MORNING CALL

April 03rd, 2023

"Domestic market surpasses important resistance level, world stocks gain positively"

- World stocks recover after concerns about banking industry
- Domestic stocks break through important resistance level
- Technical view and recommendations
- Economic calendar
- Q&A

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Open Account

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

World stocks recovered and continued to gain as worries about the banking crisis eased

Global stock indexes in the past week had impressive gains. In the US, the S&P 500 index jumped 3.5% with banking stocks having recovered after the SVB event. In addition, the administration of US President Joe Biden has introduced a new proposal to strengthen the supervision of banks with assets between $100 billion and $250 billion.

Closing Q1/2023 The S&P 500 and Nasdaq Composite jumped 7.03% and 16.77% respectively in the first quarter of 2023. It was also the Nasdaq Composite's best quarter since 2020. Dow Jones closes the first quarter of 2023 with a gain of 0.38%.

The core personal consumption expenditures (PCE) index, which excludes food and energy costs, rose 0.3% in February, less than economists' forecasts for a 0.4% increase.

In Europe, the Stoxx Europe 600 index gained more than 4% over the past week despite concerns about instability in the banking sector. Inflation in Europe continues to be a hot topic as core inflation increased from 5.6% in February to 5.7%.

The Nikkei 225 gained 2.4% in Asia as investor sentiment eased risk aversion in the banking sector. At the same time, the yen also fell to 133.1 JPY/USD after the demand for the safe-haven currency faltered. The country's stock market ended the week in the green in China, with the Shanghai Composite index up 0.22%. The impetus from new Chinese Premier Li Qiang continued to emphasize that China would open up and launch new stimulus packages at the Boao Forum for Asia.

Housing transactions spiked in February in major Chinese cities as buyers eagerly returned to the market.

WTI oil price traded around 80 USD/barrel extending the rally for the second consecutive week. Supply concerns and improved demand expectations are the main drivers of this commodity's growth. Specifically, Bloomberg reported that about 400,000 barrels per day of exports through the Turkish port of Ceyhan were halted in the past week due to conflicts between Iraq, the Kurds, and Turkey.

