MORNING CALL

March 29th, 2023

“The green color continues to remain, the liquidity improves, the global market prospers””

- Global stocks recover, First Citizens negotiate to buy back SVB
- Domestic stocks gain slightly with improved liquidity
- Technical view and recommendations
- Economic calendar
- Q&A

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Open Account

Global Market Review - Week 27 - 31/03/2023

Stock markets rallied as First Citizens negotiated the acquisition of SVB

Major US indexes closed below the flatline on Tuesday, as investors remained cautious about the health of the US economy. The Dow slid 0.1%, while the S&P 500 and Nasdaq 100 lost nearly 0.2% and 0.4%, respectively.

Despite the FSOC's statement that the US banking system is resilient and First Citizens BancShares' deal to buy failed Silicon Valley Bank, the recent collapse of two US regional banks fueled concerns of recession and broader contagion. Bank stocks turned negative after three regulators said they favor more stringent rules for banks with more than $100 billion in assets.

European equity markets closed little changed in a volatile session Tuesday, with the Stoxx 600 finishing below 445 after a 1% gain in the previous session and the German DAX up 0.1% to 15,142.

The Stoxx bank index recovered from losses earlier in the day and added 0.6%, with Credit Suisse and UBS up 0.7% and 1.7%, respectively. On the other hand, Deutsche Bank went down more than 1% after reports that French authorities searched offices of several large banks, including Société Générale, BNP Paribas, and HSBC on the suspicion of money laundering and fiscal fraud.

Brent oil price increased 0.7%, to USD 78.65 / barrel. US WTI oil price increased 0.5%, to USD 73.20 / barrel. The risk of supply disruptions from the semi-autonomous Kurdish region of Iraq and the hope that the crisis in the banking sector decrease has helped oil prices recover.

Stocks of crude oil in the US dropped by 6 million barrels in the week that ended March 24th, 2023, data from the API's Weekly Statistical Bulletin showed

