MORNING CALL

April 06th, 2023

“Global stocks struggled, VNIndex faced short-term profit-taking pressure”

- Global stocks struggled
- Domestic stocks move sideways after a series of bullish days
- Technical view and recommendations #HHV, #NLG, #VGC, #HPG
- Economic calendar
- Q&A

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Open Account

Global Market Review - Week 03 - 07/04/2023

Major stock markets struggled to trade

The Dow Jones closed 0.2% higher on Wednesday afternoon, while the S&P 500 and Nasdaq were down 0.2% and 1%, respectively, as investors mulled the impact of a cooling labor market on economic growth and inflation. Despite the data, Fed Cleveland President Mester said the fund's rate should rise above 5% this year and stay there for some time to quell inflation.

European shares closed slightly lower Wednesday, with Germany's DAX 40 losing 0.7%, as investors digested a batch of economic reports and their potential impact on the economic and monetary policy outlook. Final PMI data showed the Eurozone service sector expanded less than previously thought in March.

Private businesses in the US created 145K jobs in March of 2023, below an upwardly revised 261K in February and forecasts of 200K, in a sign the labour market is slowing as consumer demand ebbs and the cost of borrowing goes up.

The ISM Services PMI fell to 51.2 in March from 55.1 in February and well below forecasts of 54.5, while job vacancies sank in February to the lowest since May 2021. The reading pointed to the slowest growth in the services sector in three months, as demand and employment cooled.

WTI crude futures traded below $81 a barrel on Thursday, after weak US job openings data pointed to slowing economic conditions which may hit demand. The data offset market's reaction to earlier OPEC+ cuts and the recent production of US crude and fuel inventories. On a support side, Saudi Arabia has raised the prices of its flagship crude for Asian buyers for the third straight month.

