MORNING CALL

April 19th, 2023

"The struggling still dominated trading. China's Q1 GDP growth exceeded expectations"

- ❑ World stocks kept in green
- ❑ Domestic stocks struggled around the support of 1,050 points
- ❑ Update the number of new Covid-19 infections, the number of cases skyrocketed to exceed 1,000 cases
- ❑ Update Business Results #PGB #PGV #ACV #MBS
- ❑ Technical view and recommendations #CTD
- ❑ Economic calendar
- ❑ Q&A

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Open Account

Global Market Review - Week 17 - 21/04/2023

Major stocks market kept in green

All three major U.S. stock indexes closed near reference levels on Tuesday as investors weighed the latest earnings releases while concerns about Fed tightening persisted. Goldman Sachs fell 1.6% as it reported lower-than-expected revenue while Bank of America rose 0.6% after beating Wall Street's Q1 revenue and earnings estimates. European stock markets rose on Tuesday, with the benchmark Stoxx 600 rising 0.4% above 468, its highest level since February 2022. The Bank Stoxx Index rose 1.3% after earnings reports showed the sector American banks are still strong.

China Q1 GDP growth rate beats estimates. The Chinese economy advanced 4.5% yoy in Q1 of 2023, accelerating from a 2.9% growth in Q4, above market forecasts of 4%. This was the strongest pace of expansion since Q1 of 2022, amid efforts from Beijing to spur the post-pandemic recovery. Retail sales growth was at a near 2-year high in March, industrial output rose the most in 5 months, and the surveyed jobless rate fell to its lowest in 7 months.

Rice futures are trading around $16-18/kg in 2023, more than double July 2020 levels amid weaker supply and higher demand.

The annual inflation rate in Canada fell to 4.3% in March 2023, the lowest level since August 2021, in line with market expectations and down from 5.2% the previous month due to a significant effect of energy costs.

Housing starts in the US went down 0.8% month-over-month to a seasonally adjusted annualized rate of 1.42 million in March of 2023, following a downwardly revised 7.3% surge in February, but slightly beating market forecasts of 1.4 million.

WTI crude oil futures hovered around $81 a barrel on Tuesday after falling 2% on Monday. China's economy grew more than expected in the first quarter, boosting optimism about the country's post-pandemic recovery and providing some support as oil demand fell

