MORNING CALL

March 27th 2023

“The market is at an important resistance level, the unstable world situation continues to challenge”

- ❑ World stocks recover after falling caused by banks
- ❑ Domestic stocks rose slightly
- ❑ Update the steel industry
- ❑ Technical view and recommendations
- ❑ Economic calendar
- ❑ Q&A

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Open Account

Global Market Review - Week 27 - 31/3/2023

Stock markets move in opposite directions

All three indexes completed a week of gains, although insecurity about the US and European banking systems remained a dark cloud hovering in investors' minds. For the whole week, the Dow Jones gained 0. 4%; The S&P 500 rose 1.4%; and Nasdaq rose 1.6%.

Deutsche Bank shares sold off, weighing on market sentiment and major indexes. Deutsche Bank shares narrowed their losses and closed down 3 . 11% even though there was a 7% drop during the session. Investors rushed to sell Deutsche Bank after the bank's default swap contract (CDS) price rose sharply without a specific catalyst. These actions raised concerns about the health of the European banking system.

EU market had a red session, with Stoxx 600 index closing down 1 . 37%. Germany's Dax index fell 1 . 66%; The UK FTSE lost 1 . 26%; and France's CAC decreased by 1 . 74%.

European Central Bank (ECB) President Christine Lagarde has reassured investors when saying that Eurozone banks are still solid because of their strong capital and liquidity. She also said the ECB could provide liquidity to the financial system if needed.

The easing of banking crisis concerns has helped oil prices rally this week, with Brent rising 2.8% and WTI oil price rising 3.8% for the whole week. The prospect of strong growth in oil demand in China plays a key role in easing oil price declines. According to data from Goldman Sachs, oil demand in China is higher than 16 million barrels per day. Besides, Russia - the world's top crude oil exporter - is also cutting production.

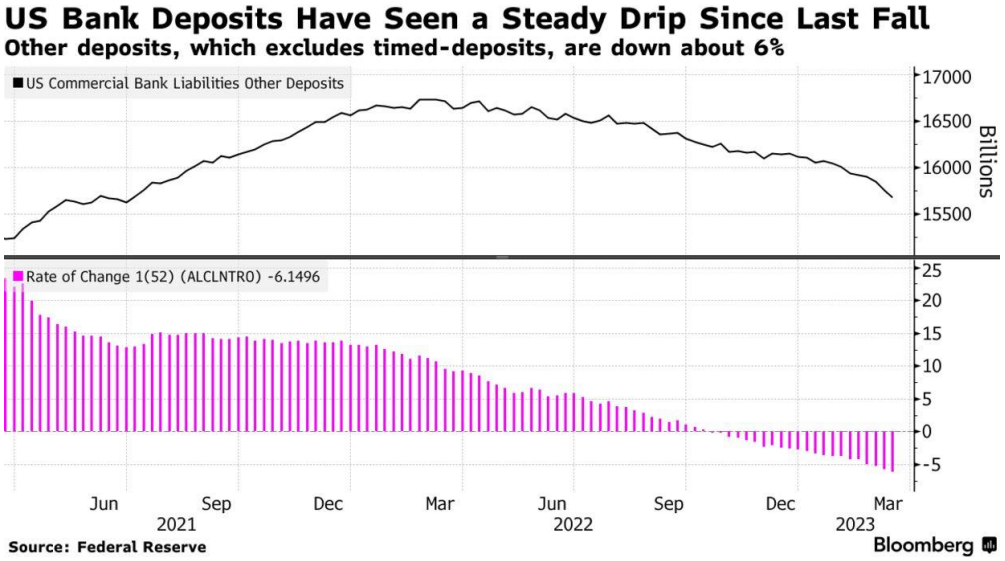
Notable news for the week includes: The Fed's Vice Chairman of Oversight, Michael S. Barr, will testify before the Senate and House. In addition, consumer income and spending, PCE price index, and final results on Q4 US GDP growth will be released. In EU area: Germany, France, and Spain will publish inflation rate figures.