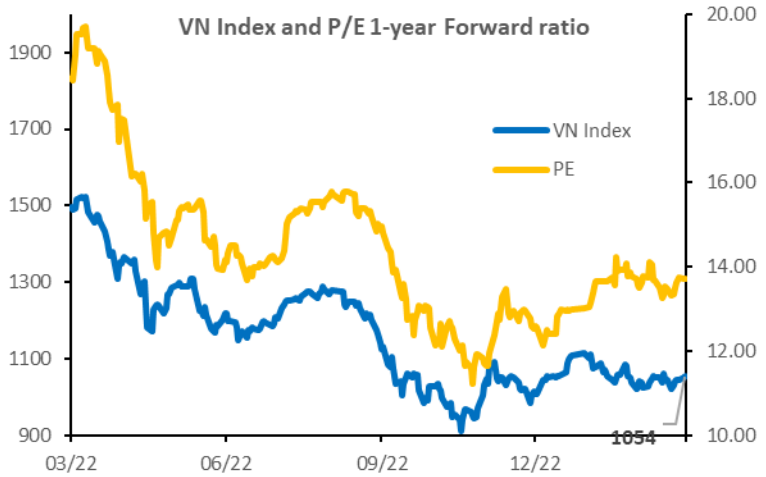
Market

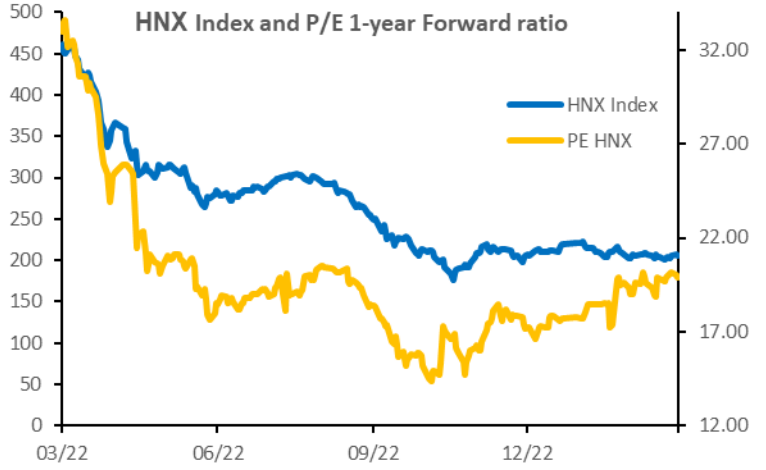
	Close	%1D	%1M	%1Y
VN-Index	1,054	0.19%	2.89%	-29.61%
S&P 500 Index	3,971	-0.16%	0.03%	-14.26%
Dow Jones Index	32,394	-0.12%	-0.80%	-8.22%
GP 100	7,484	0.17%	-4.98%	-0.70%
Nikkei 225	27,571	0.19%	0.46%	-2.41%
SHCOMP Index	3,245	-0.19%	-1.04%	1.29%
STOXX 600	444	-0.06%	-3.61%	-3.82%
KOSPI Index	2,437	0.10%	1.01%	-11.08%
Hang Seng	19,785	1.11%	-0.01%	-9.77%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.47	0.04%	-2.29%	4.13%
USD/VND	23,508.00	0.05%	1.20%	-2.70%
EUR/USD	1.08	0.01%	2.55%	-2.16%
USD/CNY	6.88	0.08%	0.86%	-7.33%
Brent	79.07	0.53%	-5.75%	-28.27%
WTI	73.80	0.82%	-4.22%	-29.20%
Natural gas	2.01	-0.89%	-26.76%	-62.29%
Coal	176.50	0.14%	-8.48%	-32.05%
Gold	1,970.51	-0.15%	7.86%	2.66%

Vietnam Market Snapshot 28/03/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,054.29	13.69	2.04	0.19	568	9,670
HNX INDEX	205.76	19.91	-0.91	-0.44	78	980

Money flow and sector rotation (VND bn)

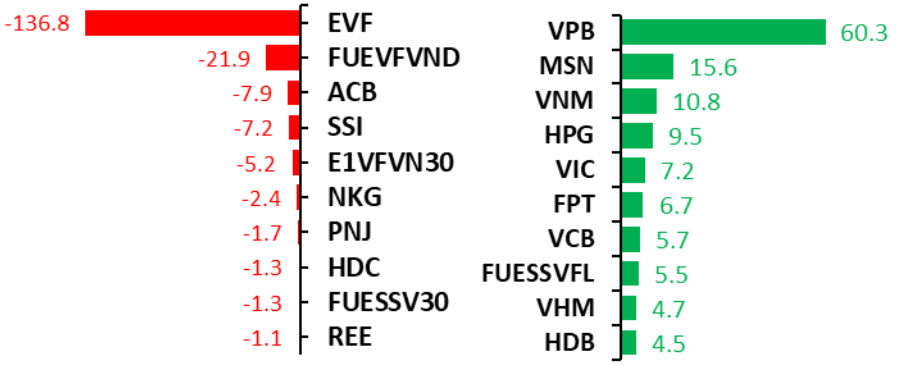
Sector	%1D	3/28/2023	3/27/2023	20-session Average
Personal & Household Goods	58.20	78	49	64
Chemicals	47.86	248	168	248
Retail	40.54	284	202	176
Technology	37.47	97	70	64
Construction & Materials	36.86	925	676	560
Automobiles & Parts	32.74	84	64	58
Banks	31.38	2,847	2,167	2,001
Real Estate	30.57	1,793	1,374	1,265
Food and Beverage	27.06	679	535	570
Health Care	14.98	15	13	17
Industrial Goods & Services	8.20	309	286	269
Travel & Leisure	2.35	50	49	57
Utilities	-3.5	131	136	187
Financial Services	-12.1	1,340	1,524	1,072
Insurance	-20.5	20	25	21
Oil & Gas	-24.2	73	97	123
Basic Resources	-28.7	695	975	964
Media	-35.3	1	1	1