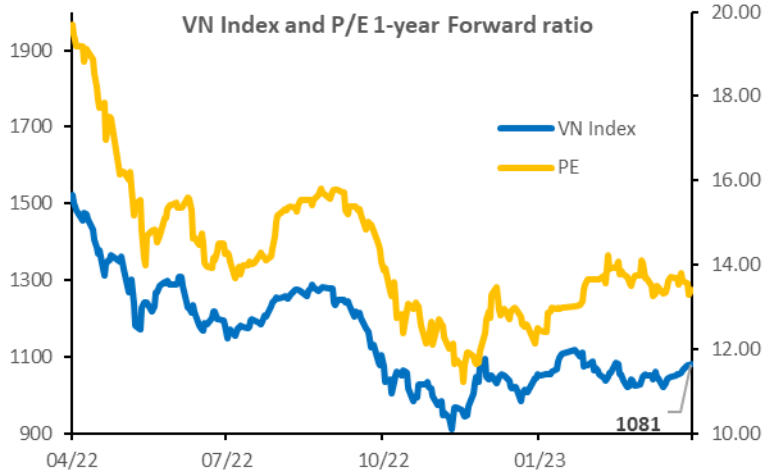
Market

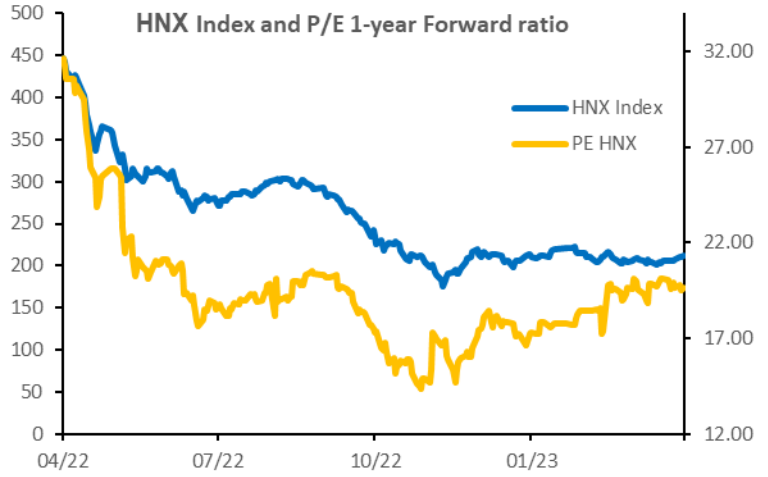
	Close	%1D	%1M	%1Y
VN-Index	1,081	0.22%	5.23%	-29.03%
S&P 500 Index	4,090	-0.25%	1.04%	-8.72%
Dow Jones Index	33,483	0.24%	0.15%	-2.94%
GP 100	7,663	0.37%	-3.37%	0.99%
Nikkei 225	27,494	-1.15%	-2.63%	0.53%
SHCOMP Index	3,313	0.49%	-0.48%	0.91%
STOXX 600	457	-0.16%	-1.64%	0.14%
KOSPI Index	2,478	-0.69%	0.62%	-9.40%
Hang Seng	20,275	-0.66%	-1.42%	-9.90%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.91	0.05%	-2.34%	2.32%
USD/VND	23,471.00	0.00%	0.98%	-2.59%
EUR/USD	1.09	-0.06%	2.02%	0.01%
USD/CNY	6.88	-0.02%	0.76%	-7.51%
Brent	84.90	-0.11%	-1.49%	-16.00%
WTI	80.47	-0.17%	0.01%	-16.38%
Natural gas	2.13	-1.21%	-17.22%	-64.69%
Coal	198.00	2.78%	4.82%	-29.54%
Gold	2,018.57	-0.11%	9.30%	4.84%

Vietnam Market Snapshot 05/04/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,080.86	14.19	2.41	0.22	695	11,399
HNX INDEX	212.58	20.99	1.85	0.88	122	1,548

Money flow and sector rotation (VND bn)

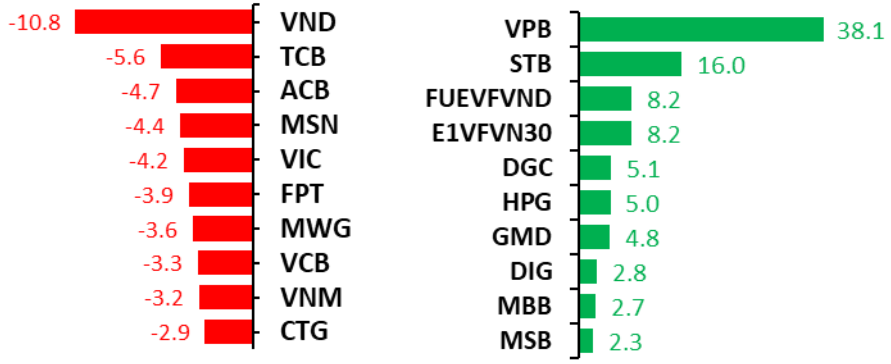
Sector	%1D	4/5/2023	4/4/2023	20-session Average
Personal & Household Goods	47.36	164	111	79
Health Care	24.10	20	16	16
Basic Resources	18.43	1,126	951	1,021
Real Estate	16.52	2,419	2,076	1,486
Insurance	14.74	23	20	22
Banks	10.99	2,975	2,681	2,364
Technology	3.94	63	60	64
Media	0.51	2	2	1
Construction & Materials	-4.6	930	975	643
Chemicals	-7.6	446	483	289
Automobiles & Parts	-8.6	84	91	66
Oil & Gas	-18.2	107	131	127
Travel & Leisure	-25.8	51	68	63
Industrial Goods & Services	-29.8	433	616	310
Food and Beverage	-33.2	596	892	609
Utilities	-33.7	176	265	181
Financial Services	-36.0	1,548	2,417	1,401
Retail	-42.4	236	409	218