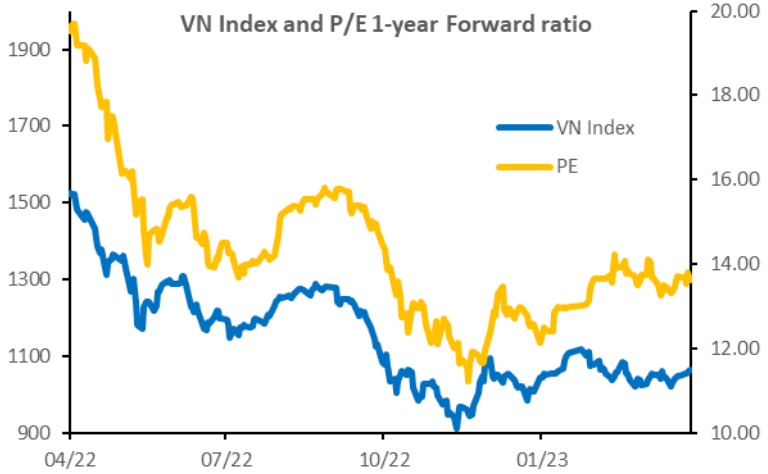
Market

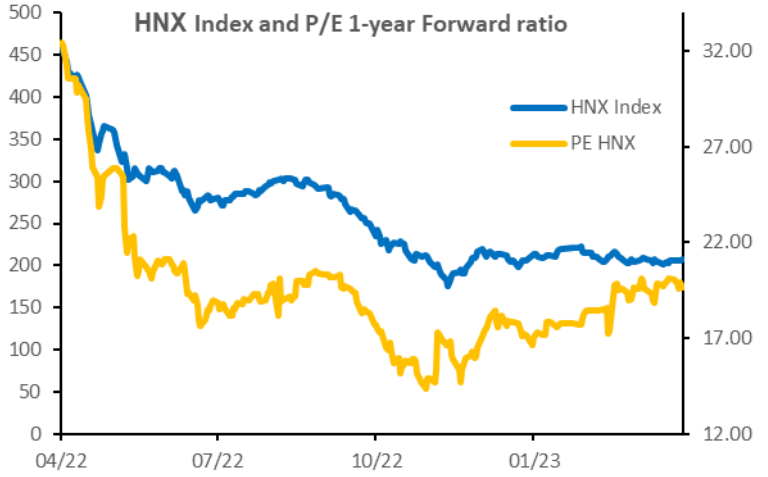
	Close	%1D	%1M	%1Y
VN-Index	1,065	0.49%	3.89%	-29.79%
S&P 500 Index	4,109	1.44%	1.57%	-9.60%
Dow Jones Index	33,274	1.26%	-0.35%	-4.43%
GP 100	7,632	0.15%	-3.97%	1.24%
Nikkei 225	28,179	0.49%	0.90%	1.86%
SHCOMP Index	3,273	0.36%	-1.67%	-0.30%
STOXX 600	458	0.66%	-1.38%	-0.11%
KOSPI Index	2,481	0.17%	2.02%	-9.44%
Hang Seng	20,400	0.45%	-0.81%	-7.44%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.85	0.33%	-1.60%	4.27%
USD/VND	23,471.00	0.04%	1.36%	-2.70%
EUR/USD	1.08	-0.26%	1.65%	-1.47%
USD/CNY	6.87	-0.04%	0.90%	-7.76%
Brent	84.98	6.37%	-0.99%	-18.59%
WTI	80.49	6.37%	1.02%	-18.92%
Natural gas	2.08	-6.14%	-30.87%	-63.64%
Coal	193.00	2.93%	0.08%	-25.48%
Gold	1,962.58	-0.34%	5.72%	1.54%

Vietnam Market Snapshot31/03/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,064.64	13.96	5.20	0.49	561	10,452
HNX INDEX	207.50	20.30	1.55	0.75	84	1,109

Money flow and sector rotation (VND bn)

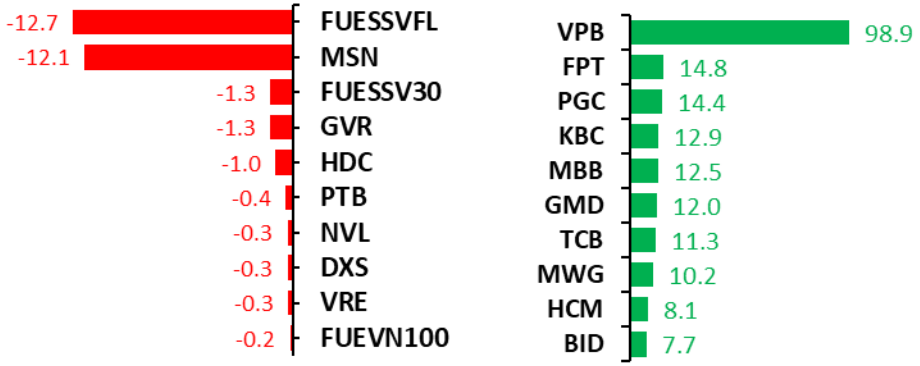
Sector	%1D	3/31/2023	3/30/2023	20-session Average
Media	194.47	1	1	1
Financial Services	44.79	2,192	1,514	1,224
Oil & Gas	37.19	155	113	122
Utilities	32.82	155	116	171
Real Estate	22.25	1,818	1,487	1,307
Chemicals	17.21	287	244	253
Technology	11.54	75	67	61
Construction & Materials	3.45	757	732	586
Basic Resources	3.44	1,380	1,334	1,024
Banks	-2.8	2,437	2,508	2,158
Food and Beverage	-5.5	471	498	577
Industrial Goods & Services	-10.7	288	323	269
Personal & Household Goods	-10.9	78	87	68
Travel & Leisure	-23.8	47	62	59
Automobiles & Parts	-26.4	63	86	60
Health Care	-30.1	13	18	16
Insurance	-38.5	19	32	22
Retail	-44.4	215	386	200

