



Shinhan
Securities

MORNING CALL

February 09th, 2023

“Hesitation dominated, trading struggled to return”

- ❑ Global stocks diverge, waiting for US CPI data next week
- ❑ Domestic stocks struggled, money flow diverged
- ❑ Many banks plan to pay cash dividends, Update business results **#FMC #CTS #GMD**
- ❑ Technical view and recommendations
- ❑ Economic calendar
- ❑ Q&A

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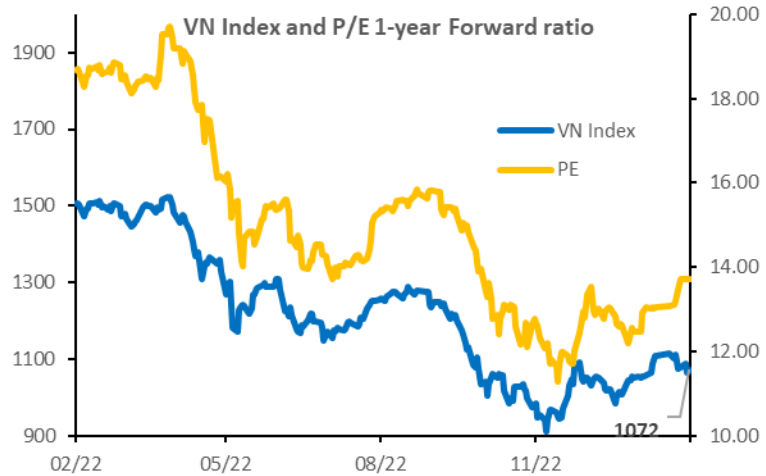


Major stock markets diverged

- All three major US stocks closed in negative territory on Wednesday, as investors were concerned about the impact of a slowing economy on corporate profits and digested comments from Fed Powell on Tuesday. The Dow Jones lost more than 200 points, and the S&P 500 dipped 1.1%. The Nasdaq shed almost 1.7% due to a heavy selloff in tech, led by an over 7.6% loss by Google's parent Alphabet after its new AI chatbot Bard delivered an incorrect answer in an online advertisement.
- Major bourses in Europe traded in the green on Wednesday, with the DAX gaining nearly 0.8% and STOXX 600 hitting its strongest level since April as a fresh round of earnings offered a boost and investors were digesting fresh comments from Fed Chair Powell. Powell said that disinflation has begun and that further rate increases may be needed if the jobs market remains strong.
- The Reserve Bank of India raised its key repo rate by 25 bps to 6.5% during its February 2023 meeting, the sixth rate hike in a row, amid easing inflation due to moderation in food prices, as widely expected.
- Dutch TTF natural gas futures continued to decline to €55/MWh in February, holding close to low levels not seen since September of 2021, as temperatures in Europe are expected to increase and warmer weather to return from next week. At the same time, Europe is heading close to the end of the winter season with storages about 69% full, much above the 10-year average of 54% for this time of the year.
- WTI crude futures dipped below the \$78 per barrel mark, moving away from their session highs of \$78.5, after government data showed that US inventories increased last week, contrasting with an API report on Tuesday showing the opposite. The latest data from the EIA indicated that crude oil stocks in the US rose by 2.423 million barrels last week. Still, prices remained supported by optimism about a recovery in demand. Saudi Arabia, the world's top exporter, raised crude prices for Asian markets for the first time in six months in the latest signal that demand could be poised to rebound on the likelihood of higher imports from China.

Market	Close	%1D	%1M	%1Y
VN-Index	1,072	0.60%	1.71%	-28.77%
S&P 500 Index	4,118	-1.11%	5.72%	-8.93%
Dow Jones Index	33,949	-0.61%	0.95%	-4.27%
GP 100	7,885	0.26%	2.07%	3.16%
Nikkei 225	27,462	-0.52%	5.73%	-0.43%
SHCOMP Index	3,232	-0.49%	1.76%	-7.12%
STOXX 600	459	0.28%	2.48%	-2.93%
KOSPI Index	2,471	-0.52%	5.12%	-10.77%
Hang Seng	21,284	-0.07%	-0.49%	-14.28%

Currency & Commodity	Close	%1D	%1M	%1Y
Dollar Index	103.41	-0.02%	-0.45%	8.12%
USD/VND	23,503.00	0.39%	-0.19%	-3.37%
EUR/USD	1.07	0.04%	-0.13%	-6.21%
USD/CNY	6.79	-0.11%	-0.30%	-6.27%
Brent	85.09	1.67%	8.30%	-6.27%
WTI	78.43	-0.05%	5.09%	-12.53%
Natural gas	2.43	1.50%	-37.80%	-39.34%
Coal	239.35	-6.38%	-39.58%	0.04%
Gold	1,874.30	-0.06%	0.13%	2.23%



