



Shinhan
Securities

MORNING CALL

January 27th, 2023

“Upward momentum maintained, global stocks rally during the holiday season”

- ❑ Global stocks recovered during the Lunar New Year holiday week
- ❑ Domestic stocks extend their rally even though profit-taking pressure starts to appear
- ❑ Business results update season **#BVB #VIX #HPG #ANV #DGC #BFC #RAL #VNS #NT2 #VSN**
- ❑ Technical view and recommendations **#MBS**
- ❑ Economic calendar
- ❑ Q&A

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Open Account

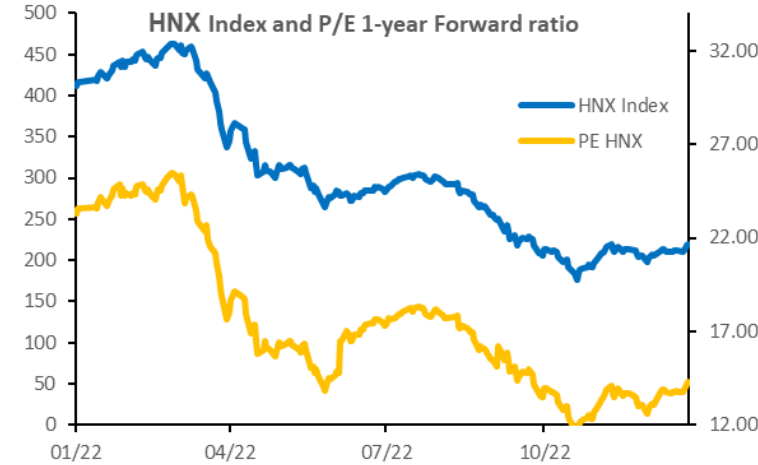
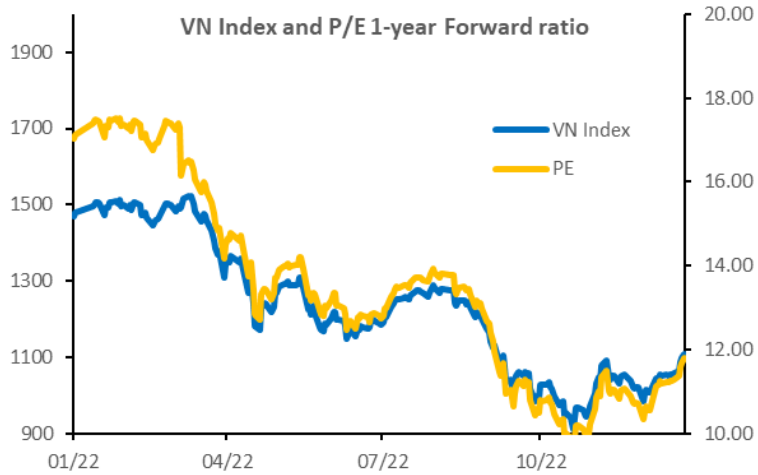


Major stock markets rebounded positively

- Wall Street extends gains on Thursday. The Dow added 200 points, while the S&P 500 and Nasdaq 100 were up 1.1% and 1.7%, respectively, after US fourth-quarter gross domestic product growth beat estimates while corporate earnings turned mixed. European stocks also trade in the green with the upside dominating.
- The stock market in Hong Kong surged 522.13 points or 2.37% to finish at 22,566.78 on Thursday, its highest close since February, 20th 2022, amid the prospect of a less aggressive US monetary tightening and as traders sought to track Wall Street's strong trend during the holiday period. A swift economic reopening in China with pro-growth policies from Beijing also encouraged traders to enter new positions.
- The US economy (Advance GDP) expanded 2.9% on quarter in Q4, slowing from a 3.2% growth in Q3 but above expectations of 2.6%. The positive contributions came from private inventory investment, consumer spending, federal government spending, state and local government spending, and nonresidential fixed investment while residential fixed investment and exports decreased.
- The Bank of Canada raised the target for its overnight rate by 25bps to 4.5% in its first meeting in 2023, as expected by markets, and signaled the end of its aggressive tightening cycle should economic developments evolve broadly with the central bank's outlook.
- The S&P Global Eurozone Composite PMI rose to 50.2 in January 2023, up from 49.3 in the previous month and above market consensus of 49.8, a preliminary estimate showed.
- The dollar index held below 102 on Thursday, hovering near its lowest level in almost eight months, on expectations of less aggressive policy tightening from the Federal Reserve.
- WTI crude futures climbed above the \$81 per barrel mark. The reopening of the Chinese economy has given markets reasons to be optimistic about a rebound in crude consumption this year. A lower-than-expected rise in US crude inventories and a weaker dollar also supported oil prices. On the supply side, OPEC will likely maintain current oil production levels when they meet next, keeping supplies tight.

