MORNING CALL

April 26th, 2023

Shinhan Securities

‘’ The market is heading to the 1020 "

- World stocks: Concerns about the banking industry
- Vietnam stocks: cash flow is still standing before the holiday
- SBV allows to buy back corporate bonds, debt structure (updated Circular 02 and 03/2023/TT-NHNN)
- Update Nam Kim Steel Shareholders' Meeting #NKG
- Update Business Results #HPG #QNS #NT2 #CTD #OIL
- Technical Perspective and Update Recommendations #DPG
- Event calendar
- Q&A

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Open Account

Global Market Review - Week 24 - 28/04/2023

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Major stocks market kept in red

- US stock market, in Tuesday's trading The Dow Jones Industrial Average fell nearly 345 points, or 1.02%, to close at 33,531. The S&P 500 index fell 1.58% to nearly 4,072 points. The Nasdaq Composite also lost 1.98% to close at 11,799 points.
  Shares of First Republic Bank fell more than 49% after the regional bank announced its first-quarter results showing deposits fell 40% in the first quarter to $104.5 billion. First Republic Bank added that the deposit situation from the end of last quarter so far has stabilized again.
  Microsoft beat Wall Street expectations for revenue and profit most recently. The company also reported soaring revenue from its Smart Cloud business. Shares rose 8%.
  According to Refinitiv, Google's parent company posted better-than-expected revenue and reported a profit in its cloud business for the first time. Shares have been added more than 2%.
- In Japan, the Nikkei 225 fell 0.71% and the Topix fell 0.9%. South Korea's Kospi was 0.13% lower, while Kosdaq fell 0.67%, after the country's consumer sentiment index in April rose to 95.1, compared with March's 92. Hong Kong's Hang Seng number looks set to continue falling from Tuesday, with index futures consolidation standing at 19,391 so with a final close of 19,617.88.
- Oil prices fell on Tuesday after two sessions of gains as uncertainty over the development of global economic expectations and a stronger dollar hampered investor optimism about demand in China and expectations for a drop in US crude inventories. Brent crude fell $1, or 1.2 percent, to $81.73 a barrel.

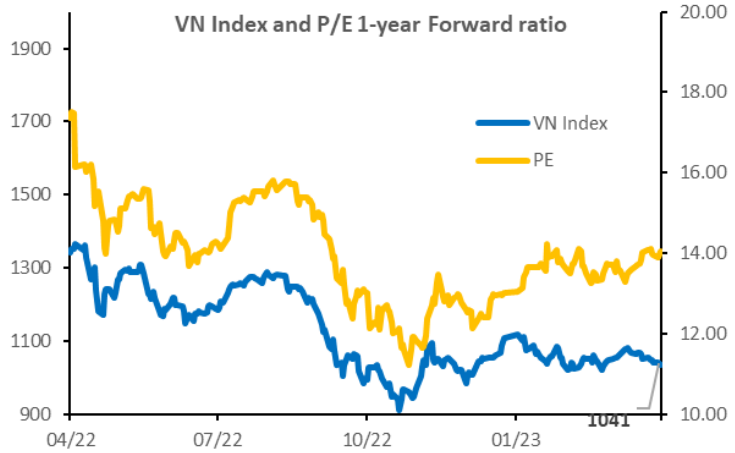
Market

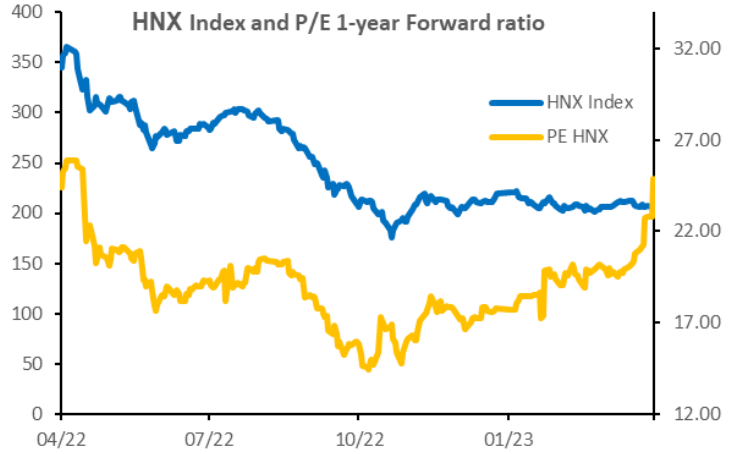
	Close	%1D	%1M	%1Y
VN-Index	1,032	-0.25%	-1.38%	-23.04%
S&P 500 Index	4,072	-1.58%	2.53%	-2.48%
Dow Jones Index	33,531	-1.02%	4.01%	0.87%
GP 100	7,891	-0.27%	6.56%	6.84%
Nikkei 225	28,484	-0.48%	4.01%	6.68%
SHCOMP Index	3,252	-0.39%	-0.41%	12.67%
STOXX 600	467	-0.40%	6.13%	5.89%
KOSPI Index	2,492	0.10%	3.17%	-6.62%
Hang Seng	19,668	0.25%	-1.24%	-1.34%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.82	-0.04%	-1.26%	-0.47%
USD/VND	23,488.00	-0.05%	0.13%	-2.18%
EUR/USD	1.10	0.04%	1.66%	3.19%
USD/CNY	6.92	0.13%	-0.60%	-5.30%
Brent	80.93	0.20%	7.92%	-22.92%
WTI	77.35	0.36%	11.68%	-23.94%
Natural gas	2.24	-2.77%	1.22%	-67.26%
Coal	189.05	-0.50%	7.81%	-42.47%
Gold	1,998.24	0.04%	2.12%	4.87%

