MORNING CALL

April 17th, 2023

“Out of phase with global stocks, Vietnamese stocks continue to be under pressure"

- World stocks continued to have a positive trading week
- Domestic stocks lost momentum with selling pressure dominating. The number of Covid cases increased again
- Update the General Meeting of Shareholders of Binh Son Refining and Petrochemical Joint Stock Company #BSR
- 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 continued to have a positive trading week

World stocks continued to stay in green in most days of the week. The event that affected the market the most during the week was that the news about CPI and PPI in the US both decreased, showing that inflation pressure has cooled down. Specifically, stocks jumped on the news that CPI only increased by 0.1% m/m, a bit lower than expected, bringing this ratio year-on-year to 5.0% (slowest pace since May 2021). Additionally, Thursday brought even more encouraging inflation news on the part of manufacturers, suggesting that better prices may be on the way to consumers. Additionally, Thursday brought even more encouraging news on the producer side, as the PPI in the US fell 0.1% in March, marking the first decline in the prices businesses pay for goods. input since the peak of the pandemic in April 2020. Closing the week, the S&P 500 index gained 0.79% with materials and industrials being the two strongest growth industry groups. European stocks rose as recession fears eased, with the Stoxx Euro index surging 1.74%.

In Asia, Japan's Nikkei 225 index rose 3.54% on sentiment boosted by news that Warren Buffet's Berkshire Hathaway will increase investment in Japan. In China, while new loans and trade data surprised prices, it was not enough to offset broader concerns about the strength of the economic recovery. The Shanghai Composite Index rose only slightly 0.32%.

WTI crude oil futures continued their fourth straight gain above $82 a barrel on Friday, hovering near a five-month high. Amid signs of tightening global oil supplies and a sharp increase in Chinese imports, oil prices are on track to post a 3.5% weekly gain. Gold prices, on the other hand, fell more than 2% back below $2,000 an ounce on Friday. The USD had a less positive week with losses dominating, but demand balanced at key support around 100, helping the Dollar Index (DXY) recover slightly on Friday, shrinking a bit. decline during the week.

On this week's focus, in the US, the spotlight will be taken by earnings reports including BoA, IBM, Amex, J&J, P&G and Netflix. Elsewhere, investors will be closely watching CPI figures for the UK, Japan, Canada, South Africa, Malaysia, and New Zealand. Also, flash manufacturing and services PMIs are set to be released for the US, UK, Australia, France, Germany, and Euro Area. Finally, China will publish GDP growth, retail sales, and industrial production figures and Germany Zew Economic Sentiment Index.