Market	Close	%1D	%1M	%1Y
VN-Index	1,108	0.89%	8.30%	-24.38%
S&P 500 Index	4,060	1.10%	5.61%	-6.66%
Dow Jones Index	33,949	0.61%	2.25%	-0.64%
GP 100	7,761	0.21%	3.86%	2.74%
Nikkei 225	27,363	-0.12%	3.46%	4.56%
SHCOMP Index	3,265	0.76%	7.19%	-7.32%
STOXX 600	454	0.42%	6.07%	-3.48%
KOSPI Index	2,472	0.13%	5.96%	-5.45%
Hang Seng	22,567	2.37%	15.18%	-5.21%

Currency & Commodity	Close	%1D	%1M	%1Y
Dollar Index	101.84	0.19%	-2.37%	5.56%
USD/VND	23,449.00	0.00%	0.71%	-3.45%
EUR/USD	1.09	0.06%	2.42%	-2.22%
USD/CNY	6.78	-0.13%	2.61%	-6.54%
Brent	87.47	1.57%	4.23%	-2.77%
WTI	81.13	0.15%	2.01%	-6.33%
Natural gas	2.87	-2.65%	-45.74%	-54.25%
Coal	355.60	0.45%	-11.34%	56.10%
Gold	1,931.33	0.11%	6.49%	7.45%



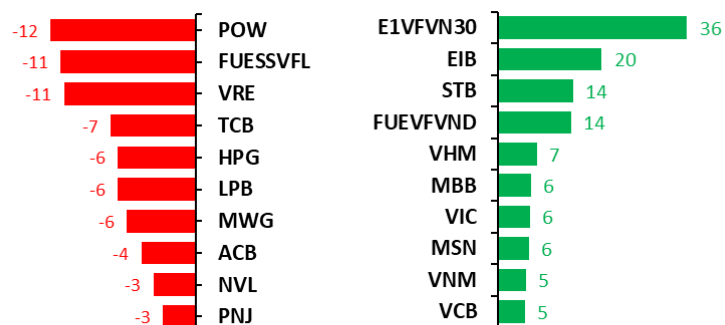
	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI INDEX	1,108.08	11.81	9.80	0.89	617	11,729
HNX INDEX	219.87	14.32	2.14	0.98	70.1	1,024.4

Money flow and sector rotation (VND bn)

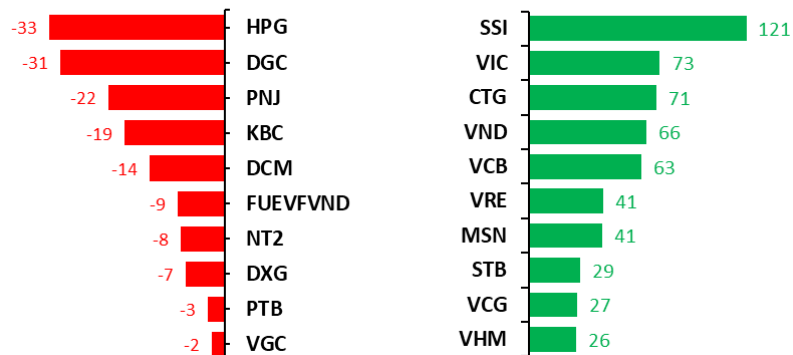
Sector	%1D	1/19/2023	1/18/2023	20-session Average	
Health Care		74.35	27	15	16
Media		72.85	1	0	1
Insurance		68.04	72	43	33
Basic Resources		44.83	1,469	1,014	843
Technology		38.54	127	92	77
Banks		26.00	2,588	2,054	2,040
Chemicals		17.73	366	311	272
Utilities		15.97	172	148	171
Travel & Leisure		10.05	97	88	71
Automobiles & Parts		9.13	89	82	62
Financial Services		3.85	1,525	1,469	964
Real Estate		2.05	1,399	1,371	1,305
Food and Beverage		1.77	937	921	675
Industrial Goods & Services	-1.5		477	484	405
Oil & Gas	-6.0		83	89	114
Retail	-6.1		301	320	181
Personal & Household Goods	-6.8		112	121	76
Construction & Materials	-12.4		635	725	532