Source: Bloomberg, Shinhan Securities Vietnam

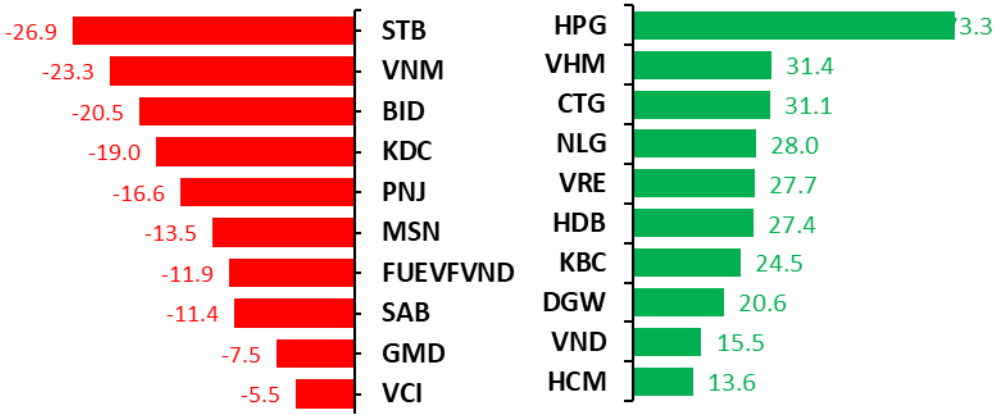
Vietnam Market Snapshot 05/04/2023

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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	(10)	34	(130)	96
Basic Resources	5	14	10	(24)
Media	-	0	(0)	(0)
Industrial Goods & Services	4	(19)	24	(5)
Health care	-	1	(0)	(1)
Chemicals	3	(7)	26	(19)
Financial Services	5	(113)	(39)	152
Travel & Leisure	(2)	(1)	(92)	93
Banks	34	(77)	366	(290)
Construction & Materials	(0)	17	37	(54)
Food and Beverage	(8)	(83)	135	(52)
Retail	(4)	(4)	30	(26)
Utilities	(1)	(15)	35	(20)
Personal & Household Goods	(1)	(24)	38	(14)
Technology	(4)	1	19	(20)
Automobiles & Parts	(0)	0	(1)	0
Insurance	0	2	(4)	1
Oil & Gas	(0)	5	(1)	(4)

Source: Fiinpro, Shinhan Securities Vietnam

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Recommended stocks

6/4/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
HDG	Watch							Price crosses MA10 and MA20 with improved liquidity
POW	Watch							Maintain a good base around MA10
MBB	Watch							Successfully breaking resistance at 18.5 with high volume
FPT	Watch							MA10 tends to cross above MA20, giving a buy signal with large volume
NT2	Watch							MA10 crosses MA20, short-term bullish trend
GVR	Waiting to buy	15.5	17	14.5	10%	-6%	16.2	Breaking resistance at 15.5 comes with high volume
TCB	Waiting to buy	30	32.5	28.5	8%	-5%	29.5	Trend breaks resistance, heading to new price zone
CTR	Waiting to buy	64.2	70	62	9%	-3%	64.2	The price broke through the short-term downtrend channel and successfully cut MA20 0
HDB	Waiting to buy	19.7	21	19	7%	-4%	19.7	The price broke through the short-term downtrend channel and successfully cut MA20 0

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
HHV	BUY	14.5	16.5	13	14%	-10%	13.7	2	-5.52%	04/04/2023	
NLG	BUY	28.5	32	27.5	12%	-4%	29.6	2	3.86%	04/04/2023	
VGC	BUY	34.5	38	32.5	10%	-6%	36.1	1	4.64%	05/04/2023	
HPG	BUY	21.5	23.5	20	9%	-7%	21.5	1	0.00%	05/04/2023	

HoREA positively evaluates efforts to remove obstacles and develop the real estate market