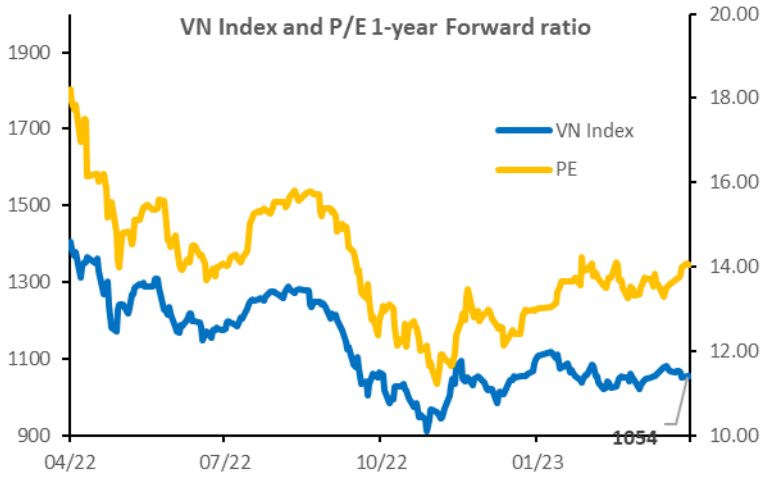
Market

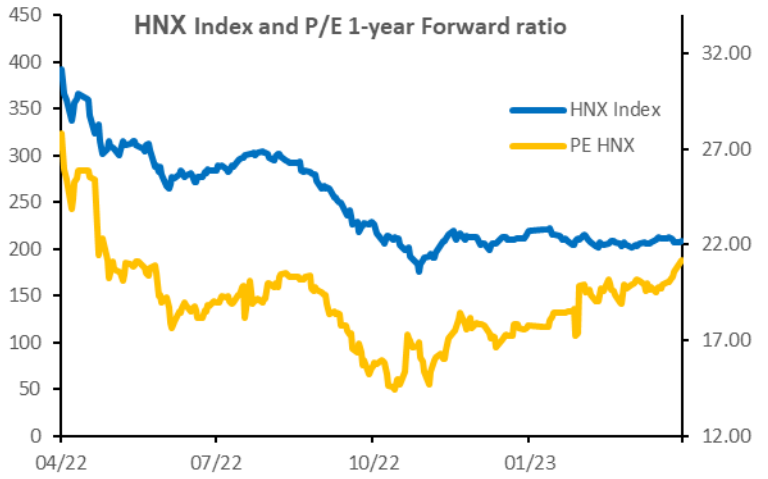
	Close	%1D	%1M	%1Y
VN-Index	1,055	0.11%	0.95%	-24.99%
S&P 500 Index	4,155	0.09%	6.08%	-6.89%
Dow Jones Index	33,977	-0.03%	6.64%	-2.68%
GP 100	7,909	0.38%	7.83%	4.05%
Nikkei 225	28,638	-0.07%	4.77%	6.12%
SHCOMP Index	3,393	0.23%	4.39%	6.24%
STOXX 600	469	0.38%	7.41%	2.70%
KOSPI Index	2,578	0.28%	7.62%	-5.17%
Hang Seng	20,651	-0.63%	5.80%	-1.79%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.72	-0.03%	-1.92%	0.75%
USD/VND	23,509.00	-0.12%	0.33%	-2.51%
EUR/USD	1.10	0.08%	2.43%	1.79%
USD/CNY	6.88	0.05%	0.01%	-7.40%
Brent	84.83	0.07%	16.25%	-20.90%
WTI	80.95	0.11%	21.29%	-21.07%
Natural gas	2.37	-0.04%	1.15%	-67.04%
Coal	188.30	0.70%	8.84%	-39.08%
Gold	2,005.98	0.03%	1.37%	2.87%

Vietnam Market Snapshot 18/04/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,055.02	13.86	1.21	0.11	486	8,441
HNX INDEX	208.25	24.46	1.62	0.78	98	1,072

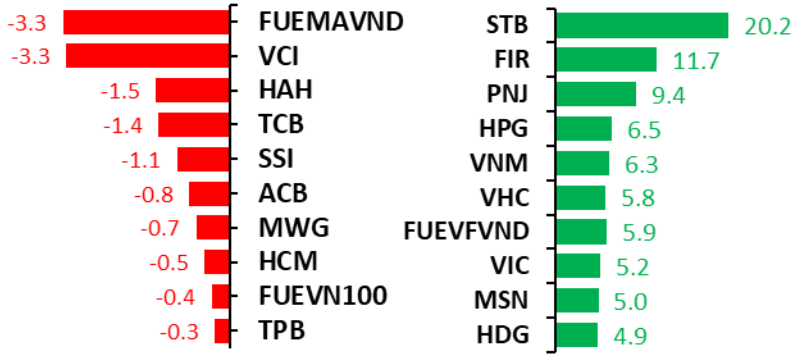
Money flow and sector rotation (VND bn)

Sector	%1D	4/18/2023	4/17/2023	20-session Average
Construction & Materials	96.24	754	384	776
Financial Services	69.61	1,432	844	1,628
Retail	57.84	291	184	280
Real Estate	34.27	2,057	1,532	2,083
Personal & Household Goods	26.21	131	104	104
Basic Resources	25.71	511	406	872
Automobiles & Parts	25.29	99	79	98
Banks	11.94	1,587	1,418	2,320
Travel & Leisure	7.35	58	54	58
Food and Beverage	-5.6	755	800	650
Industrial Goods & Services	-7.7	263	285	371
Chemicals	-11.3	262	295	340
Oil & Gas	-14.6	64	75	117
Utilities	-16.4	110	132	169
Health Care	-24.3	18	24	18
Technology	-32.1	31	46	62
Insurance	-39.9	17	28	25
Media	-41.2	0	0	1