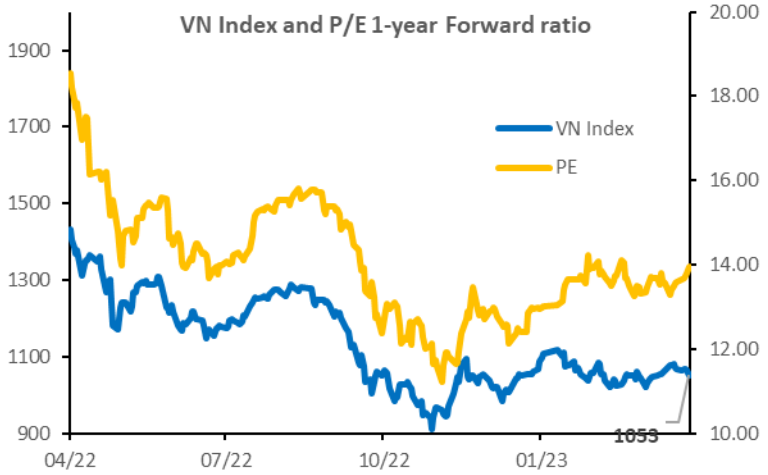
Market

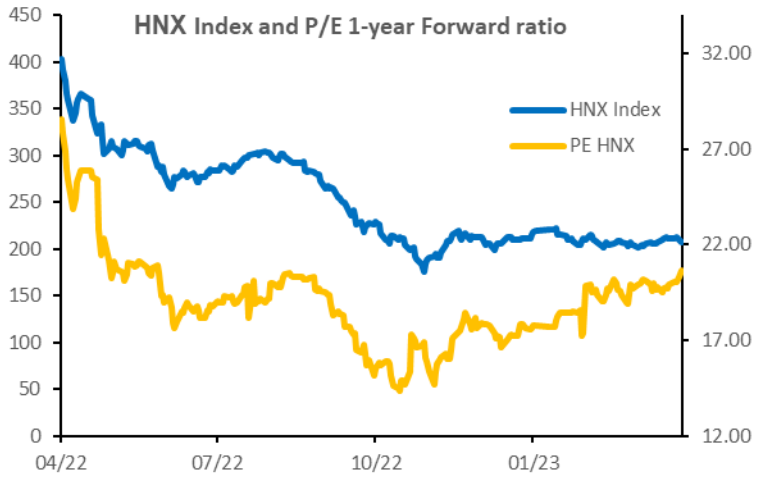
	Close	%1D	%1M	%1Y
VN-Index	1,053	-1.07%	0.74%	-27.81%
S&P 500 Index	4,138	-0.21%	5.64%	-5.80%
Dow Jones Index	33,886	-0.42%	6.35%	-1.64%
GP 100	7,872	0.36%	7.31%	3.36%
Nikkei 225	28,530	0.13%	4.38%	5.30%
SHCOMP Index	3,338	0.60%	2.70%	3.95%
STOXX 600	467	0.58%	7.01%	1.54%
KOSPI Index	2,566	-0.22%	7.10%	-4.83%
Hang Seng	20,439	0.46%	4.71%	-5.02%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.63	0.07%	-2.01%	1.30%
USD/VND	23,444.00	0.00%	0.62%	-2.32%
EUR/USD	1.10	-0.08%	2.93%	1.86%
USD/CNY	6.87	-0.02%	0.06%	-7.14%
Brent	86.37	0.07%	18.36%	-22.68%
WTI	82.57	0.06%	23.72%	-22.80%
Natural gas	2.17	2.65%	-7.19%	-70.27%
Coal	188.00	-1.44%	4.44%	-39.18%
Gold	2,003.60	-0.03%	0.72%	1.25%

Vietnam Market Snapshot 14/04/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,052.89	13.79	-11.41	-1.07	713	11,958
HNX INDEX	207.25	24.11	-2.59	-1.23	112	1,543

Money flow and sector rotation (VND bn)

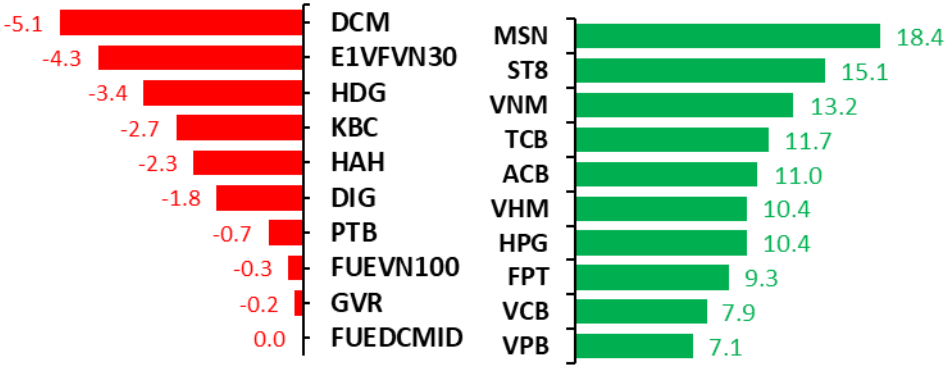
Sector	%1D	4/14/2023	4/13/2023	20-session Average
Personal & Household Goods	63.61	158	97	99
Banks	50.37	2,726	1,813	2,356
Automobiles & Parts	44.90	163	113	94
Food and Beverage	43.02	871	609	626
Real Estate	29.41	3,060	2,365	2,022
Construction & Materials	21.98	709	581	769
Financial Services	4.53	1,777	1,700	1,619
Basic Resources	3.32	735	711	916
Industrial Goods & Services	2.69	458	446	366
Insurance	-4.0	30	31	25
Chemicals	-7.3	532	574	337
Health Care	-17.0	27	33	18
Oil & Gas	-18.9	152	187	124
Retail	-19.7	291	363	279
Media	-21.1	1	1	1
Technology	-22.3	44	57	64
Utilities	-26.4	174	236	173
Travel & Leisure	-49.5	48	95	58

