



Shinhan  
Securities

# MORNING CALL

## December 22<sup>th</sup>, 2022

### “Struggling to test the trend”

- ❑ Global stocks continued to recover slightly
- ❑ Domestic stocks struggled around the psychological threshold of 1,000 points
- ❑ World sugar price surpasses peak **#SBT**
- ❑ Technical view and recommendations **#VRE #VCG**
- ❑ Economic calendar
- ❑ Q&A

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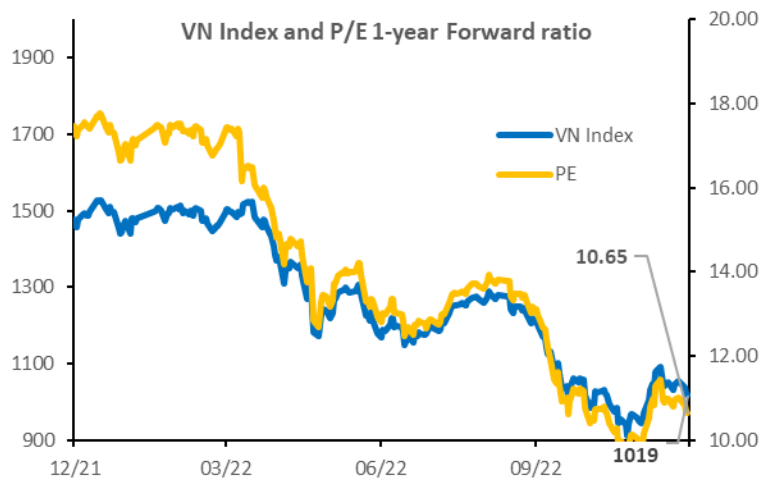


## Major stock markets recovered slightly

- US stocks rallied on Wednesday with the Dow Jones closing 520 points higher and the S&P 500 and the Nasdaq both adding 1.5%, as strong quarterly results from Nike and FedEx lifted investors' sentiment. Tesla shares also advanced after Elon Musk announced he will resign as Twitter CEO.
- European equity markets rebounded on Wednesday, with the benchmark Stoxx 600 adding 1.6% led by consumer discretionary and healthcare firms, as stocks tried to recover from a recent sell-off ahead of the holiday season.
- Existing home sales in the US which include completed transactions of single-family homes, townhomes, condominiums and co-ops, plunged 7.7% to a seasonally adjusted annual rate of 4.09 million in November of 2022, much worse than market forecasts of 4.2 million.
- The US current account deficit narrowed by \$21.6 billion, or 9.1%, to \$217.1 billion in Q3 2022, from a revised \$238.7 billion in Q2 and compared with market expectations of \$222.0 billion.
- China's business confidence index fell to 48.1 in December 2022, from 51.8 in the previous month, according to a survey by World Economics of sales managers of more than 2,300 enterprises in the period December, 01-16th. This is the lowest level since World Economics began surveying the data in 2013.
- Producer prices in South Korea rose by 6.3 percent year-on-year in October of 2022, the least since April of 2021 and easing from the 7.3 percent increase in the previous month.
- WTI crude futures rose more than 2% to above \$78 per barrel on Wednesday, extending gains for the third session after a government report showed a bigger-than-expected draw in US crude inventories.

Market				
	Close	%1D	%1M	%1Y
VN-Index	1,019	-0.42%	7.01%	-31.05%
S&P 500 Index	3,878	1.49%	-1.81%	-16.58%
Dow Jones Index	33,376	1.60%	-0.96%	-5.96%
GP 100	7,497	1.72%	0.60%	2.12%
Nikkei 225	26,513	0.48%	-5.70%	-7.17%
SHCOMP Index	3,068	-0.17%	-0.66%	-15.30%
STOXX 600	431	1.71%	-1.10%	-9.81%
KOSPI Index	2,338	0.41%	-2.78%	-21.65%
Hang Seng	19,160	0.34%	9.96%	-17.06%

