MORNING CALL

April 20th, 2023

"The market lacked a catalyst and turned its attention to the earnings season, the number of Covid cases still increasing"

- World stocks fell again. China kept LPR rate steady for 8th month
- Domestic stocks continued to lose momentum, selling pressure prevailed
- The number of Covid-19 infections continues to rise, surpassing 2,000 cases
- Update information PV Oil analyst meeting #OIL
- Update Business Results #BMP #NT2 #NTC #SKG #VOC #DDV
- 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 fell again

The Dow lost 100 points on Wednesday afternoon, while the S&P 500 and Nasdaq 100 were down 0.2% and 0.1%, respectively, as investors digested a batch of earnings reports while mulling the future path of interest rate rises. Morgan Stanley fell 1% after the Wall Street lender reported a 19% drop in quarterly profit as its investment banking business remained under pressure amid a lengthy decline in dealmaking. Netflix declined more than 3% after the video-streaming giant topped analysts' earnings estimates but offered weak guidance. European equity markets were little changed on Wednesday, with the benchmark Stoxx 600 down 0.1% from a 14-month high on Tuesday, dragged by tech and mining stocks while insurance companies rose.

China keeps LPR rate steady for 8th month. The People's Bank of China (PBoC) left its key lending rates steady for the eighth straight month at April fixing, as the economic recovery has been well on track. The one-year loan prime rate (LPR), which the medium-term lending facility uses for corporate and household loans, was kept unchanged at 3.65%; while the five-year rate, a reference for mortgages, was maintained at 4.3%.

South Africa's annual inflation rate rose for the second month to 7.1% in Mach 2023, from 7% in the prior month, against market expectations of 6.9% and still above the upper limit of the SARB's target range of 3%-6%.

Steel rebar futures steadied at the CNY 3,900 per tonne mark in April, **remaining at their lowest year-to-date** amid persistent concerns over poor demand. The uncertain impact of China's reopening, stubborn debt woes of the country's property sector, and efforts to shift the economy away from heavy industry prevented a rebound in real demand for construction and infrastructure inputs.

WTI crude futures held below $79 per barrel on Thursday after losing 2% in the previous session, weighed down by concerns that higher interest rates could dampen global economic growth and future energy demand.

