MORNING CALL

May 10th, 2023

‘’ The market witnessed short-term profit-taking pressure, US stocks waited for the inflation report and the outcome of the public debt ceiling negotiation. "

- World stocks: Cautious before reports
- Vietnam Securities: Profit taking pressure; steel group attracts short-term cash flow.
- Update Business Results #PVS #HPG #SSB #VHC
- Technical view and recommendation update #CII #VND #SSI
- Event calendar
- Q&A

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Open Account

Global Market Review - Week 08 - 12/05/2023

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Major stocks market

- The US stock market fell in Tuesday's session, as investors became more cautious ahead of the US inflation report and while waiting for the outcome of the public debt ceiling negotiations in the US. The White House. The US Consumer Price Index (CPI) report for April will be released by the Labor Department on Wednesday. Investors wait to see if inflation will continue to soften - a factor that has a great influence on the next monetary policy moves of the Federal Reserve (Fed). In a Reuters survey, experts forecast CPI to increase 0.4% month-on-month and increase 5% year-on-year.
- The Euro Stoxx 50 Index fell -0.88%. Concerns about the European real estate sector are weighing on the overall market; SBB, one of Sweden's largest commercial leasing companies, halted its dividend, a sign that the squeeze on capital in the leveraged real estate sector is worsening.
- Concerns about the sustainability of China's economic recovery sent the Shanghai Composite down -1.01% as trade news showed China's April imports fell more than expected. Japan's Nikkei stock index closed 1.01% higher today on strong corporate earnings results. The yen rose slightly today and weighed on exporters' shares after BOJ Governor Ueda said he intends to scrap the yield-curve control program.
- Oil prices at one point fell more than 2.5% in the session before reversing, as the market assessed the US Government's plan to fill the SPR reserve. Expectations on an increase in oil demand in the summer in the Northern Hemisphere are also supportive factors for oil prices in this session.

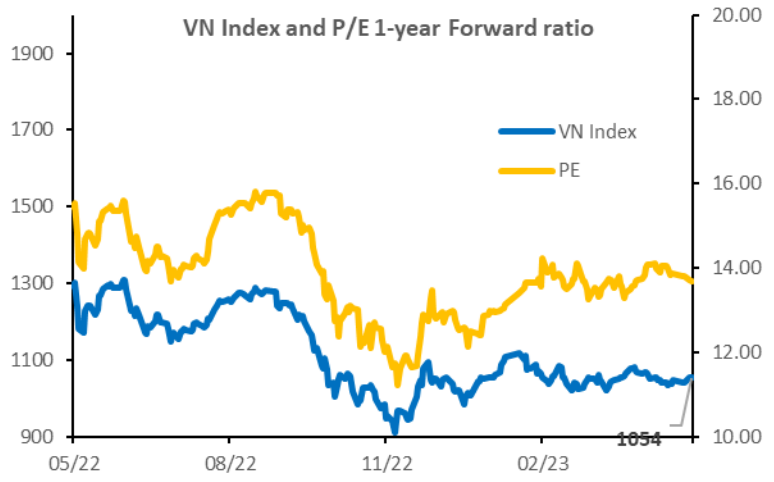
Market

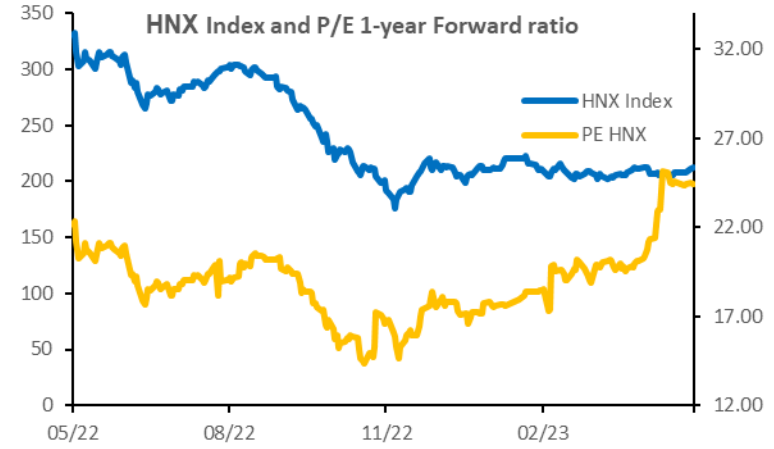
	Close	%1D	%1M	%1Y
VN-Index	1,054	0.03%	-1.09%	-18.54%
S&P 500 Index	4,119	-0.46%	0.24%	2.95%
Dow Jones Index	33,562	-0.17%	-0.07%	4.36%
GP 100	7,764	-0.18%	0.29%	7.19%
Nikkei 225	29,157	-0.29%	5.51%	11.43%
SHCOMP Index	3,358	-1.10%	1.28%	10.60%
STOXX 600	465	-0.33%	1.41%	10.74%
KOSPI Index	2,508	-0.09%	-0.17%	-3.41%
Hang Seng	19,868	-2.12%	-2.28%	1.19%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	101.60	-0.01%	-0.96%	-2.23%
USD/VND	23,462.00	-0.06%	-0.05%	-2.17%
EUR/USD	1.10	0.08%	1.03%	4.20%
USD/CNY	6.92	-0.09%	-0.52%	-2.74%
Brent	77.23	-0.27%	-8.26%	-24.62%
WTI	73.48	-0.31%	-7.85%	-26.34%
Natural gas	2.25	-0.97%	3.36%	-69.60%
Coal	169.00	-0.38%	-12.77%	-55.17%
Gold	2,036.19	0.08%	2.25%	10.77%

