MORNING CALL

April 12th, 2023

Shinhan Securities

"Support holds, expect wave to recover is consolidated"

- World stocks kept in green, waiting for US CPI data. The Bank of Korea kept its base rate unchanged
- Domestic stocks rebounded when approaching support at 1,060 points, order matching remained high
- Update PVTrans AGM information #PVT
- Technical view and recommendations
- Economic calendar
- Q&A

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Open Account

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

Major stocks market kept in green

The Dow Jones closed nearly 0.3% higher in a choppy session on Tuesday, while the S&P 500 finished muted and Nasdaq 100 dropped by 0.4%. Investors reassessed the outlook for monetary policy ahead of Wednesday's CPI report and earnings season kicking off. European shares closed at their highest levels in one month on Tuesday, with Germany's DAX 40 gaining about 0.4% to hit its highest level since January 2022.

IMF revises global growth forecasts lower. The IMF revised its global growth forecasts lower to 2.8% from 2.9% for 2023 and to 3% from 3.1% for 2024, citing tight policy stances needed to bring down inflation, the fallout from the recent deterioration in financial conditions, and the ongoing war in Ukraine. Meanwhile, global inflation is seen decreasing to 7% this year from 8.7% in 2022 on the back of lower commodity prices but core CPI is likely to decline more slowly.

China's annual inflation rate unexpectedly fell to 0.7% in March 2023 from 1.0% in February. This was the lowest figure since September 2021, as cost of food and non-food eased further amid an uneven economic recovery after the removal of zero-COVID policy last December. Meantime, producer deflation extended into a sixth month

The Bank of Korea kept its key interest rate unchanged at 3.5% in its April meeting, the second time in a row. The decision was widely expected by analysts and was the first time the central bank had left its policy rate unchanged for two consecutive meetings since the start of its tightening campaign in August 2021.

Retail trade in the Euro Area dropped by 0.8 percent from a month earlier in February 2023, following an upwardly revised 0.8 percent growth in January and matching market expectations.

WTI crude futures rallied 2% to above the $81 per barrel mark, closing in on its highest level since late January, buoyed by prospects of higher Chinese demand and tighter global supplies. Recent data showing softer-than-expected consumer inflation in China suggested an uneven economic recovery, spurring expectations that the world's second-largest economy and top importer could make further efforts to boost growth.

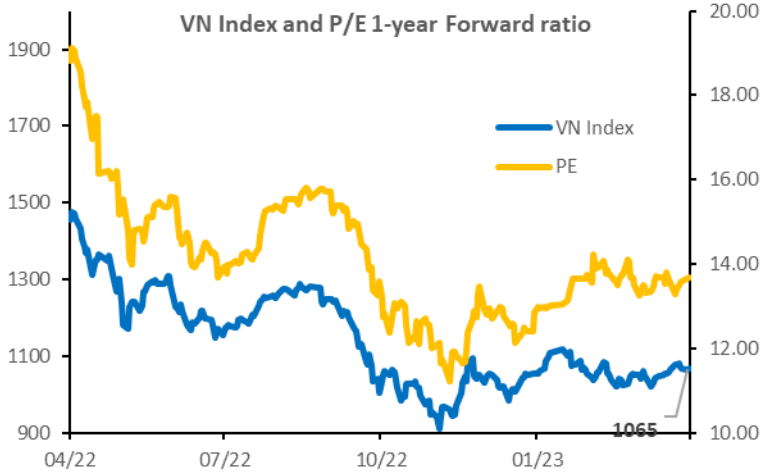
Market

	Close	%1D	%1M	%1Y
VN-Index	1,069	0.39%	1.56%	-26.51%
S&P 500 Index	4,109	0.00%	6.41%	-6.56%
Dow Jones Index	33,685	0.29%	5.56%	-1.57%
GP 100	7,786	0.57%	0.48%	2.76%
Nikkei 225	28,013	0.32%	-0.46%	6.37%
SHCOMP Index	3,314	-0.05%	2.58%	3.12%
STOXX 600	462	0.62%	1.77%	1.13%
KOSPI Index	2,559	0.42%	6.85%	-4.06%
Hang Seng	20,485	0.76%	6.03%	-3.91%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.12	-0.09%	-2.35%	1.82%
USD/VND	23,450.00	0.00%	0.74%	-2.49%
EUR/USD	1.09	0.06%	1.75%	0.84%
USD/CNY	6.89	-0.02%	-0.55%	-7.49%
Brent	85.59	-0.02%	3.39%	-18.21%
WTI	81.48	-0.06%	6.26%	-19.01%
Natural gas	2.22	1.56%	-8.64%	-66.77%
Coal	194.15	0.21%	4.80%	-33.20%
Gold	2,005.10	0.07%	4.78%	1.95%