Source: Bloomberg, Shinhan Securities Vietnam

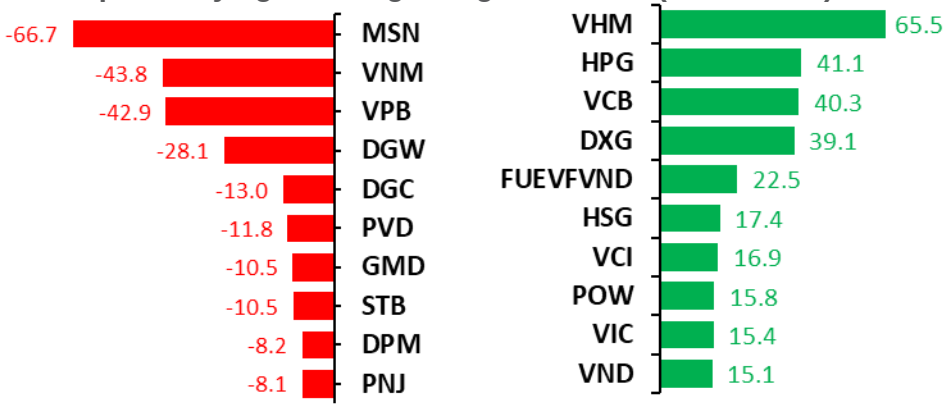
Vietnam Market Snapshot 28/03/2023

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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	14	140	(141)	1
Basic Resources	6	54	(61)	6
Media	-	0	(0)	(0)
Industrial Goods & Services	(2)	(13)	(7)	20
Health care	-	(0)	(0)	0
Chemicals	2	(24)	23	1
Financial Services	(168)	64	103	(167)
Travel & Leisure	3	4	(12)	8
Banks	76	5	74	(79)
Construction & Materials	1	7	(18)	11
Food and Beverage	28	(81)	42	39
Retail	4	(32)	92	(60)
Utilities	2	27	(18)	(8)
Personal & Household Goods	(2)	(7)	5	2
Technology	7	(0)	(10)	11
Automobiles & Parts	-	(0)	0	0
Insurance	0	(2)	1	1
Oil & Gas	0	(10)	10	0

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- In the week from March 20 to March 24, the interbank interest rate continued to decrease sharply in all terms over the sessions. Closing on March 24, the interbank VND interest rate traded around: 1.2% overnight (-2.3 bps) compared to the last session of the previous week); 1 week 1.9% (-2.10 bps); 2 weeks 2.9% (-1.68 bps); 1 month 4.43% (-1.35 bps).
- Prime Minister Pham Minh Chinh has just signed Document No. 178/TTg-CN dated March 27, 2023, on promoting and solving problems of the real estate market.
- Indonesia imports 2 million tons of Vietnamese rice for its rice stockpile in 2023, up from the current 1.2 million tons.

Less positive

- Total newly registered capital, adjusted and contributed capital to buy shares, buy capital contributions of foreign investors in 1Q2023 reached nearly USD 5.45 billion equivalent to 61.2% over the same period.
- Pangasius exports decreased by 38% in the first 2 months of the year.



Business news

- VCS: Vicostone canceled the plan to buy back 4.8 million treasury shares to ensure capital for business operations
- MWG: Mobile World plans to spend VND 732 billion to pay dividends in 2022, with a dividend rate of 5% in cash
- CTS: VietinBank Securities targets profit before tax of VND 231 billion in 2023
- TRA: Traphaco targets double-digit growth in profit in 2023, the expected dividend of 30% in cash
- SCG: Sets a revenue target of VND 2,000 billion in 2023 and after-tax profit at VND 30 billion, equaling only 47.6% and 15.9% of the 2022 plan.
- BMI: Bao Minh Insurance Corporation sets a target of minimum revenue growth of 6.93%, reaching VND 6,750 billion in 2023.
- BAF: Baf Vietnam Agriculture Joint Stock Company has just announced the successful issuance of 600 bonds with code BAFH2330001 with par value of 1 billion VND/1 bond on 16/3/2023.
- MSN: Masan plans to open 900 - 1,300 new WinCommerce stores - Phuc Long Heritage in 2023
- HPX: After-tax profit in 2022 of Hai Phat Land recorded nearly VND 16 billion, while this figure in 2021 is more than VND 162 billion

Draft amendment to Circular 16/2021/TT-NHNN

Draft amendment to Circular 16/2021/TT-NHNN

- Supplementing Clause 14, Article 1: Allowing credit institutions to purchase corporate bonds issued with the purpose of financing working capital provided that sufficient documents are collected to prove the use of new capital. The Bond value during the holding period of corporate bonds will match the working capital need.

Effect: This amendment is expected to help businesses raise capital to support additional working capital without having to be attached to the issuance purpose as before.