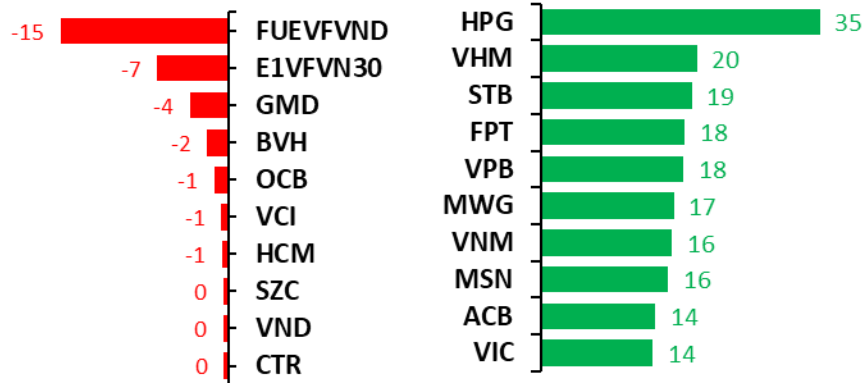
	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI INDEX	1,072.22	13.87	6.38	0.60	569	10,009
HNX INDEX	210.62	15.80	0.62	0.29	61	881

Money flow and sector rotation (VND bn)

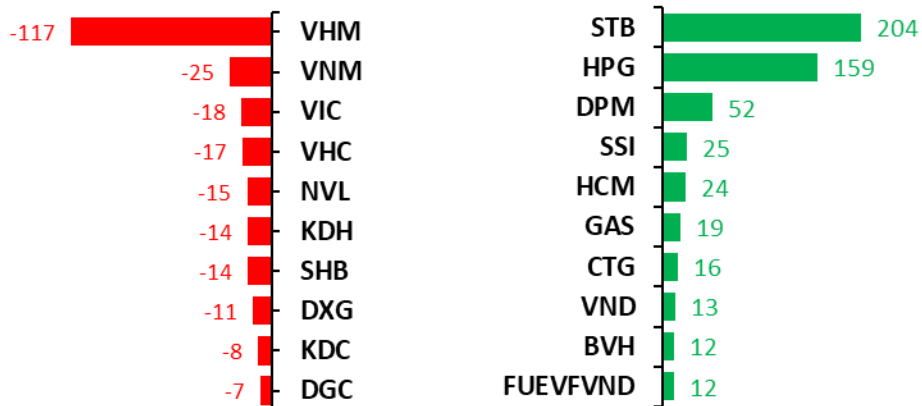
Sector	%1D	2/8/2023	2/7/2023	20-session Average	
Personal & Household Goods		14.05	93	82	109
Chemicals	-1.1	433	437	372	
Technology	-3.4	77	80	92	
Real Estate	-4.7	1,454	1,526	1,430	
Construction & Materials	-9.8	597	662	678	
Banks	-13.3	2,001	2,308	2,347	
Oil & Gas	-14.7	92	108	112	
Travel & Leisure	-15.0	39	45	77	
Health Care	-25.2	18	24	16	
Insurance	-25.4	34	46	44	
Basic Resources	-25.7	1,148	1,545	1,094	
Automobiles & Parts	-25.8	61	82	77	
Food and Beverage	-27.4	543	747	753	
Media	-27.5	0	1	1	
Financial Services	-28.2	826	1,151	1,140	
Utilities	-33.9	128	193	201	
Retail	-42.5	235	409	273	
Industrial Goods & Services	-42.7	285	497	449	

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	56	(180)	121	60
Basic Resources	35	158	(204)	46
Media	-	(0)	(0)	0
Industrial Goods & Services	(2)	4	7	(11)
Health care	0	0	(1)	0
Chemicals	1	51	(38)	(12)
Financial Services	(15)	77	(47)	(30)
Travel & Leisure	8	1	(9)	7
Banks	112	222	(334)	113
Construction & Materials	(0)	38	(36)	(2)
Food and Beverage	35	(46)	(7)	53
Retail	17	6	(9)	4
Utilities	5	33	(68)	35
Personal & Household Goods	5	(1)	0	1
Technology	18	0	(31)	31
Automobiles & Parts	(0)	2	(2)	0
Insurance	(2)	12	(9)	(2)
Oil & Gas	1	8	(24)	15

Source: Fiinpro, Shinhan Securities Vietnam

Macro

Positive

- The big banks had a meeting to reduce deposit interest rates.
- Vietnam Coal and Mineral Industries Group (TKV) said its revenue in January was estimated at VND 12,178 billion, up 10%.
- Ho Chi Minh City expects to attract USD 3.3 billion from Intel projects.
- As of January 31, 2023, there has been no corporate bond issuance in 2023.