Source: Bloomberg, Shinhan Securities Vietnam

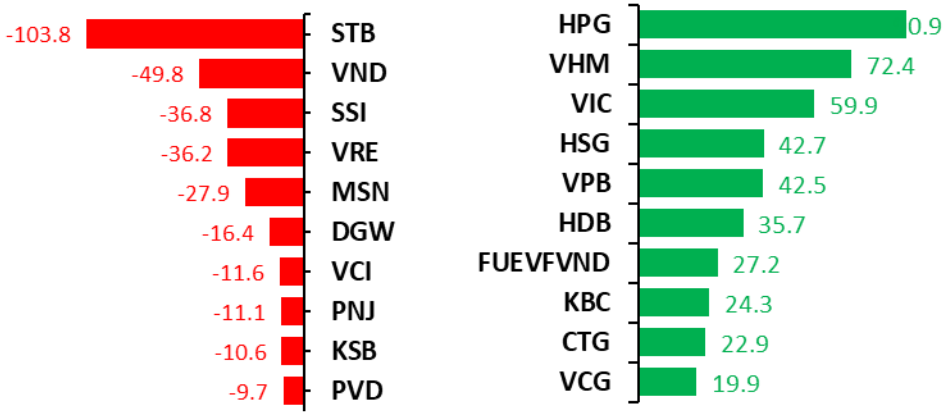
Vietnam Market Snapshot31/03/2023

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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	(21)	29	6	(35)
Basic Resources	(14)	31	(15)	(17)
Media	-	1	(1)	(0)
Industrial Goods & Services	(17)	(43)	22	21
Health care	-	0	(1)	1
Chemicals	2	16	(5)	(11)
Financial Services	(3)	(82)	84	(1)
Travel & Leisure	(3)	2	5	(7)
Banks	76	(106)	50	56
Construction & Materials	(0)	4	(1)	(3)
Food and Beverage	(13)	(29)	48	(18)
Retail	(4)	(24)	52	(28)
Utilities	(2)	3	6	(10)
Personal & Household Goods	(5)	(10)	12	(2)
Technology	(5)	0	(1)	1
Automobiles & Parts	-	(2)	1	0
Insurance	(0)	8	(7)	(1)
Oil & Gas	1	(7)	4	3

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- Steel prices today 2/4, domestic rebar steel prices simultaneously increased. Meanwhile, the world steel price, recorded a decrease on the Chinese exchange, boosting steel exports may put pressure on global steel prices.
- SBV branches in provinces, cities and credit institutions continue to promote the implementation of interest rate support policies from the state budget for loans of enterprises, cooperatives and business households according to Decree No. 31/2022/ND CP of the Government

Less positive

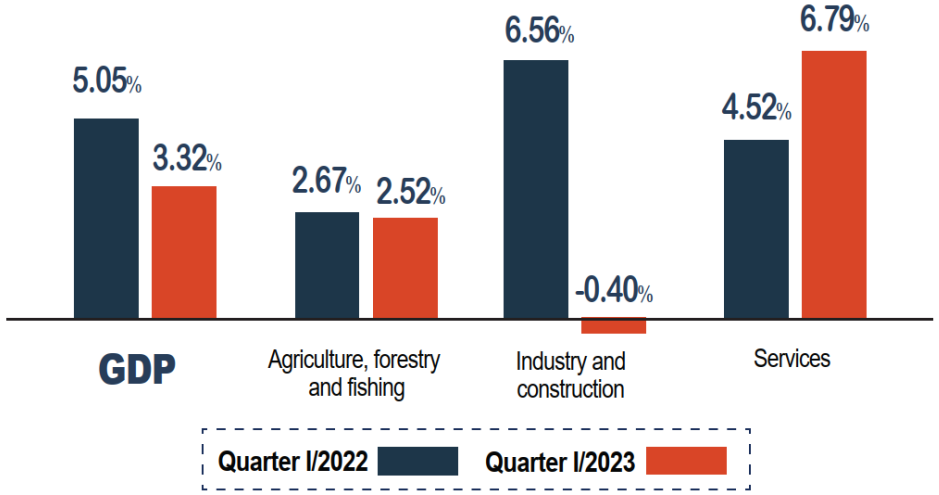
- Domestic fertilizer market: Prices continue to fall due to sluggish demand
- Thousands of billions of VND invested in wind power and solar power are at risk of having to continue to "put mats" and wait for the guiding mechanism even though the time limit has passed for the Electricity of Vietnam (EVN) to negotiate the price. electricity with investors.
- In the first 3 months of the year, FDI inflows into real estate only reached 766 million USD, a sharp decrease compared to the same period last year