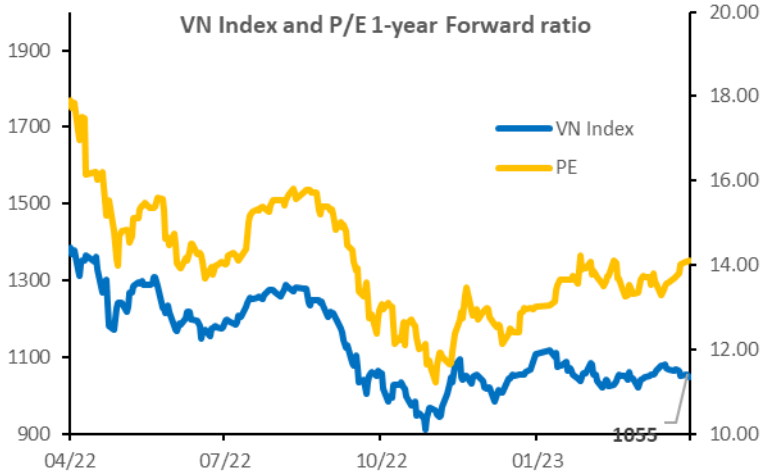
Market

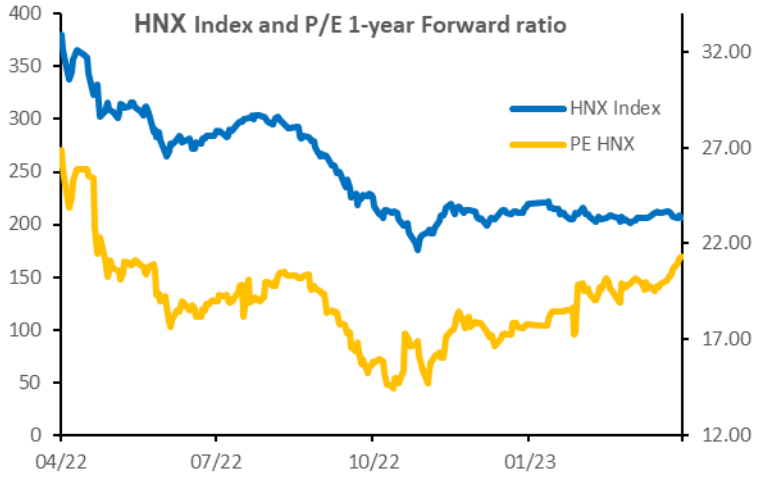
	Close	%1D	%1M	%1Y
VN-Index	1,049	-0.57%	2.53%	-24.25%
S&P 500 Index	4,155	-0.01%	5.14%	-6.84%
Dow Jones Index	33,897	-0.23%	5.12%	-3.59%
GP 100	7,899	-0.13%	6.68%	3.53%
Nikkei 225	28,551	-0.20%	5.96%	4.90%
SHCOMP Index	3,370	-0.68%	4.18%	6.95%
STOXX 600	468	-0.10%	6.25%	1.75%
KOSPI Index	2,571	-0.17%	8.05%	-5.44%
Hang Seng	20,368	-1.37%	7.19%	-2.75%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.98	0.01%	-1.26%	1.58%
USD/VND	23,506.00	0.01%	0.34%	-2.46%
EUR/USD	1.10	0.01%	2.19%	0.95%
USD/CNY	6.88	-0.12%	-0.11%	-7.13%
Brent	82.74	-0.46%	12.13%	-22.53%
WTI	78.80	-0.45%	16.50%	-23.31%
Natural gas	2.20	-1.17%	-1.21%	-68.34%
Coal	192.50	2.23%	11.27%	-40.03%
Gold	1,995.21	0.01%	0.83%	1.91%

Vietnam Market Snapshot 19/04/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,048.98	13.79	-6.04	-0.57	484	8,566
HNX INDEX	205.85	24.18	-2.40	-1.15	64	891

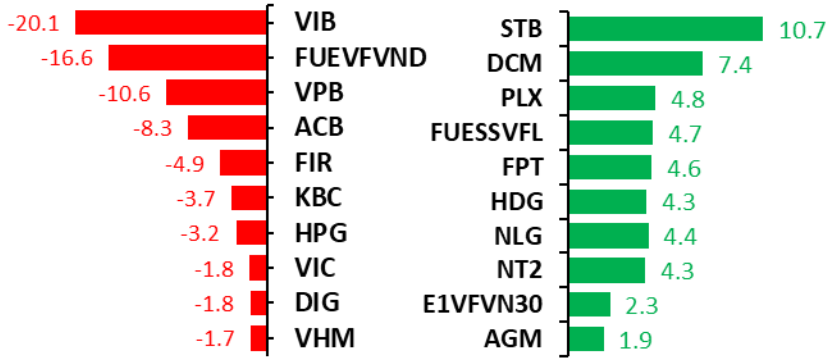
Money flow and sector rotation (VND bn)

Sector	%1D	4/19/2023	4/18/2023	20-session Average
Media	206.57	1	0	1
Retail	74.34	507	291	297
Insurance	66.57	28	17	26
Technology	42.07	44	31	61
Utilities	39.46	154	110	172
Chemicals	24.77	327	262	346
Banks	22.42	1,943	1,587	2,311
Health Care	20.49	22	18	19
Travel & Leisure	14.23	66	58	58
Industrial Goods & Services	1.95	268	263	377
Real Estate	1.18	2,082	2,057	2,127
Food and Beverage	0.94	762	755	658
Basic Resources	-10.7	456	511	866
Automobiles & Parts	-12.3	87	99	99
Financial Services	-15.8	1,206	1,432	1,641
Oil & Gas	-18.8	52	64	115
Construction & Materials	-35.4	487	754	771
Personal & Household Goods	-46.3	70	131	106

