



Shinhan
Securities

MORNING CALL

January 13th, 2023

“Continuing to move in a narrow range, the market needs a new catalyst”

- ❑ Global stocks extend gains as US CPI data shows inflation continues to cool down
- ❑ Domestic stocks fluctuated, liquidity decreased
- ❑ Technical view and recommendations
- ❑ Economic calendar
- ❑ Q&A

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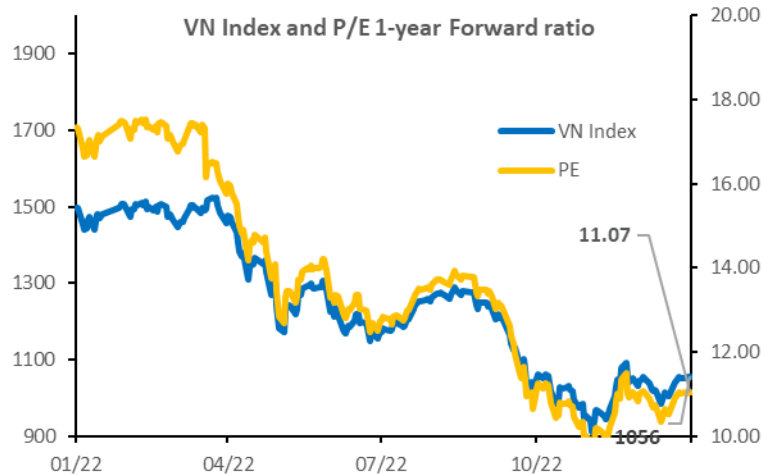


Major stock markets are back in the green

- US stock indices ended in the green on Thursday, the Dow Jones added more than 200 points, while the S&P 500 and the Nasdaq advanced 0.3% and 0.6% respectively. December US CPI data shows inflation continuing to cool, reinforcing bets that the Federal Reserve could further slow its aggressive tightening campaign. Energy shares benefitted from higher oil prices and led the gains for the session, followed by strong performances in real estate and communication services. European equity markets hold onto gains on Thursday, with the benchmark Stoxx 600 rising to above 450, its highest level since April 2022.
- The annual inflation rate in the US cooled for a sixth straight month to 6.5% in December, the lowest since October of 2021, and matching market expectations. Month over month, the CPI declined by 0.1%, as a decrease in gasoline prices more than offset a rise in the cost of shelter. Core inflation increased by 0.3%, also in line with market expectations.
- The number of Americans filing new claims for unemployment benefits fell by 1,000 to 205,000 on the week ending January 7th, well below expectations of 215,000. It was the lowest value in over three months, confirming the stubbornly tight labor market.
- WTI crude futures climbed 1% to above the \$78 per barrel mark on Thursday, extending their winning streak to a sixth session on optimism that demand for fuel will grow this year. World's largest oil importer China is making significant efforts to boost its economy while ending its strict COVID-19 policy. Concerns about the impact of sanctions on Russian supply also lent optimism to bulls, as European Union curbs aimed at Russian fuel product sales are due to take effect in February. Meanwhile, OPEC and its allies decided in December to stick with their policy of curtailing oil output, restricting global supplies by 2 million barrels per day, a move due to run through the end of 2023.

Market	Close	%1D	%1M	%1Y
VN-Index	1,056	0.06%	0.85%	-29.39%
S&P 500 Index	3,983	0.34%	-0.19%	-15.72%
Dow Jones Index	34,190	0.64%	0.54%	-5.79%
GP 100	7,794	0.89%	3.88%	3.04%
Nikkei 225	26,313	-0.52%	-5.87%	-7.64%
SHCOMP Index	3,163	0.05%	-0.41%	-11.02%
STOXX 600	450	0.63%	1.72%	-7.37%
KOSPI Index	2,386	0.86%	0.55%	-19.47%
Hang Seng	21,514	0.36%	9.79%	-11.93%

Currency & Commodity	Close	%1D	%1M	%1Y
Dollar Index	102.25	-0.91%	-2.74%	7.72%
USD/VND	23,443.00	0.02%	1.12%	-3.18%
EUR/USD	1.09	0.06%	2.13%	-5.19%
USD/CNY	6.73	0.53%	3.69%	-5.51%
Brent	84.03	1.65%	7.74%	-0.76%
WTI	78.32	-0.09%	3.89%	-4.63%
Natural gas	3.68	-0.54%	-47.01%	-13.93%
Coal	377.50	2.03%	-5.68%	85.96%
Gold	1,898.67	0.08%	4.85%	4.18%



