MORNING CALL

April 14th, 2023

"Trading is inclined to accumulate to reinforce upward momentum. Both CPI and PPI in the US fell, showing that inflationary pressures have cooled down"

- World stocks remained in the green as US PPI data fell, along with a weakening labor market
- Domestic stocks traded in balance around the 10-day MA
- Update AGM of Asia Commercial Joint Stock Bank #ACB
- Technical view and recommendations #CII #LTG
- Economic calendar
- Q&A

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Open Account

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

Major stocks market remained in green when US PPI cooled down

The Dow Jones closed 383 points higher on Thursday, while the S&P 500 and Nasdaq 100 rallied 1.3% and 2%, respectively, as fresh factory-gate inflation and jobs data came in softer than expected, rising hope that the Federal Reserve might be approaching the end of its tightening cycle. European equity markets on Thursday, with the benchmark Stoxx 600 up 0.4% to above 464, the highest in over five weeks. The German DAX rose to 15,725 for the first time since January 2022 and the French CAC 40 hit a new record high above 7,480 on hopes the Federal Reserve's monetary tightening cycle might end soon.

Producer prices for final demand (PPI) in the US fell 0.5% mom in March, the biggest decline since April 2020, compared to forecasts of a flat reading. Two-thirds of the decline can be attributed to a 1% decrease in prices for goods, namely gasoline.

US Unemployment Claims rise more than expected. The number of Americans filing for unemployment benefits rose by 11 thousand to 239 thousand in the week ending April 8th, overshooting market expectations of 232 thousand. It was the first increase in unemployment claims in three weeks, in line with a batch of data for March that pointed to the softening of the US labor market.

Exports from China unexpectedly surged 14.8% from a year earlier to an eight-month high of USD 315.59 billion in March 2023, rebounding sharply from a 6.8% drop in January-February combined, and beating market consensus of a 7% fall. This was the first increase in exports since last September and the strongest pace in eight months, amid efforts from Beijing to grow trade further with developed countries while exploring new possibilities with emerging economies.

WTI crude futures held above $82 per barrel on Friday, hovering near its highest levels in five months amid signs of tightening global oil supplies and surging Chinese imports. Analysts pointed to another decline of US crude inventories last week at a key storage hub in Cushing, Oklahoma, as well as slowing Russian oil exports and interrupted flows from Iraqi Kurdistan.

