MORNING CALL

March 24th, 2023

“Regain ground but still need more catalysts to break through””

- Global stocks diverge, bond yields fall
- Major central banks around the world continue to raise interest rates
- Domestic stocks try to balance, liquidity is still low
- Technical view and recommendations #KSB
- 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 diverge, Central banks around the world continue to raise interest rates

US stocks finished in positive territory in a volatile session on Thursday, as investors tried to recover from Wednesday's sell-off. The Dow added more than 75 points, while the S&P and the Nasdaq were up 0.3% and 1%, respectively. Tech shares led the gains, namely Microsoft (2%), Nvidia (2.7%), Meta (2.2%) and Apple (0.7%), amid declines in Treasury yields. European equity markets closed lower on Thursday, as investors digested interest rate hikes from central banks including the Fed, the BoE, the SNB and the Norges Bank. The Stoxx bank index fell more than 2%.

Major central banks around the world continue to raise interest rates: The Swiss National Bank raised its key policy rate by 50 bps to 1.5%, bringing borrowing costs to the highest since 2008, despite the recent turmoil in the banking sector. The Norges Bank also hiked interest rates by 25bps to 3%. Besides, The Bank of England raised its key bank rate by 25bps to 4.25% during the March 2023 meeting, in line with expectations, and pushing borrowing costs to fresh 2008-highs, aiming to bring inflation back to the 2% target. Inflation rate in the UK unexpectedly edged higher to 10.4% last month from 10.1%.

In Asia, central banks in the Philippines and Taiwan also tightened. Yesterday, the Fed raised rates by 25bps as expected, and dialled back expectations of a rate cut this year.

The annual inflation rate in Hong Kong increased to 1.7% in February 2023, easing from a 2.4% rise in the previous month. It was the lowest increase in consumer prices since May 2022. Meanwhile, the underlying inflation rate was also at 1.7%, 0.7 percentage points lower compared to January. The annual inflation rate in Japan fell to 3.3% in February 2023 from January's 41-year high of 4.3%, amid a slowdown in cost of transport and a drop in prices of electricity.

WTI crude futures fell back below $70 per barrel on Thursday, weighed down by weak global sentiment after the Fed pushed back against bets for interest rate cuts this year. Official data also showed US crude inventories unexpectedly expanded by 1.1 million barrels last week to the highest level since May 2021, as large builds on the Gulf Coast outweighed a decline at the Cushing, Oklahoma, storage hub.