Currency & Commodity				
	Close	%1D	%1M	%1Y
Dollar Index	104.16	0.19%	-3.41%	7.95%
USD/VND	23,723.00	0.05%	4.67%	-3.47%
EUR/USD	1.06	0.02%	2.94%	-6.35%
USD/CNY	6.98	-0.29%	2.63%	-8.73%
Brent	82.20	2.76%	-6.00%	11.11%
WTI	78.53	0.31%	-2.99%	7.93%
Natural gas	5.56	4.31%	-17.95%	39.89%
Coal	401.40	0.34%	14.36%	137.51%
Gold	1,816.44	0.11%	4.38%	0.71%



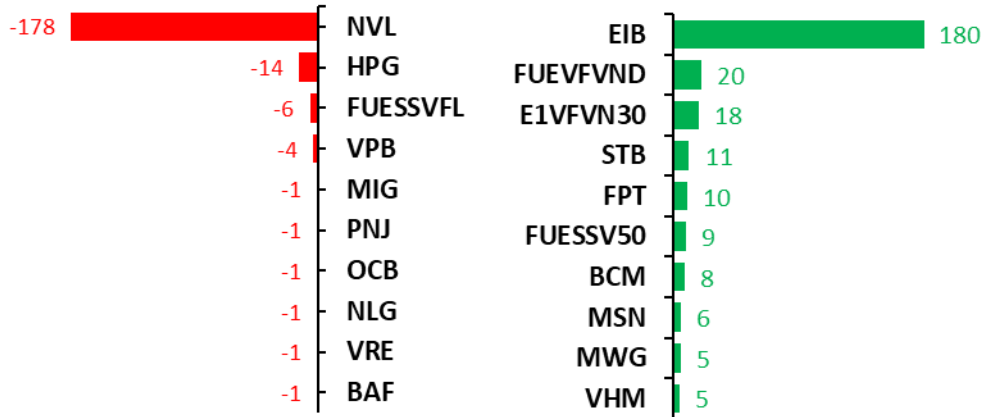
	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
<b>VNI INDEX</b>	<b>1,018.88</b>	10.65	-4.25	-0.42	857	14,414
<b>HNX INDEX</b>	<b>204.46</b>	13.01	-3.07	-1.48	94	1,354

### Money flow and sector rotation (VND bn)

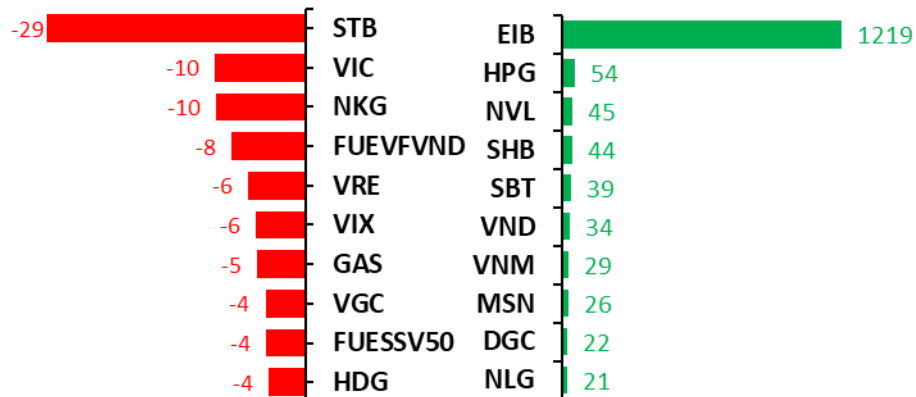
Sector	%1D	12/21/2022	12/20/2022	20-session Average
Personal & Household Goods	142.72	180	74	138
Food and Beverage	-7.2	1,029	1,109	1,031
Financial Services	-13.9	1,796	2,087	1,918
Health Care	-14.7	15	18	18
Technology	-21.7	61	78	109
Banks	-26.5	2,385	3,246	3,039
Industrial Goods & Services	-28.2	561	781	580
Automobiles & Parts	-29.8	72	103	107
Real Estate	-30.6	2,084	3,003	3,342
Oil & Gas	-30.9	122	177	152
Utilities	-33.7	120	181	197
Travel & Leisure	-35.3	70	108	89
Retail	-40.9	256	433	398
Basic Resources	-41.1	1,066	1,808	1,305
Construction & Materials	-44.5	467	841	657
Chemicals	-54.5	305	670	583
Insurance	-58.7	37	91	64
Media	-65.1	0	1	2