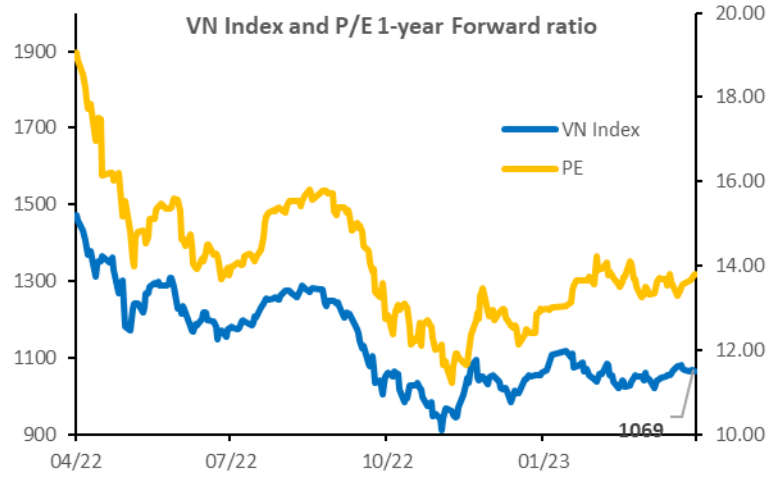
Market

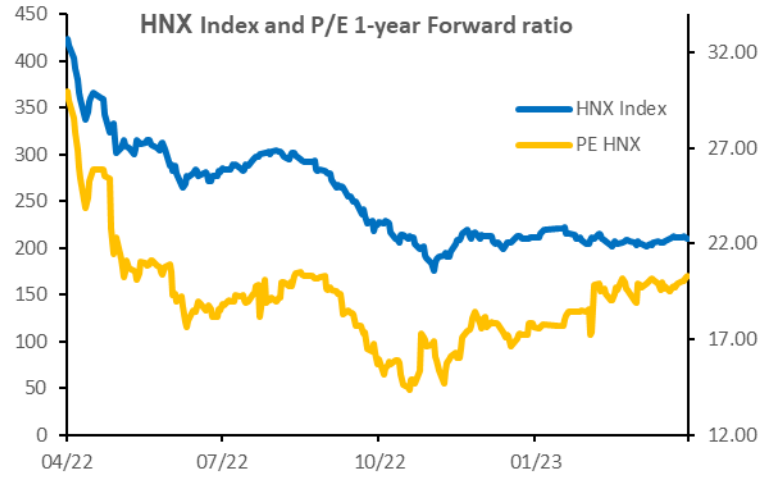
	Close	%1D	%1M	%1Y
VN-Index	1,064	-0.48%	2.32%	-27.70%
S&P 500 Index	4,146	1.33%	5.79%	-5.61%
Dow Jones Index	34,030	1.14%	5.83%	-1.22%
GP 100	7,843	0.24%	2.70%	2.98%
Nikkei 225	28,446	1.03%	4.50%	4.69%
SHCOMP Index	3,318	-0.27%	2.25%	2.87%
STOXX 600	464	0.40%	3.26%	0.95%
KOSPI Index	2,566	0.15%	9.22%	-5.56%
Hang Seng	20,344	0.17%	5.70%	-5.45%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	100.95	-0.06%	-2.56%	0.62%
USD/VND	23,445.00	0.01%	0.76%	-2.37%
EUR/USD	1.11	0.11%	3.03%	2.12%
USD/CNY	6.87	0.08%	-0.28%	-7.27%
Brent	86.28	0.22%	11.40%	-22.76%
WTI	82.40	0.29%	15.52%	-22.95%
Natural gas	2.02	0.75%	-21.41%	-72.30%
Coal	190.75	-1.98%	4.29%	-38.86%
Gold	2,043.13	0.14%	7.31%	3.52%

Vietnam Market Snapshot 13/04/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,064.30	13.94	-5.15	-0.48	586	10,012
HNX INDEX	209.84	24.45	-2.10	-0.99	87	1,218

Money flow and sector rotation (VND bn)

Sector	%1D	4/13/2023	4/12/2023	20-session Average
Oil & Gas	87.07	187	100	129
Travel & Leisure	66.22	95	57	61
Chemicals	52.88	574	375	331
Health Care	32.70	33	25	17
Basic Resources	31.45	711	541	935
Financial Services	26.52	1,700	1,344	1,592
Retail	11.91	363	324	270
Media	-6.8	1	1	1
Technology	-10.4	57	64	64
Food and Beverage	-15.7	609	722	622
Banks	-16.7	1,813	2,176	2,332
Industrial Goods & Services	-24.5	446	590	356
Automobiles & Parts	-24.6	113	149	88
Construction & Materials	-25.0	581	775	751
Real Estate	-29.5	2,365	3,354	1,955
Utilities	-34.5	236	360	175
Personal & Household Goods	-36.2	97	151	94
Insurance	-43.3	31	55	26

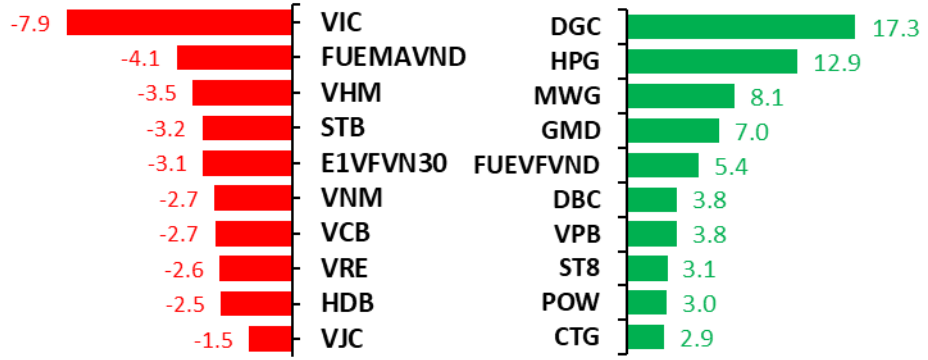
Source: Bloomberg, Shinhan Securities Vietnam