Source: Bloomberg, Shinhan Securities Vietnam

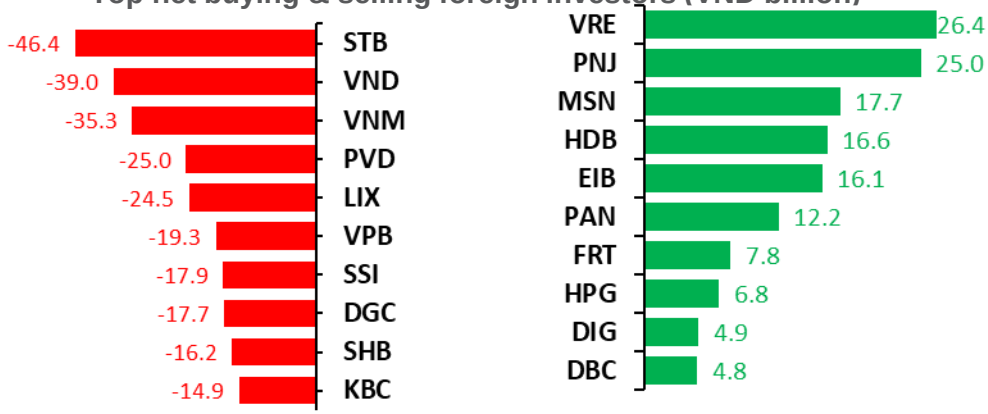
Vietnam Market Snapshot 14/04/2023

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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	14	5	(62)	57
Basic Resources	10	4	(17)	13
Media	-	0	(0)	(0)
Industrial Goods & Services	0	1	(22)	21
Health care	-	(1)	1	(0)
Chemicals	(5)	(33)	33	0
Financial Services	4	(79)	103	(24)
Travel & Leisure	5	2	(6)	4
Banks	64	(79)	30	49
Construction & Materials	-	(1)	41	(40)
Food and Beverage	36	(14)	(14)	29
Retail	6	7	(18)	11
Utilities	4	(5)	13	(8)
Personal & Household Goods	(0)	(2)	6	(4)
Technology	24	(0)	(23)	24
Automobiles & Parts	-	(2)	(5)	7
Insurance	1	4	3	(7)
Oil & Gas	1	(25)	20	5

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- Deputy Prime Minister Le Minh Khai has just signed Decree 12/2023/ND-CP dated April 14, 2023 of the Government extending the deadline for payment of value-added tax, corporate income tax, and personal income tax and land rent in 2023.

Less positive

- According to the Ministry of Health, the XBB.1.5 variant has been recorded in Vietnam. This is the first time XBB.1.5 has been recorded in Vietnam. The World Health Organization (WHO) classifies XBB.1.5 as a variable of concern (VOI), requiring close monitoring.
- The April 16 newsletter of the Ministry of Health said that there were 716 new COVID-19 cases, oxygen patients skyrocketed to 38 cases - the previous day there were only 10 cases.
- The disbursement progress of Working Group 1 only reached 0.04%, the State Bank was "stuck" with the 2% interest rate support package.
- According to a recent report of Savills, apartment transactions in Ho Chi Minh City in the first quarter of 2023 decreased by more than 70%.
- In the first quarter of 2023, trade surplus of goods reached 4.81 billion USD, both import and export decreased over the same period.
- Overnight interbank interest rate continued to increase to 5.49% (Updated on April 13).

Business news

- VCG General Meeting of Shareholders: Will repay bonds before maturity in 2023, want to build low-income apartments, profit in the first quarter of 2023 is expected to be better than the same period last year.

  According to VCG's leadership, 2023 is a year when the economic situation is still difficult. Particularly, the construction sector is forecasted to have a strong divergence among business groups, the focus of development is expected to be in the infrastructure and industrial construction group, in which, public investment projects are still leading.
- LDG: Tan Thinh Residential Area Project (Viva Park) has just been pointed out by Dong Nai authorities for many violations.