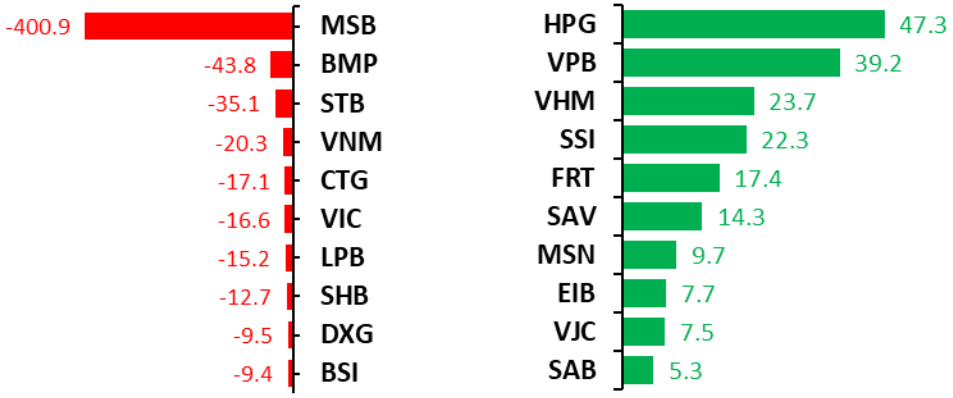
Source: Bloomberg, Shinhan Securities Vietnam

Vietnam Market Snapshot 19/04/2023

Top net buying & selling of proprietary trading (VND billion)



Top net buying & selling foreign investors (VND billion)

