MORNING CALL

April 18th, 2023

"The trade was gloomy, market liquidity dropped to low level, the index tried to hold support"

- ❑ World stocks struggled, worried that the Fed would continue to raise interest rates
- ❑ Domestic stocks were balanced around reference with a loss of liquidity
- ❑ Updating the number of new Covid-19 cases, the People's Committee of Ho Chi Minh City has just issued an urgent directive
- ❑ Update Business Results #VHC #POW #DRI
- ❑ 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 struggled

All three major US indexes rose slightly on Monday, as investors weigh fresh corporate earnings while awaiting Fed speeches for clues on the central bank's tightening path and the economy's health. In regular trading on Monday, the Dow rose 0.3%, the S&P 500 gained 0.33% and the Nasdaq Composite added 0.28%, with 8 out of 11 S&P sectors finishing higher. On the corporate side, State Street shares sank 9.2% after the bank's first-quarter profit missed expectations, led by a drop in fee income due to the recent U.S. banking crisis. Charles Schwab rose 3.9% following upbeat quarterly results but warning about cash sorting. European stocks close cautiously lower, as gains across travel and leisure and mining stocks were offset by losses in insurance and financials. Investors continued to assess the outlook for inflation, growth and interest rates globally, while US earnings season could shed more light on the state of the economy.

The NAHB/Wells Fargo Housing Market index in the US increased for a fourth month to 45 in April of 2023, a fresh high since September of 2022 and beating market forecasts of 44.

The Baltic Exchange's main sea freight index, which measures the cost of shipping goods worldwide, fell by 1.6% to 1,412 points on Monday, the lowest since April 3.

The 10-year US Treasury note yield consolidated above 3.5% on expectations of further rate hikes by the Fed. Concerns about a potential US recession and further stress in the banking sector eased amid better-than-expected results from several of the biggest banks. At the same time, investors were worried by Federal Reserve Governor Christopher Waller's comments leaning toward further policy tightening as both headline and core inflation remain well above the central bank's 2% target. His views prompted investors to ramp up bets on another rate hike in June, following one next month, while scaling back expectations for rate cuts later in the year.

WTI crude futures held below $81 per barrel on Tuesday after losing 2% in the previous session, weighed down by demand concerns and a stronger dollar. Investors continued to fret about the prospect that major central banks will raise interest rates further to bring down inflation, hurting the outlook for economic growth and oil demand globally.