  LDG said the inspection conclusion clearly stated that the enterprise's administrative violations included construction without completing the procedures for obtaining permission for infrastructure, not having fully supplemented construction design documents, and missing documents related to infrastructure construction activities, administrative violations in the process of land exploitation and use. In particular, the authorities have issued a decision to impose administrative sanctions on construction permits and land. The company has paid an administrative fine of more than 6.5 billion VND.
- FRT: Estimated first quarter revenue is flat over the same period, cautious in opening new FPTShop, focusing on Long Chau chain.

  This year, FRT is expected to open 400 new Long Chau stores and add new services. The company expects that the newly opened stores will be profitable within 6 months, and will break even when the revenue reaches 500-600 million VND/month.
- EIB: Eximbank achieved pre-tax profit of more than VND 900 billion in the first quarter, up 16% over the same period. The bank is confident with a profit target of VND 5,000 billion before tax, up 34.5%. The on-balance sheet bad debt ratio is below 1.6%.
- TRC: Latex depreciated, net profit in the first quarter of 2023 decreased by 50% to nearly VND 3 billion. Specifically, the average selling price of rubber in the first quarter of 2023 is 33.3 million VND/ton, while the average selling price of rubber in the first quarter of 2022 is 41.5 million VND/ton.

Breaking News



Business news

- HND: Fuel costs increased, Hai Phong Thermal Power reported a sharp drop in profit before tax in the first quarter of 2023 to VND 10.7 billion (VND 272 billion in 2022).

  According to the company's explanation, the reason for the decline in profit was due to lower power output in the first quarter compared to the same period last year, while coal prices increased over the same period, leading to an increase in fuel costs. At the same time, administrative expenses also increased by 5.6 billion VND compared to the first quarter of 2022

- HDG: In 2023, Ha Do sets a business plan with total revenue of 3,225 billion VND, down 9.9% compared to the previous year and expected profit after tax of 971 billion VND, down 28.7% compared to the implementation in 2022.
- ACB recorded negative credit growth of 0.6% in the first quarter of 2023.
- LAS: The only fertilizer company that sets a target of positive profit growth in 2023. Expected revenue is 3,248 billion VND and pre-tax profit is 120 billion VND (it will reach 112.5 billion VND in 2022).
- BVB: In 2023, Viet Capital Bank sets a profit before tax target of VND 502 billion, a growth of 10% and plans to increase its charter capital to VND 5,968 billion.

  In addition, Ban Viet plans to submit to shareholders for approval the plan to transfer BVB shares from UPCoM under the Hanoi Stock Exchange (HNX) to listing on the Ho Chi Minh City Stock Exchange. Ho Chi Minh City (HoSE).

- LTG: Loc Troi suddenly wanted to pay dividends in shares instead of money right before the AGM. The share dividend rate is still 25%, corresponding to Loc Troi will issue more than 20.1 million shares, thereby raising the charter capital to over VND 1,000 billion.
- TIS: Thai Nguyen Iron and Steel JSC continued to suffer losses in the first quarter of 2023, marking 3 consecutive quarters of loss. In the first 3 months, TISCO recorded net revenue of VND 2,445 billion and gross profit of VND 56 billion, down 34% and 60% respectively over the same period. As a result, the company had a net loss of more than 19 billion dong in the first quarter of 2023, while the same period profit was VND 29 billion.

Binh Son Refining and Petrochemical Company Limited (UpCOM: BSR)

TARGET PRICE (VND)	
19,500	
CURRENT PRICE (VND)	UP/DOWNSIDE
16,300	19.6%
VNINDEX	1,053
Market P/E (x)	10.2
Market Cap. (bn VND)	50,538
Outstanding Shares (mn)	3,101
Free Floating Shares (mn)	244
Free Floating (%)	7.9
52-Wk High (VND)	33,500
52-Wk Low (VND)	9,900
3M Avg. Trading Vol. (mn)	8.23
3M Avg. T/O (bn VND)	130
Beta (12M)	1.4

	3M	6M	12M
Absolute	8.7	-18.9	-36.8
Rel. to VNINDEX	9.4	-18.1	-8.3



Source: Bloomberg

Annual General Meeting Summary

1. Business results in 2022:

- In 2022, BSR recorded revenue of VND 167,126 bn (+65.3% y.o.y) and NPAT of VND 14,669 bn (+119.4% y.o.y). BSR's profit was driven by the recent surge in domestic demand and fuel price.