Vietnam Market Snapshot 11/04/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,069.46	13.89	4.11	0.39	631	10,283
HNX INDEX	212.34	22.60	0.33	0.16	114	1,654

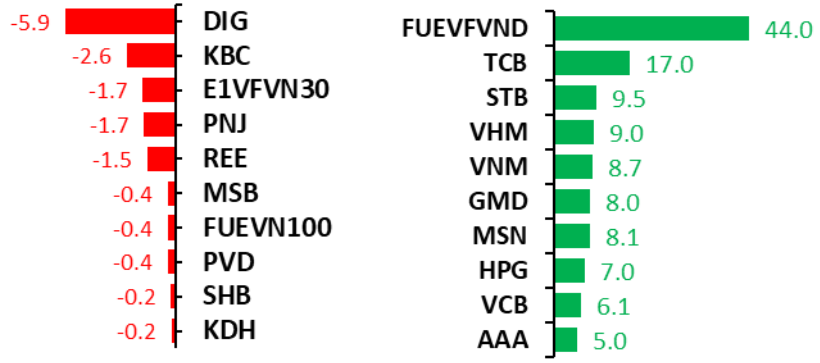
Money flow and sector rotation (VND bn)

Sector	%1D	4/11/2023	4/10/2023	20-session Average
Oil & Gas	48.80	155	104	127
Real Estate	18.81	2,945	2,479	1,798
Travel & Leisure	10.76	69	62	59
Food and Beverage	-3.5	758	786	612
Personal & Household Goods	-4.9	126	132	88
Insurance	-5.1	25	27	23
Industrial Goods & Services	-10.0	439	487	334
Financial Services	-11.6	1,818	2,057	1,595
Health Care	-22.1	14	18	16
Automobiles & Parts	-28.4	86	120	81
Technology	-32.3	57	84	65
Banks	-36.0	1,736	2,714	2,335
Chemicals	-37.7	270	433	308
Utilities	-39.0	157	258	169
Media	-47.3	1	2	1
Retail	-47.7	310	593	253
Basic Resources	-49.2	672	1,323	984
Construction & Materials	-52.8	645	1,367	732

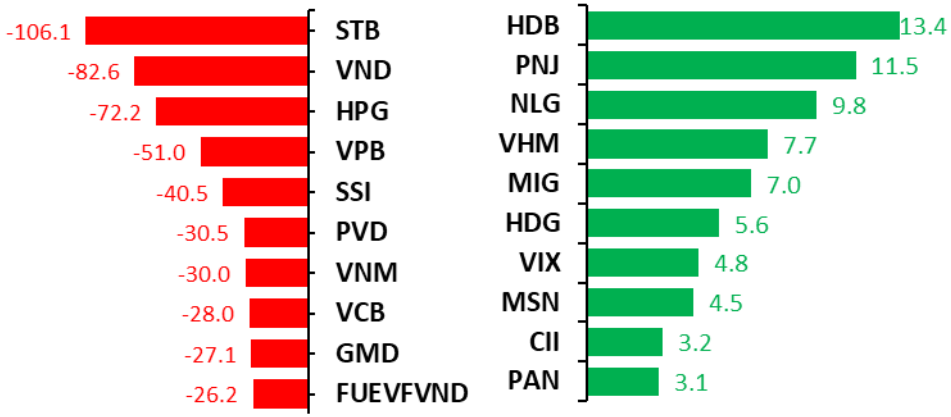
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 11/04/2023

