MORNING CALL

May 22th, 2023

Shinhan Securities

'' The market struggled with the derivative expiration week "

- World stocks: Waiting for important economic data week 21
- Vietnam securities: Cautious cash flow in derivatives maturity week
- Business News #PHR #PLX #PVS #VJC
- Technical perspective and recommendation update
- Event calendar
- Q&A

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Open Account

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

Major stocks market

- US stocks had a positive week on signs that the deal to raise the US debt ceiling is coming to an end . The S&P 500 and Nasdaq closed at their highest levels since August 2022. The April personal consumption expenditures (PCE) price index, which is closely watched by the Fed, will be released on Friday (May 26). Minutes from the Fed's latest meeting, to be released on Wednesday (May 24), could provide more clues about the Fed's rate hike.
- On May 24, the UK will release inflation data that may affect the British Pound, and affect European stocks.
- Week 20, Nikkei 225 posted its highest gain since 1990, with seven consecutive gains fueled by an overall very good earnings season; The economy shows signs of recovery. Tokyo's consumer price data, released on Friday (May 26), is the focus of the attention of Bank of Japan watchers. May 22, China's central bank sets the basic lending rate. The yuan has plunged to a 5.5-month low and Citi's economic surprise index for China is at its lowest since January.
- WTI crude oil trades steady and not too volatile. The EIA forecasts that global oil demand is expected to exceed supply by 2 million barrels per day in the second half of 2023, mainly from China. Meanwhile, wildfires in major oil-producing regions in Canada and Iran's seizure of oil tankers threaten to disrupt supplies.

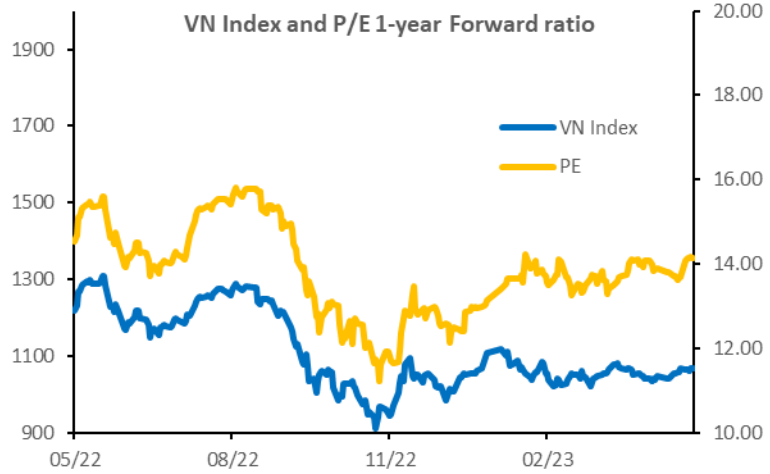
Market

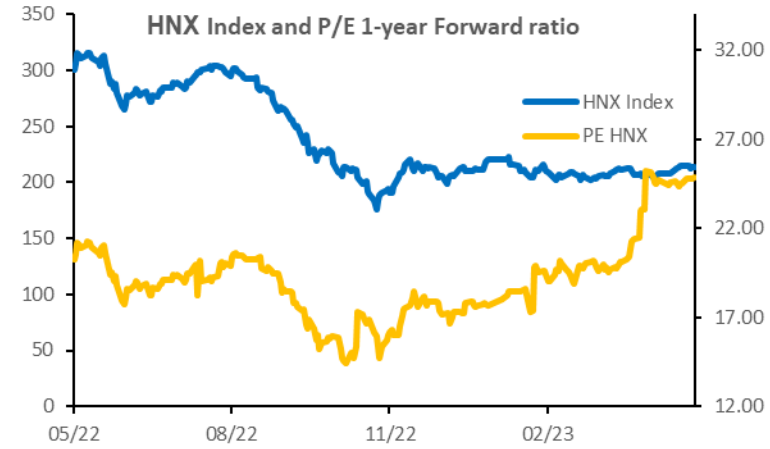
	Close	%1D	%1M	%1Y
VN-Index	1,067	-0.12%	2.32%	-14.00%
S&P 500 Index	4,192	-0.14%	1.41%	7.45%
Dow Jones Index	33,427	-0.33%	-1.13%	6.92%
GP 100	7,757	0.19%	-1.99%	4.96%
Nikkei 225	30,847	0.12%	7.99%	15.36%
SHCOMP Index	3,287	0.11%	-0.43%	4.47%
STOXX 600	469	0.66%	-0.03%	8.76%
KOSPI Index	2,557	0.76%	0.50%	-3.11%
Hang Seng	19,477	0.13%	-2.98%	-5.99%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.04	-0.15%	1.20%	-0.10%
USD/VND	23,470.00	0.00%	0.11%	-1.30%
EUR/USD	1.08	0.19%	-2.00%	1.25%
USD/CNY	7.02	-0.15%	-1.80%	-5.31%
Brent	75.05	-0.70%	-8.09%	-33.32%
WTI	71.03	-0.73%	-8.78%	-37.27%
Natural gas	2.53	-2.24%	13.17%	-68.74%
Coal	162.25	1.82%	-15.71%	-60.63%
Gold	1,980.09	0.12%	-0.46%	6.82%