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	1	173	102	13
Basic Resources	(3)	(27)	(59)	(118)
Media	-	0	(0)	(0)
Industrial Goods & Services	(0)	20	(117)	21
Health care	-	1	(42)	(0)
Chemicals	4	(30)	(54)	3
Financial Services	38	224	(40)	8
Travel & Leisure	3	16	(43)	3
Banks	29	241	(49)	93
Construction & Materials	(2)	29	(211)	11
Food and Beverage	13	109	(76)	14
Retail	(6)	30	(58)	6
Utilities	(11)	(1)	(30)	(12)
Personal & Household Goods	(3)	(19)	(10)	(3)
Technology	0	1	(170)	21
Automobiles & Parts	-	3	(2)	(0)
Insurance	1	10	(0)	(0)
Oil & Gas	1	18	0	1

Source: Fiinpro, Shinhan Securities Vietnam

Macro

Positive

- The State Bank's credit growth orientation in 2023 is 14 - 15%.
- After the National Assembly dismissed President Nguyen Xuan Phuc, Ms. Vo Thi Anh Xuan was assigned by the Politburo to hold the role of State President.
- Binh Duong has the highest occupancy rate of industrial parks in the country.

Less positive

- Finished steel production in December 2022 reached 2,135 million tons, up 16.95% compared to November 2022, but down 21.3% over the same period in 2021, according to VSA. Steel consumption of all kinds reached 2,159 million tons, up 11.17% over the previous month but down 13.6% over the same period.
- 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

- **APC**, Q4 revenue reached VND 28.2 billion, down 19.4% over the same period. Excluding expenses, the company lost more than VND 9.8 billion in Q4 while the same period last year lost VND 4.2 billion.

Accumulated in the whole year of 2022, the revenue reached nearly 136 billion VND, an increase of 5.6% compared to 2021. However, the cost increased, especially the financial cost was up to 26.3 billion VND, resulting in a loss of 9 billion VND for the whole year. In 2021, the company lost 1.6 billion dong.

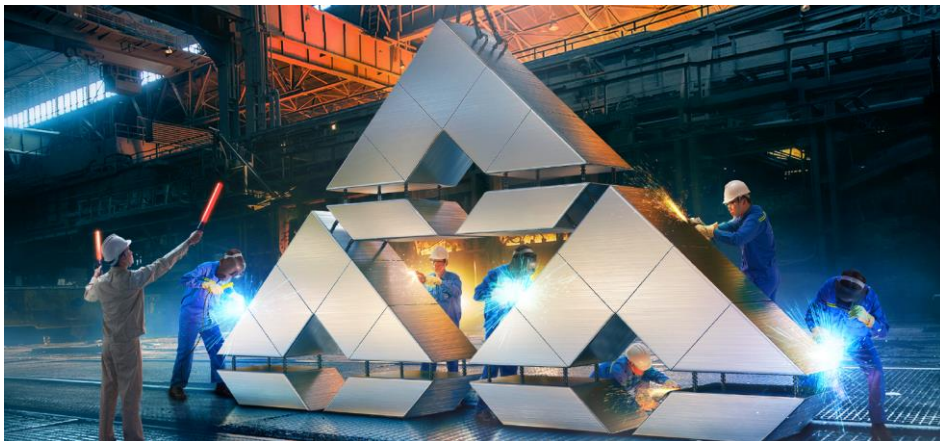
In Vietnam, there are very few enterprises operating in the field of irradiation. Up to now, An Phu Irradiation is still the only company in the irradiation industry to put its shares on the stock exchange.

- **BVB**, in 2022, the pre-tax profit of Viet Capital Bank reached VND 456 billion, completing 101% of the plan and increasing 46% compared to 2021. Profit after tax reached more than VND 364 billion, up 46% compared to the previous year. 2021.

Notably, the bank's total bad debt as of December 31, 2022 increased by 20.6% to nearly VND 1,419 billion, of which group 4 debt increased the most. As a result, the ratio of bad debt to outstanding loans increased from 2.53% to nearly 2.79%.