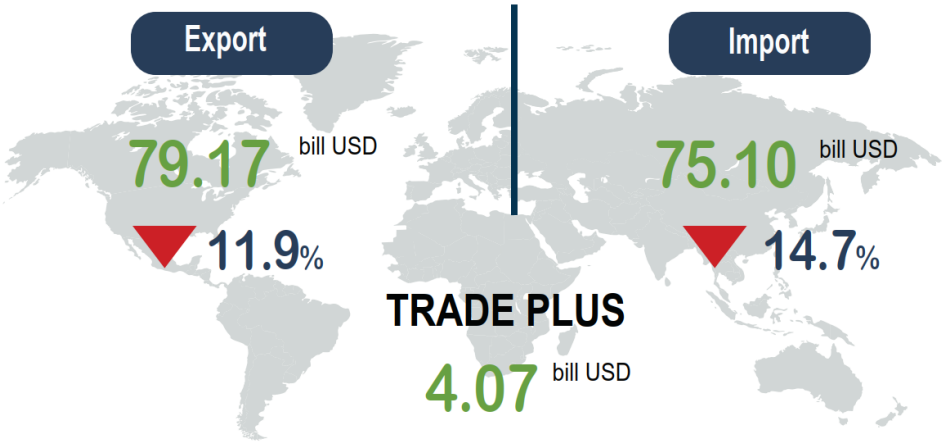
Business news

- DRH: Overdue for payment ofVND 179 billion bonds, after-audit interest dropped by 92%
- HPG: Hoa Phat is on the real estate "racing", step by step collecting land in the province, strong confidence in the law, so it does not spend a lot of money to buy the project
- TRA: Traphaco sets a target of VND 326 billion in after-tax profit in 2023
- VGC: Cuba "opens" the door to welcome Viglacera
- ITA: ITA shares and the risk of mandatory delisting on HOSE
- VHM: It is possible to start the first social housing project on Cam Ranh Bay in the second quarter
- HDG: Dragon Capital fund group member becomes a major shareholder of Ha Do
- NRC: From a profit of VND 6.3 billion after tax in 2022 according to its own report, NRC officially lost nearly VND 73 billion after the audit. Debt to employees of more than VND 11 billion, forced to stop using invoices for 1 year
- QNS: Japan recalls the batch of Fami Calcium soy milk imported from Vietnam
- HPG: Ton Hoa Phat signed many export orders in April, exploiting new markets
- BFC: Binh Dien Fertilizer's profit continuously went back, and short-term debt increased to VND 683 billion
- CTD: Coteccons surpasses Hoa Binh Construction, and regains the top position in the list of construction contractors in 2023

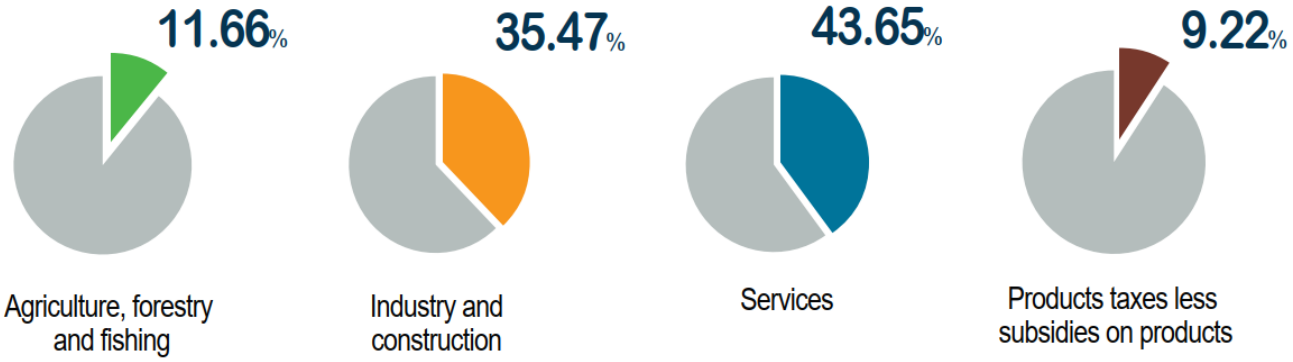
Update on the economic situation in the first quarter of 2023