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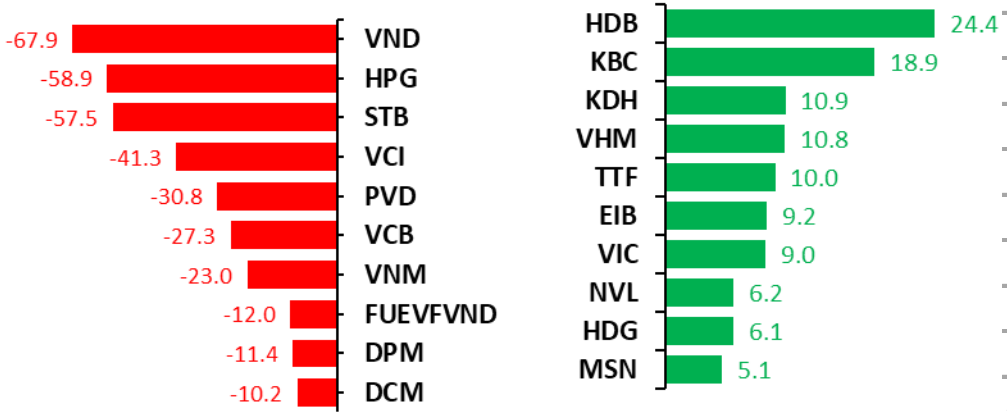
Vietnam Market Snapshot 13/04/2023

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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	(16)	52	(57)	4
Basic Resources	13	(48)	44	4
Media	-	0	(0)	(0)
Industrial Goods & Services	8	(7)	(24)	31
Health care	(0)	(3)	3	(0)
Chemicals	17	(29)	17	12
Financial Services	1	(132)	174	(42)
Travel & Leisure	(2)	(1)	2	(1)
Banks	(5)	(65)	87	(21)
Construction & Materials	(0)	1	42	(43)
Food and Beverage	1	(25)	31	(6)
Retail	7	2	(9)	7
Utilities	2	(9)	10	(1)
Personal & Household Goods	(1)	1	6	(7)
Technology	2	0	(3)	3
Automobiles & Parts	-	(3)	(0)	4
Insurance	(0)	(1)	3	(2)
Oil & Gas	(0)	(31)	32	(2)

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- In the five-year period 2021-2026, the State allocates 400,000 billion VND for traffic development, the largest among industries and fields and accounts for about 50% of total public investment.
- Vietnam and Israel have officially concluded FTA negotiations in early April, which are expected to be signed this year, which will open up many opportunities for industries such as seafood, textiles, etc.
- Australia - an important market for Vietnamese shrimp in 2023.

Less positive

- The Chinese market recovered more slowly than expected, consumer spending picked up but not by as much as expected.
- Recently, Chinese steel manufacturers have continuously lowered prices of hot rolled coil (HRC) in the Vietnamese market, creating pressure.
- Overnight interbank interest rate continued to increase to 5.32% (Updated on April 12).

Business news

- HVN: The Securities Commission has just rejected Vietnam Airlines' request to postpone the announcement of the 2022 audited financial statements.
- DGC: Duc Giang Chemical plans to buy 100% shares of Phosphorus 6 for VND 635 billion in the second quarter of 2023.

  DGC said that the purpose of acquiring Phosphorus 6 is to create a chain of deep processing products for phosphoric acid products, STPP (Na5P3O10), SHMP (NaPO3)… Besides, stabilize the phosphorus export market, and make increase revenue and profit for the Group.
- **ACB:** Consolidated profit in the first quarter of 2023 was about VND 5,120 billion, up 24% over the same period and reaching 26% of the whole year plan. Regarding bonds, ACB invests up to 85% in government bonds and the rest is in bonds of large credit institutions. In 2023, ACB will not invest in corporate bonds, except bonds of credit institutions.
- **HAG:** Hoang Anh Gia Lai has just announced business results in March 2023 with net revenue of VND 652 billion, profit after tax of VND 101 billion, down 2% and 6% respectively compared to the previous month. In which, the livestock industry brought in 162 billion VND, the fruit industry 296 billion VND and 194 billion VND from the supporting industry.