Vietnam Market Snapshot 25/04/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,032.31	13.61	-2.54	-0.25	476	8,352
HNX INDEX	204.64	24.00	-0.04	-0.02	88	1,127

Money flow and sector rotation (VND bn)

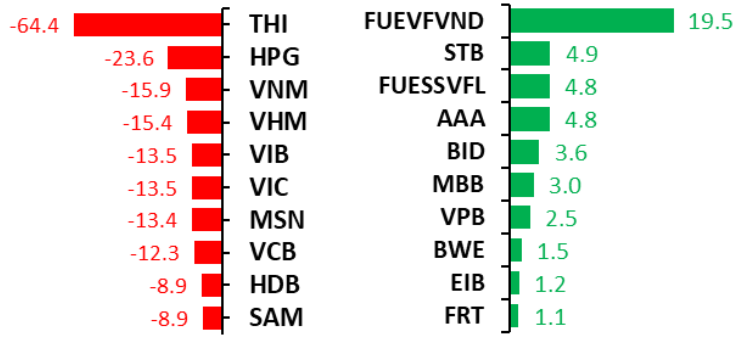
Ngành	%1D	4/25/2023	4/24/2023	TB 20 phiên
Bảo hiểm	91.92	30	16	26
Hàng & Dịch vụ Công nghiệp	71.56	467	272	393
Dịch vụ tài chính	60.29	1,569	979	1,610
Dầu khí	28.53	46	36	106
Tài nguyên Cơ bản	25.22	631	504	825
Hàng cá nhân & Gia dụng	22.74	134	109	121
Bất động sản	12.87	1,842	1,632	2,170
Xây dựng và Vật liệu	5.01	502	478	738
Ngân hàng	4.02	1,401	1,347	2,123
Hóa chất	3.98	244	235	364
Điện, nước & xăng dầu khí đốt	3.95	158	152	179
Thực phẩm và đồ uống	0.25	805	803	702
Bán lẻ	-2.2	302	309	310
Du lịch và Giải trí	-5.1	62	65	60
Công nghệ Thông tin	-26.4	51	70	59
Ô tô và phụ tùng	-26.8	76	104	104
Y tế	-38.3	25	40	22
Truyền thông	-48.6	0	1	1