Source: Bloomberg, Shinhan Securities Vietnam

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



## Top net buying &amp; selling foreign investors (VND billion)



## The 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	(162)	95	66	(154)
Basic Resources	(13)	37	(44)	(13)
Media	(0)	0	0	0
Industrial Goods & Services	(2)	11	(25)	(4)
Health care	0	7	(22)	(65)
Chemicals	0	46	(175)	(1)
Financial Services	41	36	55	10
Travel & Leisure	2	7	(25)	2
Banks	202	1,262	(22)	134
Construction & Materials	(0)	4	(66)	1
Food and Beverage	9	110	(41)	(9)
Retail	9	20	(93)	44
Utilities	2	0	(34)	11
Personal & Household Goods	(1)	(1)	63	(1)
Technology	10	2	(1,272)	11
Automobiles & Parts	1	(1)	0	1
Insurance	(1)	4	(0)	9
Oil & Gas	0	20	(0)	7

Source: Fiinpro, Shinhan Securities Vietnam

## Macro

### Positive

- Losing more than VND 31,000 billion in 2022, EVN proposes to adjust the electricity price to reduce difficulties.
- Da Nang will implement two key transport projects with a total capital of VND 2,900 billion in 2023.

### Less positive

- The State Bank of Vietnam reopened the treasury bill channel after more than a month of pause. On December 20, the State Bank successfully offered a bid of VND 20,000 billion of 7-day bills with an interest rate of 4.39%. Along with the reopening of the channel to absorb liquidity, the SBV continued to stop the 91-day purchase of valuable papers (OMO). In the past three sessions, the SBV only used 14-day and 7-day OMO operations to support liquidity for banks.



## Business news

- Beta securities were administratively fined for violating the regulations on bond issuance advice.
- SSI is about to issue a maximum ESOP of 10 million shares.
- HPG, Hoa Phat first exported long products to Europe with a shipment of 10,000 tons. Hoa Phat has exported to America, Asia, Africa, Australia market. With this European order, Hoa Phat's long steel products have been present in all 5 continents. Exploiting new markets helps Hoa Phat diversify its consumption markets, and at the same time contribute to foreign currency collection and balance of trade of Vietnam.

- VIC, VinFast are licensed to sell electric cars in the US.
- PNJ reported 11-month profit of more than 1,600 billion dong, nearly double the same period. The company has completed 120% of the revenue plan and 124% of the profit plan in 2022. The average accumulated gross profit margin in 11 months reached 17.4%, down from 18.4% in the same period due to the change in sales structure and the influence of inflation.

In November, the company recorded net revenue of VND 2,529 billion, up 16.8% (YoY) and profit after tax of VND 152 billion, up 8.4% (YoY).

- QNS, Quang Ngai Sugar is estimated to profit nearly VND 1,200 billion in 2022, exceeding 4% and 19% respectively for annual revenue and profit targets. Recently, Mr. Vo Thanh Dang, Vice Chairman of the Board of Directors has just registered to buy 1 million shares.
- TTF, Ms. Dinh Thi Kim Dung has just become a major shareholder of Truong Thanh Furniture Corporation with the ownership rate increased to 9.14%, equivalent to nearly 38 million shares, previously she held 1.65%.