  In the first 3 months of the year, revenue was recorded at about VND 1,823 billion and profit after tax was VND 307.7 billion, up 127% and 19% respectively. HAGL said that currently, the price of pork in the domestic market remains low. However, banana prices remained at the highest level of the year.
- **BSI:** BSC Securities reported first quarter profit after tax increased 17% to VND 98 billion although brokerage revenue decreased by more than half, operating revenue was at VND 287.2 billion, down 14% YoY. Growth drivers come from lending and proprietary trading.
- BVB: Viet Capital Bank submitted to the General Meeting of Shareholders to approve the content of transferring BVB shares from UPCoM to listing on HOSE.
- GAS: PV Gas postponed the 2023 General Meeting of Shareholders to May 25 instead of April 14 as originally planned.

Breaking News



Business news

- **FMC** said that Q1's cumulative export revenue is estimated at $43.2 million (equivalent to VND1,020 billion), down 26% year-on-year. The decrease in revenue was mainly due to a decrease in shrimp exports. In March 2023 alone, export turnover reached 14.6 million USD (345 billion VND), down 21% over the same period, mainly due to 20% decrease in consumption volume.

  However, the profit before tax in the first quarter of 2023 was at VND 50 billion, up 11% over the same period.
- BSR AGM: With the overall maintenance plan (TA5) of Dung Quat oil refinery being rescheduled to 2024, BSR forecasts that the planned profit may increase by VND 1,000 billion.
- LHG: The two leaders of Long Hau resign, it is expected that the profit after tax in 2023 will decrease by 38%, to VND 127 billion.
- TNG wants to raise VND 400 billion of bonds and issue more than 32 million shares to increase capital.
  - ✓ First, issue shares that pay dividends in 2022 with a performance ratio of 100:8.
  - ✓ Second, issue shares to existing shareholders of nearly 11.4 million shares at the price of 10,000 VND/share, the ratio is 10:1.
  - ✓ Third, the private placement of nearly 12.5 million shares with the offering price proposed by the Board of Directors is not lower than the latest book value before the time of submitting the application for issuance (according to the book value as of December 31st). In 2022, TNG's share price is VND 15,705/share).
- VGI: Viettel Global strives to list on HOSE or HNX before 2026, the profit before tax plan in 2023 is equivalent to the same period.
- PGS: Southern Gas sets a profit before tax in 2023 to reach VND 102.35 billion, down 17.5%.
- VCA: Vicasa Steel reported a profit in the first quarter of 2023, down more than 40% to VND 5.3 billion

Asia Commercial Joint Stock Bank (HOSE: ACB)

TARGET PRICE (VND)			
33,500			
CURRENT PRICE (VND)		UP/DOWN SIDE	
24,900		34.5%	
VNINDEX			1,064
Market P/E (x)			10.3
Market Cap. (bn VND)			84,098
Outstanding Shares (mn)			3,377
Free Floating Shares (mn)			2,725
Free Floating (%)			80.7
52-Wk High (VND)			27,320
52-Wk Low (VND)			17,450
3M Avg. Trading Vol. (mn)			3.55
3M Avg. T/O (bn VND)			94
Beta (12M)			1.1
	3M	6M	12M
Absolute	3.1	24.8	-7.5
Rel. to VNINDEX	2.7	23.6	20.5