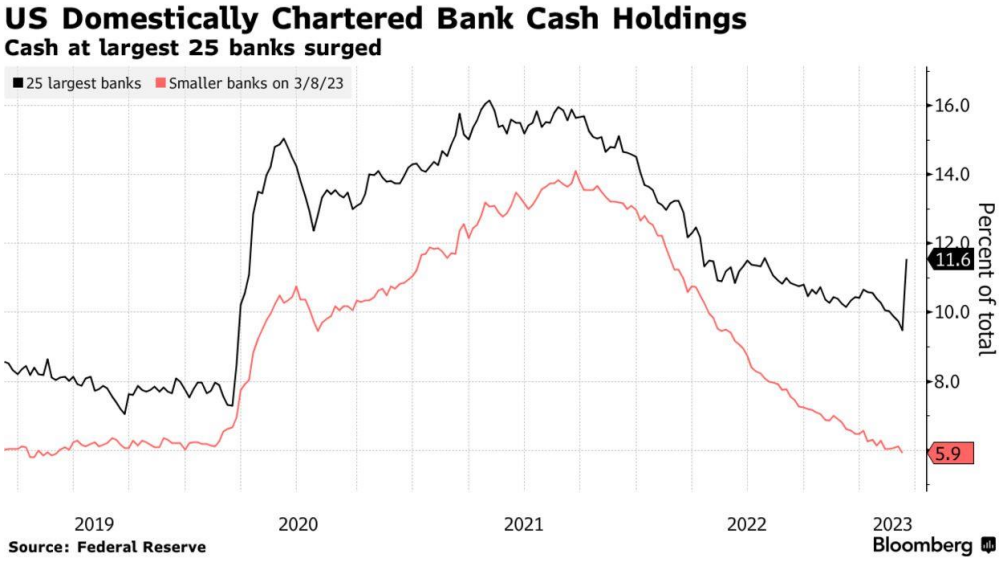
Market

	Close	%1D	%1M	%1Y
VN-Index	1,047	0.16%	2.50%	-30.14%
S&P 500 Index	3,971	0.56%	-0.28%	-12.59%
Dow Jones Index	32,238	0.41%	-1.98%	-7.53%
GP 100	7,405	-1.26%	-6.67%	-1.04%
Nikkei 225	27,378	-0.03%	-0.17%	-2.74%
SHCOMP Index	3,266	-0.64%	0.23%	1.66%
STOXX 600	440	-1.37%	-4.86%	-2.96%
KOSPI Index	2,407	-0.31%	0.20%	-11.81%
Hang Seng	19,916	-0.67%	-0.14%	-6.96%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.05	-0.06%	-1.55%	4.32%
USD/VND	23,530.00	0.04%	1.10%	-2.81%
EUR/USD	1.08	0.08%	1.51%	-1.97%
USD/CNY	6.87	-0.64%	1.35%	-7.27%
Brent	75.32	0.44%	-8.65%	-37.57%
WTI	69.61	0.51%	-8.02%	-38.88%
Natural gas	2.13	-4.06%	-22.15%	-61.84%
Coal	175.35	-0.74%	-16.18%	-46.32%
Gold	1,974.64	-0.18%	8.67%	2.70%