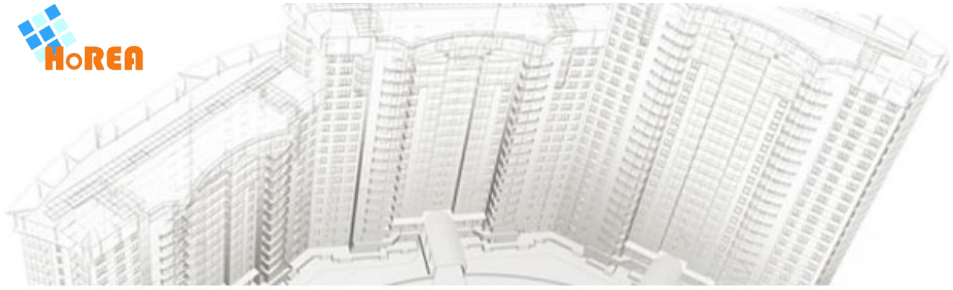


Image: HoREA
Collected: Baochinhphu.vn

The Ho Chi Minh City Real Estate Association (HoREA) positively evaluates the efforts of the competent state agencies to remove and promote the safe, healthy and sustainable development of the real estate market.

- **The policy is very right, very successful for real estate**

  According to HoREA leaders, Resolution No. 33/NQ-CP has overall directed very right and successful solutions and assigned very specific tasks to each ministry, branch, and provincial government, and clearly indicated the responsibilities of the relevant agencies real estate business.

  At the same time, Resolution No. 33/NQ-CP also required real estate businesses to prioritize all resources to pay off debt, especially bond debt, and actively research and restructure price and product structure in line with the actual needs of the market.

- **Enough grounds to remove obstacles for condotels**

  HoREA also expressed its joy at the signing of Official Letter 178/TTg-CN by Prime Minister Pham Minh Chinh dated March 27, 2023 "on promoting and dismantling the real estate market" and Official Letter No. 194/CD- TTg dated April 1, 2023 "focusing on solving problems related to land and construction materials to implement investment projects on construction of highways and real estate".

  HoREA highly appreciates the Government's Decree No. 10/2023/ND-CP dated April 3, 2023 "amending and supplementing a number of articles of the decrees guiding the implementation of the land law"

- **Opening up prospects for social housing**

  The solution focuses on coordinating with the State Bank to arrange a credit program of about VND 120,000 billion and specific credit packages for investors and homebuyers of social housing projects, public housing projects. Borrowers with interest rates that are about 1.5-2% lower than average medium and long-term VND lending rates of state-owned commercial banks

  The Association highly appreciates the State Bank's promulgation of Document No. 2308/NHNN-TD on April 1, 2023 implementing the loan program for social housing, worker housing, renovation and reconstruction of old apartments according to Resolution 33/NQ-CP.

Breaking news

Macro

Positive

- Binh Duong denied information about 8,000 dissolved enterprises

Less Positive

- Vietnam's steel industry may be under pressure from the wave of Chinese exports. In the first months of 2023, China tends to boost steel exports amid an excess of supply when domestic demand remains low even though the economy has reopened after the COVID-19 epidemic.

  In the first two months of 2023, Vietnam is China's fourth largest steel consumption market with a share of 6.5%.

- Due to the lack of orders and jobs, many businesses in Dong Nai province continue to have to cut workers.
- Real estate bond bad debt has reached more than 20%, according to FiinGroup.



Business news

- HoSE brokerage market share Q1/2023: VPS holds the No. 1 position, SSI has a breakthrough.
- POW: In 2023, many power plants under PV Power will be shut down for repair such as Ca Mau 2, Nhon Trach 1 & 2, Hua Na, causing difficulties in forecast operation as well as increased maintenance costs.

  Therefore, in 2023, POW sets a target of VND 30,332 billion in revenue, up 7% and VND 1,118 billion in profit after tax, down 56% over the same period. In terms of electricity output, the company plans to produce 15.6 billion kWh, up 10% compared to 2022.