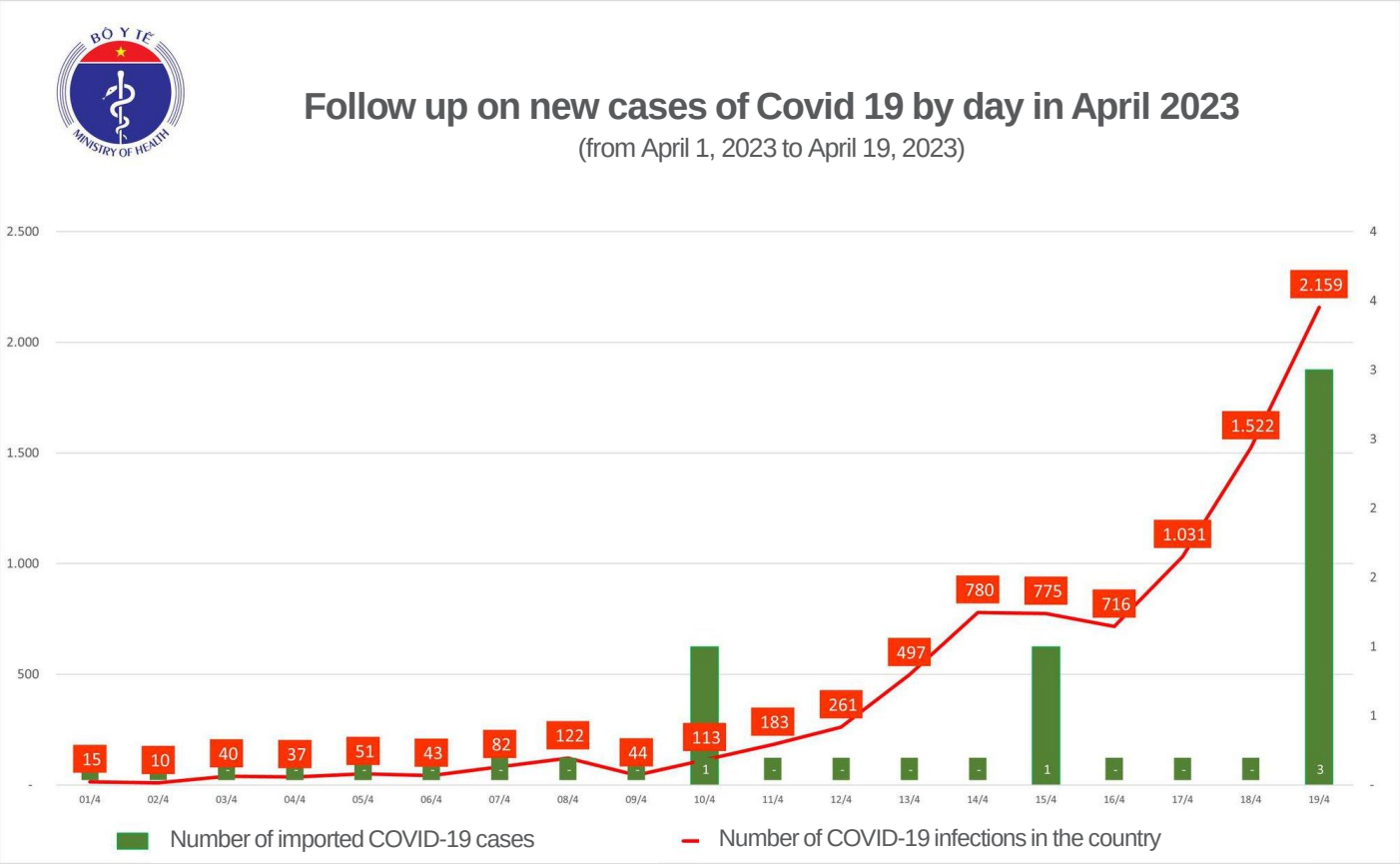


The net trading value of proprietary trading and investors by sector (VND billion)

Sub-sector	Proprietary trading (VND bn)	Foreign (VND bn)	Local Individual (VND bn)	Local Institutions (VND bn)
Real Estate	(3)	(9)	(4)	13
Basic Resources	(3)	57	(54)	(2)
Media	-	0	(0)	(0)
Industrial Goods & Services	1	(18)	18	(1)
Health care	-	4	(3)	(1)
Chemicals	9	(9)	9	(1)
Financial Services	(11)	(28)	20	8
Travel & Leisure	(1)	2	(3)	1
Banks	(33)	(441)	125	316
Construction & Materials	1	(41)	56	(16)
Food and Beverage	1	(7)	21	(14)
Retail	(0)	20	(12)	(8)
Utilities	3	(10)	9	2
Personal & Household Goods	0	1	0	(2)
Technology	5	(0)	(3)	3
Automobiles & Parts	-	(1)	3	(2)
Insurance	(0)	(0)	1	(0)
Oil & Gas	5	(8)	5	4

Source: Fiinpro, Shinhan Securities Vietnam

Update the number of new Covid 19 infections



- The COVID-19 prevention bulletin on April 19 of the Ministry of Health said that our country recorded 2,162 Covid-19 cases (an increase of about 1.5 times compared to the previous day), of which there were 2,159 domestic cases and 3 cases. entry. This is also the day with the highest number of cases in more than half a year. In addition, there are currently 111 patients receiving oxygen.
- 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

- Proposing a special loan with 0% interest rate for banks with mass withdrawals.
- Vietnam ranks third in the world in terms of cement production, according to the US Geological Survey.

Less positive

- The number of Covid 19 infections has increased again.
- Nikkei Asia believes that the drop in orders from manufacturing plants marks a reversal in growth in Vietnam.
- The electronics industry cut 25,000 jobs in the first quarter.
- Overnight interbank interest rate continued to increase to 5.52% (Updated on April 17).

Business news

- **BMP:** Binh Minh Plastics JSC has announced its consolidated financial statements for the first quarter of 2023 with net revenue of VND 1,440 billion, up 7% over the same period. However, COGS dropped sharply by 14%, helping to improve gross profit margin from 24% to 39%, equivalent to a gross profit of VND 555 billion in Q1.

  Finally, Binh Minh Plastics recorded 1Q2023 profit after tax increased by 120% to approximately VND 281 billion. This is also the highest profit in a quarter that the business has ever achieved. Thus, after only the first quarter of the year, BMP has completed 23% of the revenue target and 43% of the profit target.

  Notably, BMP's cash and cash equivalents recorded VND 2,011 billion (including VND 1,375 billion in term deposits), accounting for nearly 59% of total assets.
- **NT2:** In the first quarter, an estimated profit of VND 230 billion, forecast 3 months 8-9-10 loss hundreds of billion VND. The year 2023 is considered to be difficult, the company sets a relatively conservative business plan with profit after tax of VND 473 billion, down more than 46%.

