MORNING CALL

April 07th, 2023

“Retreat to strengthen the momentum, consider the reaction at the support level of 1,060 points”

- Global stocks try to stay in the green. The Reserve Bank of India (RBI) unexpectedly left its policy rate unchanged.
- Domestic stocks fell, order matching remained high
- Technical view and recommendation #GVR
- Event calendar
- Q&A

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Open Account

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

Major stock markets try to stay in the green

The Dow Jones pared it early losses to finish slightly above the flatline, while the S&P 500 and Nasdaq 100 held on gains and added 0.3% and 0.7%, respectively. Revisions to the Department of Labor's seasonality models showed that claims for unemployment benefits have been considerably higher than initial reports in the latest months. Other data this week also suggested some softening in the labor market, driving the yield on the 10-year Treasury note to a seventh-month low and supporting the tech-heavy.

European equity markets rose on Thursday, with the benchamrk Stoxx 600 and the German DAX up 0.5% each. Banks added almost 2%, and travel and leisure stocks increased 1.4%, led by tourism Tui Group following reports of strong booking demand.

India unexpectedly leaves rates unchanged. The Reserve Bank of India unexpectedly kept its benchmark policy repo at 6.5 percent during its April 2023 meeting after delivering six straight hikes, at odds with the market projections of a 25 bps rate increase. The body said it was closely monitoring the impact of recent global financial turbulence.

US job cuts surge. US-based employers announced 89.7K job cuts in March, 319% above 21.387K a year earlier as higher interest rates are forcing companies to cut costs. It was the third time this year that cuts were higher than the corresponding month a year earlier. Considering Q1, employers announced 270,416 cuts, the highest first quarter total since 2020, led by the tech sector.

The number of Americans filing for unemployment benefits fell by 18 thousand to 228 thousand in the week ending April 1st. The previous week's data was revised sharply up to 248K from 196K initially reported reflecting a change in the methodology of adjusting for seasonality by the US Department of Labor.

The yield on the US 10-year Treasury note fell for a seventh straight session to 3.28% on Thursday, holding at low levels not seen since September last year.

Crude oil prices are steady around $80/barrel, with no momentum yet as more data points to a potential recession that could hurt energy demand.