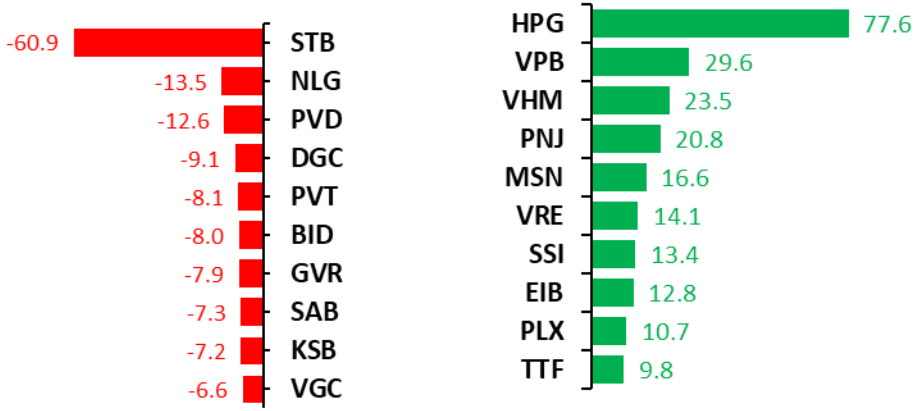
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 18/04/2023

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)

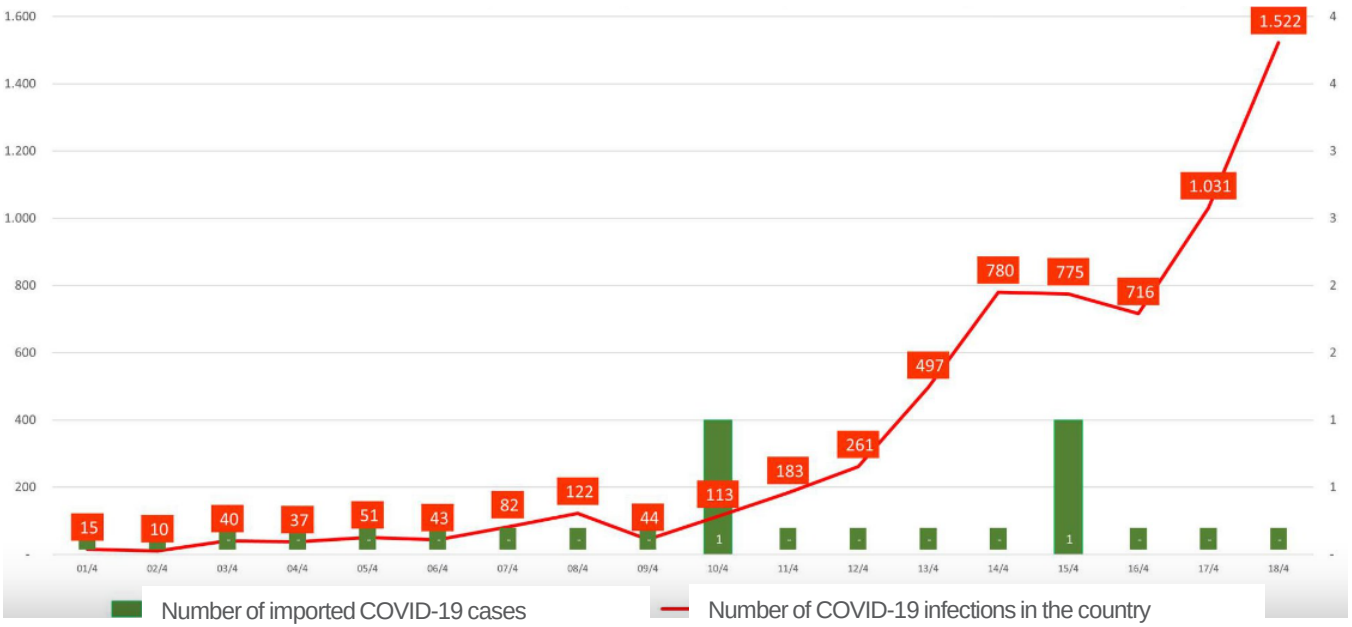
Sub-sector	Proprietary trading (VND bn)	Foreign (VND bn)	Local Individual (VND bn)	Local Institutions (VND bn)
Real Estate	35	42	(118)	76
Basic Resources	7	85	(109)	23
Media	-	0	(0)	0
Industrial Goods & Services	2	(13)	3	9
Health care	-	1	(2)	1
Chemicals	0	(20)	17	3
Financial Services	2	15	(14)	(0)
Travel & Leisure	3	1	(153)	152
Banks	28	(38)	(58)	96
Construction & Materials	0	4	112	(116)
Food and Beverage	21	19	(47)	28
Retail	(1)	10	9	(20)
Utilities	5	10	(12)	2
Personal & Household Goods	9	25	(13)	(12)
Technology	3	(1)	(8)	9
Automobiles & Parts	-	0	(1)	0
Insurance	0	0	4	(4)
Oil & Gas	0	(2)	5	(3)