GDP growth rate in the 1st quarter of 2022-2023





GDP structure in the 1st quarter of 2023



CPI Q1/2023
+4.18% (YoY)

Update on the macroeconomic in 1Q2023

Investment in the first quarter of 2023

Total

583.1 trillion VND ▲ 3.7%

State	Non-state	FDI
153.0 trillion VND	328.6 trillion VND	101.5 trillion VND
▲ 11.5%	▲ 1.8%	▼ 1.1%

Foreign investment from 1/1 to 20/3/2023

Total registered capital

5.45 bill USD ▼ 38.8%

Total implemented capital

4.32 bill USD ▼ 2.2%

SBV reduces interest rates



From April 3, 2023: SBV reduces interest rates

- **Reduce refinancing interest rate**

- The refinancing interest rate decreased from 6%/year to 5.5%/year; the rediscount interest rate remains unchanged at 3.5%/year

- **Maximum interest rate reduction for deposits in VND**

- The maximum interest rate applicable to demand deposits and terms of less than 1 month is reduced from 1.0%/year to 0.5%/year.

- The maximum interest rate applicable to deposits with a term from 1 month to less than 6 months is reduced from 6.0%/year to 5.5%/year, especially the maximum interest rate for deposits in VND at the Fund people, microfinance institutions reduced from 6.5%/year to 6.0%/year;

- Interest rates on deposits with a term of 6 months or more are set by credit institutions on the basis of market capital supply and demand.

- **Reduce the maximum short-term loan interest rate in VND**

- The maximum short-term lending interest rate in Vietnam dong of credit institutions for borrowers to meet capital needs for the number of economic sectors and fields decreased from 5.0%/year to 4.5 %/year;

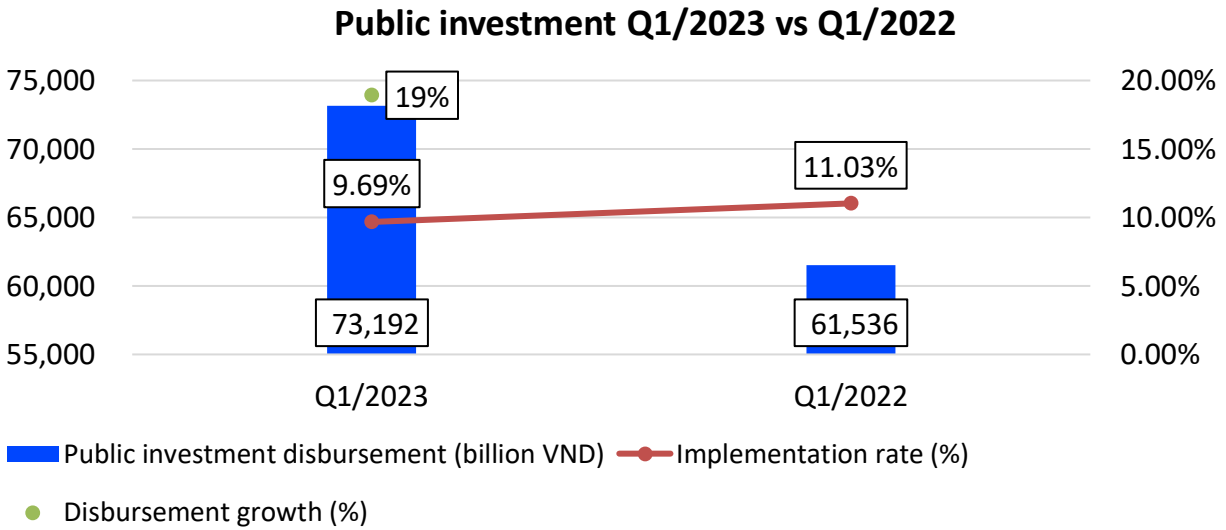
- The maximum short-term lending interest rate in Vietnam dong of People's Credit Funds and microfinance institutions for these capital needs will be reduced from 6.0 %/year to 5.5 %/year.