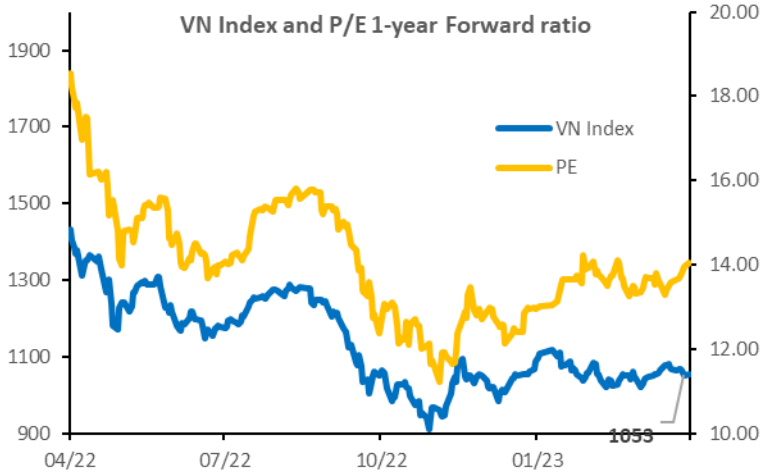
Market

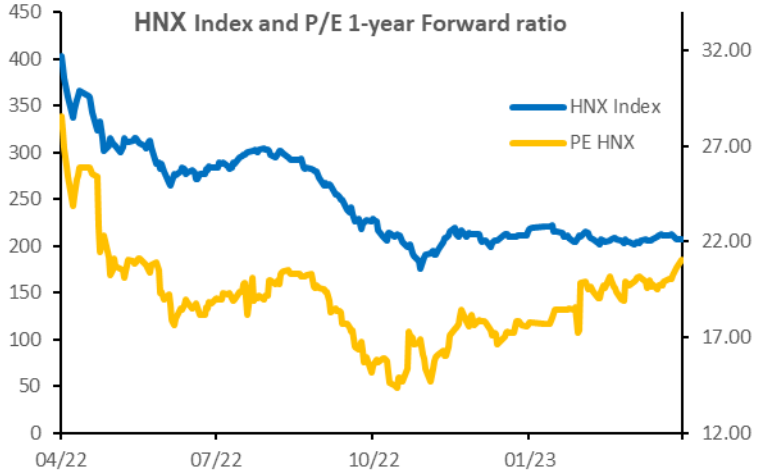
	Close	%1D	%1M	%1Y
VN-Index	1,054	0.09%	0.83%	-26.44%
S&P 500 Index	4,151	0.33%	5.99%	-5.47%
Dow Jones Index	33,987	0.30%	6.67%	-1.23%
GP 100	7,880	0.10%	7.42%	3.45%
Nikkei 225	28,595	0.28%	4.61%	6.70%
SHCOMP Index	3,386	1.42%	4.16%	5.95%
STOXX 600	467	-0.01%	7.00%	1.53%
KOSPI Index	2,567	-0.33%	7.17%	-4.67%
Hang Seng	20,782	1.68%	6.48%	-3.42%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	102.08	-0.03%	-1.57%	1.29%
USD/VND	23,480.00	-0.15%	0.46%	-2.39%
EUR/USD	1.09	0.01%	1.92%	1.34%
USD/CNY	6.88	-0.16%	0.10%	-7.45%
Brent	84.61	-0.18%	15.95%	-25.23%
WTI	80.72	-0.14%	20.95%	-25.40%
Natural gas	2.29	0.75%	-1.97%	-70.69%
Coal	187.00	-0.53%	8.09%	-39.50%
Gold	1,995.69	0.03%	0.85%	0.85%

Vietnam Market Snapshot 17/04/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,053.81	13.80	0.92	0.09	399	6,692
HNX INDEX	206.63	24.06	-0.62	-0.30	61	722

Money flow and sector rotation (VND bn)

Sector	%1D	4/17/2023	4/14/2023	20-session Average
Travel & Leisure	12.51	54	48	58
Technology	3.71	46	44	63
Insurance	-7.0	28	30	25
Food and Beverage	-8.1	800	871	637
Health Care	-11.4	24	27	18
Utilities	-24.1	132	174	170
Personal & Household Goods	-34.3	104	158	100
Retail	-36.7	184	291	274
Industrial Goods & Services	-37.7	285	458	368
Chemicals	-44.5	295	532	339
Basic Resources	-44.7	406	735	887
Construction & Materials	-45.8	384	709	759
Banks	-48.0	1,418	2,726	2,329
Real Estate	-49.9	1,532	3,060	2,038
Media	-50.3	0	1	1
Oil & Gas	-50.8	75	152	119
Automobiles & Parts	-51.6	79	163	95
Financial Services	-52.5	844	1,777	1,604

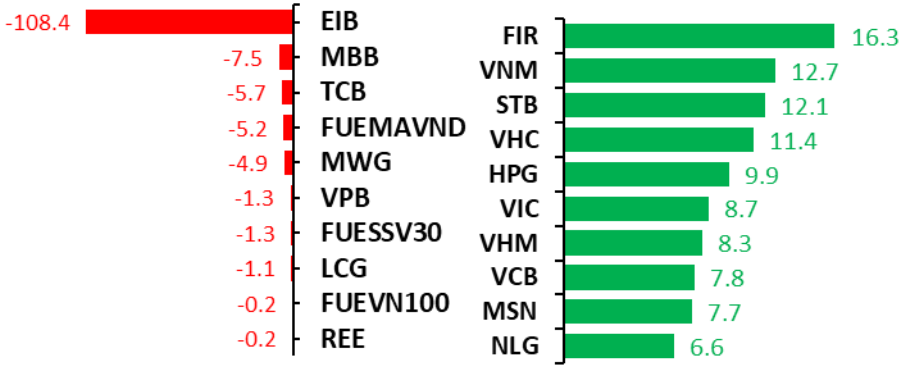
Source: Bloomberg, Shinhan Securities Vietnam

