MORNING CALL

March 23th, 2023

“Hesitancy still prevails in the absence of a leading industry group””

- Global stocks fell after the decision of the Fed
- The Fed raised interest rates by 25 basis points at its March 2023 meeting
- Domestic stocks kept green but liquidity remained low
- 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 fell after the decision of the Fed

The Dow closed over 530 points lower on Wednesday, while the S&P 500 and Nasdaq 100 lost 1.6% each, as investors weighed the comments from Fed Chair Powell and were worried about turmoil in the banking sector that could slow the economy. On the corporate front, stocks of GameStop surged nearly 35.2% after reporting its first quarterly profit in two years. Meanwhile, First Republic Bank shed nearly 15.5%.

The Fed raised interest rates by 25 basis points bringing the US reference rate to 4.75% - 5%, pushing borrowing costs to new highs since 2007, to fight elevated inflation and signaled greater uncertainty about future hikes amid banking crises. The decision came in line with expectations from most investors although some believed the central bank should pause the tightening cycle to shore up financial stability. The Fed noted the US banking system is sound and resilient and recent developments. During the press conference, Fed chair Powell admitted a pause was considered in the days running up to the meeting. During the press conference, Fed Chair Powell said a pause was considered in the days running up to the meeting. Still, minutes after, he said that the central bank remains committed to bringing inflation back to 2%, reiterating that if needed rates will go up further and that the Committee does not see rate cuts this year. Federal funds rate is expected to hit 5.1%, the Fed has raised interest rates 9 times in a row since March 2022.

The dollar index fell for a fifth consecutive session to as low as 102.2 on Wednesday, its lowest level since early February, after the Federal Reserve raised rates by 25bps as expected to fight elevated inflation but signaled greater uncertainty about future hikes amid banking crises.

Russia announced on March 22 that it would extend its plan to cut oil production by about 500,000 barrels per day until the end of June 2023. This is a move in response to Western sanctions.

WTI crude futures rose above $70 a barrel on Wednesday, extending a rally for a third session, despite the latest EIA data showing a surprise increase in US crude inventories. Worries about the banking crisis eased along with a weaker dollar creating optimism.

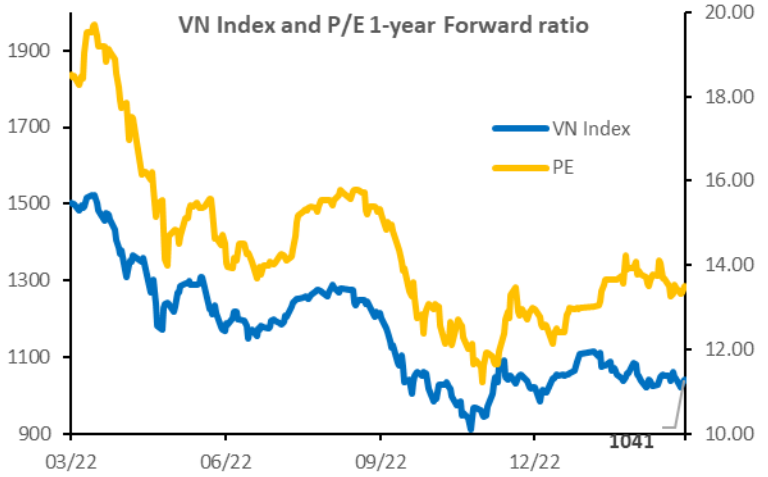
Market

	Close	%1D	%1M	%1Y
VN-Index	1,041	0.79%	-1.25%	-30.74%
S&P 500 Index	3,937	-1.65%	-1.88%	-11.65%
Dow Jones Index	32,030	-1.63%	-3.39%	-6.78%
GP 100	7,567	0.41%	-4.31%	1.42%
Nikkei 225	27,327	-0.51%	0.82%	-2.54%
SHCOMP Index	3,266	0.31%	-0.66%	-0.16%
STOXX 600	447	0.15%	-3.32%	-1.51%
KOSPI Index	2,408	-0.35%	-1.25%	-11.94%
Hang Seng	19,591	1.73%	-3.73%	-11.57%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.40	0.05%	-2.11%	3.83%
USD/VND	23,560.00	0.10%	0.77%	-2.92%
EUR/USD	1.09	0.22%	2.68%	-1.13%
USD/CNY	6.87	0.14%	0.33%	-7.33%
Brent	76.03	-0.86%	-7.52%	-37.48%
WTI	70.16	-1.04%	-6.94%	-38.95%
Natural gas	2.19	0.88%	-5.36%	-58.14%
Coal	176.55	1.47%	-15.79%	-46.32%
Gold	1,973.32	0.16%	8.29%	1.52%

Vietnam Market Snapshot 22/03/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,040.54	13.52	8.11	0.79	367	7,033
HNX INDEX	203.96	19.74	0.85	0.42	50	728