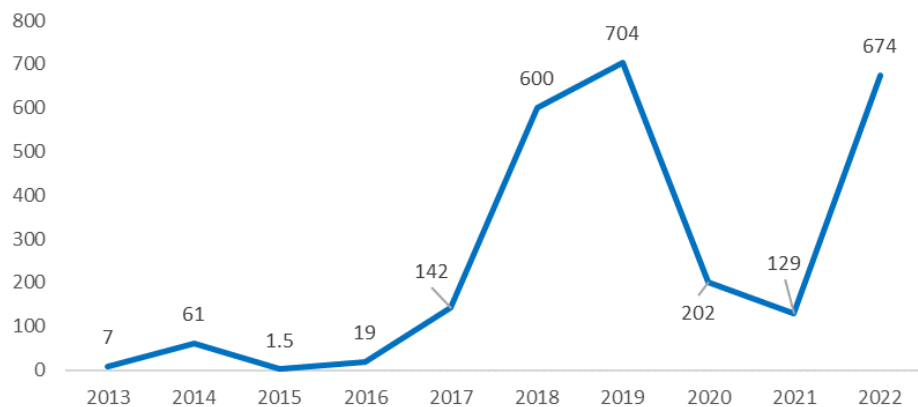
- **VIX**, Q4/2022 operating revenue reached VND 237 billion, down 24% compared to the same period in 2021. Notably, operating expenses increased nearly 3 times to VND 361 billion due to losses from financial assets. FVTPL is more than 333 billion VND. As a result, VIX reported a loss after tax of VND 102 billion, this is the highest loss of the Company since going public.

In the whole year of 2022, VIX recorded operating revenue of more than 1,187 billion VND, down 24% compared to 2021, profit after tax decreased by 58% to 311 billion VND. Liabilities at the end of the year were VND 285 billion, down sharply from nearly VND 1,000 billion at the beginning of the period. During the year, the company has finished paying off short-term loans of VND 250 billion and VND 100 billion of short-term bonds and VND 500 billion of long-term bonds.



ANV's net profit over the years

Unit: Billion VND



Source: Compiled from financial statements

- **HPG**, Quarter 4/2022, Hoa Phat Group achieved revenue of VND 26,000 billion, down 42% compared to the same period last year, a record net loss of more than VND 2,000 billion, continued to decrease after the third quarter, just recorded a loss of more than VND 1,700 billion. Accumulated in 2022, Hoa Phat achieved revenue of 142,000 billion VND, down 5% compared to 2021. Profit after tax for the whole year reached more than 8,400 billion VND, only 24% compared to 2021.

In 2022, Hoa Phat supplied the market with 7.2 million tons of steel, down 7% compared to 2021, including billet, construction steel, and hot rolled coil (HRC). The main contributors to sales volume are construction steel and HRC. Construction steel recorded 4.2 million tons, up 10% over the same period and contributing 59% in total steel production of all kinds. In which, exports contributed nearly 1.2 million tons.

The domestic market share continued to be consolidated in the leading position with nearly 35%. Hoa Phat steel export market has expanded across 5 continents.

Besides the traditional steel product lines, Hoa Phat Group successfully produces high-quality steel lines, especially difficult technical steel lines such as steel coils for car tires, screws, and Debar in Coil.

- **ANV**, In the fourth quarter of 2022, Nam Viet seafood achieved a revenue of 1,144 billion VND - an increase of 8.2% compared to the same period last year, profit after tax at 106.5 billion VND - nearly double the same period, gross profit margin improved from 19.3% to 20.6%. Notably, financial revenue increased by 149%, financial expenses increased by 80% due to the impact of foreign exchange rate fluctuations.

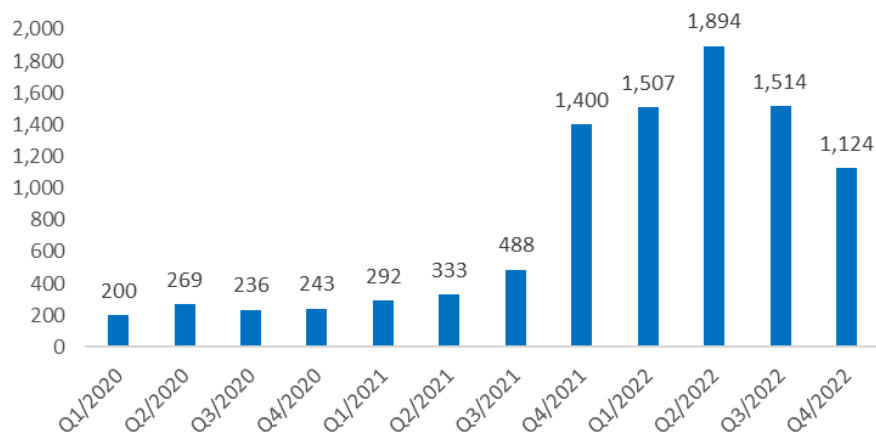
Explaining the fourth quarter business results, ANV said that although the sales volume and selling price of frozen pangasius decreased, the volume and selling price of fish cakes increased, resulting in gross profit of 235 billion VND, an increase of 31.3 billion VND over the same period.