Vietnam Market Snapshot 09/05/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,053.77	14.35	0.33	0.03	493	8,013
HNX INDEX	211.95	26.00	1.03	0.49	81	1,176

Money flow and sector rotation (VND bn)

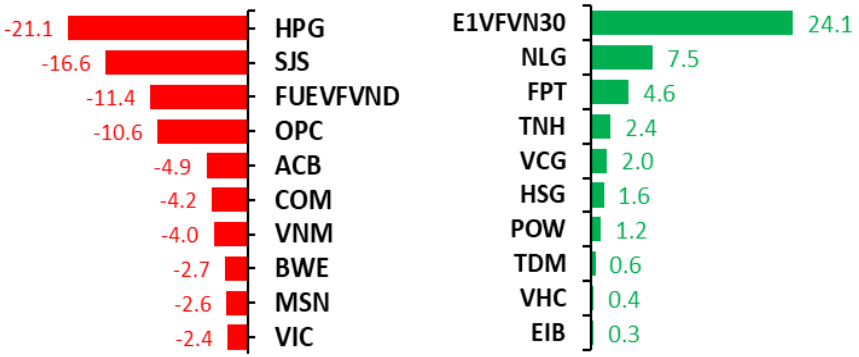
Sector	%1D	5/9/2023	5/8/2023	20-session Average
Media	262.72	2	1	1
Basic Resources	103.78	1,087	534	666
Oil & Gas	100.11	272	136	101
Technology	29.69	63	49	53
Construction & Materials	18.68	630	531	604
Health Care	13.12	43	38	28
Personal & Household Goods	7.41	89	83	115
Banks	-14.4	1,166	1,362	1,608
Industrial Goods & Services	-18.3	376	461	400
Chemicals	-18.8	283	349	340
Real Estate	-22.2	1,932	2,484	2,210
Automobiles & Parts	-24.8	105	140	103
Utilities	-31.4	159	232	181
Travel & Leisure	-31.4	41	59	57
Food and Beverage	-33.0	459	686	710
Retail	-34.7	179	274	277
Insurance	-36.6	17	27	26
Financial Services	-37.4	1,103	1,762	1,377