- Supplementing Clause 15, Article 1: When a credit institution purchases corporate bonds, in which there is a requirement of securing obligations, the credit institution must freeze the securing money until the guarantee obligation is terminated.

Effect: This addition helps to ensure the safety of credit institutions, through which credit institutions have a guaranteed reserve.

- Supplementing Clause 16, Article 1: Credit institutions must use non-cash payment services to pay the amount of purchase of corporate bonds to the issuer or the bond seller.

Effect: This clause is meant to assist in verifying the purpose of working capital support mentioned in clause 14 above.

- Supplementing Clause 3, Article 6: Internal regulations must contain at least the following terms:
  - Business process, and risk management regulations for buying and selling corporate bonds
  - Specific criteria determine the feasible plan and specific criteria determine whether the company has the financial capacity to ensure full payment of bond principal and interest on time.
  - Specific regulations on appraisal, examination, and supervision of the use of proceeds from bond issuance

Effect: This clause is to assist in the verification of bond issuance and capital use purposes.

- Cessation of Clause 11 Article 4 of Circular 16: “Within 12 months after selling corporate bonds that have not been listed on the stock market or have not been registered for trading on the Upcom trading system (hereinafter referred to as unlisted corporate bonds), credit institutions may not purchase unlisted corporate bonds that have been sold by the credit institution and/or unlisted corporate bonds issued in the same lot/same tranche as unlisted corporate bonds sold by credit institutions.”

Effect: Helping credit institutions to repurchase corporate bonds, which have been sold by that institution, without the need of meeting listing requirements. Effective until December 31, 2023

Draft amendment to Circular 16/2021/TT-NHNN

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- Adding Point e, Clause 6, Article 1: Liabilities-to-equity ratio does not exceed 5 times based on the data from the latest quarterly financial statements.

Effect: Ensure businesses do not use excessive financial leverage

- Supplementing point b, clause 8: Credit institutions may not purchase corporate bonds in the following cases:
  - Purpose to contribute capital, buy shares, buy shares in other enterprises
  - Purpose for business cooperation, investment cooperation with other enterprises

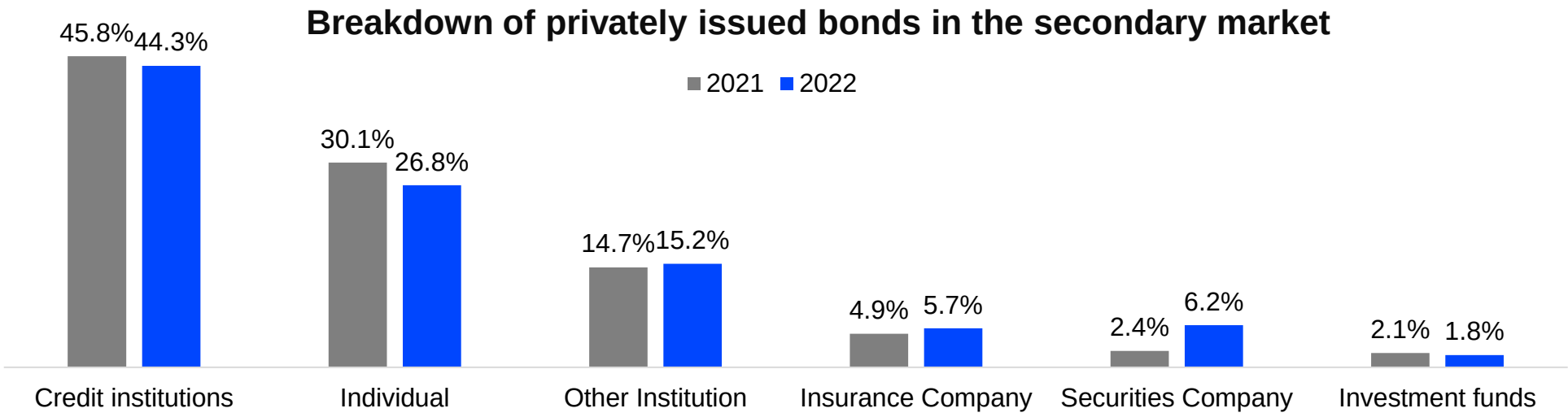
Effect: Ensure businesses do not use capital contrary to business purposes, ensuring safety for credit institutions