In the whole year of 2022, ANV achieved VND 4,896 billion in net revenue - an increase of 40% compared to last year, Profit after tax reached nearly VND 674 billion - 5.2 times higher than in 2021, EPS for the whole 2022 reached VND 5,300.



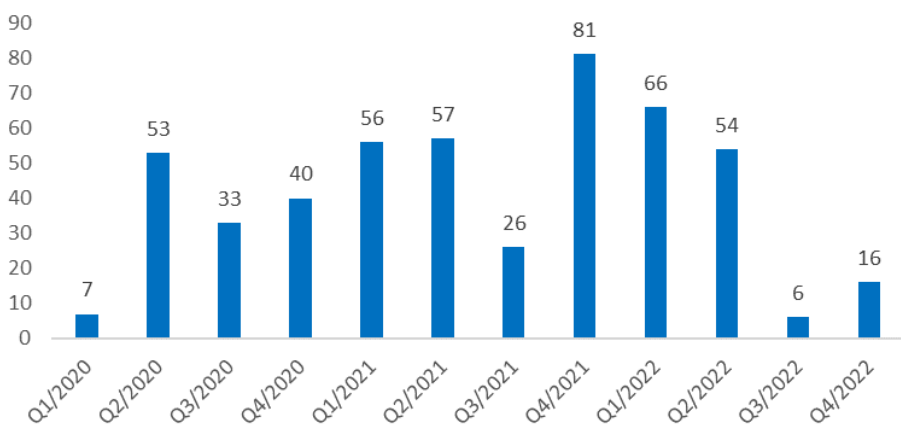
Quarterly profit after tax of DGC

Unit: Billion VND



Quarterly profit after tax of BFC

Unit: Billion VND

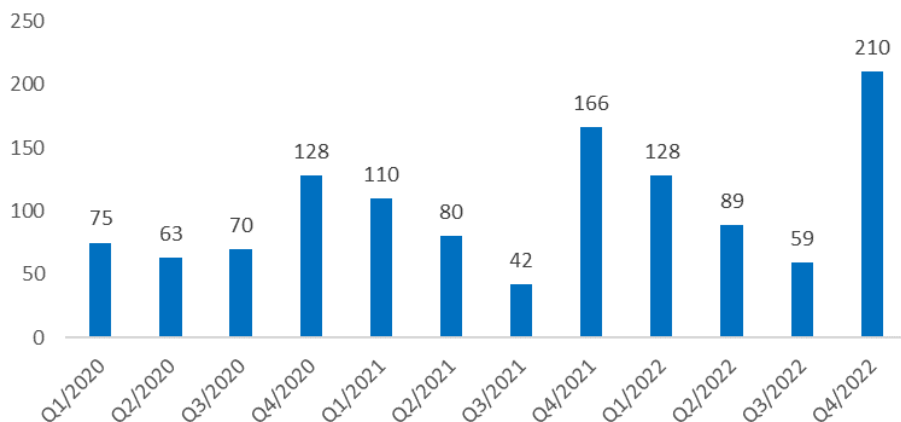


Source: Compiled from financial statements

- DGC**, In the fourth quarter of 2022, the chemical giant achieved sales of more than VND 3.1 trillion, gross profit of nearly VND 1.3 trillion, down 10% and 20% respectively over the same period. Revenue from financial activities increased sharply to more than VND 197 billion, 3 times higher than the same period last year. Financial expenses also increased to VND 75.3 billion, 2.8 times higher than the same period last year. Other expenses increased slightly. As a result, DGC net profit is over VND 1.1 trillion, down 21% y/y.
- Cumulative revenue for the whole year reached more than VND 14.4 trillion, up 51%; net profit of VND 6,040 billion, 2.4 times higher than the previous year. With this result, the Company has exceeded the full-year plan set out at the 2022 AGM, by more than 19% and nearly 73%, respectively.
- Regarding the capital construction investment plan, the company plans to disburse VND 80 billion for the project of Dak Nong NPK Factory. This factory produces NPK fertilizer with a capacity of 200,000 tons/year, and produces potassium sulphate fertilizer with a capacity of 4,800 tons/year. At the same time, DGC said it will prepare to start construction of Nghi Son Soda - Chlorine factory. Nghi Son Soda - Chlorine Factory has a total investment of 12,000 billion VND, including 2 phases. The project is expected to operate stably from 2025.