- **Interest rates of the State Treasury, Deposit Insurance, Vietnam Development Bank, Bank for Social Policies,...**

- **The State Bank of Vietnam orients credit growth to about 14-15% in 2023.**

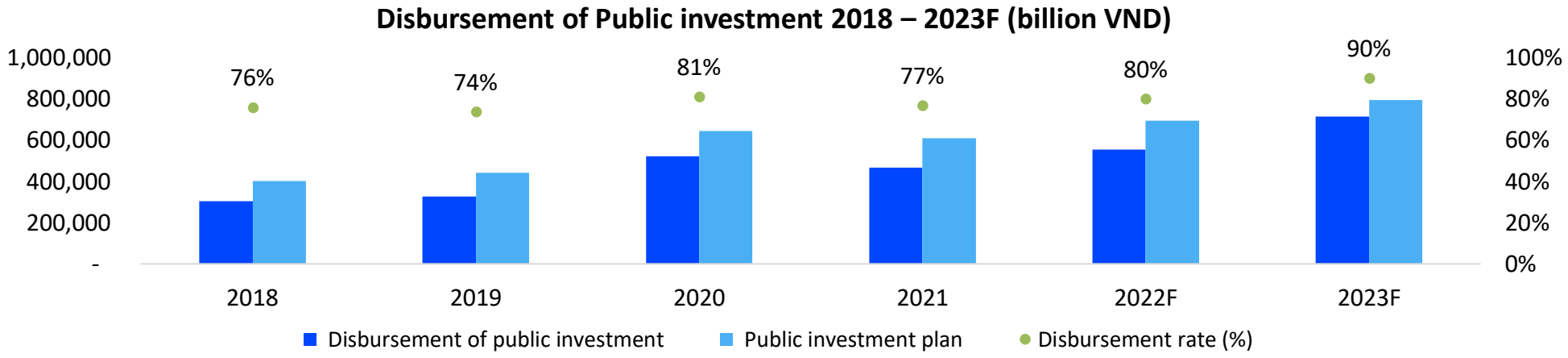
- **As of March 28, 2023, the credit of the whole economy increased by 2.06% compared to the end of 2022, up 11.17% over the same period in 2022.**

Update public investment in Q1/2023



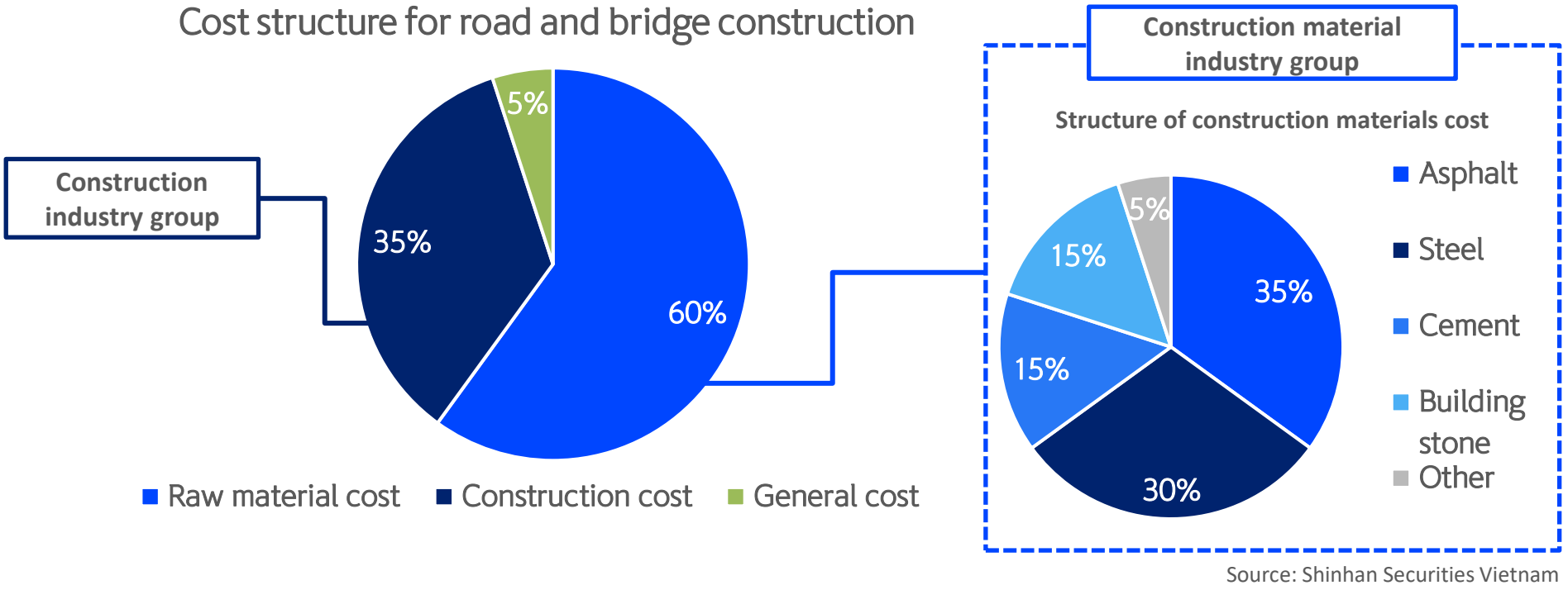
Disbursement of public investment Q1/2023