Source: Bloomberg, Shinhan Securities Vietnam

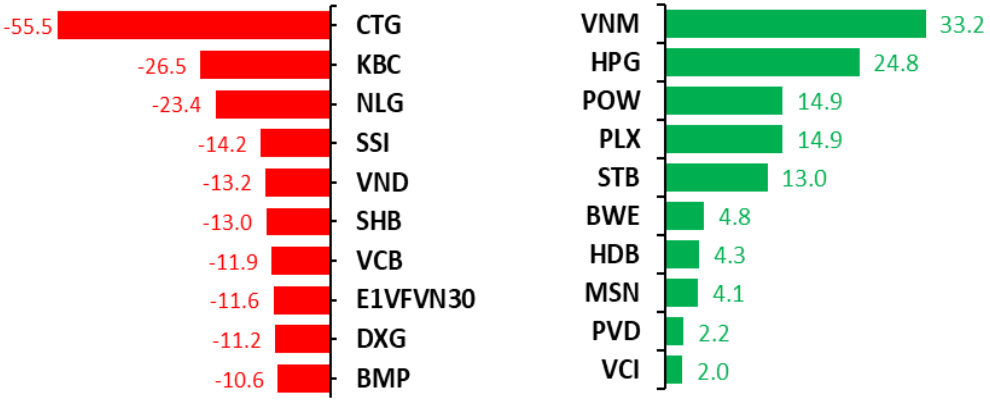
Vietnam Market Snapshot 09/05/2023

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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	(16)	(107)	102	5
Basic Resources	(19)	6	(23)	17
Media	-	0	(0)	(0)
Industrial Goods & Services	(1)	(18)	11	7
Health care	(8)	(4)	12	(8)
Chemicals	0	(4)	3	1
Financial Services	11	(51)	22	29
Travel & Leisure	(1)	(2)	197	(195)
Banks	(17)	(72)	67	5
Construction & Materials	2	(34)	40	(6)
Food and Beverage	(7)	23	(13)	(10)
Retail	(6)	(5)	16	(11)
Utilities	(2)	23	(46)	23
Personal & Household Goods	(1)	(3)	24	(21)
Technology	5	1	(2)	2
Automobiles & Parts	-	0	4	(4)
Insurance	(0)	(0)	0	(0)
Oil & Gas	(2)	17	(8)	(10)

Source: Fiinpro, Shinhan Securities Vietnam

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Import and export situation in Vietnam



- Data from the General Statistics Office shows that Vietnam's GDP growth in the first quarter of 2023 was at 3.32%, lower than the planned growth rate and the lowest in the first quarter of recent years.
- The Purchasing Managers' Index (PMI) of Vietnam's manufacturing industry in April only reached 46.7 points, below the threshold of 50 points and continued to decline from 47.7 points in March, reflecting manufacturing activity. , manufacturing is shrinking.
- Fiingroup's report shows that the profit after tax of 1013/1679 listed companies and banks in the last quarter decreased by 26% compared to the same period in 2022. Notably, the profit of non-financial enterprises decreased. 42.6%.
- Regarding monetary policy, the implementation of credit support packages has not been highly effective, such as the 2% interest rate support package under Resolution 31/2022/ND-CP, only 0.64% of the total has been implemented. scale for many reasons regarding disbursement procedures and conditions. In particular, businesses are afraid of being inspected and examined, so they do not receive support or repay loans.
- The stock market fell sharply from the peak in April 2022 and still has not had a significant recovery span. In addition, with its position as a strong producer of food, foodstuffs and essential consumer goods, the CPI target below 4.5% is easy to achieve, so monetary policy is not too pressured. The bond market is slowly unraveling and has not yet been under great pressure to mature in May.

Breaking News

Macro

Positive

- China Trust Vietnam Opportunity Fund will continue to raise investment capital in Vietnam in Taiwan dollars from August 5. This is the 5th mobilization of the pension fund with a value of about 5 currency exchange rates equivalent to USD 163 million (VND3,824 billion).

Less positive

- As steel demand is forecasted to remain weak in the coming months, the profit margins of companies in the industry may still face many fluctuations.
- According to the Ministry of Industry and Trade, the United States is Vietnam's largest export market in the first four months of 2023 with an estimated turnover of 28.45 billion USD, accounting for 26% of total export turnover. However, this figure has decreased by 21% over the same period. In the opposite direction, the import turnover of goods from the United States reached 4.08 billion USD, down 11.9%.

Business news

- **PVS:** In the first quarter of 2023, PVS's cash equivalents and bank deposits were 10,195 billion VND, while the company only borrowed 1,393 billion VND from banks and financial institutions. Net revenue reached VND 3,704 billion, slightly down VND 65 billion, equivalent to a decrease of 1.7% compared to the same period last year. In which, the main increase came from construction cooperation with VND 2,135 billion, service provision contributed VND 1,546 billion, the rest was from sales.
- **HPG:** Hoa Phat announced to reduce HRC grade SAE1006 to 14.36 million VND/ton (612 USD/ton) in Ho Chi Minh City according to the CFR formula (the seller pays the shipping fee), from 16.03 million VND/ton (683 USD/ton) last month, equivalent to a decrease of 1.67 million dong/ton (70 USD/ton). In the North and Central regions, the price of HRC is 14.33 million VND/ton (610 USD/ton), delivered in June or July, excluding VAT.
- **SSB:** SeABank's General Meeting of Shareholders announced its business plan for 2023, including: Total assets increase by 10%; Net deposit increase of VND 18,000 Billion (up 12% compared to 2022, of which priority is given to growth of demand deposits (CASA); Net increase of credit of VND 16,200 Billion (up 11% compared to 2022, certainly in line with the growth rate of deposits) According to regulations of the State Bank of Vietnam (SBV) Profit before tax is more than VND 5,633 billion Besides, SeABank will also focus on risk management and bad debt control at less than 3%.
- **VHC:** Vinh Hoan approved the plan to issue 3,667,539 shares under the Employee Selection Program in 2022 (ESOP), the issue price is 10,000 VND/share and the transfer term is in 5 years. In which, from December to 24, 20% will be converted; from 24 to 36 month converted 40%; from 36 months to 48 months, 60% will be converted; from month 48 to month 60 converted 80%; and after 60 months, 100% of preferred shares will be transferred.