Source: Bloomberg, Shinhan Securities Vietnam

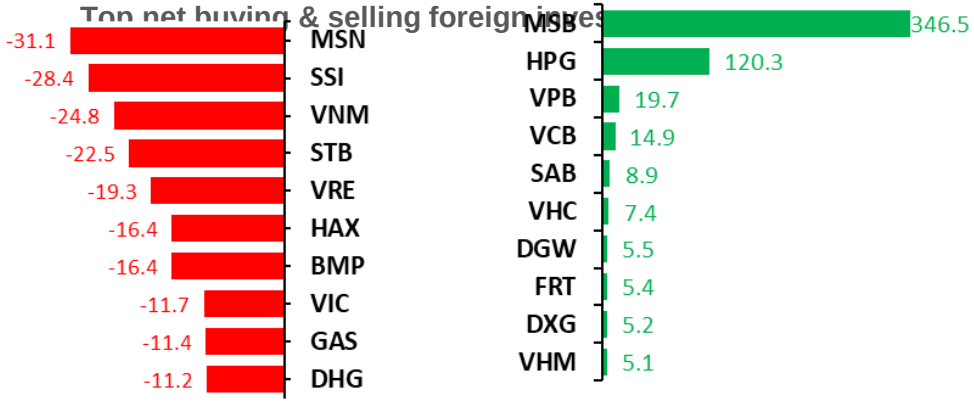
Vietnam Market Snapshot 25/04/2023

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



Top net buying & selling foreign investors



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	(44)	(44)	42	3
Basic Resources	(23)	116	(59)	(57)
Media	-	1	(1)	(0)
Industrial Goods & Services	(75)	(25)	29	(4)
Health care	-	(10)	10	(0)
Chemicals	1	(9)	9	0
Financial Services	19	(48)	56	(7)
Travel & Leisure	(7)	(4)	7	(3)
Banks	(35)	342	59	(400)
Construction & Materials	1	(19)	30	(12)
Food and Beverage	(38)	(45)	98	(52)
Retail	1	11	0	(11)
Utilities	(3)	(12)	10	2
Personal & Household Goods	(0)	2	(1)	(2)
Technology	(8)	1	13	(13)
Automobiles & Parts	-	(18)	18	0
Insurance	(1)	(0)	1	(1)
Oil & Gas	(0)	4	(7)	3

Source: Fiinpro, Shinhan Securities Vietnam

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Real Estate Policy



- Circular 02/2023/TT-NHNN

Summary: The State Bank of Vietnam (SBV) issued Circular 02/2023/TT-NHNN on April 23, 2023. According to the contents of this circular, credit institutions and foreign branches can proactively restructure debt repayment terms and maintain the same debt group in order to support customers facing difficulties in production and business activities. Businesses and customers have difficulty repaying loans to serve their daily life and consumption needs.

Application period: applicable to debts that incur the obligation to repay principal and/or interest in the period from the effective date of the Circular (April 24, 2023) to June 30, 2024.

Main content: Credit institutions, foreign bank branches have the autonomy in deciding to keep the debt group unchanged through decisions of the Board of Directors, Board of Members, General Director/Director and parent bank. For the accrued interest of the group of restructuring debt, credit institutions and foreign bank branches do not need to record income (accumulation) but instead will be monitored off-balance sheet to urge the implementation and only recognize income when actually received.

Risk provisioning: Although credit institutions can keep the same group of debts, they still have to make specific provisions according to the schedule of 50% until December 31, 2023 and 100% by December 31, 2024.

Quick assessment: This Circular helps credit institutions reduce the pressure of bad debt recognition and provisioning in 2023. For businesses, this circular helps businesses reduce financial pressure, debt repayment pressure and not have to change debt group. Thereby, businesses can still access new loans and help maintain business operations during periods of weak market demand.

- Circular 03/2023/TT-NHNN

The SBV officially issued Circular 03/2023/TT-NHNN stipulating the suspension of the implementation of Clause 11 Article 4 of Circular No. 16/2021/TT/NHNN dated November 10, 2021. Accordingly, credit institutions can buy back previously sold corporate bonds without having to wait 12 months as the old regulations. This circular can support investors as well as corporate bond issuers with cash flow to process part of corporate bonds maturing in 2023.

Quick assessment: In the short term (until the end of 2023), the circular contributes to increasing liquidity, removing difficulties and promoting the development of the corporate bond market in the current difficult situation. However, by the end of 2023, Circular 03/2023/TT-NHNN will no longer be effective and then, the corporate bond market will depend on the internals of businesses as well as the general recovery of the market.

Breaking News

Macro

Positive

- At the meeting with the Government on the morning of April 25, major banks continued to agree to reduce interest rates in the near future.
- The SBV officially allowed the bank to restructure the repayment term and keep the debt group unchanged for customers in difficulty.
- Quanta Group (Taiwan's main computer equipment manufacturer) has just signed an agreement to develop a large-scale computer manufacturing project in My Thuan Industrial Park, Nam Dinh province.
- Three groups belonging to Germany, Japan, and South Korea have committed to new and expanding investment in Vietnam by 2023 with a total capital of up to 3.7 billion USD.

Less positive

- Information from the Foreign Investment Agency (Ministry of Planning and Investment) said that as of April 20, the total registered foreign investment capital into Vietnam reached nearly $8.9 billion, down 17.9%. compared with the same period.
- Hanoi attracted a sudden increase in FDI capital reaching 1.71 billion USD, ranking first in the country in the first 4 months of 2023.
- After an upward trend in the second half of March, the import and export turnover in the first half of April reversed, decreasing by nearly 5 billion USD..