Source: Fiinpro, Shinhan Securities Vietnam

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)



- The Ministry of Health's COVID-19 prevention and control bulletin on April 18 said there were 1,522 cases of COVID-19. This is the day with the highest number of new cases in more than half a year. During the day, there were 138 recovered cases, the number of serious patients skyrocketed to 102 cases, including 14 cases of invasive mechanical ventilation.
- 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

- The Government agreed to let the Ministry of Finance submit a plan to reduce VAT 2% to the National Assembly.
- According to a report by Savills, in Q1/2023, international visitors to Vietnam reached 2.7 million arrivals, an increase of 2,900% over the same period last year.
- HOREA proposed not to ban banks from buying bonds issued by businesses to reverse debt.

Less positive

- The number of Covid 19 infections has increased again.
- According to VSA, sales of construction steel in Q1 reached 2.6 million tons, down 28.5% y/y, of which exports reached 422,000 tons, down 41%.
- Overnight interbank interest rate continued to increase to 5.52% (Updated on April 17).

Business news

- NVL: Novaland announced its 2022 audited financial statements with after-tax profit of VND 2,182 billion, down VND 111 billion compared to before the audit.
- **PGB:** PGBank recorded Q1/2023 pre-tax profit at 153 billion, up 21% y/y.

  Net interest income segment recorded a growth of 44.5% over the same period in the first quarter of 2022, equivalent to VND 339 billion. Mainly comes from interest income from customer loans.

  In terms of loan quality, the bank's bad debt on the balance sheet as of the end of March was VND 718 billion, down VND 26 billion from the beginning of the year. Thereby, the bad debt ratio decreased from 2.56% to 2.47%.
- **PGV:** In March, electricity output of EVNGenco3 reached 2,848 million kWh, reaching 108.95% of the monthly plan. Generally, in the first 3 months of the year, the Company's accumulated electricity output reached 7,465 million kWh, equivalent to 92.64% over the same period in 2022 and achieved 24.86% of the year plan.

  Accordingly, the parent company's March electricity production revenue is estimated at VND 4,460 billion, down 13% compared to the same period in 2022. In 3 months, the parent company's total electricity production revenue is estimated at VND 11,362 billion, increased 7% over the same period in 2022. In which, Phu My Thermal Power Company contributed the highest proportion (reaching 8.53%) in the structure of electricity production revenue.
- **AVC:** A Vuong Hydropower has just released Q1/2023 financial statements with net sales of VND 248.6 billion, up 34.5% over the same period, COGS increased slightly by 5% to VND 71.2 billion, so gross profit increased up to 52% to VND 177.4 billion.