Breaking News



Business news

- **SIP**: Target 2023 total revenue to reach 5,312.5 billion, down 12% compared to the implementation in 2022; profit after tax decreased by 25% to 755.1 billion dong. Regarding the profit distribution plan, in 2022, SIP presents shareholders with a dividend of 96%, of which 16% is in cash and 80% in shares. After paying dividends and bonus shares, SIP's charter capital will increase from VND 909 billion to VND 1,818 billion.
- **MSR**: Besides the innovation activities of useful high-tech materials, from 2023, Masan High-Tech Materials Joint Stock Company (HNX-UpCOM: MSR, “Masan High-Tech Materials”) - a company subsidiary of Masan Group, focusing on the project to build a Tungsten recycling plant, helping to complete the circular economy model when owning a closed cycle chain including collection, processing and recycling of scrap materials, Return of production materials.
- **TAR**: net revenue from sales and service provision reached VND 897 billion, down VND 60 billion over the same period. The company's other profit also "sloped" to only 310 million dong. Compared with the figure of 4 billion last year, this year's other profit has decreased by more than 92%.
- **DGC:** the second quarter's total consolidated revenue plan is 2,172 billion dong; Consolidated EAT reached VND 630 billion. These targets, respectively, decreased by 46% and 67% compared to the same period last year, and also "go backwards" compared to the previous quarter.
- Cathay Vietnam Life Insurance Company Limited, the value of the investment in MWG at the end of 2022 is at nearly VND 386 billion, accounting for about 10% of the total value of shares held. Then there is FPT with 368 billion dong, accounting for about 9.5%. Investments in VCB, ACB, MBB are all worth about 271.5 billion VND, accounting for about 7%. The investment in TCB accounts for 5.7% of the total value of shares held, the rest are other stocks. The value of investment in each share has increased compared to the beginning of the year.

Technical view



Trend:

- VNINDEX closed yesterday without much change, only slightly increased 0.33 points. Profit-taking pressure was evident from the morning session when the index slid, stocks could not keep at the highest price at the end of the session. Cash flow into steel stocks NKG, HPG, HSG, etc.
- Technically, the MACD is showing bullish momentum, heading to the positive territory and showing a crossover signal. The RSI does not show any clear signal, lying between the overbought and oversold areas. Liquidity is also nothing remarkable.
- Strategy: Investors can watch the corrections during the session to disburse with a moderate proportion with the recommended stocks.

Scenario:

- Positive (50%): The index maintained support around 1,040 – 1,050 points and created a recovery pace to 1,060 points, more optimistic than 1,100 points.
- Less positive (50%): After failing to test the resistance at 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

10/5/2023

Unit: VND thousand

Today's watchlist

Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
CII	Buy	14.6	15.7	13.8	8%	-5%	14.65	1	0.34%		
SSI	Buy	21.9	25	20.9	14%	-5%	22.25	1	1.60%		
VND	Buy	14.9	16.8	14.3	13%	-4%	15.05	1	1.01%		
IDC	Buy	38.5	45	36	17%	-6%	39.8	3	3.38%	05/05/2023	
HPG	Sell	21.5	23.5	20	9%	-7%	21.8	25	1.40%	05/04/2023	Restructuring the portfolio
NT2	Hold	30.5	33.95	29	11%	-5%	31.1	24	1.97%	06/04/2023	
TCB	Sell	30	32.5	28.5	8%	-5%	29.3	24	-2.33%	06/04/2023	Short term downtrend
CTR	Sell	64.2	70	62	9%	-3%	65.8	24	2.49%	06/04/2023	Restructuring the portfolio
GVR	Hold	15.5	17	14.5	10%	-6%	16.15	23	4.19%	07/04/2023	

Economic calendar

May 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
30	1	2	3 EA Unemployment rate	4 US Fed Rate Decision	5	6 US Unemployment rate US Nonfarm Payroll
7	8	9	10 US Inflation Rate	11 China Inflation Rate US PPI Bank of England Interest Rate Decision	12 GB GDP	13
14	15	16 GB Unemployment rate CA Inflation Rate US Retail Sales	17 JP GDP	18	19 JP Inflation rate	20
21	22	23	24 GB Inflation Rate	25 US FOMC Minutes	26 US Core PCE Price Index	27
28	29 VN CPI	30	31 DE Inflation rate	1	2	3
4	5					

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Q&A

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