MORNING CALL

April 11th, 2023

"The profit-taking pressure continues to dominate, the index retests the short-term support level"

- World stocks regain the green color
- Domestic stocks continued to decline, order matching remained high
- Decree 10 is expected to create a new wind for the real estate market
- Technical view and recommendations #HHV
- Economic calendar
- Q&A

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Open Account

Global Market Review - Week 10 - 14/04/2023

Major stocks market regain the green color

The blue-chip Dow closed more than 100 points higher on Monday, while the S&P 500 gained 0.1% and Nasdaq 100 finished slightly below the flatline as investors digested the latest job report and prepared for inflation data and bank earnings later this week. Focus now turns to the US CPI report due on Wednesday and the first batch of companies reporting first-quarter financial results for further clues about the economy's health and the likely future path of interest rate rises. On the corporate side, Excelerate Energy, EQT, and other natural gas firms enjoyed robust gains as natural gas futures soared.

The Japanese yen lost almost 1% against the USD on Monday amid general dollar strength and as new Bank of Japan Governor Kazuo Ueda signaled there would be no significant changes to monetary policy. It is appropriate to keep up the current yield curve control given the economic, price, and financial conditions, Ueda said during his inaugural news conference

US consumer inflation expectations for the year ahead went up to 4.7% in March of 2023 rebounding from an almost 2-year low of 4.2% hit in February.

Natural gas futures in the U.S. surged more than 10% to $2.17/MMBtu in the second week of April amid expectations of stronger demand and higher deliveries to LNG facilities.

Raw sugar futures extended their rally to over $23.5 per pound in April, the highest since October 2016, supported by prospects of robust demand and tight global supplies. Ethanol prices soared after OPEC+ announced a surprise output cut, encouraging sugarcane producers to allocate crops to more profitable biofuel blending instead of sugar crushing.

WTI crude futures were trading below the $80 per barrel mark as renewed concerns of a demand-sapping global recession offset bullish bets around tighter global supplies.

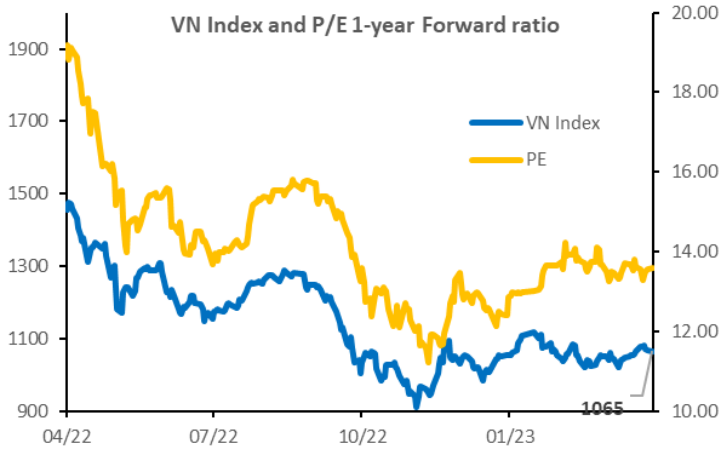
Market

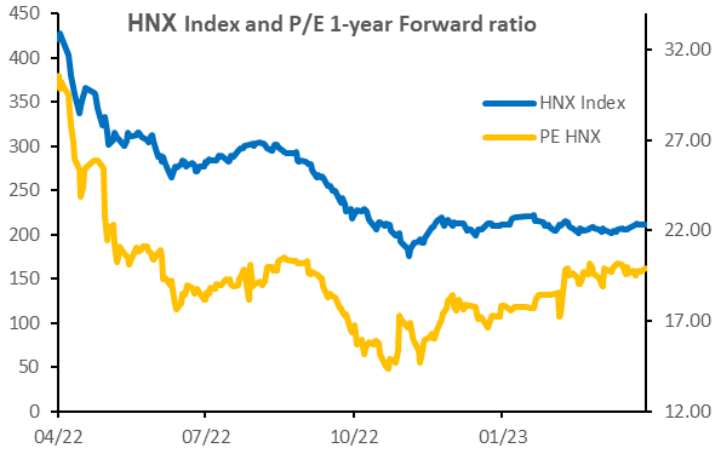
	Close	%1D	%1M	%1Y
VN-Index	1,065	-0.41%	1.17%	-28.11%
S&P 500 Index	4,109	0.10%	6.41%	-6.88%
Dow Jones Index	33,587	0.30%	5.26%	-2.10%
GP 100	7,742	1.03%	-2.25%	2.51%
Nikkei 225	27,869	0.85%	-0.98%	3.90%
SHCOMP Index	3,315	-0.37%	2.64%	4.68%
STOXX 600	459	0.51%	-0.36%	0.86%
KOSPI Index	2,526	0.56%	5.49%	-6.20%
Hang Seng	20,331	0.28%	-0.99%	-6.78%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.40	-0.17%	-2.08%	2.47%
USD/VND	23,447.00	0.01%	0.75%	-2.48%
EUR/USD	1.09	0.17%	1.36%	-0.06%
USD/CNY	6.88	-0.24%	0.47%	-7.48%
Brent	84.31	0.15%	1.85%	-14.39%
WTI	79.92	0.23%	4.23%	-15.24%
Natural gas	2.17	-0.14%	-10.74%	-67.35%
Coal	193.75	0.00%	4.59%	-33.56%
Gold	1,992.23	0.04%	4.10%	1.98%