1 Source: Bloomberg

General Meeting Of Shareholders Summary

- The Annual General Meeting of Shareholders was held by ACB in the morning, April 13, 2023, at this event, ACB approved the business plan for the year 2023, dividend plan, election of the Board of Directors and Supervisory Board
- Business plan in 2023 was approved with some important business goals: Total assets in 2023 is expected grow by 10%; Customer deposit increases by 8.1%; Total credit increases by 9.7% (according credit room provided by the State Bank of Vietnam); Profit before tax grows 17.2%(20,058 VND billion); Bad debt under 2%
- Regarding to dividend plan, the General Meeting of Shareholders approved the plan to pay dividends at the rate of 25% (in which 15% in shares and 10% in cash)
- Management also shared their buisiness result estimation of Q1/2023. Specifically, credit growth slightly decreased by 0.6%, Total deposit increased by 2.1%, NPL ratio (unadjusted according to CIC) stayed at 0.84%, LDR at 78%, CAR at 13.1%, Consolidated profit before tax reached 5,120 (26% of full year target)
- The management has expressed difficulties in the first 3 months of 2023 due to the slow growth of Vietnam's economy, but ACB is confident to achieve the growth of pre-tax profit at 17.2%. ACB will try to reduce cost of fund to maintain NIM at a stable level. In addition to that, in 2023, ACB could record reversal of provision in relation to loans during Covid-19 pandemic period
- In addition, ACB also proposes to include commodity derivatives services and custodian banking in its fee income segment
- Regarding corporate bond investments, ACB management continued to affirm their strategy of not investing in corporate bonds. Bond investment positions at the moment come from government bonds and other credit institution bonds
- We conservatively forecast ACB's PBT growth could reach around 9% in 2023, with NIM narrow down slightly by 24bps

FY	2019	2020	2021	2022	2022
Net interest income (VND bn)	12,112	14,582	18,945	23,534	25,097
Net non-interest income (VND bn)	3,985	3,579	4,619	5,257	7,070
TOI (bn VND)	16,097	18,161	23,564	28,790	32,166
Other expenses and provisions (VND br	(8,581)	(8,565)	(11,566)	(11,676)	(13,553)
Earning before tax (VND bn)	7,516	9,596	11,998	17,114	18,614
Credit growth (%)	0.1				
NIM (%)					
ROE (%)					

Source: Bloomberg, Shinhan Securities, Data as of 14/04/23

Technical view



Trend: Balance

- Struggles still prevailed in the trade when there was no supporting information and short-term profit-taking pressure existed. Although the latest data shows that a decrease in US CPI will open the expectation that the FED will soon stop the monetary tightening cycle, it seems that this has been reflected by the market. The index is still trying to find the balance around MA10-20 days. Technically, the MACD is tending to cut down the signal line along with the RSI dropping to 50, meaning that the index is in a short-term correcting phase after the previous gaining sequence. It is reasonable for the market to cool down to reinforce the trend. The bright spot on the daily chart is an uptrend signal between MA20 and MA50, but the index needs a breakout session from resistance at 1,080 points to confirm the gaining momentum. Therefore, the appropriate strategy is to hold and only increase the weight when the index breaks resistance.

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

14/4/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
PVT	Watch							Trend breaks resistance at 21.5 area, Sticking to MA10
CII	Buy	15	16	14.5	7%	-3%	15.4	Trend breaks resistance at 15.5, price bounces back when touching MA10
SZC	Watch							Trend breaks resistance zone 32, Bollinger Band widens
LTG	Buy	28.8	31	27.5	8%	-5%	29	Trend break resistance zone 28, Price cut MA20

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
NLG	Sell	28.5	32	27.5	12%	-4%	31.8	8	11.58%	04/04/2023	Hit target
VGC	Buy	34.5	38	32.5	10%	-6%	36.1	7	4.64%	05/04/2023	
HPG	Buy	21.5	23.5	20	9%	-7%	20.45	7	-4.88%	05/04/2023	
HDG	Buy	32	35	31	9%	-3%	33.15	6	3.59%	06/04/2023	
NT2	Buy	30.5	33.95	29	11%	-5%	29.95	6	-1.80%	06/04/2023	
TCB	Buy	30	32.5	28.5	8%	-5%	30.2	6	0.67%	06/04/2023	
CTR	Buy	64.2	70	62	9%	-3%	65.4	6	1.87%	06/04/2023	
HDB	Buy	19.7	21	19	7%	-4%	19.7	6	0.00%	06/04/2023	
GVR	Buy	15.5	17	14.5	10%	-6%	15.95	5	2.90%	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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