- FMC: Sao Ta Food Joint Stock Company has just announced sales in March with 14.6 million USD (about 345 billion VND), down 21% over the same period. Accumulated in the first 3 months of the year, Sao Ta's sales revenue reached 43.2 million USD (about 1,020 billion VND), down 26% over the same period.

  Demand is weak while competition in the market is fierce. Shrimp is the product with the largest value when last year with export turnover reached 4.5 billion USD, this year with the rise of Ecuador and India, frozen shrimp of these two countries have occupied the majority of the market share in the US. Meanwhile, this is Vietnam's largest shrimp import market.

  In China, Ecuadorian shrimp accounted for 60% of the frozen shrimp market share, and India accounted for about 20%. India is promoting trade promotion and this puts great pressure on shrimp.

- CTD: In 2023, Coteccons set a revenue target of VND 16,249 billion, up 12% and profit after tax increased 11 times, reaching VND 233 billion.

  In addition, Coteccons plans to increase foreign room to 100%. No dividend is expected in 2022.

- BCG: The joint venture between BCG Energy and SP Group is poured 31.5 million USD to develop rooftop solar power.

Breaking news



Business news

- STB: Sacombank sets a target of pre-tax profit in 2023 to increase by 50%, reaching VND 9,500 billion. The current foreign room ownership rate is at 30% of charter capital. The bank is not expected to pay dividends in 2022 and 2023.
- ABB: ABBank sets a target of pre-tax profit in 2023 to increase by 68%, reaching VND 2,826 billion. This index of banks is going against the general trend of the whole industry when banks are expected to slow down in growth in 2023.

  In 2022, ABBank only earned VND 1,702 billion in pre-tax profit, down 13% compared to the previous year and only achieved 55% of the target.
- BAB: Bac A Bank sets a profit target of VND 880 billion in 2023, a growth of 6.41% and is expected to increase its charter capital to VND 9,855 billion.
- NTP: Tien Phong Plastic plans to keep its profit before tax in 2023 at VND 535 billion.

  Tien Phong Plastic predicts that 2023 will still have many difficulties because the real estate market cannot recover immediately. In addition, based on the current low price of main materials such as PVC powder, HDPE, and PPR granules and the trend is unlikely to increase as high as in the last months of 2021, the increase in revenue due to of the price increase in 2023 will no longer be.
- TTF: In 2023, Truong Thanh Wood aims to achieve revenue of VND 2,222 billion and profit after tax of the parent company at VND 54 billion, up 10% and 14.8 times respectively compared to last year's audit results.

  One point of interest in TTF's 2023 business plan is to promote online sales on e-commerce sites with two brands of Domini and Casadora, which is expected to officially operate from June 2023. The company identifies these as two key product lines of retail activities in the near future.
- VTR: Chairman of Vietravel Group registered to sell more than 1 million shares.

Technical View



Trend: Profit taking pressure exists

- The index soon regained green after a slight decrease yesterday along with anchoring at 1,080 points, showing that the cash flow into the market is quite strong at the moment. Matching continued to stay high above the 20-session average consensus for this. However, it should be noted that the index has recovered for a long time since March 21 and the price increases started to slow down, shown by the small real body in the context of high order matching. The implication that profit-taking pressure at the upper price zone is present can negate the buying momentum. The RSI is also approaching the overbought zone, so chasing long positions should be moderated. The right strategy is about holding and waiting for partial profit taking. The immediate resistance for the trend is 1,100 points, while the corresponding support is at 1,060 points.

Scenarios:

- Positive (50%): The index successfully surpassing 1,100 points will continue to keep its momentum towards 1,150 points, corresponding to the old bottom that was broken before.
- Less positive (50%): The index failed to test the threshold of 1,100 points and needs more time to accumulate with the corresponding support at 1,060 points and 1,040 points lower, respectively.

Economic calendar

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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