Vietnam Market Snapshot 10/04/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,065.35	13.82	-4.36	-0.41	858	15,056
HNX INDEX	212.00	22.65	0.40	0.19	162	2,249

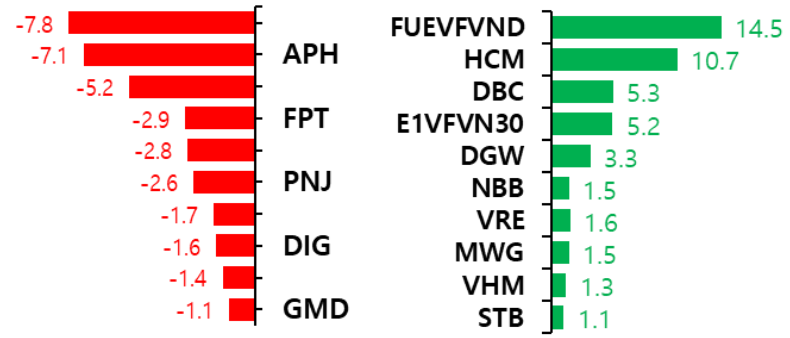
Money flow and sector rotation (VND bn)

Sector	%1D	4/10/2023	4/7/2023	20-session Average
Retail	207.08	593	193	248
Construction & Materials	107.73	1,367	658	733
Utilities	98.58	258	130	173
Media	93.95	2	1	1
Technology	88.21	84	44	65
Food and Beverage	54.02	786	510	611
Banks	42.23	2,714	1,908	2,369
Basic Resources	40.96	1,323	938	1,025
Personal & Household Goods	39.80	132	94	86
Insurance	38.24	27	19	23
Health Care	37.79	18	13	16
Travel & Leisure	35.57	62	46	58
Industrial Goods & Services	29.62	487	376	331
Chemicals	27.68	433	339	311
Real Estate	17.36	2,479	2,112	1,713
Automobiles & Parts	13.85	120	105	80
Financial Services	8.03	2,057	1,904	1,555
Oil & Gas	-11.3	104	117	128

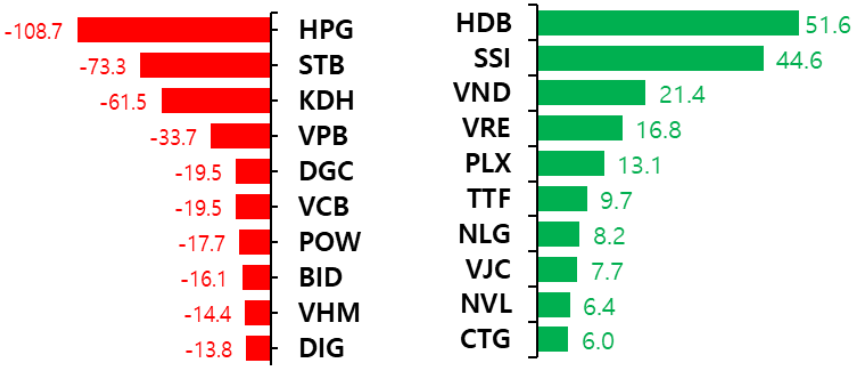
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 10/04/2023

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	(7)	(75)	3	72
Basic Resources	(1)	(1)	(20)	20
Media	-	1	(1)	0
Industrial Goods & Services	(10)	3	10	(13)
Health care	-	1	(1)	(0)
Chemicals	1	6	(2)	(4)
Financial Services	31	36	50	(86)
Travel & Leisure	(0)	0	(105)	105
Banks	(6)	(146)	69	78
Construction & Materials	(0)	12	(12)	(0)
Food and Beverage	4	3	(9)	6
Retail	5	(4)	4	(0)
Utilities	(6)	(0)	(2)	2
Personal & Household Goods	(3)	2	0	(2)
Technology	(3)	1	(8)	7
Automobiles & Parts	-	1	(3)	1
Insurance	(0)	1	0	(1)
Oil & Gas	1	1	(5)	4

Source: Fiinpro, Shinhan Securities Vietnam

Decree 10 is expected to create a new wind for the real estate market



Image: Baochinhphu.vn

- In general, Decree 10 is considered a positive support and shows that the authorities are listening to the problems that the real estate industry is facing.
- Most real estate businesses will benefit from this regulation. Both resort projects and other types of projects will also benefit.