- BFC**, Binh Dien Fertilizer JSC has just announced the consolidated financial statements of the fourth quarter of 2022 with net revenue of VND 1,895 billion, an increase of VND 24 billion over the same period. Cost of goods sold increased by 7% to VND 1,728 billion. Gross profit margin decreased from 13% to 9%. During the period, financial expenses doubled compared to the fourth quarter of 2021 to 48 billion dong. In which, interest expense increased by 82%, about 31 billion dong. Selling expenses increased by 93% to VND 56 billion. As a result, profit after tax was recorded at about VND 23 billion, down 80%, net profit was over VND 16 billion, down 80% over the same period.
- In the whole year of 2022, the company's net revenue is VND 8,579 billion, up 11%, profit before tax is VND 235 billion, down 37%, profit after tax is VND 187 billion, down 37% compared to the previous year. However, the company still exceeded the revenue target by 33% and exceeded the profit target by 18%.
- Recently, the Board of Directors of Binh Dien Fertilizer has approved the production and business plan for 2023 to submit to the General Meeting of Shareholders with total revenue of 7,477 billion VND, consolidated profit before tax of 220 billion VND, parent company's profit before tax is 155 billion VND.

Quarterly profit after tax of RAL

Unit: Billion VND



- RAL**, In the fourth quarter of 2022, Rang Dong's revenue reached VND 2,806 billion - up 24% over the same period and 2.87 times higher than the previous quarter. Worth mentioning, this is also the record level in the company's 17-year listing history since December 2006. Profit after tax reached VND 209.5 billion - an increase of 26% over the same period - the highest quarterly profit in the history of operations.

Accumulated in 2022, net revenue of Rang Dong Light Bulb and Thermos will reach VND 6,910 billion - up 21% over the same period, pre-tax profit will reach VND 609 billion and net profit will increase 22% YoY to VND 486.4 billion, achieving the same historical highs.

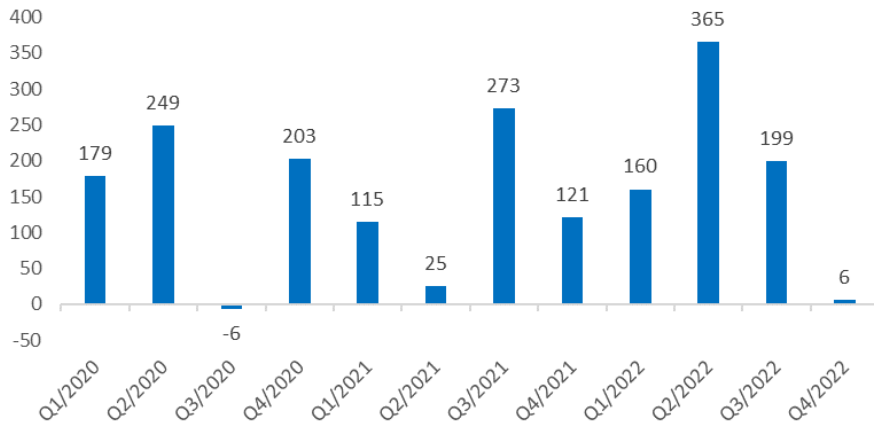
The RAL side said that the increase in profit was due to Rang Dong's concentrated use of technologies in two core pillars: restructuring product strategy - 4.0 product and service ecosystem and transforming business model. business, deploying the DBM - O2O model. In addition, multi-channel sales systems were built by Rang Dong in collaboration with FPT to help optimize the sales channel comprehensively.