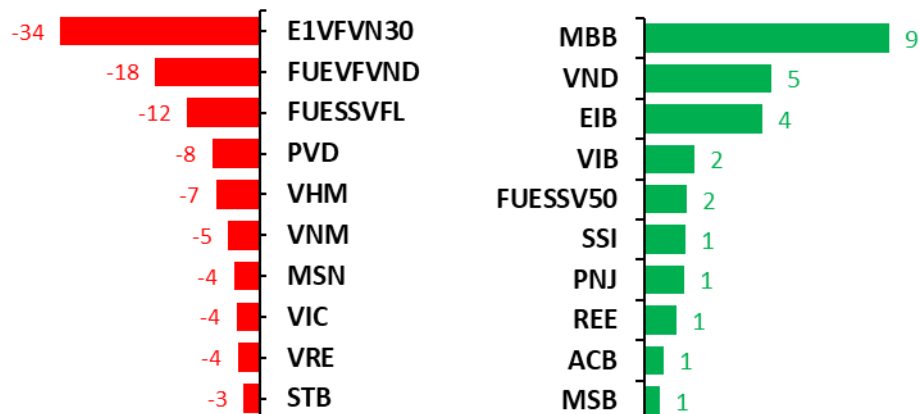
	Close	PE	Difference	%1D	volume (mn stocks)	value (VND bn)
VNI INDEX	1,056.39	11.07	0.63	0.06	506	8,711
HNX INDEX	211.94	13.42	0.28	0.13	54	913

Money flow and sector rotation (VND bn)

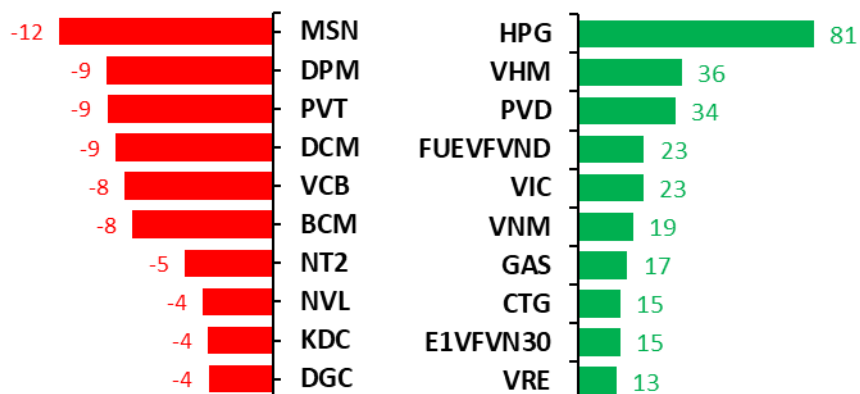
Sector	%1D	1/12/2023	1/11/2023	20-session Average
Oil & Gas		221	123	123
Utilities		160	142	172
Food and Beverage		663	653	754
Construction & Materials		567	559	540
Chemicals	-0.6	225	226	313
Automobiles & Parts	-13.9	56	65	67
Insurance	-16.1	31	37	37
Banks	-17.3	1,599	1,932	2,225
Industrial Goods & Services	-20.1	235	295	441
Health Care	-20.4	9	11	15
Personal & Household Goods	-21.7	57	73	86
Basic Resources	-29.2	721	1,018	930
Retail	-31.3	111	162	212
Real Estate	-31.8	1,043	1,530	1,622
Media	-37.8	0	1	1
Technology	-47.0	52	98	76
Financial Services	-48.3	594	1,149	1,132
Travel & Leisure	-49.2	56	109	79

Source: Bloomberg, Shinhan Securities Vietnam

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



Top net buying & 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	(18)	68	(125)	(45)
Basic Resources	(2)	84	(13)	10
Media	-	-	0	0
Industrial Goods & Services	2	(8)	(61)	(327)
Health care	-	3	(17)	(0)
Chemicals	0	(17)	36	(9)
Financial Services	(56)	55	(1)	(7)
Travel & Leisure	(3)	0	(19)	(8)
Banks	7	9	(52)	(76)
Construction & Materials	(0)	6	(56)	(3)
Food and Beverage	(10)	30	227	(34)
Retail	(1)	9	44	(1)
Utilities	(2)	12	(32)	(12)
Personal & Household Goods	1	6	(17)	(0)
Technology	(0)	0	(29)	3
Automobiles & Parts	(0)	1	320	0
Insurance	0	12	0	2
Oil & Gas	(8)	37	(0)	(2)

Source: Fiinpro, Shinhan Securities Vietnam

Macro

Positive

- Retail e-commerce revenue in Vietnam in 2022 reached USD 16.4 billion, up 20% compared to 2021.
- According to Reuters, Chinese display maker BOE Technology Group Co Ltd (a supplier to both Apple Inc and Samsung Electronics Co Ltd) will invest about \$400 million in a plan to build a factory in Vietnam.

Less positive

- Wood industry enterprises in Binh Dinh now have to lay off workers on a rotation to reduce the pressure of underemployment due to not receiving new orders.
- In 2022, the growth of Vietnam's plastics industry will reach 1.9%, which is the lowest year after more than a decade of continuous growth of over 15%
- More than VND 16,000 billion of bonds of real estate and construction businesses need to be paid in January 2023, according to VBMA.



Business news

- BSR, In 2022, Binh Son Refinery and Petrochemical achieved a total revenue of nearly VND 167,000 billion, profit after tax reached VND 12,200 billion.

Earlier in a meeting with Prime Minister Pham Minh Chinh on January 1, BSR said that in recent months, when the petroleum market had many fluctuations, enterprises had accelerated the production process of Dung Quat Oil Refinery. From November 5, 2022, the plant has increased its operating capacity to 112%.