Money flow and sector rotation (VND bn)

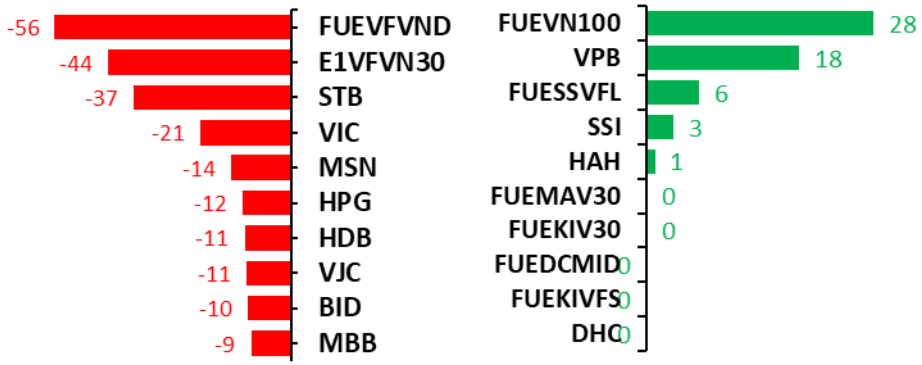
Sector	%1D	3/22/2023	3/21/2023	20-session Average
Automobiles & Parts	68.73	62	36	60
Construction & Materials	36.76	573	419	529
Food and Beverage	23.47	614	497	560
Banks	20.41	2,129	1,769	1,809
Technology	14.84	56	49	67
Retail	10.27	187	169	168
Real Estate	6.75	1,198	1,122	1,226
Media	-1.4	2	2	1
Financial Services	-1.5	945	959	953
Insurance	-6.1	13	13	23
Oil & Gas	-7.0	97	105	125
Chemicals	-11.4	214	241	267
Industrial Goods & Services	-13.1	164	189	274
Utilities	-14.1	105	122	187
Travel & Leisure	-15.0	54	63	58
Personal & Household Goods	-17.2	43	52	66
Basic Resources	-29.0	570	802	1,015
Health Care	-41.3	8	14	17

Source: Bloomberg, Shinhan Securities Vietnam

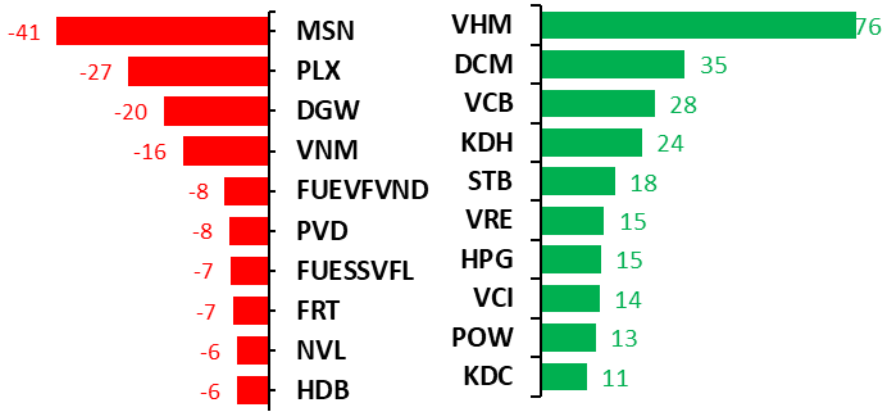
Vietnam Market Snapshot 22/03/2023

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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	(54)	117	(63)	(54)
Basic Resources	(12)	25	(20)	(5)
Media	-	1	(1)	(0)
Industrial Goods & Services	(0)	8	(7)	(1)
Health care	-	1	(1)	0
Chemicals	(4)	35	(31)	(5)
Financial Services	(64)	6	(72)	66
Travel & Leisure	(11)	6	9	(14)
Banks	(85)	54	143	(197)
Construction & Materials	(4)	(1)	39	(37)
Food and Beverage	(28)	(31)	73	(42)
Retail	(12)	(27)	72	(44)
Utilities	(4)	13	(6)	(7)
Personal & Household Goods	(5)	0	1	(2)
Technology	(4)	0	(7)	7
Automobiles & Parts	-	(0)	(0)	0
Insurance	(1)	3	(2)	(1)
Oil & Gas	(1)	(35)	28	7

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- The average overnight VND lending rate in the session of 20/3 fell to 2.7% from 3.4% previously. This is the lowest overnight interest rate since mid-August 2022.
- Up to now, no banks have listed the interest rate of 9.5%/year while the rate of 9%/year has also gradually disappeared.
- It is forecasted that rice exports will prosper again when the supply is abundant at the end of the first quarter of 2023. In the Mekong Delta, many localities are entering the peak of winter-spring rice harvest.

Less positive

- In the first two months of 2023, exports to the US and imports from China recorded a deep decline for the first time since 2017 until now.
- 4 more F88 transaction points were checked by the police.