- According to the report of the Ministry of Finance, the estimated disbursement of public investment from the state budget from the beginning of the year to March 31, 2023, was VND 73,192 billion, reaching 9.69% of the plan (reaching 10.35% of the plan assigned by the Prime Minister).
- Resolution No. 31/NQ-CP dated March 7, 2023, on the regular Government meeting in February 2023 and the Prime Minister's Official Dispatch No. 123/CD-TTg dated March 10, 2023, urgently asked officers to distribute the detailed plan for public investment with state budget capital in 2023.



Source: MOF, Shinhan Securities Vietnam

Industry groups directly benefiting from public investment



Source: Shinhan Securities Vietnam

Industry groups directly benefiting from public investment:

- This is a group of industries that directly benefit from the investment and construction of infrastructure projects, mainly including companies providing construction materials, and companies directly executing construction infrastructure projects.

Industry groups directly benefiting from public investment

Ticker	Sector	Mkt cap (bn VND)	Net Revenue 2022 (bn VND)	Net revenue growth (%)	Net profit 2022 (bn VND)	Net profit growth (%)	GPM - TTM (%)	ROA - TTM (%)	ROE – TTM (%)	D/E	P/E - TTM	P/B - TTM	EV/EBITDA-TTM
KSB	Building stone	1,385	859	-3%	152	-40%	36.90%	3.70%	8.17%	0.57	13.38	1.05	7.59
DHA		483	388	15%	52	-42%	26.52%	10.23%	11.49%	0.00	10.43	1.23	5.14
CTI		704	919	21%	106	-907%	49.73%	1.89%	6.71%	1.97	8.88	0.69	6.89
PLC	Asphalt	1,737	8,601	25%	133	-24%	12.66%	2.82%	10.18%	1.42	20.19	2.16	8.96
HPG	Steel	116,296	141,409	-6%	8,444	-76%	11.85%	4.87%	9.08%	0.60	14.33	1.26	8.59
HT1	Cement	4,236	8,918	26%	258	-31%	10.00%	2.82%	4.99%	0.36	22.36	1.13	6.65
BCC		1,097	4,218	-3%	63	-19%	10.34%	1.74%	3.27%	0.27	20.97	0.68	4.70