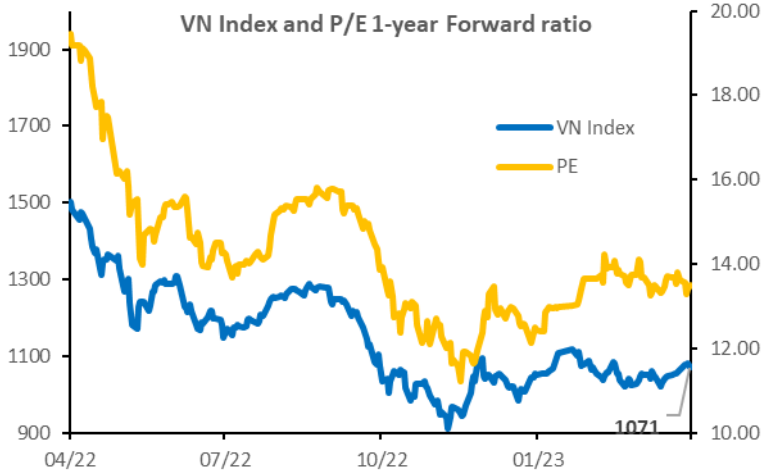
Market

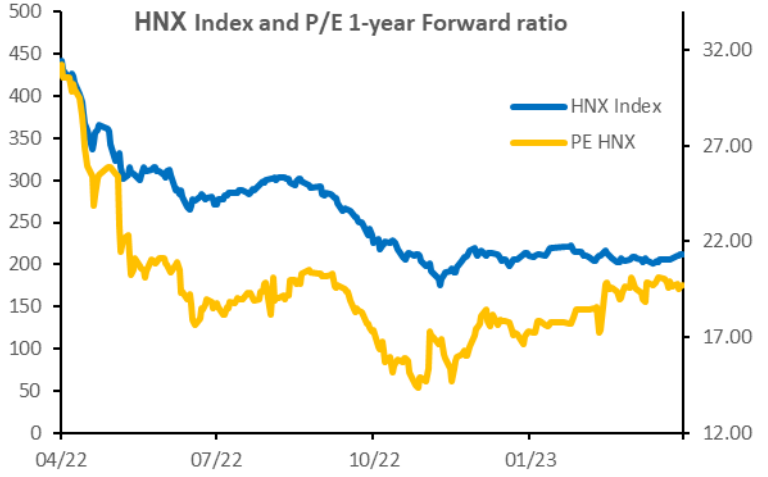
	Close	%1D	%1M	%1Y
VN-Index	1,071	-0.92%	3.19%	-28.72%
S&P 500 Index	4,105	0.36%	2.98%	-8.78%
Dow Jones Index	33,485	0.01%	1.91%	-3.18%
GP 100	7,742	1.03%	-2.25%	2.51%
Nikkei 225	27,517	0.16%	-2.80%	2.34%
SHCOMP Index	3,313	0.00%	0.84%	2.35%
STOXX 600	459	0.51%	-0.36%	0.86%
KOSPI Index	2,486	1.09%	0.92%	-7.79%
Hang Seng	20,331	0.28%	-0.99%	-6.78%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.95	0.12%	-3.47%	2.20%
USD/VND	23,456.00	0.06%	1.04%	-2.51%
EUR/USD	1.09	-0.05%	3.49%	0.35%
USD/CNY	6.87	0.09%	0.86%	-7.47%
Brent	85.12	0.15%	-1.23%	-15.78%
WTI	80.70	0.11%	0.30%	-16.14%
Natural gas	2.01	-6.68%	-21.81%	-66.64%
Coal	193.75	-2.15%	6.60%	-32.37%
Gold	2,007.91	-0.63%	8.72%	4.29%

Vietnam Market Snapshot 06/04/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,070.91	13.90	-9.95	-0.92	940	14,777
HNX INDEX	211.43	20.88	-1.15	-0.54	152	2,088

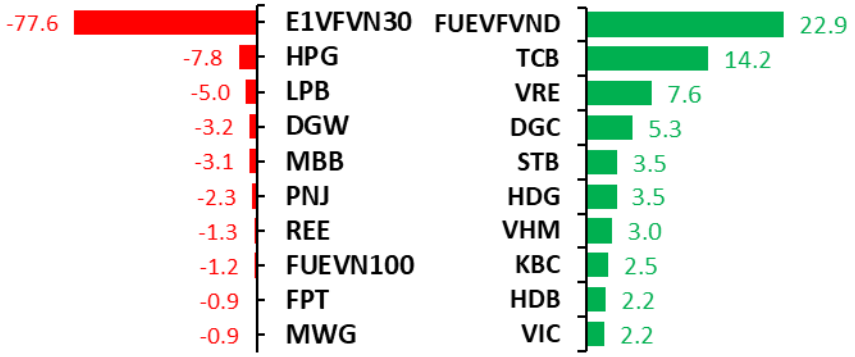
Money flow and sector rotation (VND bn)

Sector	%1D	4/6/2023	4/5/2023	20-session Average
Automobiles & Parts	187.33	240	84	75
Construction & Materials	67.32	1,557	930	690
Chemicals	63.58	730	446	307
Travel & Leisure	59.04	81	51	63
Technology	49.26	94	63	66
Financial Services	45.98	2,260	1,548	1,460
Insurance	41.56	33	23	23
Real Estate	38.28	3,345	2,419	1,598
Utilities	36.65	240	176	176
Food and Beverage	32.16	787	596	613
Oil & Gas	31.78	141	107	128
Retail	30.21	307	236	223
Basic Resources	23.71	1,393	1,126	1,025
Industrial Goods & Services	22.20	529	433	315
Health Care	-1.3	20	20	16
Banks	-3.5	2,872	2,975	2,363
Media	-10.0	1	2	1
Personal & Household Goods	-10.9	146	164	82