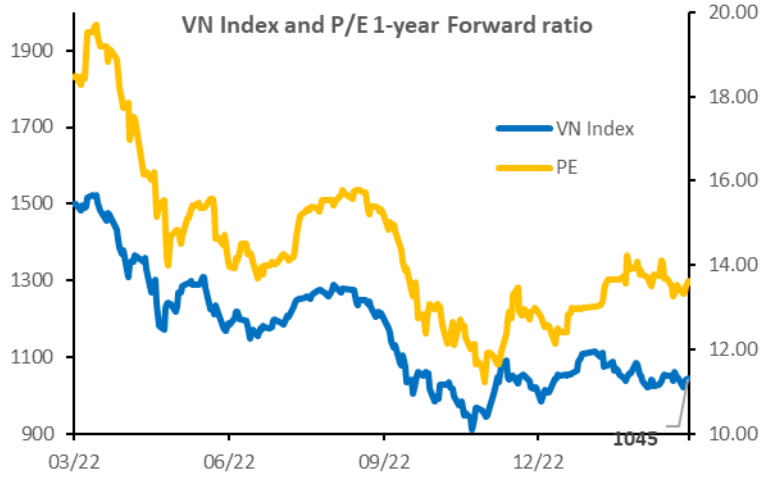
Market

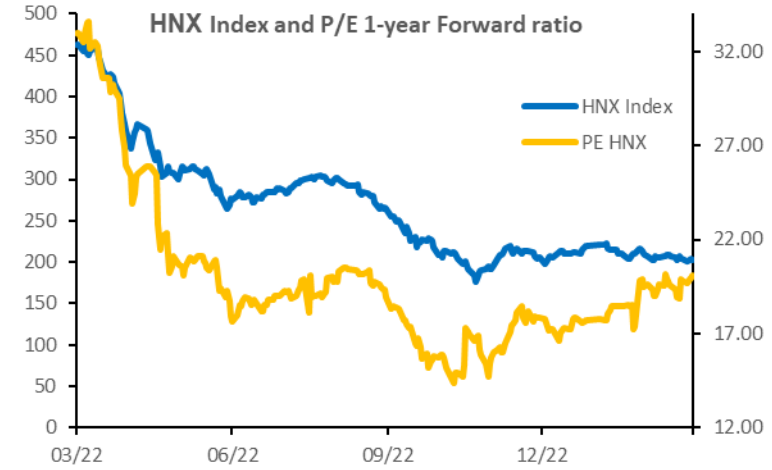
	Close	%1D	%1M	%1Y
VN-Index	1,045	0.44%	0.53%	-30.25%
S&P 500 Index	3,949	0.30%	-0.54%	-12.64%
Dow Jones Index	32,105	0.23%	-2.17%	-7.50%
GP 100	7,500	-0.89%	-4.81%	0.43%
Nikkei 225	27,309	-0.40%	-0.53%	-2.85%
SHCOMP Index	3,287	0.64%	0.60%	1.12%
STOXX 600	446	-0.21%	-2.51%	-1.51%
KOSPI Index	2,416	-0.35%	-0.31%	-11.49%
Hang Seng	20,050	2.34%	0.20%	-8.64%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.60	0.07%	-2.48%	3.86%
USD/VND	23,540.00	0.09%	0.90%	-2.81%
EUR/USD	1.08	-0.01%	2.67%	-1.52%
USD/CNY	6.82	0.69%	1.24%	-6.61%
Brent	75.40	-0.67%	-9.33%	-36.65%
WTI	69.41	-0.79%	-9.05%	-38.21%
Natural gas	2.16	0.23%	-11.91%	-60.03%
Coal	176.65	0.06%	-15.92%	-45.70%
Gold	1,992.73	-0.03%	10.03%	1.79%

Vietnam Market Snapshot 23/03/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,045.10	13.58	4.56	0.44	357	6,484
HNX INDEX	203.32	19.69	-0.64	-0.31	52	599

Money flow and sector rotation (VND bn)

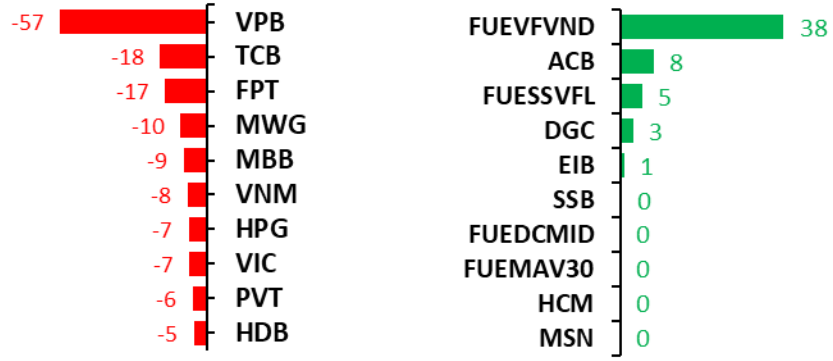
Sector	%1D	3/23/2023	3/22/2023	20-session Average
Health Care	52.75	13	8	17
Financial Services	44.36	1,363	945	970
Oil & Gas	21.82	119	97	123
Industrial Goods & Services	9.69	180	164	265
Personal & Household Goods	9.39	47	43	66
Insurance	4.91	13	13	22
Basic Resources	0.95	575	570	973
Utilities	-6.6	98	105	184
Banks	-11.8	1,878	2,129	1,823
Retail	-13.4	162	187	172
Food and Beverage	-16.1	515	614	554
Travel & Leisure	-25.8	40	54	58
Chemicals	-26.6	157	214	255
Real Estate	-26.8	877	1,198	1,202
Automobiles & Parts	-30.7	43	62	58
Technology	-34.6	37	56	63
Construction & Materials	-36.1	366	573	521
Media	-74.4	0	2	1