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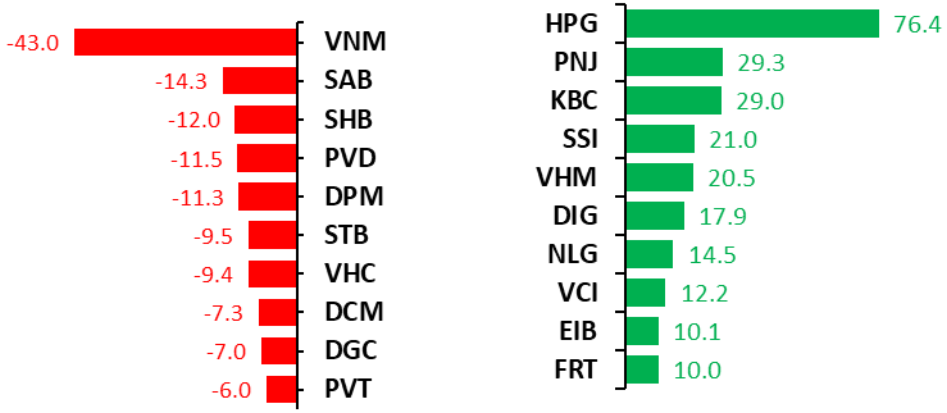
Vietnam Market Snapshot 17/04/2023

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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	51	126	(176)	50
Basic Resources	10	80	(91)	12
Media	-	0	(0)	0
Industrial Goods & Services	7	(2)	(7)	9
Health care	-	1	(1)	(0)
Chemicals	0	(27)	28	(1)
Financial Services	8	43	(48)	5
Travel & Leisure	5	4	(108)	105
Banks	(89)	(9)	3	7
Construction & Materials	(0)	10	19	(29)
Food and Beverage	38	(52)	20	32
Retail	(4)	8	(8)	0
Utilities	3	2	(6)	3
Personal & Household Goods	2	33	(18)	(15)
Technology	1	(1)	(3)	4
Automobiles & Parts	-	3	1	(4)
Insurance	2	(1)	4	(3)
Oil & Gas	1	(12)	8	4

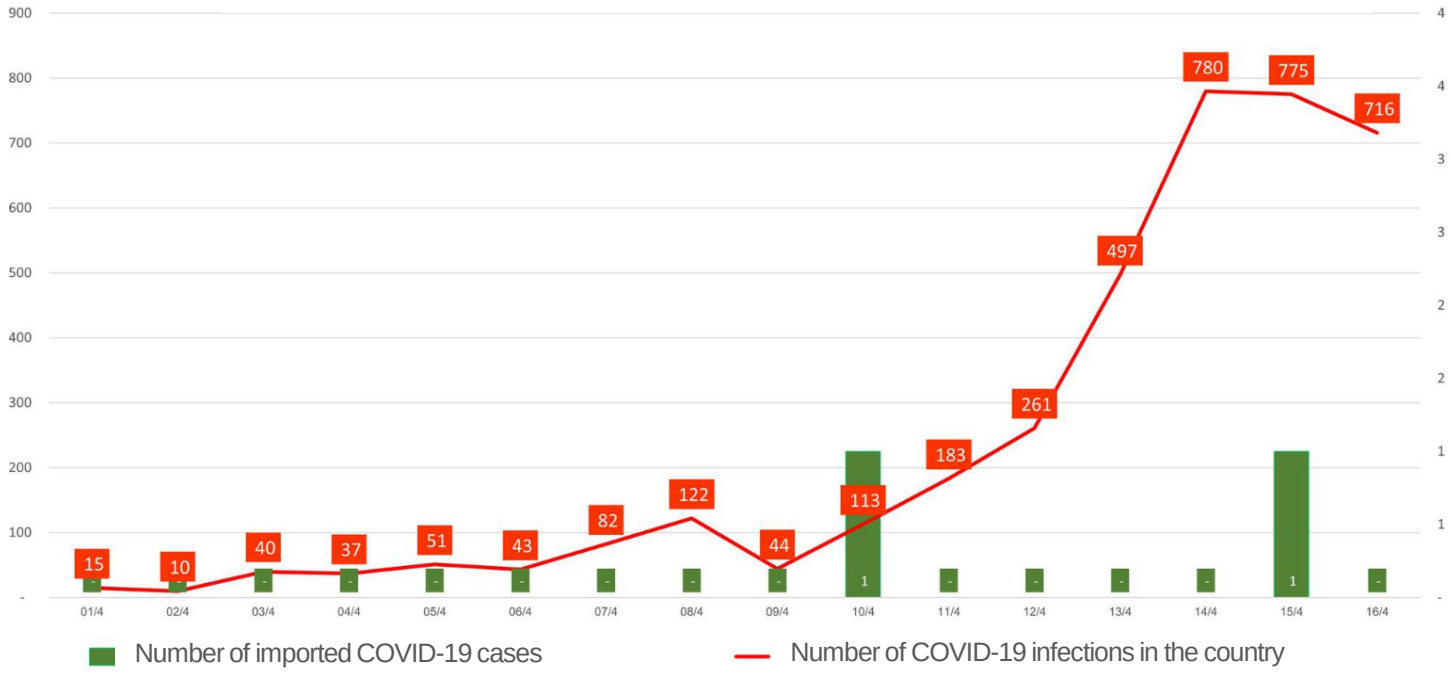
Source: Fiinpro, Shinhan Securities Vietnam