On April 3, 2023, the Government issued Decree No. 10 amending and supplementing a number of articles of decrees guiding the implementation of the Land Law, effective from May 20, 2023.

- ✓ **Supplementing conditions and criteria for changing the use purpose of rice land, protection forest land, and special-use forest land to another purpose for the implementation of an investment project**
- ✓ **Additional procedures for land allocation for the case of organizing a bidding process where only one Investor is interested and meets the prequalification conditions.**
- ✓ **Supplement regulations on auction of land use rights.**
- ✓ **Issuance of land use right certificates for non-residential real estate projects**
- ✓ **New regulations on issuance of red books**

  People can carry out the procedures for applying for a red book online and receive the application by post without having to go to the place to do the procedure.
- ✓ **Amendment of authority to issue red book**

  Decree 10/2023/ND-CP amending the authority to issue red books and certify changes to the Certificate in the direction of creating favorable conditions for people in carrying out these administrative procedures at the Land Registration Office without going to the Department of Natural Resources and Environment).
- ✓ **Supplement the agreement to receive the transfer of land use rights to implement the project.**
- ✓ **Specify the time limit for the competent authority to issue the decision on land use levy.**
- ✓ **Supplementing the order of land recovery in case of termination of operation of an investment project according to investment regulations**

Breaking News

Macro

Positive

- The average export price of rice in the first three months of 2023 reached $531/ton, up 9.2% over the same period in 2022 and the highest in the past 10 years.

  According to the Ministry of Agriculture and Rural Development, rice exports in the first quarter of 2023 decreased by 19.3% in volume but increased by 30.2% in value compared to the same period in 2022.

- In the first quarter of 2023, the labor force, the number of employed people and the average monthly income of employees continued to increase compared to the previous quarter and the same period last year. Besides, the unemployment rate and underemployment in working age also decreased.
- The UK has completed negotiations to join the CPTPP (expected to be signed in 2023), Vietnam will have more preferential export options.
- President Vo Van Thuong has an official visit to Laos.

Less positive

- Overnight interbank interest rate rose again above 4% (Updated on April 6).
- According to data from the General Department of Customs, the export turnover of goods in the first quarter of 2023 reached 79.30 billion USD, down 11.8% compared to the first quarter of 2022.

  Exports of 6/7 production centers including Ho Chi Minh City, Bac Ninh, Binh Duong, Thai Nguyen, Dong Nai, Hai Phong all decreased in the first quarter of 2023, only Bac Giang recorded positive growth.

Business news

- Arrest of Tan Hiep Phat Group boss Tran Qui Thanh. From April 8, 2023 to April 10, 2023, the Investigation Police Agency (CQCDT) of the Ministry of Public Security issued Decisions to prosecute the accused against Tran Qui Thanh, Tran Uyen Phuong and Tran Ngoc Bich belonging to the Tan Hiep Phat Service and Trading Company Limited. At the same time, execute the arrest warrant for Tran Qui Thanh and Tran Uyen Phuong.
- DGW, FRT, MWG: Retail stocks gained strongly after the news that the Ministry of Finance proposed to reduce the value added tax (VAT) of goods by 2% (from 10% to 8%). The implementation period is expected from July 1 to the end of 2023.
- BFC: In 2023, the company sets a target of VND 7,477 billion in revenue and VND 220 billion in pre-tax profit, down 13% and 6% respectively over the same period. The dividend payout in 2023 is expected to be 15%.

  The above plan is placed in the context of the international and domestic situation with many unfavorable factors, unstable prices of agricultural products and fertilizers, and complicated weather. Besides, China's opening of the market has been affecting the activities of domestic fertilizer manufacturing and trading enterprises.

- KBC: Kinh Bac's profit in the first quarter may increase sharply thanks to the handover of land for lease in the industrial zone, and the bond payment has been completed at VND 2,400 billion.

  In addition, according to newly announced information, KBC's Board of Directors has just approved an adjustment to the plan to buy back 50 million shares to reduce charter capital with the expected purchase price not higher than 34,000 VND/share, and at the same time postpone the acquisition time treasury stocks from Q2 to Q3/2023.