- HAH sets a profit target of VND 300 billion in 2023, a sharp decrease of 64%. Total revenue is expected to be VND 2,698 billion, down more than 15%.
- HAG, Hoang Anh Gia Lai sell Stuffed sticky rice cake for Tet with cake filling "Bapi Banana Pigs" at some stores in Dong Nai.
- VNM, a product of Vinamilk's Optimum Gold brand, has become the first baby formula in Asia to receive the Purity Award of the US. Besides the Purity Award, two other fresh milk products of Vinamilk, Vinamilk Green Farm and 100% Organic, are also the first fresh milk products in the world to achieve the Clean Label certification. With these results, Vinamilk is also the first company in Asia that owns both fresh milk and baby formula to obtain certifications and awards from the Clean Label Project (USA).
- GVR, VRG's rubber companies in Cambodia region all have better growth and account for an increasing proportion in the Group's structure.
- BAF, Siba Holdings JSC, a unit related to Mr. Truong Sy Ba - Chairman of the Board of Directors of BAF Viet Nam Agriculture JSC announced that it has successfully purchased 4.53 million shares.
- CMX, Camimex plan to issue VND 300 billion of bonds in 2023. This bond issuance is to supplement working capital for the company's business activities, prepare raw materials for sale in supermarkets.
- VCG, Vinaconex plan to sell capital Vinaconex M&E (subsidiary).



Trend: Sideway

- Trading struggled continued to prevail and the index moved in a narrow range. The bright spot was bottom-fishing demand appearing at low price, helping the index narrow a part of the drop in the session. However, the motivation for money flow to accept buying at high prices was still lacking, so the market closed almost unchanged around the reference level. Technical indicators still show stable signals. Hesitancy dominated, so the money flow diverged again and order matching dropped to a low level. The appropriate strategy is to accumulate stock positions with a small proportion in the correction pace, only buy up when the index surpasses the threshold of 1,080 points.

Scenarios:

- Positive (60%): The index balanced and successfully tested the area of 1,040 points, corresponding to the 20-day MA to create a recovery momentum to 1,080 points, more optimistically towards the 1,150 point area.
- Less positive (40%): 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.

The group of stocks has the current good trend

Group	Sector	Stocks	Opinion	Trend
Public Investment	Building infrastructure	VCG, LCG, C4G, HHV	The latest economic data showed manufacturing activity contracted amid weak demand. Export activities are also expected to be more difficult in 2023. Therefore, to promote economic growth, accelerating disbursement of public investment is an option that can be considered.	Forming short-term bullish inertia with the price sustaining above the 10, 20, and 50-day MA trend lines. However, the stock will still face many challenges when approaching resistance on weekly chart.
	Materials (stone, cement)	KSB, DHA, CTI BCC, HT1		
Utility	Power	NT2, POW VSH, GEG	In the context of a potential recession and slowing economic growth, the defensive industry group will be the right choice.	
	Electrical construction	PC1		
State-owned bank		VCB, BID, CTG	Playing a leading role in the index	Increased momentum is maintained but close to strong resistance, there is not much room left.
Blue chip	Technology	FPT	Playing a leading role in the index, stable growth	Stable in the short term
	Consumer goods	MSN, VNM		
Own story	Industrial park	KBC	Expecting a sudden profit from setting an ambitious business plan of 4,000 billion profit after tax, in addition to the reduction of charter capital.	Increased momentum is maintained
	Aviation	HVN	The story of China reopening, however, businesses still have large accumulated losses, so it will still be difficult for the business situation to improve immediately.	Increased momentum is maintained

13/1/2023

Unit: thousand VND

Today's watchlist											
	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals			
HPG	Watch							MA10 crosses MA20 daily, liquidity improves			
POW	Watch							Break out signal on January 5, watch for corrections pace			
PVS	Watch							Good reaction around MA10			
KBC	Watch							Break out signal, watch for reaction around 10-day MA			
NT2	Watch							Watch for reaction around the MA10-20 day area			
SKG	Watch							Good accumulation trend			
PC1	Watch							Waiting to retest the old peak around 22			

Trading portfolio											
Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
VCG	Hold	18	21	16	17%	-11%	20.35	4	13.06%	09/01/2023	
FPT	Hold	80	86	77	8%	-4%	80.7	4	0.88%	09/01/2023	
VNM	Buy	79.5	86	76	8%	-4%	80	4	0.63%	09/01/2023	
MBB	Hold	18	20	17	11%	-6%	18.25	4	1.39%	09/01/2023	

January 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3 S&P Global Manufacturing PMI (VN)	4	5 FOMC Minutes	6 Non-farm payrolls, unemployment rate (US)	7
8	9 Unemployment Rate (EU)	10	11	12 Inflation figures (US)	13	14 Trade balance (China)
15	16	17 Unemployment rate, GDP growth (China)	18 Retail Sales, PPI (US)	19 Expiration of futures contract VN30F1M	20 Tet Holiday	21 Tet Holiday
22 Tet Holiday	23 Tet Holiday	24 Tet Holiday	25 Tet Holiday	26 Tet Holiday	27	28
29	30	31	1	2	3	4



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