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Update the number of new Covid 19 infections

Follow up on new cases of Covid 19 by day in April 2023

(from April 1, 2023 to April 16, 2023)



- Ho Chi Minh City directed to urgently prevent the outbreak of COVID-19 epidemic.

  The People's Committee of Ho Chi Minh City has just issued an urgent document, requesting departments, agencies and sectors; Thu Duc City People's Committee and districts have strengthened the implementation of COVID-19 prevention and control measures.

- The Ministry of Health denied that a new variant of covid-19 appeared (5 times more toxic than delta), Omicron is still dominant.

Breaking News

Macro

Positive

- Handling 29 proposals and recommendations in the spirit of the Government accompanying Ho Chi Minh City to remove difficulties.
- According to the VBMA, in the first quarter of 2023, businesses bought back nearly 30,000 billion VND of bonds before maturity, up 63% over the same period in 2022.
- The IMF forecasts that Vietnam's economy will grow by 5.8% in 2023, the second highest in ASEAN and the lowest public debt in the region.

Less positive

- The April 16 newsletter of the Ministry of Health said there were 716 new COVID-19 cases, oxygen patients skyrocketed to 38 cases - the previous day there were only 10 cases.
- Inspected many cases of land and construction violations on Phu Quoc island.
- Wood exports to most key markets in Q1 dropped sharply.
- Overnight interbank interest rate continued to increase to 5.49% (Updated on April 13).

Business news

- **VHC:** Vinh Hoan has just released its March 2023 business results report with revenue of VND 1,032 billion, down 25% compared to the same period last year. However, compared to February 2023, this result has improved and is the first month to surpass the revenue milestone of over trillion dong after 4 months.

  The US, China, and Vietnam all recorded a double-digit decrease in revenue compared to March 2022. However, compared to February 2023, the US market recovered, increasing by 100%, while China improved by 78%. The European market was a bright spot when it recorded a 20% increase in revenue over the same period.

  In the first quarter of 2023, Vinh Hoan recorded a revenue of VND 2,252 billion, down 31% compared to the same period last year.
- POW: In the first quarter of 2023, PV Power recorded VND 579 billion in pre-tax profit, down 34% year-on-year in the context that the company was repairing and maintaining power plants. In which, Unit 1 of Vung Ang 1 Power Plant is shutting down to perform overhaul and troubleshooting.

  On April 25, PV Power plans to hold the 2023 Annual General Meeting of Shareholders in Hanoi. This year, the company sets a target of 30,332 billion VND in revenue, up 7% compared to last year and profit after tax down 56% to 1,118 billion VND.
- VHM: In 2023, Vinhomes plans to do business with revenue of VND 100,000 billion and profit after tax of VND 30,000 billion, up 60.3% and 2.9% respectively compared to last year. If achieved, this is a new record in revenue of Vinhomes.

  Continue to sell at Vinhomes Ocean Park 2 & 3 and research and launch a new urban area.
- VRE: In 2023, Vincom Retail targets net revenue of VND 10,350 billion , profit after tax of VND 4,680 billion, up 41% and 69% respectively compared to 2022. Proposing not to pay dividends in 2022.
- LPB: VNPost failed to divest from LienVietPostBank because there were no registered investors.