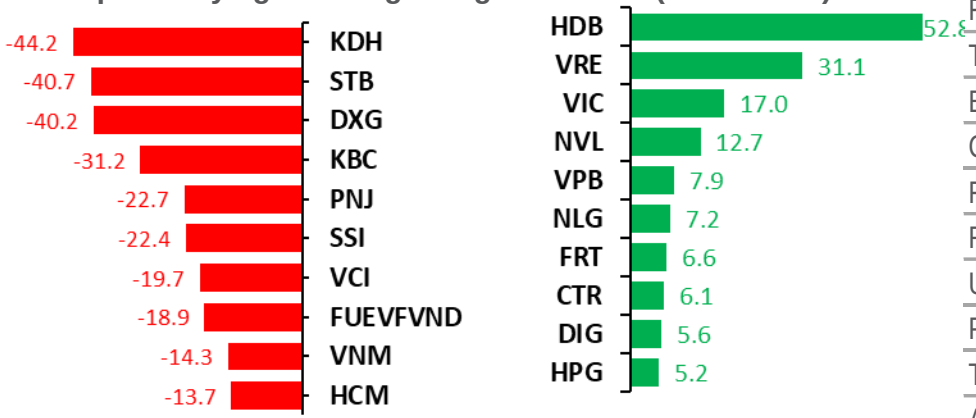
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 06/04/2023

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	18	(64)	12	52
Basic Resources	(8)	8	2	(10)
Media	-	(0)	0	(0)
Industrial Goods & Services	(1)	(2)	(23)	25
Health care	-	1	(1)	0
Chemicals	6	(13)	36	(23)
Financial Services	(55)	(95)	82	12
Travel & Leisure	1	(3)	(100)	103
Banks	11	(0)	(45)	45
Construction & Materials	(0)	6	206	(212)
Food and Beverage	2	(34)	34	(0)
Retail	(4)	6	(9)	3
Utilities	1	(5)	21	(16)
Personal & Household Goods	(2)	(26)	32	(6)
Technology	(1)	0	(8)	8
Automobiles & Parts	(0)	(4)	5	(0)
Insurance	(0)	6	(4)	(2)
Oil & Gas	0	(2)	0	2

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking news

Macro

Positive

- HoREA continues to propose the Ministry of Construction to study more credit packages of VND 110,000 billion with an interest rate of 4.8-5%/year when a credit package of VND 120,000 billion with an interest rate of 8.2% is still high compared to homebuyers.
- World gold price rose to the highest level in 1 year, domestic price was less volatile.

Less Positive

- The interbank overnight interest rate suddenly increased sharply again, reaching 2.48% (updated on 04/04).
- China will strengthen supervision of the iron ore market, according to Reuters.
- Morgan Stanley Wealth Management has just released disturbing news for the US commercial real estate industry. Nearly $450 billion in commercial real estate debt will come due in 2023, according to data cited by JPMorgan from Trepp.



Business news

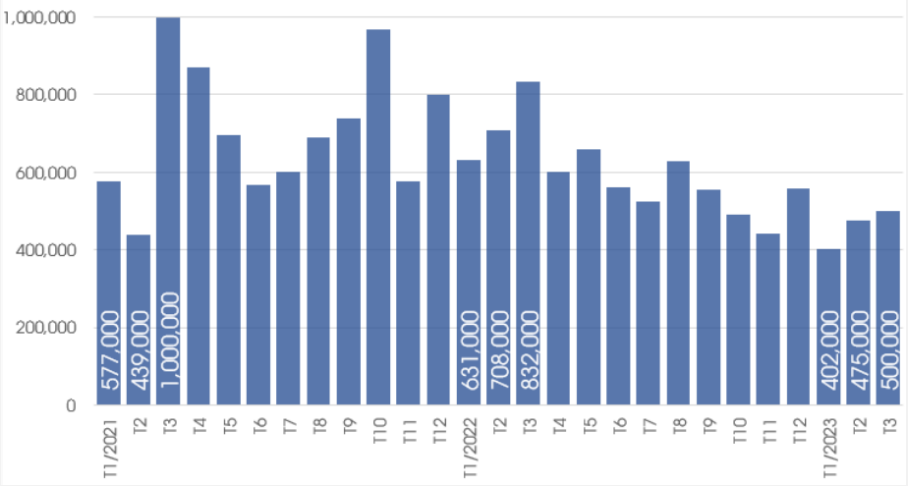
- **HPG:** Steel sales improved in March, but still much lower than the same period last year.

  In March 2023, Hoa Phat Group produced 440,000 tons of crude steel, up 6% compared to February 2023. Sales volume of billet, construction steel, and hot rolled coil (HRC) reached 500,000 tons, up 5% compared to February.