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	11	(14)	22	(8)
Basic Resources	8	(76)	67	9
Media	-	0	(0)	0
Industrial Goods & Services	7	(32)	19	13
Health care	-	2	(2)	(0)
Chemicals	5	(38)	39	(1)
Financial Services	50	(148)	150	(2)
Travel & Leisure	4	2	(8)	6
Banks	48	(208)	157	51
Construction & Materials	-	3	1	(5)
Food and Beverage	18	(36)	27	9
Retail	0	2	2	(5)
Utilities	2	(17)	30	(13)
Personal & Household Goods	(2)	14	9	(23)
Technology	2	0	(10)	10
Automobiles & Parts	-	(2)	2	0
Insurance	0	7	(8)	1
Oil & Gas	(0)	(31)	39	(9)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- The rice trade was active, the Mekong Delta provinces adjusted rice prices to increase slightly.
- Vietnamese seafood is holding the number 1 position in the Australian market.
- The Ministry of Construction does not propose a fixed-term apartment ownership in the draft Housing Law (amended).

Less positive

- Domestic construction steel simultaneously reduced prices.

  Explaining the reason for the decrease in steel prices, businesses said that it was due to the same decline in the world. Moreover, the price of steel billet and input materials is in a downtrend. In particular, recently, Chinese steel manufacturers have continuously reduced prices of hot rolled coil (HRC) in the Vietnamese market. In addition, the implementation of projects has also slowed down, leading to a decrease in steel consumption in recent times.
- In Q1/2023, export turnover of wood and wood products reached USD 2.88 billion, down 28.3% y/y.
- Overnight interbank interest rate rebounded above 4% (Updated on April 6).

Business news

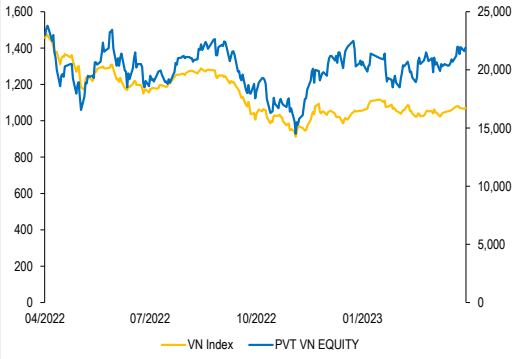
- NVL: Deputy Prime Minister Tran Hong Ha assigned the Ministry of Construction to coordinate with the Ministry of Natural Resources and Environment to set up a Working Group to work with the People's Committees of Dong Nai and Binh Thuan provinces to solve problems in Novaland Group's projects.
- BWE: In the first quarter of 2023, Biwase recorded a decrease in revenue and profit after tax compared to the same period last year. Accordingly, the company estimated revenue of VND 762 billion, down 14% y/y. Biwase said that this result has not yet recorded revenue of VND 83.83 billion from the waste treatment field (waiting for procedures to be completed). As a result, profit after tax reached VND 165 billion, down 17% y/y.

  With this result, the company has achieved 19% and 23% respectively of revenue and profit targets for the whole year after three months.
- VCG: Vinaconex won the contract of 900 billion VND at the Tuyen Quang - Ha Giang expressway project. Tuyen Quang - Ha Giang expressway project has 3 construction and installation bidding packages with a total estimated cost of more than 2,582 billion VND. In which, the first bidding package 03-XL has selected Vinaconex as the construction unit through the bidding process.
- FMC: Sao Ta Food said that the Chinese market is no longer in line with the Company's strategy. Meanwhile, the profit margin in Japan is very good, accordingly, in 2023, FMC will focus all efforts to develop this market.
- PVT: PVTrans sets a target that the profit after tax in 2023 will decrease deeply by 54% to VND 538 billion, although the first quarter profit is expected to reach VND 278 billion.
- FCN: Fecon plans a net profit of VND 110 billion in 2023, 2.75 times higher than last year's performance. Besides, the company is expected to pay dividends in 2023 in cash at the maximum rate of 5%.
- HBC: Shares are controlled due to late submission of audited annual financial statements for 2 consecutive years.
- VJC: Vietjet's total assets increased by nearly VND 900 billion after the audit, due to large fluctuations in receivables.
- BCG will prepare for the listing of BCG Land, expected in the third quarter of 2023.