Americans withdraw USD 120 billion from small banks in 1 week

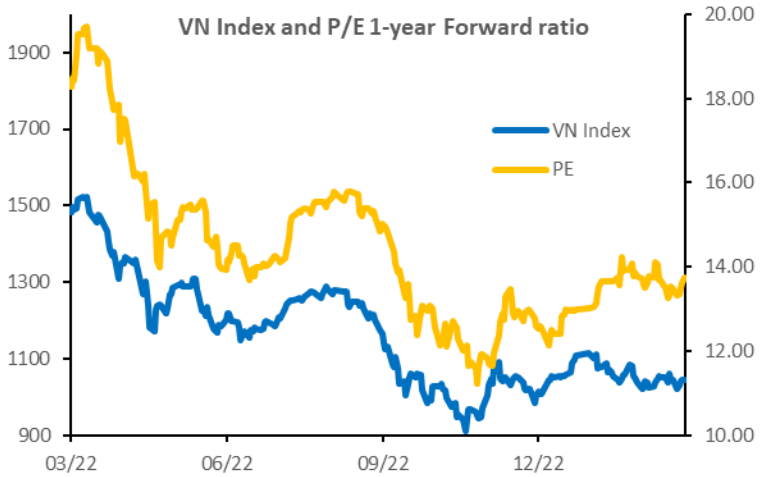
- Bank deposits fell from USD 98.4 billion to USD 17.5 trillion in the week ended March 15, according to Fed data released on March 24. Deposits at small banks fell by USD 120 billion, while the 25 largest banks added nearly USD 67 billion.

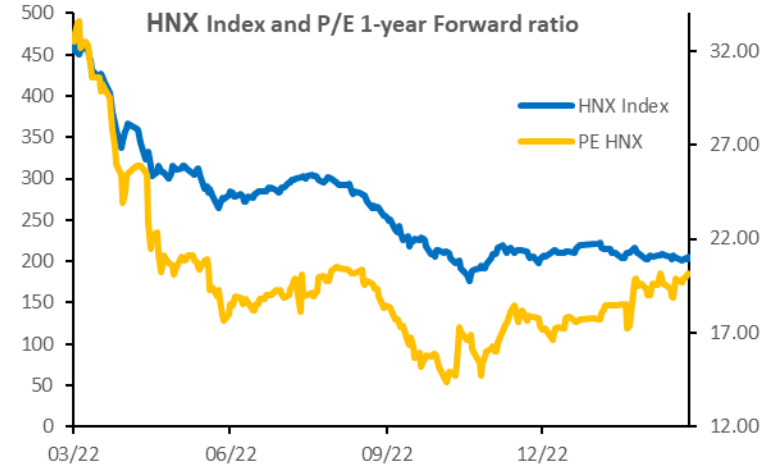
- Banks have witnessed a gradual withdrawal of deposits in recent times due to more attractive yields on other assets. As concerns about the banking system began to spread, deposit withdrawals also skyrocketed. Many depositors turn to money market funds. In the week ending March 22, more than USD 117 billion flowed into money market funds, according to data from the Investment Companies Institute (ICI).

The Fed has added more liquidity to banks

- The Fed has added liquidity to banks. Banks have borrowed a total of USD 165 billion from the two Fed borrowing tools, according to data released on March 23.

Vietnam Market Snapshot 27/03/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,046.79	13.60	1.69	0.16	491	8,122
HNX INDEX	205.72	19.88	2.40	1.18	sixty seven	957

Money flow and sector rotation (VND bn)

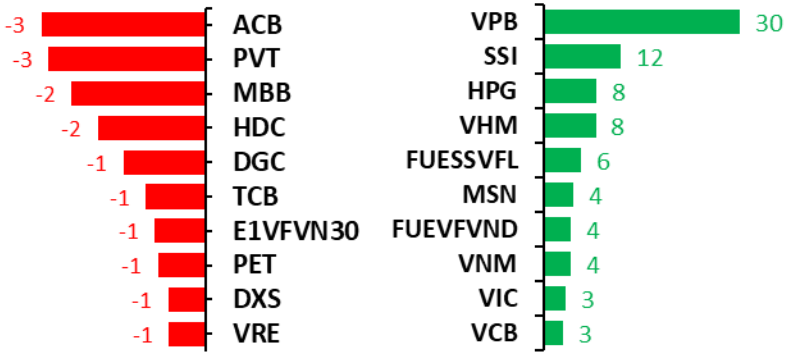
Ngành	%1D	3/24/2023	3/23/2023	TB 20 phiên
Truyền thông	176.56	1	0	1
Y tế	145.03	31	13	18
Bảo hiểm	104.07	27	13	22
Bất động sản	98.65	1,741	877	1,230
Xây dựng và Vật liệu	79.47	657	366	532
Ô tô và phụ tùng	53.07	65	43	58
Du lịch và Giải trí	41.52	56	40	56
Hóa chất	38.54	217	157	254
Điện, nước & xăng dầu khí đốt	35.94	133	98	186
Hàng & Dịch vụ Công nghiệp	20.20	216	180	264
Tài nguyên Cơ bản	12.86	649	575	970
Ngân hàng	10.81	2,082	1,878	1,868
Hàng cá nhân & Gia dụng	10.25	52	47	65
Bán lẻ	2.28	165	162	172
Dịch vụ tài chính	1.80	1,388	1,363	1,009
Công nghệ Thông tin	1.74	37	37	63
Thực phẩm và đồ uống	-2.1	504	515	557
Dầu khí	-18.0	97	119	123