Source: Fiinpro, Shinhan Securities Vietnam
Data as of 03/04/2023

Industry groups directly benefiting from public investment

Ticker	Sector	Mkt cap (bn VND)	Net Revenue 2022 (bn VND)	Net revenue growth (%)	Net profit 2022 (bn VND)	Net profit growth (%)	GPM - TTM (%)	ROA - TTM (%)	ROE – TTM (%)	D/E	P/E - TTM	P/B - TTM	EV/EBITDA-TTM
VCG	Construction	9,888	8,453	47%	931	79%	10.85%	2.48%	8.91%	1.36	12.64	1.46	23.77
DPG	Construction	1,783	3,319	30%	519	16%	27.75%	6.34%	19.22%	1.21	4.65	1.07	3.78
HHV	Construction	4,140	2,095	13%	297	2%	48.53%	0.76%	3.29%	2.47	15.68	1.06	19.89
C4G	Construction	3,642	2,726	45%	155	151%	12.14%	2.07%	8.86%	1.41	14.45	0.97	17.47
FCN	Construction	1,811	3,044	-13%	51	-28%	11.76%	0.52%	1.22%	0.78	46.27	0.68	15.76
HBC	Construction	2,273	14,123	24%	(1,141)	-1276%	1.83%	-6.79%	-33.98%	2.32	-2.00	0.87	-15.98
CTD	Construction	3,228	14,537	60%	21	-14%	3.35%	0.13%	0.25%	0.13	166.32	0.42	-24.40
LCG	Construction	2,399	1,006	-44%	194	7%	12.60%	3.59%	7.78%	0.17	12.55	0.96	18.54

Source: Fiinpro, Shinhan Securities Vietnam
Data as of 03/04/2023

Industry groups benefiting indirectly from public investment

Industry groups that benefit indirectly from public investment:

- This is a group of industries that benefit indirectly after the infrastructure are completed. New infrastructures will help the country develop better by operating the transportation system more efficiently, thereby attracting FDI from abroad. The infrastructures also help the value of real estate around being exploited more effectively, thereby helping to increase the selling price and attract more investors.

Seaport industry

Impact factors: Benefiting from the development of road and seaport infrastructures, thereby helping to increase the volume of goods through the seaport, besides, the investment also attracts more FDI enterprises, which will promote import and export exports.

Beneficiary tickers: GMD, VSC, HAH

Industrial real estate industry

Impact factors: Benefiting from the development of road infrastructures, thereby attracting FDI enterprises to Vietnam, which will contribute to an increase in occupancy rate and rental rates of industrial real estate enterprises.

Beneficiary tickers : KBC, BCM, GVR, IDC

Residential real estate industry

Impact factors: The development of road infrastructures helps real estate located on roads such as the North-South highway, Ring road 3 (HCM), and Ring road 4 (HN) exploit more effectively, contributing to the increase land prices in the area.

Beneficiary tickers : VHM, KDH, PDR, NVL, DXG, NLG

Information technology industry

Impact factors: Benefit from the application of information technology in road management and construction of telecommunications infrastructure.

Beneficiary tickers : Management system (ITD, ELC), telecommunications infrastructure (FPT, CMG)

Technical view



Trend: Slowly go up

- The VNIndex rose slightly in Friday's session with trading volume at 20 days higher than average. The index successfully surpassed the resistance level of 1,060. However, the index only had a small gain, showing that investors' sentiment was still hesitant. The upcoming situation may be more positive as the index has surpassed the important resistance level. RSI and MACD are showing positive signals.

Scenarios:

- Positive (60%): The index cross 1,050 points and continued creating a recovery pace to 1,080 points, more optimistic than 1,100 points.
- Less positive (40%): 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

3/4/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
HDG	Watch							The price base is tight, waiting for the breakout point
HPG	Watch							Responds well to support, maintains base above MA10
POW	Watch							Maintain the base around MA10
GVR	Watch							Good reaction at MA20, testing old peak
TCB	Watch							Breaking resistance, strengthening new base
MBB	Watch							Breaking resistance, strengthening new base
FPT	Watch							Tightly building the price base around MA20
NT2	Watch							Waiting for a breakout point

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
SSI	Wait for sale	20.15	22	19	9%	-6%	21.5	12	6.97%	16/03/2023	

April 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
26	27	28	29	30	31	1 PMI (EU, VN)
2	3 Caxin Manufacturing PMI (China)	4 PPI (EU)	5 Balance of Trade (US)	6 Initial Jobless Claims (US)	7 Non-farm payroll, unemployment rate (US)	8
9	10 Wholesale inventories in US	11 Retail sales (EU), Inflation rate (China)	12 Inflation (US)	13 Balance of Trade (China), PPI (US)	14 FDI (China)	15
16	17	18 China macroeconomic data release	19 Inflation, PPI (GB)	20	21 Retail sales (GB)	22
23	24	25 House Price Index (US)	26	27 GDP growth rate (US)	28 GDP growth rate (EU)	29 Vietnam macroeconomic data
30 PMI (US)	1					

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Q&A

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