  Financial revenue recorded VND 5.3 billion, while the same period was negative over VND 400 million, administrative expenses increased by 57% to VND 172.4 billion. As a result, AVC reported profit after tax in Q1/2023 reaching VND 155.2 billion, up 57% over the same period last year. Liabilities dropped sharply by 53.7% to VND61.8 billion, of which all were short-term debts.
- APH: An Phat Holdings has set a profit target of 420 billion VND, increasing 7.3 times in 2022, the industrial zone segment can bring in 1,500 billion VND in revenue this year.

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

- **MBS:** MB Securities JSC has just released its own financial statements for Q1/2023, recording operating revenue of nearly VND 336 billion, down 45% over the same period, profit after tax of more than VND 121 billion, down 39%.

  In which, revenue from securities brokerage activities (accounting for nearly 28% of operating revenue) decreased by 64%, to more than VND 93 billion. At the same time, revenue from loan interest and receivables (accounting for 36% of operating revenue) also decreased by 43%, to more than VND 120 billion. The Company's margin loan balance by the end of the first quarter was at VND 3,663 billion, up 4.8% compared to the beginning of the year.
- LCG: In 2023, Lizen sets a business plan with revenue of VND 2,850 billion, up 183.3% y/y but expected profit after tax is VND 150 billion, down 22.7% y/y.

  Lizen also submitted to shareholders to adjust the plan to issue ESOP shares. In which, the Company plans to issue 3.45 million ESOP shares, accounting for 1.8% of the total outstanding shares.

  Regarding dividends, in 2022, the Company submitted to shareholders a 7% cash dividend plan, a decrease compared to previous years.
- PVD: PV Drilling said that the rigs had stable jobs until the end of 2023, the service unit price increased by 30-40%.
- KBC: Kinh Bac hopes to make a profit of VND 4,000 billion in 2023, 2.5 times higher than the same period in the same period, the capital need for new projects is about VND 21,940 billion.
- OIL: In 2023, PV OIL sets the target of revenue equal to half of the previous year, profit after tax reduced by 34% to VND 480 billion.
- ITA: ITA stock continued to be warned on HOSE, before that, ITA was on the list of margin cut in Q2/2023.
- ACG: An Cuong Wood sets a target of profit after tax in 2023 to VND 668 billion, up 8.5%.

Technical view



Trend: Retest support level

- The struggling trend still prevailed in the trade and the index fluctuated in a narrow range. Order matching improved compared to the previous session but still below the 20 session average. This shows the gloomy sentiment of investors. The earnings reporting season is also approaching and investors seem to be more cautious. Technically, the MACD is still below the signal line, while the RSI has recovered slightly but is still below 50, meaning that the correcting phase is still dominant. It should be noted that the money flow started to diversify again. The index needs to break out of 1,070 points to confirm exiting the correcting pace. In the other case, the trend is still unclear. The right strategy is about holding.

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

19/4/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
SZC	Watch							Trend breaks resistance zone 32, Bollinger Band widens
CTD	Waiting to buy	50	60	45	0.2	-0.1	51.3	Price bounced up when touching MA10, liquidity increased

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%	35	10	1.45%	05/04/2023	
HPG	Buy	21.5	23.5	20	9%	-7%	20.95	10	-2.56%	05/04/2023	
HDG	Buy	32	35	31	9%	-3%	32	9	0.00%	06/04/2023	
NT2	Buy	30.5	33.95	29	11%	-5%	29.3	9	-3.93%	06/04/2023	
TCB	Buy	30	32.5	28.5	8%	-5%	29.15	9	-2.83%	06/04/2023	
CTR	Buy	64.2	70	62	9%	-3%	64.7	9	0.78%	06/04/2023	
HDB	Buy	19.7	21	19	7%	-4%	19.35	9	-1.78%	06/04/2023	
GVR	Buy	15.5	17	14.5	10%	-6%	15.5	8	0.00%	07/04/2023	
CII	Buy	14.9	16	14.5	7%	-3%	14.9	3	0.00%	14/04/2023	
LTG	Buy	28.3	31	27.5	10%	-3%	29.6	3	4.59%	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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