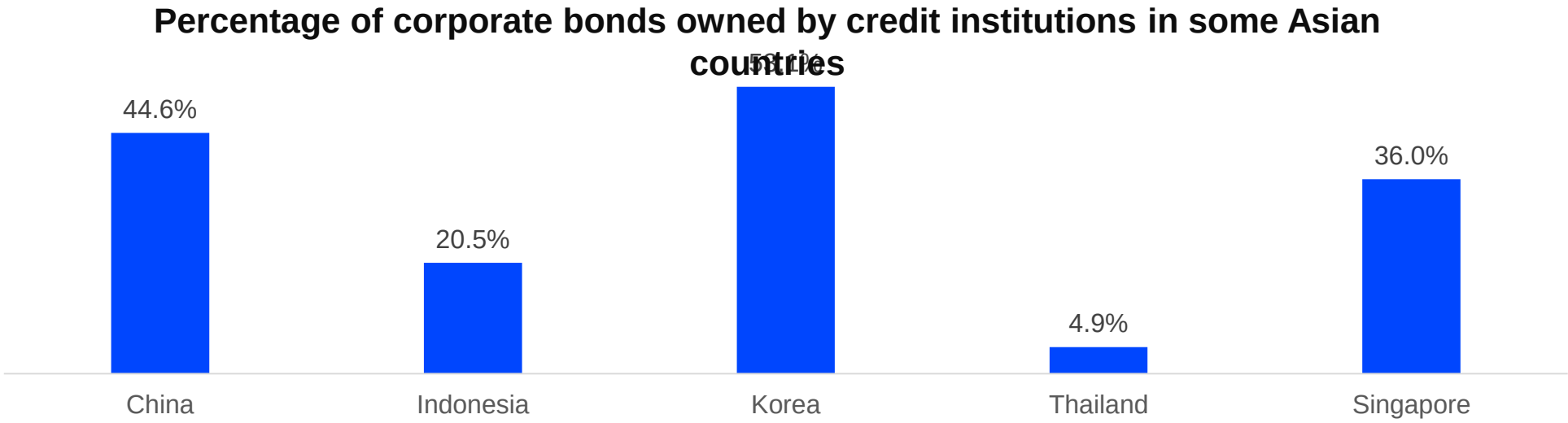
- Supplementing Clause 2, Article 7 as follows: Credit institutions have the right and obligation to inspect and supervise the use of bond proceeds by the issuer to ensure that the proceeds from bond issuance are properly used according to purposes in the plan. In case it is discovered that the issuing enterprise or the guaranteed party has used the proceeds from the bond issuance for improper purposes according to the plan or commitment with the credit institution, the credit institution shall request the issuing enterprise to purchase bonds before maturity

Effect: Ensure businesses do not use capital contrary to business purposes, ensuring safety for credit institutions

In general: The revised draft, if approved, will help relax regulations on the corporate bond market, creating conditions for the market to recover. However, the main underlying problem in the corporate bond market today still depends on the ability of enterprises to generate positive cash flow from its core business activities.

Draft amendment to Circular 16/2021/TT-NHNN

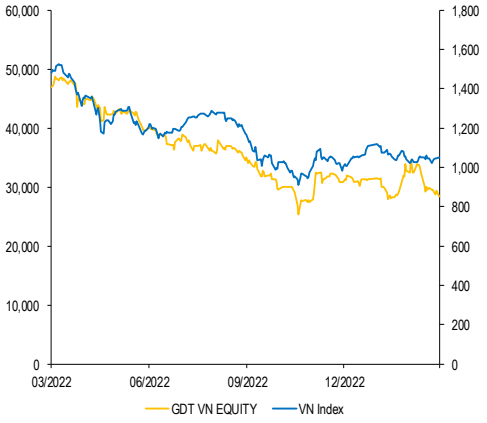




Duc Thanh Wood Processing JSC (HoSE: GDT)

TARGET PRICE (VND)	
44,400	
CURRENT PRICE (VND)	UP/DOWNSIDE
28,800	**54.2%**
VNINDEX	**1,054**
Market P/E (x)	**10.0**
Market Cap. (bn VND)	**613.5**
Outstanding Shares (mn)	**21.3**
Free Floating Shares (mn)	**8.9**
Free Floating (%)	**42.0**
52-Wk High (VND)	**51,818**
52-Wk Low (VND)	**25,909**
3M Avg. Trading Vol. (mn)	**0.03**
3M Avg. T/O (bn VND)	**1.2**
Beta (12M)	**0.8**