Source: Bloomberg , Shinhan Securities Vietnam

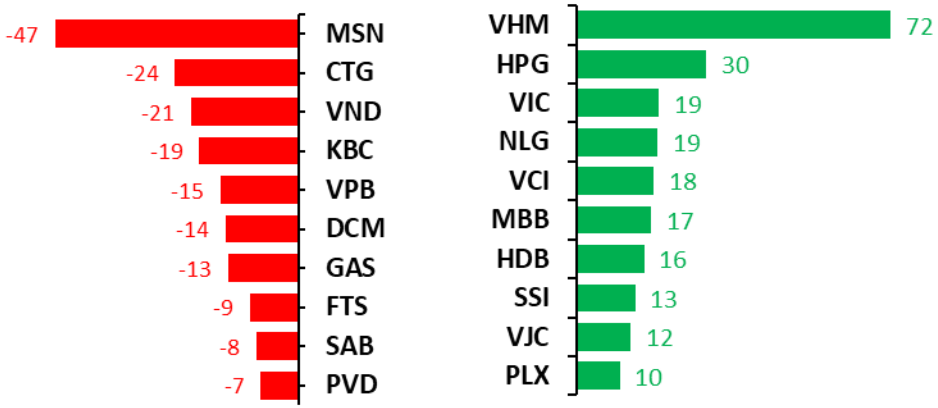
Vietnam Market Snapshot 27/03/2023

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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	108	(60)	(48)
Basic Resources	8	25	(34)	9
Media	-	1	(1)	0
Industrial Goods & Services	(3)	(0)	8	(8)
Health care	-	0	(0)	0
Chemicals	(1)	(11)	14	(3)
Financial Services	21	2	7	(9)
Travel & Leisure	2	11	(12)	1
Banks	30	4	70	(74)
Construction & Materials	0	2	105	(108)
Food and Beverage	9	(44)	1	43
Retail	1	3	24	(27)
Utilities	1	(13)	10	3
Personal & Household Goods	(0)	1	(4)	3
Technology	1	(0)	(10)	10
Automobiles & Parts	-	2	(1)	(0)
Insurance	0	2	(3)	0
Oil & Gas	0	3	(6)	4

Source: Fiinpro , Shinhan Securities Vietnam

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Macro

Positive

- Along with the fluctuation of world steel prices, the domestic construction steel price is maintained at a high level. Specifically, the price of steel brands was pushed up from 460 - 610 VND/kg and remained unchanged until now (March 26). Iron and steel exports to Turkey spiked 50 times over the same period last year.
- Continue to impose more than 6% tax on the imported coil and wire products
- Deputy Minister of Industry and Trade: Electricity prices will definitely adjust
- Ho Chi Minh City urged departments to remove obstacles for 156 real estate projects: Ho Chi Minh City People's Committee assigned the Department of Construction to coordinate with other departments to discuss and agree with HoREA to continue to carry out assigned tasks and complete them. before 4/15.