  The company increases its 2022 dividend to 25%. Previously, on March 31, the Company made an advance of 10% of dividends to shareholders, the remaining 15% will be balanced and paid in July and October 2023. The planned dividend for 2023 is 15% cash.
- **NTC:** Nam Tan Uyen has just announced the first quarter financial statements with 58 billion dong net revenue, up 9% over the same period. Gross profit margin increased from 70% to 72%. During the period, financial revenue fell 8% to VND 56 billion, mainly from distributed dividends and deposit interest. However, this is also a major contributor to the company's profits. As a result, Nam Tan Uyen's after-tax profit was nearly VND 80 billion, down 2% compared to Q1/2022.

  As of March 31, 2023, the company's total assets reached VND 4,120 billion, an increase of VND 59 billion compared to the beginning of the year. Including 1,195 billion VND in bank deposits.
- VTP: Estimated profit of 94 billion in the first quarter of the year, expected to list HOSE no later than Q1/2024. In 2023, Viettel Post plans to total revenue and other income at VND 18,464 billion, down 15% y/y. In contrast, the target for consolidated profit after tax is expected to increase by nearly 47% to VND 376 billion.

Breaking News



- KDC: KIDO wants to take control of the Tho Phat dumpling brand.
- KBC: Kinh Bac withdrew its application to buy back 50 million shares because it found that the dossier was incomplete.
- TDH: ThuDuc House continues to receive 9 more tax enforcement decisions.
- KHG: Deputy General Director registered to sell all more than 1.6 million shares of Khai Hoan Land.

Business news

- **SKG:** Superdong - Kien Giang Express Train JSC has just announced the Q1/2023 financial statements with a net profit of more than VND 33 billion, 3.4 times higher than the same period last year and reaching more than 46% of the 2023 profit plan expected to be presented to shareholders. SKG almost does not use financial leverage when there is no balance of short-term and long-term loans.

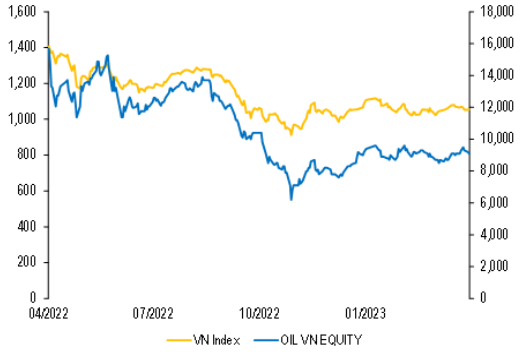
  According to SKG's explanation, Q1/2023's net revenue increased sharply by 40% compared to the same period last year, to VND 117.7 billion, due to a 30% increase in the number of visitors over the same period, specifically increasing in the following routes: Soc Moon - Con Dao increased by 450%, Phan Thiet - Phu Quy increased by 85%, Rach Gia - Nam Du increased by 25%, Ha Tien - Phu Quoc increased by 31%, Rach Gia - Phu Quoc increased by 13%.
- **VOC:** Vocarimex announced Q1/2023 financial statements with revenue down more than 37% compared to the same period last year, reaching VND 195 billion. Gross profit margin also dropped sharply. VOC explained that due to reduced sales volume, high inventory prices while market prices decreased from the fourth quarter of 2022 to the first quarter of 2023. Business below cost, the Company received a gross loss in the first quarter of VND 8.6 billion.

  However, thanks to a sudden increase in other financial revenue of VND 1,581 billion, after deducting expenses, VOC still recorded a record profit after tax of VND 1,261 billion. It is known that thanks to the transfer of 24% of Calofic shares to a partner, Siteki Investment.
- **DDV:** Revenue in Q1 reached VND 737 billion, down 14.6% y/y, while capital expense increased by 2.3%, leading to gross profit from sales and service provision to nearly VND 42 billion, down 77% over the same period. Explanation from the company, although the output increased, the selling price continued to decrease, causing a sharp decrease in revenue.

  As a result, in Q1 DAP Vinachem had a profit after tax of only VND 144 million, while in the first quarter of last year, there was still a profit after tax of VND 136.5 billion.
- CTR: Viettel Construction targets profit after tax of VND 487 billion, up 10% and is expected to pay 20% dividend.