- VNS**, In the fourth quarter of 2022, Vinasun's net revenue reached VND 325 billion, slightly lower than the third quarter of 2022, but still at a good level in the last 3 years. Vinasun said that in the last quarter of the fourth quarter, the number of vehicles of the company participating in business activities always reached 100%. This leads to more efficient business operations. Vinasun's gross profit is VND 86 billion, net operating profit is VND 46 billion and after-tax profit is VND 55 billion.

Accumulated for the whole year, Vinasun achieved net revenue of 1,089 billion VND, more than 2 times higher than last year. Profit after tax was VND 185 billion while last year's loss was VND 277 billion. Thus, after consecutive losses in 2020 and 2021, Vinasun was profitable again in all 4 quarters of 2022.

Vinasun's return is not unique. According to industry insiders, traditional taxis in general are gradually regaining their position after a long time being dominated by technology taxis.

Quarterly profit after tax of NT2
Unit: Billion VND



- **NT2**, In the fourth quarter of 2022, Nhon Trach 2 Petroleum Power achieved a revenue of VND 1,923 billion, up 18% over the same period. However, COGS increased by 24% to VND 1,838 billion, causing gross profit margin to decrease from 9% to 4%. During the period, NT2 had a high increase in administrative expenses, 4 times higher than Q4/2021 to VND 82 billion due to provision for bad debts (VND 52 billion). As a result, the company's profit after tax was about VND 6 billion while the same period was VND 121 billion, down 95%.

In the whole year of 2022, NT2's revenue is VND 8,786 billion, up 43%, profit after tax is VND 729 billion, up 37% compared to 2021. Thus, the company exceeded 8% of the revenue target, 56% of the plan. profit.

One of the items that accounts for a large proportion of the company's financial statements is short-term receivables from customers, which increased by 22% compared to the beginning of the year to VND 2,711 billion at the end of the fourth quarter of 2022, mainly due to electricity bills receivable from customers Electricity Trading Company (EPTC).

As of December 31, 2022, the company's short-term loans are about VND 631 billion from banks, NT2 has no long-term debt.

- **VSN**, Vissan has just announced its financial statements for the fourth quarter of 2022, recording net revenue of VND 1,033.6 billion, up 13% over the same period in 2021. Profit after tax of this "big man" in the food industry reached VND 40 billion, up 38% over the same period in 2021.

In the whole year of 2022, Vissan recorded revenue of VND 3,833 billion, profit before tax of VND 173 billion, down 11% and 8% respectively compared to last year. Profit after tax reached VND 137.5 billion.

- **FPT** sets a target for 2023 with revenue growth of 18.8% to VND 52,289 billion and profit before tax increasing by 18.3% to VND 9,055 billion.
- **FRT**, Drug Administration of Vietnam - Ministry of Health has just issued an inspection conclusion indicating many violations in the implementation of the provisions of the law on drug trading and the compliance with GPs at a number of pharmaceutical business establishments in Khanh Hoa province, including Long Chau Pharmacy 632 – belonging to FPT Long Chau Pharmaceutical JSC.



Trend: Prosperity but near to resistance

- The increasing inertia continued to be maintained in the session 19/01 and the index surpassed the resistant level of 1,100 points. However, in the uptrend, the pressure to take profit started to become more present. The RSI strength indicator is entering the overbought zone, showing long chasing position should be limited. The higher resistance for the trend is 1,150 points, corresponding to the old bottom that has been broken before. While the raised support is 1,080 points. The market may go up in a struggle, but the room doesn't seem to be much. The right strategy is to hold and take partial profits.

Scenarios:

- Positive (70%): 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 (30%): 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.

27/1/2023

Unit: thousand VND

Today's watchlist											
	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals			
HPG	Watch							Breakout signal, consensus volume			
SKG	Watch							Break out of accumulation zone, consensus volume			
VRE	Watch							Return to increasing inertia after accumulation			
PVS	Watch							Good reaction around MA10			
NT2	Watch							Watch for reaction around the MA10-20 day area			
PC1	Watch							Waiting to retest MA10-day, around 22			
POW	Watch							Break out signal on 05/01, watch the accumulation pace.			
Trading portfolio											
Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
FPT	Hold	80	86	77	8%	-4%	83.9	8	4.88%	09/01/2023	
VNM	Hold	79.5	86	76	8%	-4%	81.3	8	2.26%	09/01/2023	
MBB	Sell	18	20	17	11%	-6%	19.7	8	9.44%	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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Q&A

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