Negative

- Speaking at the China Development Summit on March 26, the Director General of the International Monetary Fund said that the medium-term outlook for the global economy remains weak and risks to financial stability are increasing. increase.
- Fertilizer business is expected to go backward after a year of record profits

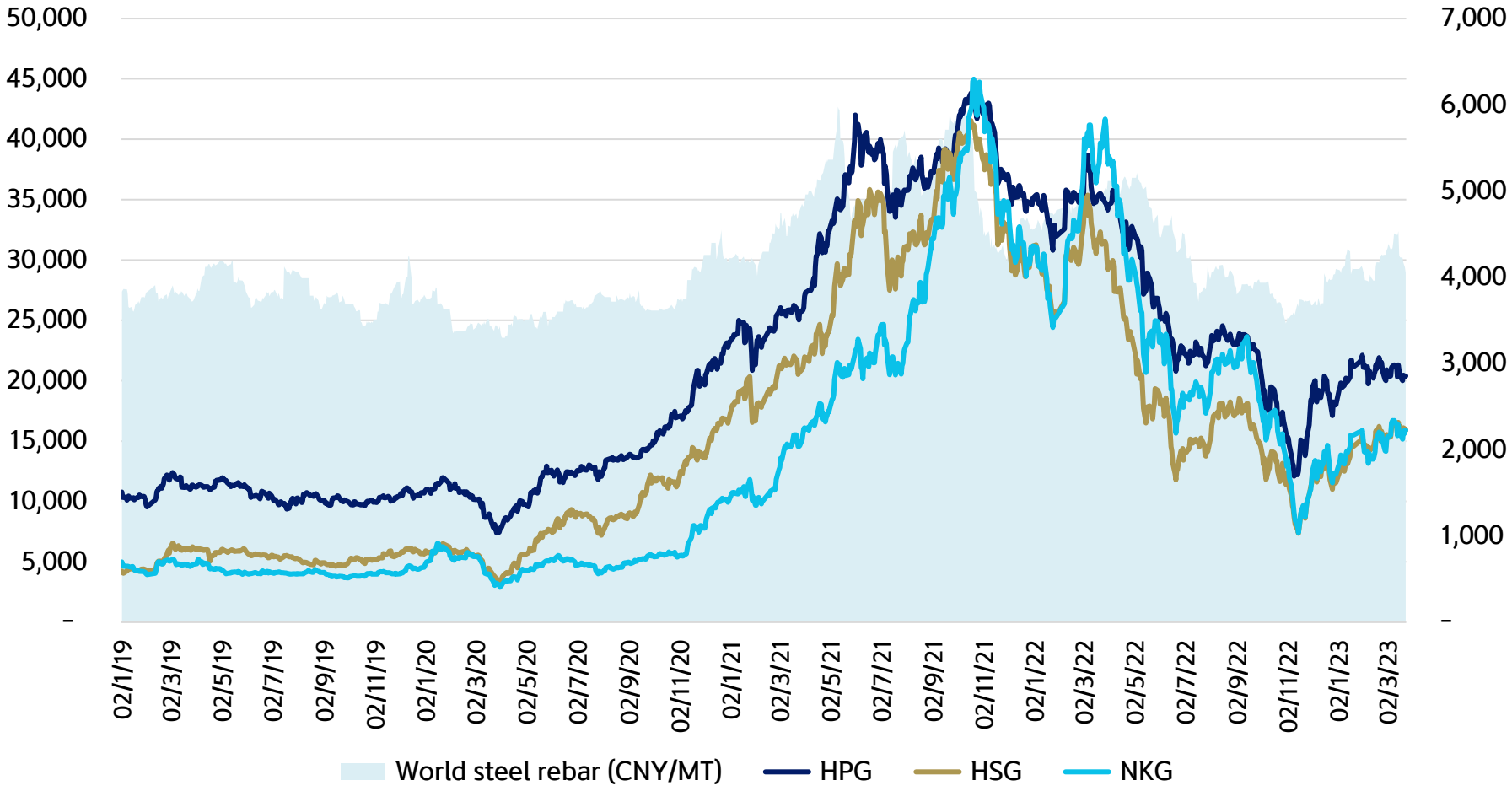


Business news

- NVL: Novaland shareholders approved plans to increase capital to VND 48,700 billion.
- NVL: Novaland reached an agreement with bondholders to extend the maturity with 2 lots of bonds with a total value of VND 1,750 billion.
- VIC: Billionaire Pham Nhat Vuong completed contributing more than VND 2.85 trillion to GSM electric car rental company
- VIC: Another 900 VinFast VF8 cars will be shipped to the US in April
- BCM, HHV: Deo Ca and Becamex signed a strategic cooperation agreement on investment in transport infrastructure
- HPG: Set a profit target in 2023 to reduce 5%, and in the next 10 years will develop 10 industrial parks
- LTG: Loc Troi plans to pay the highest dividend in 6 years
- FPT: FPT's ambition when expanding in Korea: Aiming to increase sales nearly 6 times, turning FPT Software into a world-class billion-dollar company this year
- FRT: Selling more household goods, motorcycles, and bicycles

