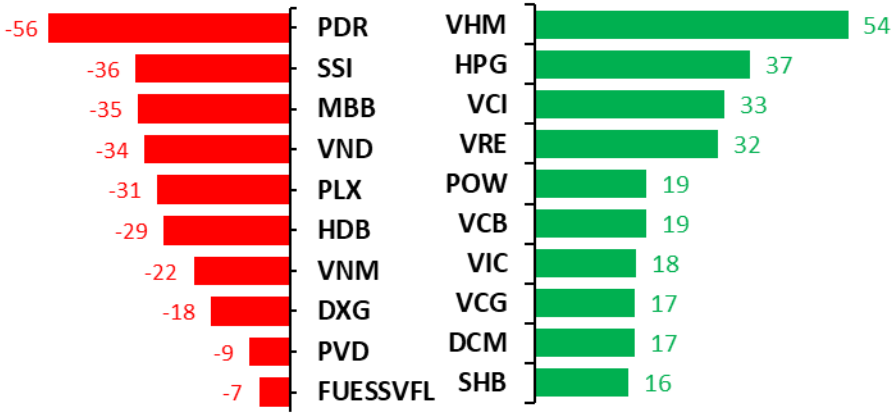
Vietnam Market Snapshot 21/03/2023

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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	(48)	85	48	(133)
Basic Resources	(12)	51	(40)	(11)
Media	-	1	(1)	0
Industrial Goods & Services	13	20	(15)	(5)
Health care	-	(0)	(0)	0
Chemicals	(8)	29	(13)	(17)
Financial Services	7	(29)	29	0
Travel & Leisure	(2)	1	1	(2)
Banks	(125)	(26)	198	(172)
Construction & Materials	(11)	11	29	(40)
Food and Beverage	(10)	(10)	25	(14)
Retail	(12)	6	22	(28)
Utilities	(1)	16	49	(65)
Personal & Household Goods	(3)	0	5	(5)
Technology	0	(0)	5	(5)
Automobiles & Parts	2	0	(1)	0
Insurance	(0)	5	(5)	0
Oil & Gas	(0)	(40)	31	9

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- EVN dialogues with businesses to find solutions to "remove obstacles" for renewable energy.
- Interbank interest rates continued to fall deeply.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.

Less positive

- Credit Suisse bondholders could lose $17 billion. Swiss financial watchdog FINMA said additional tier-one bonds (AT1), which are considered a relatively risky asset class by Credit Suisse, will be zeroed as a part in the merger of this bank into UBS. This statement of the authorities angered Credit Suisse's AT1 bondholders, as they faced the possibility of losing everything.
- According to data from the General Department of Customs, in the first half of March 2023, Vietnam exported 58,965 tons of rubber, reaching 83.3 million USD, down 0.9% in volume and 21% in value respectively over the same period in 2022.

  Accumulated from the beginning of the year to March 15, Vietnam exported 325,096 tons of rubber, reaching 451.1 million USD. Compared to the same period in 2022, export volume and value decreased by 8% and 27%, respectively.



Business news

- Reference index of Fubon ETF removed PDR, HDB and added KDC, DCM in Q1 review.
- PNJ: Phu Nhuan Jewelry JSC has just announced the accumulated business results for the first 2 months of 2023 with net revenue and profit after tax reaching 6.976 billion VND - down 1.3% and 556 billion VND - up 6.4% compared to the same period.

  The reason for the decrease in growth rate according to PNJ is due to the quiet purchasing power due to recent macro fluctuations. In addition, the comparison base for the first 2 months of last year was quite high, leading to low profit growth in the period.
- VSH: In 2023, Vinh Son Song Hinh Hydropower sets a modest target with revenue of VND 2,457.4 billion, down 20.3% compared to the revenue realized in 2022. Pre-tax profit plan is nearly VND 954 billion and profit after tax of VND 856 billion. VND, down 32.3% compared to the profit of VND 1,265 billion achieved in 2022.

  In terms of output, in 2023, Vinh Son Song Hinh Hydropower sets a production plan of 2,163.84 million kWh and targets commercial electricity output of 2,132 million kWh.
- OIL: PV OIL has been under warning since March 23, 2023 because the audited financial statements for 2022 were given an exception by an audit organization.
- MSN successfully offered 2 trillion VND of bonds.
- VNM: Vinamilk plans to pay a cash dividend in 2022 at the rate of 40%.
- DIG: Tianjin sold 2 million shares of DIG, no longer the largest shareholder in DIC Corp.
- SMC: HOSE has just added SMC stock to the list of stocks that are not eligible for margin trading.
- BAX: Expected to halve dividends in 2023.
- NLG: Ms. Nguyen Thi Bich Ngoc, wife of Mr. Nguyen Xuan Quang - Chairman of the Board of Directors, registered to sell 2 million shares of NLG.