Vietnam Market Snapshot 19/05/2023





	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,067.07	14.53	-1.24	-0.12	648	10,546
HNX INDEX	213.91	26.60	0.90	0.42	105	1,602

Money flow and sector rotation (VND bn)

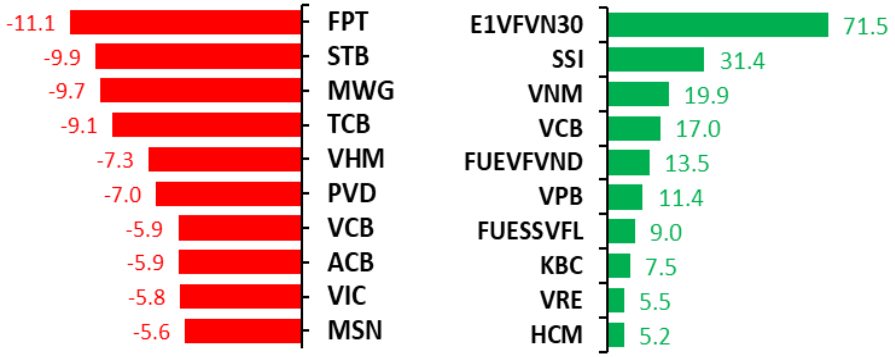
Sector	%1D	5/19/2023	5/18/2023	20-session Average
Utilities	104.43	353	173	189
Oil & Gas	103.97	298	146	120
Health Care	47.58	28	19	30
Chemicals	40.16	452	322	356
Personal & Household Goods	32.50	146	110	110
Automobiles & Parts	23.75	143	116	114
Retail	21.35	201	166	252
Financial Services	12.17	2,328	2,076	1,442
Insurance	9.18	52	48	31
Banks	3.67	1,923	1,855	1,577
Construction & Materials	0.46	708	705	663
Travel & Leisure	-2.0	128	131	75
Industrial Goods & Services	-2.1	418	427	453
Real Estate	-10.2	2,096	2,335	2,190
Food and Beverage	-11.7	637	721	704
Technology	-25.2	113	151	72
Basic Resources	-28.4	518	723	730
Media	-48.7	1	1	1

Source: Bloomberg, Shinhan Securities Vietnam

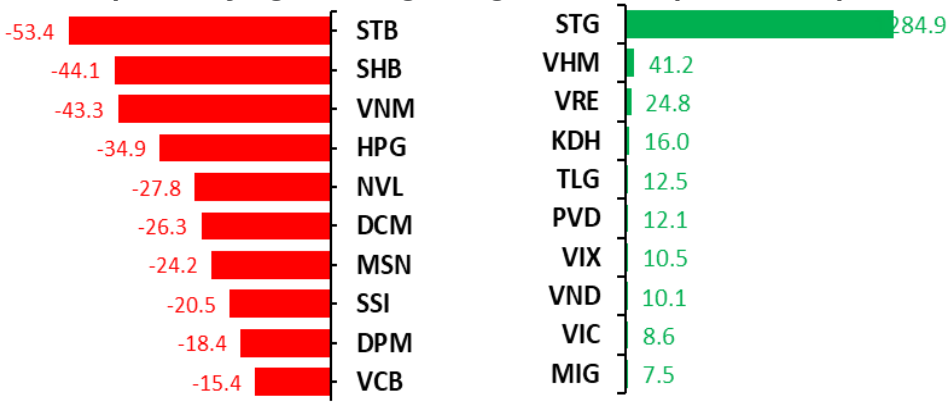
Vietnam Market Snapshot 19/05/2023

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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	(5)	36	(29)	(7)
Basic Resources	4	(46)	62	(16)
Media	-	0	(0)	0
Industrial Goods & Services	(3)	1,282	133	(1,416)
Health care	(3)	6	(3)	(4)
Chemicals	(2)	(50)	69	(19)
Financial Services	124	(39)	12	27
Travel & Leisure	(2)	(1)	1	(0)
Banks	(20)	(146)	97	49
Construction & Materials	2	(8)	19	(11)
Food and Beverage	11	(72)	108	(36)
Retail	(10)	2	21	(23)
Utilities	0	10	22	(31)
Personal & Household Goods	1	3	(0)	(3)
Technology	(11)	1	27	(28)
Automobiles & Parts	-	(2)	2	(0)
Insurance	(2)	(4)	9	(4)
Oil & Gas	(3)	6	(13)	7

Source: Fiinpro, Shinhan Securities Vietnam

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Breaking News

Macro

Positive

- The SBV pumped back the first 20,000 billion dong out of a total of more than 110,700 billion dong of 91-day bills issued by the SBV in mid-February and early March.