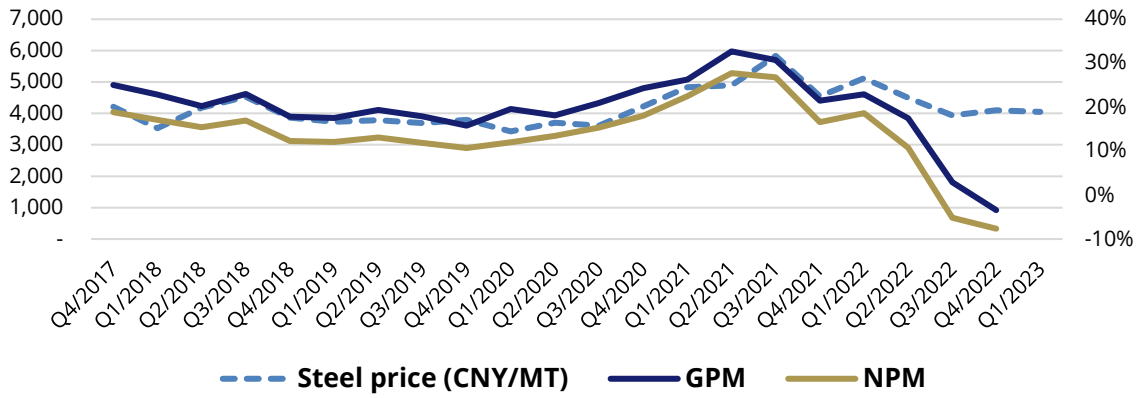
Update the steel industry

Steel companies' stock price and World steel price 2019 - 2023

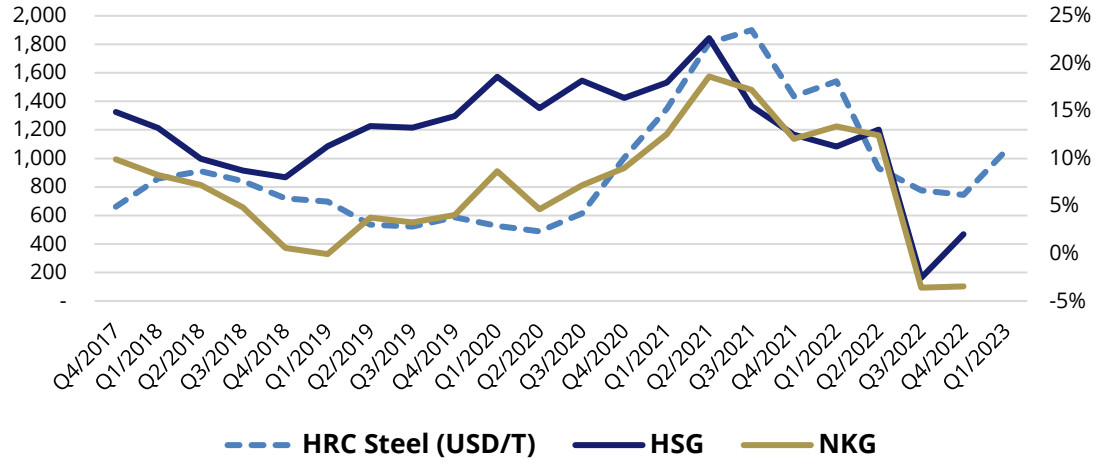


Update the steel industry

Steel price vs HPG
gross profit margin & net profit margin



HRC steel price vs Gross profit margin of NKG & HSG



Key factors for the mid-term growth

- China is the world's leading steel consumer with consumption accounting for more than 50% of global consumption. The opening of China's border on January 8, 2023, is assessed to help the country's economy recover, thereby increasing steel consumption demand. Since the information about China's opening plan was announced, steel prices bar increased by 16% and HRC steel prices increased by 60%.