- BCG: Bamboo Capital plans in 2023 with revenue of nearly VND 6,925 billion and profit after tax of VND 650 billion, up 53% and 20% respectively compared to the performance in 2022. Expected dividend in shares with 5% rate.

  In the financial services segment (BCG Financial JSC), in the period of 2023-2027, the company said it will seek development opportunities in the fields of banking, securities and Fintech.

Breaking News



- IDC: Cash dividend at the rate of 20%, ex-rights date April 11.
- DGC: Cash dividend at the rate of 10%, ex-rights date April 13.
- GDT: Cash dividend at the rate of 10%, ex-rights date April 13.

Business news

- **TNG:** In the context that the export of the textile industry in the country is still difficult when many businesses lack orders, TNG Textile and Garment suddenly reported a revenue of more than VND 1,333 billion in Q1/2023, up 6% over the same period last year. year 2022.

  In March 2023 alone, revenue reached VND 561 billion, up 36% over the same period.

- **IDC:** After the audit, IDC's net profit dropped sharply by more than VND 540 billion.

  According to IDC, the reason that the revenue and profit of 2022 after the audit is different from the independent report because the audit unit adjusts the revenue and cost of one-time revenue recognition contracts. At the same time, the audit unit also determined to supplement the loss in the company associated with the investment in Bien Hoa - Vung Tau Expressway Development Joint Stock Company (BVEC).

- OCB: The target of pre-tax profit in 2023 is VND 6,000 billion, up 37%. The bank will increase its capital to more than VND 20,000 billion. Specifically, OCB wants to issue nearly 685 million shares to existing shareholders, equivalent to 50%.
- BMP: In 2023, the Company sets a profit after tax plan of VND651 billion, down 6.2% over the same period and plans to pay a cash dividend in 2022 at the rate of 84%.
- DLG: In 2023, the company targets revenue of VND 1,800 billion, up 34% y/y and profit after tax of VND 100 billion, improving compared to the loss of nearly VND 1,200 billion in 2022.
- C4G: VNDirect has just bought nearly 3.6 million more C4G shares, raising its ownership rate to 7.21%.
- L14: Re-granted margin, Licogi 14 sets a profit after tax target of VND 25 billion, up 31.6%.
- TDC: Unexpectedly not paying dividends due to cash constraints and 1-year debt maturity pressure.
- ABB, CMG: ABBank chooses CMC to deploy digital banking platform.
- VGG: In 2023, Viet Tien Garment sets a target of VND 8,030 billion in revenue and VND 200 billion in pre-tax profit, down 5% and 6% respectively compared to 2022.

Technical view



Trend: Retest of support

- Selling pressure once again dominated the trade and pushed the market to close in red, although the index tried to recover at the beginning but had to back down. Matching continued to remain at a high level above 20 session average, showing active selling. Technical indicators started to show signs of weakening when MACD narrowed the gap with the signal line along with the RSI moving down near the neutral level of 50. This means that the index is returning to a short-term correcting phase and needs to be corrected. new impetus to break through. The upcoming trend is probably inclined to struggle with corresponding support around 1,050 - 1,060 points, while resistance is at 1,080 points.

Scenario:

- 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

11/4/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
MBB	Watch							Bollinger Band tends to expand, volume improves
FPT	Watch							MA10 tends to cross above MA20, giving a buy signal with large volume
PVT	Watch							Trend break resistance zone 21.5
FCN	Watch							Trend breaks resistance zone 12, surpasses MA200
CII	Watch							Trend breaks resistance at 15.5, price bounces back when touching MA10
SSI	Watch							Trend breaks resistance zone 21.5, price bounces back when touching MA10

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
HHV	Sell	14.5	16.5	13	14%	-10%	12.95	5	-10.69%	04/04/2023	
NLG	Buy	28.5	32	27.5	12%	-4%	29.7	5	4.21%	04/04/2023	
VGC	Buy	34.5	38	32.5	10%	-6%	36.4	4	5.51%	05/04/2023	
HPG	Buy	21.5	23.5	20	9%	-7%	20.7	4	-3.72%	05/04/2023	
HDG	Buy	32	35	31	9%	-3%	31.2	3	-2.50%	06/04/2023	
NT2	Buy	30.5	33.95	29	11%	-5%	29.25	3	-4.10%	06/04/2023	
TCB	Buy	30	32.5	28.5	8%	-5%	30.2	3	0.67%	06/04/2023	
CTR	Buy	64.2	70	62	9%	-3%	63.6	3	-0.93%	06/04/2023	
HDB	Buy	19.7	21	19	7%	-4%	19.7	3	0.00%	06/04/2023	
GVR	Buy	15.5	17	14.5	10%	-6%	15.9	2	2.58%	07/04/2023	

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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