# World sugar prices peaked



## Context

- Sugar futures on ICE rose to 20.8 cents per pound in late December, the highest since January of 2017, supported by a stronger Brazilian real as supply concerns continue to mount.
- As industry groups point to the end of the crushing season, heavy rainfall in top producer and exporter Brazil caused mills to leave millions of tonnes of sugarcane crops untouched in fields to be harvested next year, significantly reducing supply. Output in Brazil has further downside risks amid the possibility that president-elect Lula could lift or cancel the country's gasoline price cap in January, driving producers to allocate cane for the more-profitable biofuel blending instead of sugar crushing.
- Elsewhere, poor weather also delayed harvests in Thailand, Australia, and Central America.

## Opinion

- In terms of trends, world sugar prices have had a period of recovery and returned to the bullish wave in early 2020, as economies reopening after Covid boosted the demand outlook. After that, the price of sugar was almost flat in the period of 2021-2022 and has just officially surpassed the recent peak.
- The domestic sugar enterprises may not benefit much because the main consumption market is domestic and competed by smuggled sugar. Besides the high cost, the weather also affects a lot.
- SBT is considered as the leading enterprise in market share, stable profit in recent years, besides, this business also has a financial profit from trading futures contracts. This amount has been recorded with a large profit for the period from July 1 to September 30, 2021.



### Trend: Retest the support zone

- Selling pressure continued to dominate right at the beginning of the session, pushing the market into the red. However, bottom-fishing demand joined in the afternoon, helping the index narrow a part of the drop, similar to the previous session. This can see the area around the psychological 1,000 points is acting as a good support for the trend. However, the trade will still struggle when the index is still lower than MA10 and MA20. The MACD is also crossing the signal line along with the RSI dropping below 50, meaning that the correcting inertia might continue. The right strategy is to hold.

### Scenarios:

- Positive (50%): The index balanced and successfully tested the area of 1,000 - 1,020 points to create a recovery momentum to the threshold of 1,100 points, more optimistic than towards the 1,150 point area, corresponding to the old bottom that has been broken before.
- Less positive (50%): The index losing the level of 1,000 might drop to test the threshold of 980 points and lower to the area of 950 points.

22/12/2022

Unit: thousand VND

Today's watchlist											
	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals			
VNM	Watch							Waiting to retest the 50-day MA			
MBB	Watch							Waiting to retest the area around MA10-20 days, MA20 - 50 cross			
HPG	Watch							Break out signal, waiting to retest the area near MA10 days			
SSI	Watch							Good reaction around MA10, waiting for break signal			
Trading portfolio											
Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
VCG	Wait to sell	17.6	21	16	19%	-9%	15.9	8	-9.66%	12/12/2022	
VRE	Sell	27.5	32	26	16%	-5%	26	9	-5.45%	09/12/2022	
POW	Hold	11	12.5	10.4	14%	-5%	10.5	9	-4.55%	09/12/2022	
NT2	Hold	26	29	24.5	12%	-6%	26.5	14	1.92%	02/12/2022	

## December 2022

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
27	28	29	30	1 Fed Chair Powell Speaks Core PCE Price Index m/m (USD) ISM Manufacturing PMI (USD)	2 Non-Farm Employment Change (US)	3
4 OPEC Meetings	5 ISM Services PMI (USD)	6 RBA Rate Statement	7 BOC Rate Statement	8 Unemployment claims (US)	9 Prelim UoM Consumer Sentiment (USD) PPI m/m (USD)	10
11	12 GDP m/m (UK)	13 CPI,Core CPI (US)	14 CPI, Core CPI (UK)	15 FOMC Statement Federal Funds Rate SNB Press Conference	16 Flash Services PMI (US)	17
18	19 Flash Manufacturing and Services PMI (UK, French, German)	20 Monetary Policy Statement (Japan)	21 CB Consumer Confidence (US)	22 Final GDP q/q	23 GDP m/m (Canada) Core PCE Price Index (US)	24
25	26	27	28	29 Monthly macroeconomic data release (Viet Nam)	30	31



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# Q&A

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