Petrovietnam Transportation Corporation (HoSE: PVT)

TARGET PRICE (VND)	
24,450	
CURRENT PRICE (VND)	UP/DOWNSIDE
21,900	11.6%
VNINDEX	1,069
Market P/E (x)	10.2
Market Cap. (bn VND)	7,088
Outstanding Shares (mn)	324
Free Floating Shares (mn)	158
Free Floating (%)	48.9
52-Wk High (VND)	24,500
52-Wk Low (VND)	13,500
3M Avg. Trading Vol. (mn)	2.26
3M Avg. T/O (bn VND)	46
Beta (12M)	1.2

	3M	6M	12M
Absolute	7.4	24.8	-8.0
Rel. to VNINDEX	6.1	18.5	19.9



Source: Bloomberg

Annual General Meeting Summary

1.Business results in 2022:
- In 2022, PVT recorded revenue of VND 9,047 bn (+51% y.o.y) and profit before tax of VND 1,456 bn (+40% y.o.y), mainly increasing revenue from transportation service due to the increase in freight rates and the one-off profit from liquidating Athena tanker.
- Besides, PVT proposes to pay a dividend of 3% par value and 10% stock.

2.Outlook in 2023
- Plan for 2023: PVT's revenue is expected to drop 24.8% over 2022 to VND 6,800 bn, while its profit before tax would plunge by half over the year-ago figure to VND 680 bn.
- Q1/2023: PBT reached VND 278 bn and VND 700 bn (+16% q.o.q)
- PVT will buy 4 - 6 vessels with the capex of VND 3,800 bn.
- Freight rate 's outlook: Crude oil freight rates are likely to cool down due to the context of tight supply and economic downturn, (2) The product tanker and LPG market outlook remain stable and (3) Dry bulk freight rates see positive outlook because of China's reopening.
- PVT is processing the liquidation of the Dragon tanker and Apollo tanker in 2023. However, the sale values are low, so the abnormal profit will not be as much as 2022.
- PVT plans 10% dividend payment in 2023

3.Risks: (1) volatile oil price, (2) external factors: economy, politics, weather,... and (3) exchange rate risk

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	7,758	7,383	7,460	9,047	10,798
OP (bn VND)	928	865	950	1,235	1,607
OP margin (%)	12.0	11.7	12.7	13.6	14.9
NP (bn VND)	690	676	660	857	1,042
NP margin (%)	8.9	9.2	8.8	9.5	9.7
EPS (VND)	2,017	1,981	1,933	2,500	3,046
ROE (%)	15.5	13.8	12.4	14.5	14.6
P/E (x)	7.2	7.1	12.5	8.8	7.2
P/B (x)	1.1	0.9	1.5	1.2	1.3

Source: Bloomberg, Shinhan Securities, Data as of 11/04/23

Technical view



Trend: Retest of support

- Selling was still dominant in today's session but bottom-fishing cash flow re-entered at the end of the afternoon session to help the market close in the green. The index ended near the highest level, forming a hammer candlestick pattern, showing a good reaction at the support area of 1,060 points. Today's bullish signal helps technical indicators return to balance. However, it is still quite early to conclude a bearish reversal point. Even though order matching today was above the 20 session average, it was still lower than the previous days, showing that the momentum was not really strong. The index just regained MA10 near 1,070 points, so it still needs time to test this area. The trend is probably in favor of shakes and the right strategy is to hold.

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

12/4/2023

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
NLG	Buy	28.5	32	27.5	12%	-4%	29.95	6	5.09%	04/04/2023	
VGC	Buy	34.5	38	32.5	10%	-6%	36.5	5	5.80%	05/04/2023	
HPG	Buy	21.5	23.5	20	9%	-7%	20.8	5	-3.26%	05/04/2023	
HDG	Buy	32	35	31	9%	-3%	32.1	4	0.31%	06/04/2023	
NT2	Buy	30.5	33.95	29	11%	-5%	29.8	4	-2.30%	06/04/2023	
TCB	Buy	30	32.5	28.5	8%	-5%	30.4	4	1.33%	06/04/2023	
CTR	Buy	64.2	70	62	9%	-3%	66.4	4	3.43%	06/04/2023	
HDB	Buy	19.7	21	19	7%	-4%	19.55	4	-0.76%	06/04/2023	
GVR	Buy	15.5	17	14.5	10%	-6%	16.25	3	4.84%	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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