	3M	6M	12M
Absolute	**-8.0**	**-17.9**	**-41.7**
Rel. to VNINDEX	**-11.8**	**-10.1**	**-12.7**



Source: Bloomberg

Annual General Meeting Summary

1. Business results in 2022

- Revenue recorded VND 399.8 billion (+18.1% YoY), of which mainly came from export income, contributing 81.5% of total revenue. Domestic revenue accounted for 15%; the remaining came from other segments (warehouse rental; sale of wood chips, and scrap). GPM recorded 33.3%, improving from 29.9% in 2021. GP and NPAT in 2022 reached VND 133.2 billion (+31.5% YoY), and VND 69.3 billion (+14% YoY) in that order. The company respectively completed the 80% (of VND 500 billion in revenue) and 73% (of VND 94.3 billion in NPAT) 2022 target.
- Besides, GDT proposes the cash dividend rate in 2022 at 30% (revised down from 40%, for the purpose of expanding production). Currently, the company has paid a portion (10%) at the end of 2022 and is expected to settle the remaining dividend in April 2023 (10%) and June 2023 (10%).

2. Outlook in 2023

Plan for 2023: Revenue and NPAT will reach VND 520 billion and VND 83.2 billion, correspondingly (+30% and +20% compared to 2022 actuals). Noticeably, GDT will consolidate the business results of the furniture segment in 2023FY, estimated to bring in VND 100 billion for the parent (approximately 19% of the total target revenue). Currently, GDT has export orders until May 2023, but the company assesses that the situation in 2023 is still difficult.

GDT has been restructuring, reducing debt, applying ERP to the operating and managing process, and expanding the factory. If all 4 factories operate at full capacity, GDT's revenue can reach VND 700-750 billion.

The expected dividend is to be 30% in 2023. If the business condition goes well, the company is expected to maintain the cash dividend rate at 40% as in those previous years.

A new breeze to the BOD: Mr. Nguyen Hoang Ngan was appointed as an Independent Member of the BOD of GDT. Mr. Ngan used to be the GD of Binh Minh Plastic JSC (HoSE: BMP), and is still the Vice Chairman of BMP's BOD. His experience and knowledge will enhance the domestic market along with the long-standing export market of Duc Thanh Wood.

3. Risks: (1) Risks from prolonged global macro events; (2) Exchange rate risk; (3) Risks from investing in business expansion.

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	341.8	400.4	338.6	399.8	517.7
OP (bn VND)	79.5	86.6	63.5	82.6	108.1
OP margin (%)	23.3	21.6	18.7	20.7	20.9
NP (bn VND)	74.2	80.0	60.8	69.3	85.9
NP margin (%)	21.7	20.0	18.0	17.3	16.6
EPS (VND)	4,276	4,584	3,340	3,499	3,842
ROE (%)	26.5	29.4	22.6	23.1	23.4
P/E (x)	4.3	6.6	14.9	9.2	11.6
P/B (x)	1.8	2.6	4.2	2.4	2.8

Source: Bloomberg, Shinhan Securities, Data as of 28/03/23

Technical view



Trend: Positive liquidity

- The VNIndex rose slightly with trading volume remaining above the twenty-session average. Although the index is tending to break out of the downtrend channel, the struggle in the Tuesday session showed that investors' sentiment was still not optimistic. The RSI and MACD continue to show that the bullish signal is still maintained. VNIndex needs a strong gaining session and surpasses 1,060 to confirm the exit from the down channel.

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

29/3/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
PC1	Watch							The volume improves, good reaction around the 50-day MA
HPG	Watch							Maintain the base around MA10
POW	Watch							Good reaction around the 20-day MA
DXG	Watch							The volume improves, establishes a new price base, waits for an explosive session
HT1	Watch							Staying above MA10, still holding the trend
NKG	Watch							Good reaction around the 20-day MA, Volume improve
TCB	Watch							Volume improves, breakout 20-day MA
MBB	Watch							Volume improves, testing resistance

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%	21	9	4.48%	16/03/2023	

Economic calendar

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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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