Breaking News



- QNS: Cash dividend at the rate of 15%, ex-rights date April 17.
- RAL: Cash dividend at the rate of 25%, ex-rights date April 17.
- DSN: Cash dividend at the rate of 25%, ex-rights date April 18.
- OPC: Cash dividend at the rate of 10%, ex-rights date April 19.

Business news

- **DRI:** In the first quarter, DRI's net revenue reached nearly VND 127 billion, down 6% over the same period, accounting for most of the revenue from finished rubber products. Besides, the cost of goods also increased sharply, causing the gross profit to decrease by 25%, to more than VND 34 billion. As a result, DRI only made a net profit of nearly VND 15 billion in the first quarter of the year, down 29% over the same period.
- DXS: In 2023, the revenue target is VND 3,800 billion and net profit is VND 126 billion, down 8% and 62% respectively compared to 2022. Currently, Datsinh Services accounts for about 33% of the market share in the new brokerage segment. At the beginning of 2023, DXS's market share is estimated to increase by about 10%.

  Explaining the low profit target, DXS said that subsidiaries may have to make provisions this year, causing profit to be pulled down more than revenue. The proposed plan accordingly includes provisions for receivables due in 2023.
- PVP: In 2023, PV Trans Pacific plans to achieve revenue of VND 1,450 billion, down 16% compared to last year's performance, profit after tax of VND 160 billion, down 26%. According to PVP, the international crude oil transport market and tankers in 2023 will recover in terms of oil/gas freight rates but continue to face difficulties due to the recovery level and recovery time of the market being assessed. The price depends a lot on geopolitical factors / developments and many other unpredictable fluctuations.
- PVC: In 2023, PVC targets total revenue of VND 2,500 billion, down 15.4% and EAT is expected to increase by nearly 8% to VND 29.4 billion. The company also plans to pay a dividend this year at the rate of 4% in cash.

  In addition, PVChem wants to double its capital to VND 1,000 billion.
- HQC wants to raise capital by 600 billion VND for a social housing project in Tay Ninh (Golden City Project).
- RAL: More than 30% of Rang Dong's revenue comes from Gia Loc Phat (an enterprise owned by a large shareholder of Rang Dong), receivables skyrocketed.

Technical view



Trend: Retest support level

- The market opened at the beginning of the week in the gloom with matching orders dropping by nearly half compared to the 20-day average. This reflects the cautious sentiment waiting for a new catalyst, a part of investors also achieved profitability in the recent increase, so new long positions are considered more carefully. The MACD has cut down to the signal line, along with the RSI, although improving, it is still below 50, meaning that the money flow is weakening and the index is still moving in the short-term correcting phase. The struggling trade is likely to continue so the index retests the support around MA50, corresponding to 1,050 points. The lower support is at 1,040 points, while the resistance is now at 1,070 points.

Scenario:

- Positive (50%): The index maintained its support around 1,040 – 1,050 points and created a recovery pace to 1,070 points, more optimistic than 1,100 points.
- Less positive (50%): The index fails to test and loses the threshold of 1,040 points, it will drop to the old bottom around 1,020 points and lower to the psychological level of 1,000 points.

Recommended stocks

18/4/2023

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
VGC	Buy	34.5	38	32.5	10%	-6%	34.6	9	0.29%	05/04/2023	
HPG	Buy	21.5	23.5	20	9%	-7%	20.85	9	-3.02%	05/04/2023	
HDG	Buy	32	35	31	9%	-3%	32.5	8	1.56%	06/04/2023	
NT2	Buy	30.5	33.95	29	11%	-5%	28.95	8	-5.08%	06/04/2023	
TCB	Buy	30	32.5	28.5	8%	-5%	29.45	8	-1.83%	06/04/2023	
CTR	Buy	64.2	70	62	9%	-3%	64.4	8	0.31%	06/04/2023	
HDB	Buy	19.7	21	19	7%	-4%	19.3	8	-2.03%	06/04/2023	
GVR	Buy	15.5	17	14.5	10%	-6%	15.4	7	-0.65%	07/04/2023	
CII	Buy	14.9	16	14.5	7%	-3%	14.7	2	-1.34%	14/04/2023	
LTG	Buy	28.3	31	27.5	10%	-3%	28.3	2	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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