- The National Assembly approved the 2023 public investment plan with a total capital of over VND 700,000 billion, an increase of about 25% (about VND 140,000 billion) compared to the 2022 plan, and the economic recovery package in 2022 – 2023 estimated at nearly VND 350,000 billion will be the driving force for public investment to increase sharply in 2023. With the steel cost structure in the construction of road and bridge infrastructure reaching about 30%, public investment is expected to be the driving force to support supporting the steel industry in 2023.

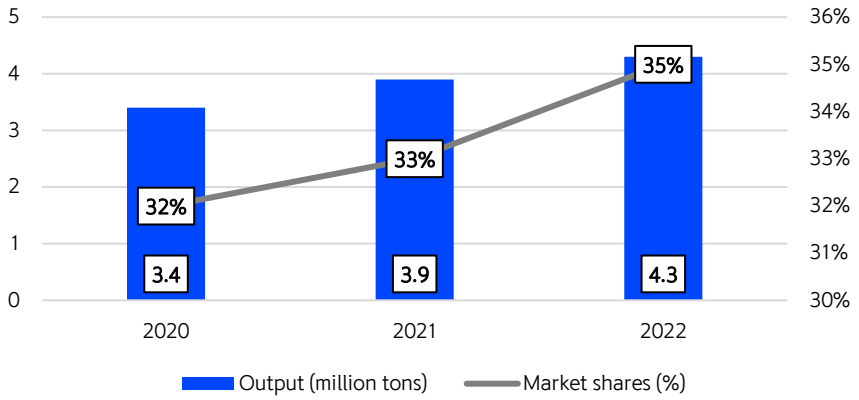
Short-term risk

- Uncertainty related to the world financial situation threatens the economies of European countries and the US, thereby reducing the demand for steel imports to these markets.