UK market - an optimistic destination for Vietnamese pangasius in 2023



UK imports of white fish, 2018-2022 (Thousand USD)

Product	2018	2019	2020	2021	2022	Change(%)	Proportion(%)
Cod	520,941	549,580	665,281	615,899	535,731	-13.0%	57%
Haddock	166,985	211,744	228,877	204,648	261,883	28.0%	28%
Pollock	73,090	90,046	111,500	115,865	66,094	-43.0%	7%
Pangasius, catfish	54,555	49,716	61,772	54,052	50,330	-6.9%	5%
Tilapia	8,685	7,256	9,558	11,854	11,278	-4.9%	1%
Hake	10,392	10,574	10,371	8,397	6,958	-17.1%	1%
Total	**834,822**	**918,918**	**1,087,365**	**1,010,716**	**932,275**	**-7.8%**	**100%**

Source: VASEP

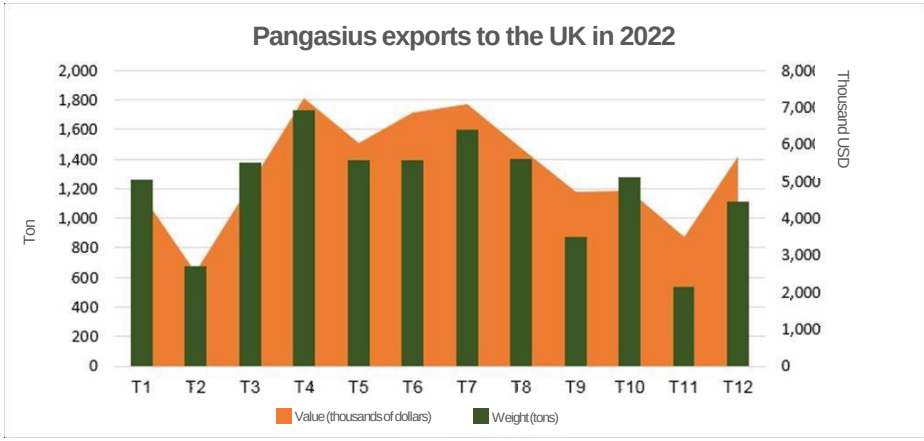
Vietnam seafood exports in the first 2 months of 2023

- Vietnam's seafood exports continued to decline in February 2023, so in the first two months of 2023, export turnover reached nearly 1.1 billion USD, down 29% over the same period. Currently, seafood exports to major markets have all decreased.
- In the first two months of the year, Vietnam's pangasius exports reached 240 million USD, down 38% over the same period last year. Particularly in February 2023, pangasius exports decreased by 9% to 156 million USD.

UK market - an optimistic destination for Vietnamese pangasius in 2023

- In the first two months of 2023, the UK is among the very few markets with positive growth in seafood imports from Vietnam. While exports to the top 10 largest markets all decreased by 18 - 50% over the same period, only the UK - the 6th largest market, still maintained an increase of 22%.
- As of mid-February 2023, pangasius exports to the UK market reached nearly 7 million USD, accounting for 4.5% of export value to markets. Particularly in the first half of February, pangasius exports to the UK increased dramatically by 142% over the same period.
- In 2022, the UK is also in the top 6 importing pangasius markets of Vietnam, but only accounts for 2.6% with nearly 64 million USD, up 24% compared to 2021.

UK market - an optimistic destination for Vietnamese pangasius in 2023



Source: VASEP

Advantage:

- By January 2023, the inflation rate in this country was still 10.1%, 5 times higher than the target set by the Bank of England. Inflation changes UK seafood consumption trends. Instead of consuming more fresh/chilled seafood, today Britons are increasing their consumption of frozen seafood. In particular, white fish is a popular product in the UK.
- Over the past year, Vietnam's pangasius accounted for 5% of the UK's total imports of white fish. This proportion is likely to be higher in 2023, when the UK economy is still heavily affected by inflation, the war between Russia and Ukraine still limits the supply of cod and pollock to this market.
- The advantage of preferential tariffs under the UKVFTA free trade agreement is also an opportunity for businesses to take advantage of, especially in the context that importers want to find sources of competitively priced goods for the domestic market. their.

➢ Therefore, along with China, the UK is also an optimistic destination for pangasius enterprises in 2023.

Enterprise:

✓ According to Vinh Hoan's 2021 Annual Report (VHC). The four largest export markets are the US (42%), China (15%), Europe (10%) and the UK (6%). It is expected that stable growth in the UK market can partially offset the decline in turnover from the EU - US market.

✓ Other large seafood enterprises such as ANV and IDI mainly export to China. ANV alone has a bright spot when leading the market share of pangasius exports to Thailand, which was updated in the previous SSV report.

Technical view



Trend: Weakening to the support zone

- The index bounced back today to close in the green when approaching the support area of 1,020 - 1,000 points. However, order matching at low level showed that the buying money flow wasn't really convincing, and maybe this is just a technical reaction when the index hits support levels. The RSI improved but is still below 50 along with the MACD has not recovered clearly, meaning that bearish inertia still prevails. The current resistance is at 1,050 points, investors may consider lowering their weight in the recovery pace and watch further developments when the market approaches the resistance level.

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

` 22/3/2023

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
QNS	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	Buy	20.15	22	19	9%	-6%	20	4	-0.50%	16/03/2023	
KSB	Wait to Sell	25.2	28	23.5	11%	-7%	26.9	9	6.80%	09/03/2023	Lower target price, RSI is close to overbought, market risk

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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