Business news

- VHM: Vinhomes has just made an announcement about the transfer of all capital contributions in 2 subsidiaries to partners. The transferee has not been disclosed.

  The two businesses that Vinhomes divested from are Phat Dat Real Estate Development and Investment Company Limited, and Truong Loc Real Estate Development and Investment Company Limited.
- VCG: Vinaconex consortium has just announced winning the auction of the land belonging to the Northern Residential Project on Huynh Thuc Khang Street, Quang Ngai City. The land area of this project has an area of more than 28,000m2.
- GDT: In 2023, Duc Thanh Wood sets a target of VND 520 billion in revenue and VND 83.2 billion in profit after tax, increasing by 30% and 20% respectively over the same period. The company plans to pay a cash dividend at the rate of 30%.

  Besides, the Company plans to privately issue 1,065 million shares at the price of 20,000 VND/share, the issuance rate is 5%.
- D2D: Profit after tax decreased by nearly VND 6 billion after the audit.

  According to D2D, because the Company made provision for loss of financial investment in BOT 319 Cuong Thuan JSC, CTI was VND 5.2 billion, resulting in a decrease in pre-tax profit of VND 5.2 billion. In addition, the Company adjusted the corresponding decrease in revenue - cost of 6 shophouses at Huu Phuoc KDC project, resulting in a decrease of VND 4.5 billion in gross profit. At the same time, the Company adjusted to reduce the salary expenses deducted in the year by VND 2.5 billion.
- NVL: Due to not being able to arrange the money source, Novaland announced to postpone the payment of the principal and interest of the NVLH2123010 bond lot that is due with a value of more than 900 billion dong.
- MIG: PYN Elite Fund officially became a major shareholder of Military Insurance Company (MIC) after buying half a million shares.

Breaking News



Business news

- HPG: Hoa Phat plans to develop megacities of 300-500 hectares, with the goal of having 10 industrial zones in the next 10 years.

  Up to now, the total land fund of Hoa Phat's industrial zone has been approved for over 1,130 hectares. The enterprise owns and operates three large industrial zones, including Pho Noi A Industrial Park with an area of over 688.94 hectares (Hung Yen), Hoa Mac Industrial Park with a scale of 131 hectares (Ha Nam), Yen My II Industrial Park with a scale of 313.5 hectares (Hung Yen province).

- PPC: HOSE has just put Pha Lai Thermal Power JSC on the list of ineligible for margin trading because PPC's 2022 financial statements has been given an exception by an audit organization. Specifically, with the exception, the decrease of VND 161.99 billion in revenue has not been recorded.

- PGB: Petrolimex does not commit to depositing money at PG Bank after divestment, will continue to support the bank to the extent permitted.

  In the first quarter of 2023, pre-tax profit is expected to be VND 150 billion, out of the whole year plan is VND 530 billion.

- NAG: In 2023, NAG targets net revenue of VND 2,016 billion, up 6% year-on-year. After-tax profit target was at VND 35 billion, up 47%. Pay dividends from 5 - 10%.

  Notably, the Company also submitted to shareholders a plan to change the floor from HNX to HOSE in order to increase the liquidity of the stock, improve its position and the opportunity to attract new investment capital.

- DIG: Mr. Nguyen Hung Cuong, the son of Mr. Nguyen Thien Tuan - Chairman of the Board of Directors of DIC Corp, has successfully purchased 5 million shares of DIG.

- LCS: The Board of Directors of Licogi 166 JSC has just approved a resolution to suspend business from March 15, 2023 - March 14, 2024, citing difficulties in the Company's business operations. LCS would like to take a break to find a way to solve difficulties and strengthen the organizational structure.

Technical view



Trend: Technical recovery

- The index stayed in green for the second session although the liquidity was still at low level. Selling pressure reappeared at the end of the afternoon session, causing the index to partially narrow the intraday gain. Currently, the market is also approaching the short-term resistance area around 1,040 - 1,060 points, so the trend will incline to struggle. Investor sentiment remains cautious ahead of the Fed's meeting tonight, which will open clues to the upcoming interest rate path. Technically, the indicators have improved but are still weak and not convincing enough to open a new trend. The index needs a rally to confirm the reversal point, in case the breakout still fails, the drop will still dominate. Investors need to be patient and avoid excitement.

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

23/3/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VPB	Watch							Maintain increased inertia
VCI	Watch							Stay above MA10, volume improves
ADS	Watch							Staying above MA10, still holding the trend
QNS	Watch							Staying above MA10, still holding the trend
NKG	Watch							Good reaction around the 20-day MA
PC1	Watch							Waiting to test the 50-day MA
POW	Watch							Good reaction around the 20-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%	19.85	5	-1.24%	16/03/2023	
KSB	Wait to Sell	25.2	29	23.5	15%	-7%	26.8	10	6.40%	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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