- BSR proposes the cash dividend rate in 2022 at 7%. We believe that BSR will remain a low dividend policy due to high capex of Dung Quat Refinery Expansion project.

2. Business plan in 2023:

- Plan for 2023: BSR's revenue is expected to drop 43% over 2022 to VND 95,545 bn, while its profit after tax would plunge by 89% to VND 1,623 bn.

- BSR delays its fifth turnaround from 2023 to 2024 to support the domestic demand. Therefore, BSR is still running at a full capacity in 2023 and profit is expected to increase by VND 1,000 bn compared to the plan.

- Dung Quat oil refinery upgrade and expansion project is waiting for the Prime Minister to approve the license. Besides, BSR will adjust the reasonable capital structure in the context of high interest rate. BSR's expansion project will solve the 3 problems: (1) diversify input sources and increase economic effectiveness, (2) expand capacity by 16% and (3) upgrade output products to EURO 5 (EU5) to meet the standards and increase the competitiveness.

- BSR expects to have its shares listing on HOSE in Q3/2023. BSR is still working with the related-organization to clarify overdue debt. After meeting the requirement, BSR is qualified for HOSE listing.

Risks: (1) Volatile oil price and (2) Stiffer competition with imported products.

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	102,824	57,959	101,080	167,124	140,842
OP (bn VND)	2,869	-3,046	6,511	14,673	8,253
OP margin (%)	2.8	-5.3	6.4	8.8	5.9
NP (bn VND)	2,914	-2,819	6,716	14,726	8,596
NP margin (%)	2.8	-4.9	6.6	8.8	6.1
EPS (VND)	898	-909	2,108	4,750	2,717
ROE (%)	8.5	-8.7	19.1	33.2	14.4
P/E (x)	9.1	#N/A N/A	11.0	2.8	7.2
P/B (x)	0.7	1.0	1.9	0.8	1.0

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

Technical view



Trend: Retest support level

- Selling pressure almost completely dominated in the trade and pushed the index to close the week in red. Order matching still reached a high level above 20 session average. The positive news seems to have been reflected by the market and attention is now on the Q1 business results of businesses. The demand is lacking motivation to break out, instead it is covered by profit taking and cautious psychology. Technically, the MACD has crossed the signal line along with the RSI also dropping below 50, meaning that the market is in a short-term correcting phase. The 1,050 level acts as the nearest support for the index while the resistance is now at 1,080 points. The shaking movement will continue for the market to find direction.

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

17/4/2023

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
SZC	Watch							Trend breaks resistance zone 32, Bollinger Band widens

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%	32	9	12.28%	04/04/2023	Hit target
VGC	Buy	34.5	38	32.5	10%	-6%	34.6	8	0.29%	05/04/2023	
HPG	Buy	21.5	23.5	20	9%	-7%	20.65	8	-3.95%	05/04/2023	
HDG	Buy	32	35	31	9%	-3%	32.2	7	0.63%	06/04/2023	
NT2	Buy	30.5	33.95	29	11%	-5%	29	7	-4.92%	06/04/2023	
TCB	Buy	30	32.5	28.5	8%	-5%	28.9	7	-3.67%	06/04/2023	
CTR	Buy	64.2	70	62	9%	-3%	64	7	-0.31%	06/04/2023	
HDB	Buy	19.7	21	19	7%	-4%	19.5	7	-1.02%	06/04/2023	
GVR	Buy	15.5	17	14.5	10%	-6%	15.3	6	-1.29%	07/04/2023	
CII	Buy	14.9	16	14.5	7%	-3%	14.9	1	0.00%	14/04/2023	
LTG	Buy	28.3	31	27.5	10%	-3%	28.3	1	0.00%	14/04/2023	

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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