Source: Bloomberg, Shinhan Securities Vietnam

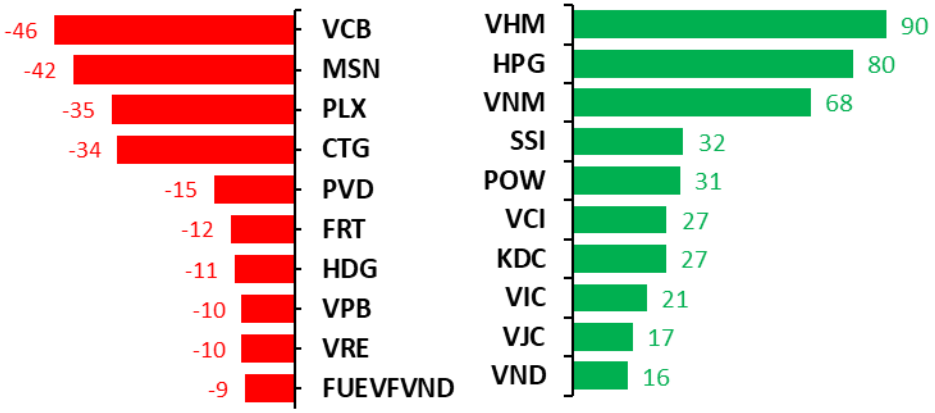
Vietnam Market Snapshot 23/03/2023

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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	(19)	126	(73)	(53)
Basic Resources	(8)	110	(25)	(84)
Media	-	0	(0)	0
Industrial Goods & Services	(7)	6	(12)	6
Health care	-	0	(3)	3
Chemicals	3	9	(12)	4
Financial Services	35	71	(103)	32
Travel & Leisure	(4)	16	(8)	(8)
Banks	(106)	(48)	362	(313)
Construction & Materials	(1)	4	33	(37)
Food and Beverage	(9)	68	(15)	(53)
Retail	(12)	(10)	29	(20)
Utilities	(3)	28	10	(38)
Personal & Household Goods	(1)	7	0	(7)
Technology	(17)	0	12	(12)
Automobiles & Parts	(0)	1	(1)	0
Insurance	(0)	2	(2)	0
Oil & Gas	(0)	(51)	35	16

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- Four state-owned commercial banks (Agribank, BIDV, Vietcombank, Vietinbank) have just launched credit packages of up to VND 370,000 billion and USD 500 million, with preferential interest rates lower than normal interest rates to support production and business enterprises
- Iron and steel exports to Turkey in the first two months of the year reached 104,000 tons, up 50 times over the same period in 2022.
- According to statistics from the HNX, since Decree 08 took effect (March 5, 2023), real estate businesses have successively issued bonds with a total value of issued bonds more than 23,800 billion VND.

Less positive

- The low price bracket discourages renewable energy investors, besides, completing the required legal documents to enter into the Power Purchase Agreement (PPA) negotiation also requires a lot of time and effort of investors. This situation was reflected by investors with transition projects, currently preparing to enter into PPA negotiations with the Electricity Trading Company (EPTC) at a meeting with Electricity of Vietnam (EVN) earlier this week.



Business news

- PVT: In 2023, PVTrans set a conservative business plan with revenue down 29% to VND 6,800 billion and profit down 53.5% to VND 528 billion.

  PVTrans plans to spend VND 4,114 billion to invest, of which VND 3,854 billion is to invest in ships.

  Talking about the industry outlook, PVTrans said that the forecast for the liquid cargo transportation market including crude oil and oil products in general is still relatively positive thanks to increased transportation demand in the context of limited supply of ships. However, the market's growth outlook could be affected by risks associated with lower-than-expected economic growth and OPEC+ oil production cuts. Accordingly, the freight rates in 2023 are expected to cool down after growth in 2022.
- PGV recorded an increase in net profit of VND 191 billion after the audit, equivalent to an increase of 8% compared to its self-made report, to VND 2,524 billion.