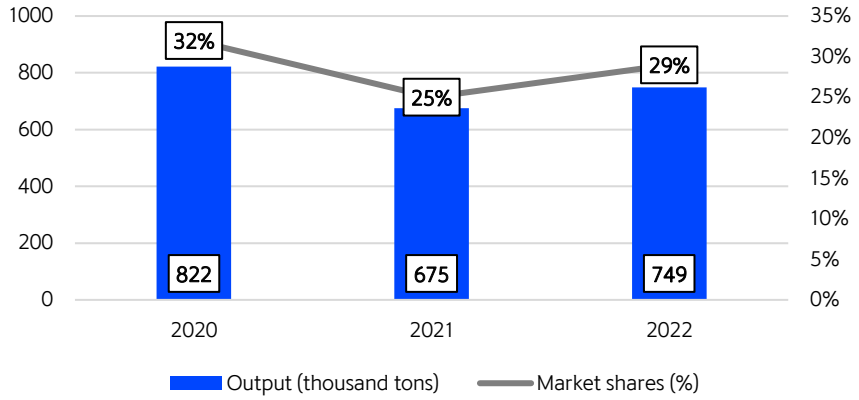
Update the steel industry

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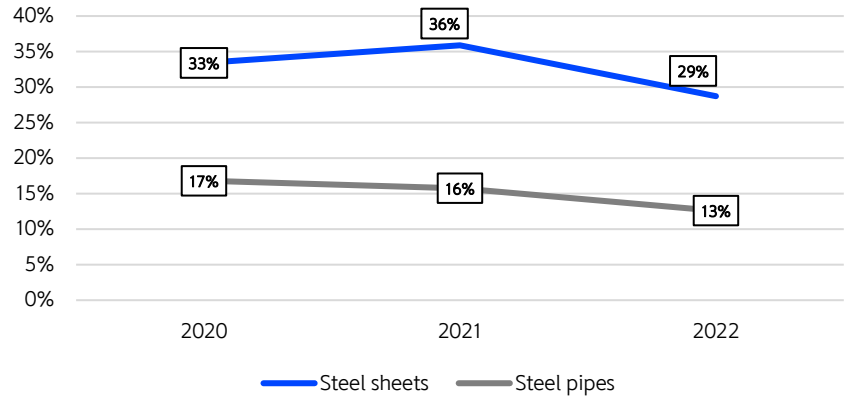
Construction steel output and market share of HPG 2020 - 2022



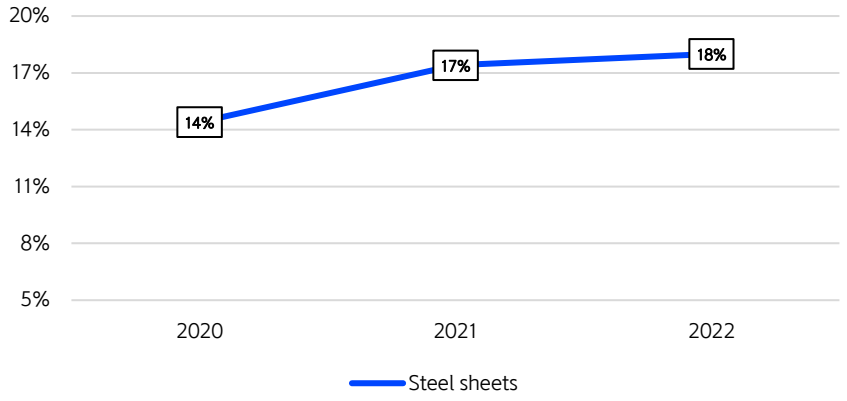
Steel pipe output and market share of HPG 2020 - 2022



Market share of steel sheets and steel pipes 2020 - 2022



Market share of steel sheets NKG 2020 - 2022



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Update the steel industry

Ticker	Market cap (billion VND)	Current P/E	EPS forward (VND)	Target price (VND)	Upside	Rating
HPG	118,621	13.98	1.671	26,100	+27%	Buy
NKG	4.186	N/A	2.144	19,100	+20%	Buy
HSG	9,510	N/A	503	16,500	+3%	Hold

Technical view



Trend: Balance

- The market is expected to continue moving sideways today in the context of the Fed's interest rate hike last week and uncertainties related to the financial situation in Europe. The VNINDEX has surpassed the MA10 with liquidity higher than the 20-session average, showing some positive signals starting to appear. Along with that, the MACD continues to rise up and the RSI continues to move up.

- However, the current market has not broken out of the short-term downtrend channel, which shows that risks still exist in the near future, especially when the financial situation of world banks is unstable.

Scenarios:

- Positive (50%): The index successfully broke the downtrend channel and headed to 1.080.
- Less positive (50%): The index failed to the support level of 1,040 points, it may drop to retest the resistance 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 recovers, establishes a new price base, waits for an explosive session
HDC	Watch							The volume recovers, 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

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