PetroVietnam Oil Corporation (UpCOM: OIL)

TARGET PRICE (VND)			
N/A			
CURRENT PRICE (VND)		UP/DOWNSIDE	
9,100			
VNINDEX			1,049
Market P/E (x)			10.1
Market Cap. (bn VND)			9,411
Outstanding Shares (mn)			1,034
Free Floating Shares (mn)			147
Free Floating (%)			14.2
52-Wk High (VND)			16,700
52-Wk Low (VND)			5,400
3M Avg. Trading Vol. (mn)			0.78
3M Avg. T/O (bn VND)			7
Beta (12M)			1.3
	3M	6M	12M
Absolute	-3.2	-12.5	-43.5
Rel. to VNINDEX	2.1	-11.5	-18.1



Source: Bloomberg

Analyst Meeting Summary

1. Business results in 2022:

- In 2022, OIL recorded revenue of VND 104,220 bn (+80.6% y.o.y) and NPAT of VND 723 bn (-6.3% y.o.y).

- OIL paid cash dividend for 2022 of 3.5% par value.

2. Business plan in 2023:

- Conservative 2023 guidance: OIL announced 2022 guidance for revenue of VND 50,000 bn (-52% y.o.y) and NPAT of VND 480 bn (-34% y.o.y), which is based on: (1) an oil price assumption of 79 USD/barrel and (2) petroleum sales volume of 3.3 million tonnes (-12% y.o.y).

- OIL proposes to pay cash dividend for 2023 of 2% par value.

- Q1/2023 result: OIL announced preliminary results with revenue of VND 19,000 bn (-19% y.o.y) and NPAT of VND 209 bn (-26% y.o.y), fulfilling 28% and 43.5% of the company's plan.

- Petrol station expansion progress in Q1/2023: OIL opened 31 new petrol stations (+19% q.o.q). OIL targets to open 40 – 50 petrol stations per annum going forward.

- OIL makes an effort to transit to clean energy: the cooperation with VinFast to install charging stations, with target 150,000 charging stations distributed from North to South.

3. Risk: (1) volatile oil price and (2) fierce competition with imported products.

FY	2019	2020	2021	2022	2023F
Revenue (bn VND)	79,862	50,028	57,836	104,214	95,850
OP (bn VND)	275	-371	616	655	802
OP margin (%)	0.3	-0.7	1.1	0.6	0.8
NP (bn VND)	215	-112	605	651	694
NP margin (%)	0.3	-0.2	1.0	0.6	0.7
EPS (VND)	184	-108	507	493	671
ROE (%)	2.0	-1.2	5.4	5.0	6.7
P/E (x)	45.1	#N/A N/A	33.7	16.0	13.6
P/B (x)	0.9	1.3	1.8	0.8	1.3

Source: Bloomberg, Shinhan Securities, Data as of 19/04/23

Technical view



Trend: Correction phase

- The recovery effort failed and the index dropped to close in red. It can be seen that selling pressure still prevailed in the transaction. Investor sentiment was also more cautious ahead of the business results reporting season with many dark colors reflecting the slowing of the economy. Technically, the MACD continues to widen its distance from the signal line and head to the negative zone, while the RSI dropped again and is still below 50. This means that the index is moving in a correcting phase and affected by the downward trend. The appropriate strategy is to lower the weight, and it is necessary to observe more new developments. The market is lacking a leading group, so the upcoming fluctuations will be quite unpredictable.

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

20/4/2023

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	53	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%	34.8	11	0.87%	05/04/2023	
HPG	Buy	21.5	23.5	20	9%	-7%	20.8	11	-3.26%	05/04/2023	
HDG	Buy	32	35	31	9%	-3%	31.3	10	-2.19%	06/04/2023	
NT2	Buy	30.5	33.95	29	11%	-5%	29.4	10	-3.61%	06/04/2023	
TCB	Buy	30	32.5	28.5	8%	-5%	29	10	-3.33%	06/04/2023	
CTR	Buy	64.2	70	62	9%	-3%	64.1	10	-0.16%	06/04/2023	
HDB	Buy	19.7	21	19	7%	-4%	19.05	10	-3.30%	06/04/2023	
GVR	Buy	15.5	17	14.5	10%	-6%	15.05	9	-2.90%	07/04/2023	
CII	Buy	14.9	16	14.5	7%	-3%	14.55	4	-2.35%	14/04/2023	
LTG	Buy	28.3	31	27.5	10%	-3%	30	4	6.01%	14/04/2023	

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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