  According to PGV's explanation, the main reason is that when preparing the consolidated financial statements for the fourth quarter of 2022 (before the audit), the Corporation did not have the financial statements for 2022 of the joint venture companies. By the time of preparation of the audited financial statements in 2022, PGV has recorded the amounts from joint ventures and associates according to the equity method, so the profit from joint ventures and associates has been increased to VND 181 billion.

  Besides, financial income also increased by 11% to VND 323 billion, due to the difference in interest on deposits and additional profit from bonds.
- TCB: Moody's downgraded Techcombank's credit rating. Specifically, Techcombank's foreign currency LT (FC) and local currency (LC) issuer and depositor ratings have been updated by Moody's from Ba2 to Ba3, due to recent fluctuations in Vietnam's real estate market.
- APH: Mr. Dinh Xuan Cuong, Member of the Board of Directors of An Phat Holdings Corporation has successfully sold all 2.5 million APH shares.

Breaking News



Business news

- ACB: In 2023, ACB sets a target of consolidated pre-tax profit of VND 20,058 billion, up 17.2% compared to 2022. NPL ratio is below 2%. ACB is expected to pay dividends to shareholders at the rate of 15% in stock and 10% in cash.

  Regarding business results in 2022, ACB recorded a consolidated pre-tax profit of VND 17,100 billion, up 50% compared to 2021 and reaching 114% of the year plan. NPL ratio was kept at a low level of 0.74%.

- TIP: The company sets an optimistic target with revenue of VND 368 billion and profit after tax of VND 168 billion in 2023, an increase of 65% and 62% respectively compared to the audit results in 2022. If completed, this will This is a record high profit since the company went public, although the company predicts that difficulties from the world economic and political situation will continue to affect in 2023.

- PPC: After cutting margin, HOSE continues to put Pha Lai Thermal Power stock on alert. The reason given by HOSE is that the audit organization has an exception for the audited 2022 financial statements.

- HDB: Everland Group and HDBank signed a cooperation agreement to develop the project.

  Accordingly, HDBank will accompany Everland Group to finance real estate projects, such as Crystal Holidays Harbor Van Don tourism, resort and entertainment complex, Crystal Holidays Marina Phu Yen resort complex, Xuan Dai Bay commercial, tourism and resort complex...

- DBT: The Board of Directors of Ben Tre Pharmaceutical JSC has just approved a plan to sell all nearly 4.23 million CDP shares and will no longer be an affiliated company of Codupha Central Pharmaceutical JSC (CDP).

- IBC: Shares hit the ceiling on the day Egroup registered to sell 6 million shares (ratio of 7.22% of equity).

Technical view



Trend: Balance

- The market struggled to balance today in the context that the Fed just raised interest rates. Although selling pressure still dominated at the beginning, the demand re-entered in the afternoon session and helped the index recover and close in green. However, today's matching continued to remain at a low below 20 session average, showing that indecision is still there. The index regained the support level around 1,040 points (corresponding to 20-day MA) along with technical indicators back to neutral level. This means that the sideways trend will probably be appropriate in the next sessions. The immediate resistance is at 1,060 points while the corresponding support below is the psychological level of 1,000 points. The index will probably fluctuate within this range to find direction.

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

24/3/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
VPB	Watch							Maintain increased momentum
VCI	Watch							Maintain increased momentum
PLC	Watch							Good reaction around the 10-day MA
DXG	Watch							The volume improves, establishes a new price base, waits for an explosive session
HDC	Watch							The volume improves, establishes a new price base, waits for an explosive session
HT1	Watch							Staying above MA10, still holding the trend
QNS	Watch							Staying above MA10, still holding the trend
POW	Watch							Good reaction around the 10-day MA
PC1	Watch							Waiting to test the 50-day MA
VTD	Watch							Waiting to test the 20-day MA
NKG	Watch							Good reaction around the 20-day MA
ADS	Watch							Staying above MA10, still holding the trend

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%	20.35	6	1.24%	16/03/2023	
KSB	Sold	25.2	28	23.5	11%	-7%	27.5	11	9.13%	09/03/2023	Hit target

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

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