Business news

- **QNS**: In the first quarter of 2023, the pre-tax profit of Quang Ngai Sugar (QNS) sugar segment soared 289% over the same period to 148 billion dong. World sugar prices have surpassed 10-year peaks due to increased biofuel demand and reduced output from major producers.
- **HPG**: According to the latest business results just announced, in the first quarter of 2023, Hoa Phat Group achieved revenue of VND 26,865 billion, down 39% compared to the same period of 2022. Consolidated profit after tax reached VND 383 billion, reaching 5% compared to the same period of 2022. with the plan for 2023. Steel production and related products are still the mainstay and contribute 94% of the Group's profit after tax.
- **VBB**: In the first quarter of 2023, Vietnam Thuong Tin Commercial Joint Stock Bank (Vietbank) continued to grow safely and stably thanks to its focus on improving labor productivity, increasing market share following the selective growth trend and associated with efficiency, reflected in the following outstanding results: pre-tax profit reached more than 197 billion dong, up 74.34% over the same period in 2022; total assets reached 106,932 billion dong, up 1.92% over the same period in 2022; The structure of the asset portfolio continued to be restructured in the direction of increasing the proportion of profitable assets.
- **DIG**: Chairman of the Board of Directors Nguyen Thien Tuan said that DIC Corp will thoroughly exploit the land fund and existing products such as Vi Thanh Commercial Residential Project - Hau Giang; South Vinh Yen - Vinh Phuc New Urban Area Project (phase 2 and phase 3); Residential Project Lam Ha Center Point - Ha Nam; Ba Hang Lake eco-tourism and entertainment destination project; set a target of consolidated revenue of VND4,000 billion and consolidated pre-tax profit of VND1,400 billion, up 98% and 604% respectively compared to last year.

Breaking News



- GIC: Cash dividend at the rate of 25%, ex-rights date April 27.
- HMG: Cash dividend at the rate of 25%, ex-rights date April 28..

Business news

- **OIL**: announced the first quarter business result estimate with total revenue of 19,000 billion dong, consolidated profit after tax of 209 billion dong, down 18% and 26% respectively over the same period.
- **NT2**: Nhon Trach 2 recorded net revenue of nearly VND 2,183 billion, up 8.8% over the same period last year. As cost of goods also increased by 6%, gross profit of the enterprise reached VND 252 billion, up 36%.
- **CTD**: Coteccons continued its explosive momentum despite a 24% decrease in Q1/2023 net profit over the same period; business plan with 16,249 billion dong in revenue, up 12%; Profit after tax is 10 times higher, reaching 233 billion VND
- **FPT**: is expected to issue more than 1.8 million new ESOP shares, priced at 10,000 VND/share for young senior managers approved by the Board of Directors, who have contributions and potential to build the company in the future. , ready to commit to long-term dedication to the development of the company. FPT will continue to issue nearly 5.5 million ESOP shares at a preferential price of only 10,000 VND/share. Buyers are employees with Level 4 or higher and some employees with special achievements, making important contributions to the development of the company.
- **C4G**: In 2022, C4G's revenue is 2,818 billion VND, profit after tax is 151.91 billion VND. The Board of Directors (BOD) proposes to shareholders to approve the 2022 share dividend payment at the rate of 6%, corresponding to a maximum issuance of more than 20.2 million shares. In 2023, the Company sets a target of revenue of VND 4,500 billion, profit after tax of VND 330 billion, paying 10% dividend.
- **FMC**: In the first quarter of 2023, Sao Ta Food Joint Stock Company reported net revenue of VND 1,008 billion, down 24% over the same period. Notably, this business grew in profit thanks to a series of cost savings

Technical view



Trend: Retest support level

- The market still closed with a red candle today, foreign investors net sold nearly -139.71 billion
- Technically, the MACD still shows that the price momentum is in a strong selling direction towards the negative zone, the RSI is in a downtrend; MA 10 and MA 20 have shown a crossover signal since April 19, 2023.
- Strategy: Lower the weight in the retracements during the session, limit disbursement and use of margin at this time, wait until the market has more positive signals.

Scenario:

- Positive (40%): The index maintained support around 1,040 – 1,050 points and created a recovery pace to 1,070 points, more optimistic than 1,100 points.
- Less positive (60%): After failing to test the support zone of 1,060 , the index is heading to the next bottom at 1,020, even psychological level of 1,000 if there is less positive information.

Recommended stocks

26/4/2023

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
DPG	Watch	29.3	33.2	27.5	13%	-6%	29.65	Above MA 20, unusual volume

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
TNG	Hold	17.8	20.5	16.7	15%	-6%	18.7	3	5.06%	24/04/2023	
HPG	Hold	21.5	23.5	20	9%	-7%	21.05	16	-2.09%	05/04/2023	
HDG	Hold	32	35	31	9%	-3%	32	15	0.00%	06/04/2023	
NT2	Hold	30.5	33.95	29	11%	-5%	30.2	15	-0.98%	06/04/2023	
TCB	Hold	30	32.5	28.5	8%	-5%	29	15	-3.33%	06/04/2023	
CTR	Hold	64.2	70	62	9%	-3%	65.2	15	1.56%	06/04/2023	
GVR	Hold	15.5	17	14.5	10%	-6%	15.1	14	-2.58%	07/04/2023	

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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