  In the first quarter of 2023, Hoa Phat Group produced 1.2 million tons of crude steel, down 42% compared to the same period in 2022. Sales volume of construction steel, billet and HRC reached 1.37 million tons, down 37% compared to the same period of 2022 with the first three months of last year.

HPG's March steel sales volume. Unit: Tons

Source: Vietstock finance



Besides, Hoa Phat also suddenly reduced the selling price of rebar and coil in the South in early April.

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Breaking news



- VCG: After selling a total of 32.6 million shares in just about half a month from March 20, Pacific Holdings continued to register to sell 19.9 million VCG shares.
- DCM: A member of Dragon Capital, DC Developing Markets Strategies Public Limited Company, has just sold 1.8 million shares of DCM. Thereby, the total ownership ratio of Dragon Capital decreased from 6.27% to 5.93%.

Business news

- **VGC:** According to the report of production and business activities in March and the first quarter of 2023, the product consumption market shrank and decreased, manufacturing enterprises were directly affected by fluctuations in the price of input materials, tighten credit, difficult to access capital flows, especially in the business of building materials and real estate. The above factors affected Viglacera's business results in the first quarter of 2023. However, VGC still exceeded the target of the parent company with the profit of 242% of the March plan, equivalent to 196% of the first quarter plan, the company's revenue reached 153% of the March plan and 125% of the plan for the first quarter of 2023.
- NVL: NovaReal announced to return the deposit with penalty interest to NovaWorld Phan Thiet customers.
- MBB: MB Bank is prepare to receive a mandatory transfer of a bank, many rumors say that it is OceanBank.
- SHB sets a profit target of over 10,000 billion VND, pays 18% dividend, continues the plan to sell capital to foreign investors this year.
- PC1: PC1 Group advocates pouring trillions of VND to invest in industrial parks, after-tax profit plan is VND 511 billion, down 5% y/y.
- PAN: In 2023, PAN Group plans to increase its profit by 5.8% to VND 840 billion.
- DRC: In 2023, Da Nang Rubber plans to reduce profit by 14% to VND 264 billion.
- THD: Thaiholdings set a profit target of 241 billion VND in 2023, down 20% y/y.
- GEG plans to reduce after-tax profit by nearly 60% in 2023, to VND 155 billion, and is expected to issue more than 38 million shares.
- OIL: PV OIL expects the profit in 2023 to decrease by 34% due to the unpredictable petroleum market.
- CII: The company has planned to restructure the loan source so that the cash flow collected each year is guaranteed to pay a dividend of 15%/year to shareholders.

Technical View



Trend: Retest the bullish gap

- Correction signal matched the forecast given in the previous news when the index had a series of continuous gaining sessions since March 21 and started showing signs of slowing down. This was shown by matching orders to maintain a high level but the body of the candle was small, meaning that profit-taking pressure exists and negated the buying motivation, making the index unable to break out. The drop is reasonable in the context that new money flows in this period are also more cautious with the already high price level. Technical indicators cooled down after today's drop but still kept the trend. It is likely that the index will retest the increasing gap on April 3, corresponding to the area around 1,060 points. The trade will be inclined to shake, so the right strategy is to hold and monitor further developments at support.

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.

Recommended stocks

7/4/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
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
GVR	Waiting to buy	15.5	17	14.5	10%	-6%	15.6	Breaking resistance at 15.5 comes with high volume

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%	13.5	3	-6.90%	04/04/2023	
NLG	Buy	28.5	32	27.5	12%	-4%	29.2	3	2.46%	04/04/2023	
VGC	Buy	34.5	38	32.5	10%	-6%	35	2	1.45%	05/04/2023	
HPG	Buy	21.5	23.5	20	9%	-7%	21.5	2	0.00%	05/04/2023	
HDG	Buy	32	35	31	9%	-3%	31.55	1	-1.41%	06/04/2023	
NT2	Buy	30.5	33.95	28	11%	-8%	29.5	1	-3.28%	06/04/2023	
TCB	Buy	30	32.5	28.5	8%	-5%	29.6	1	-1.33%	06/04/2023	
CTR	Buy	64.2	70	62	9%	-3%	65.6	1	2.18%	06/04/2023	
HDB	Buy	19.7	21	19	7%	-4%	19.65	1	-0.25%	06/04/2023	

Economic calendar

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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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