Less positive

- EVN proposed to stop all Ca Mau and Phu My Fertilizer plants until the end of May to make room for gas for power production.
- The bad debt ratio of many banks exceeded the threshold. There are 8/28 banks with negative credit growth including VietBank (VBB, -3.33%), ABBank (ABB, -3.12%), Saigonbank (SGB, -1.25%)...

Business news

- **PLX**: Revenue in the first quarter of 2023, Vietnam National Petroleum Group (Petrolimex) reached VND 67.432 billion, up 0.6% over the same period in 2022. Gross profit reached VND 3,559 billion, up over 28%. Pre-tax profit reached VND 838 billion, up nearly 47% over the same period in 2022.
- **PGV**: Power output in April exceeded 21% of the plan, ensuring enough fuel for electricity production Corporation 3 - Joint Stock Company (just said that the electricity output in April 2023 reached 3,106 million kWh, equivalent to 3,106 million kWh, equivalent to 3,106 million kWh, equivalent to 3,106 million kWh, equivalent to 3,106 million kWh in April, 2023). equivalent to 121.42% of the monthly plan The Corporation's electricity production revenue in April 2023 was estimated at VND 4,823 billion, up 30.6% over the same period last year.
- **PVS**: On the morning of May 19, PetroVietnam Technical Services Corporation signed a contract to manufacture and supply offshore wind power stands for Greater Changhua 2b and 4 projects with Orsted (a multinational energy company). country of Denmark).
- **DCM:** After successfully completing the periodical general maintenance at the end of April 2023, Phu My Fertilizer Plant has continued to operate safely and stably. Output since the beginning of the year has reached about 480,000 tons of fertilizers and chemicals of all kinds, of which the main product Phu My Fertilizer has reached about 273 thousand tons. In terms of business, the main product lines are also consumed according to the plan with a total output of about 230 thousand tons of fertilizers and chemicals, about 170,000 tons of Phu My Fertilizer alone.

Breaking News



Business news

- **VJC:** Vietjet announced the first direct flight between Vietnam and Hiroshima to celebrate the G7 Summit.
- **DVP:** target 716 billion dong in revenue, 360 billion dong in pre-tax profit, up 22% and 4% respectively over the same period. The dividend rate in 2023 is expected to be at least 50% of charter capital. Regarding the capital construction investment plan, Dinh Vu Port is expected to disburse VND 216 billion in 2023. At the same time, research, invest, and develop warehousing business in Lach Huyen area.
- **PHR**: In the first quarter, the company recorded a 17% decrease in sales volume compared to the same period last year to 5,881 tons. The parent company recorded revenue of 419 billion dong and pre-tax profit of 215 billion dong, down 30% and 28% respectively over the same period.
- **PVD:** The rig rental price is expected to increase, PV Drilling's net profit may reach 90 billion dong in the second quarter.
- **HTN**: the company sets a conservative business plan target for 2023 with a revenue of VND 4,200 billion, down 23% compared to fiscal year 2022 and consolidated profit after tax of VND 50 billion, down 21% . In the first quarter, despite reducing many costs, the revenue plummeted, causing the company to report a loss after tax of nearly 18 billion dong, while in the same period it was making a profit of more than 70 billion dong. This is the first quarter the company has reported a loss since its listing.

Technical view



Trend:

- Vietnam market had a less active trading week with VNINDEX down -1.24% to 1,067.07; cash flow is usually quite cautious in the derivative maturity week. In general, the liquidity remains at the average level and will remain flat for some time until there is really positive support information.
- Technically: The index is trading above MA20 and above the support zone of 1,060 points, which is not too negative signal for the market. The MACD shows that bullish momentum is still present, but has been somewhat bearish compared to previous weeks. The neutral RSI does not show the trend of price strength.
- Strategy: Investors temporarily stop disbursing until there are more positive signals.

Scenario:

- Positive (50%): The index surpassed resistance at 1,060 points and continued to trade above this level, 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

22/5/2023

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
EIB	Hold	19.55	21.85	18	12%	-8%	19.05	7	-2.56%	11/05/2023	
DGW	Hold	34.5	40	31	16%	-10%	33.05	7	-4.20%	11/05/2023	
CII	Hold	14.6	15.7	13.8	8%	-5%	15.05	9	3.08%	09/05/2023	
SSI	Hold	21.9	25	20.9	14%	-5%	22.9	9	4.57%	09/05/2023	
VND	Hold	14.9	16.8	14.3	13%	-4%	16.1	9	8.05%	09/05/2023	
VCI	Hold	31.95	35.5	30.5	11%	-5%	33.95	11	6.26%	05/05/2023	
IDC	Sell	38.5	45	36	17%	-6%	38.8	11	0.78%	05/05/2023	
NT2	Sell	30.5	33.95	29	11%	-5%	31.75	32	4.10%	06/04/2023	

Economic calendar

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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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