Less positive

- According to VBMA's statistics, in 2023, there will be about VND 285,000 billion of bonds to maturity. It is expected that in February 2023, the value of mature corporate bonds will be more than 5,200 billion VND, all of which are corporate bonds issued by private placement.
- Real estate credit outstanding in 2022 is about VND 2.58 million billion, an increase of about 24.27% compared to the end of 2021.



Business news

- VN30 group's net profit dropped by more than 40% in the fourth quarter of 2022.
- iShares MSCI Frontier & Select EM ETF (ETF focusing on frontier and emerging market stocks) continued to be net buyers of Vietnamese stocks, typically HPG, SHB, STB, VHM and did not sell shares in the week from January 27 to February 3, 2023.
- DCM, Ca Mau Fertilizer announced the 2023 plan with after-tax profit of VND 1,383 billion, only one third of the implementation result in 2022.
- FMC: Sao Ta Food Joint Stock Company has just announced January sales with 15.2 million USD (about 359 billion VND), down 47% compared to the same period in 2021. Specifically, finished shrimp production reached 581 tons, down 69 %, finished shrimp consumption is about 1,111 tons, down 53% over the same period.

Explaining the reason, Sao Ta said that the company only operates for 20 days in January, the rest is Tet holiday. Not only that, shrimp materials are scarce because at the end of the season and orders are less than in the same period.

- CTS, Vietinbank Securities made big profits from their investment in Thaco (OTC: THA). The Company continuously appreciates the value of the investment. At the end of 2022, the fair value of this investment is more than 5 times the original cost. Thaco is also the largest investment in the list of unlisted stocks (62%) of CTS.
- ITA divested its entire capital from 2 affiliated companies (Tan Tao Investment and Urban Development JSC and Tan Tao Energy Development JSC).

The reason given by ITA was also due to force majeure when the Kien Luong 1 project was removed by the Government from the list of projects that will operate before 2030, so ITA has no basis to implement this project.

- PGI, Petrolimex Insurance reduced 41% net profit in 2022, reaching VND 204 billion. Both the insurance business and financial investment have negative returns.



• High profit, many banks pay dividends in cash

VIB has just approved the plan to advance the 2022 dividend in cash at the rate of 10%, equivalent to an amount of more than VND 2,107 billion.

TPBank (TPB) also announced to close the list of shareholders on February 17 to get opinions on the plan to pay cash dividends in 2023, the expected rate of 25%, equivalent to 2,500 VND/share. The payment is expected in the first quarter of 2023.

VPBank plans to pay cash dividends in the next 5 years, with about 30% of annual profit after tax.

ACB also has a plan to pay 10% cash dividend if approved by the State Bank..

Business news

- GMD, Q4/2022 Consolidated Financial Statements of Gemadepht JSC recorded net revenue of VND 1,066 billion, profit after tax of VND 216 billion, up 3% yoy. Gross profit margin reached 43%, improved from 29% in Q4/2021.

In the whole year of 2022, net revenue is about VND 3,916 billion, up 22%. Profit after tax is VND 1,157 billion, up 60% compared to 2021 and exceeding 16% of the target.

In the revenue structure, port operation is still the main source of revenue, accounting for 79%. The rest is revenue from logistics activities, office leasing.

- TCM, According to a new decision of the Tax Department of Ho Chi Minh City announced on February 7, 2023, that TCM had committed an administrative violation in declaring value-added tax and corporate income tax. Accordingly, the company was fined 22.6 million VND.

In terms of business results, in 2022, Thanh Cong Trading recorded a revenue of VND 4,341 billion, up 22.7% compared to 2021. Textiles and apparel are the main contributors to revenue and gross profit. The company's net profit doubled to VND 281 billion, exceeding 11% of the whole year target, which is also a record level in the company's history.

- NVL, At the Real Estate Credit Conference held by the State Bank on the morning of February 8, Novaland Group proposed the State Bank to consider allowing real estate corporations to restructure their debts and rescheduling debts in the coming time within 24 - 36 months.
- BWE, Biwase have approved the investment plan to buy shares of DNP Long An Water Infrastructure Investment Joint Stock Company, the expected ownership rate is from 20% to 100% of charter capital. DNP Long An is in the ecosystem of DNP Holding (DNP).
- ACB, Mrs. Nguyen Thi Hai Tam, sister of Deputy General Director Nguyen Khac Nguyen, bought more than 1.21 million ACB shares.
- MWG, On February 3, Dragon Capital fund group sold 5,343,700 MWG shares of Mobile World Investment JSC. After the transaction, this foreign fund lowered its ownership in MWG from 9.33% to 8.96% of charter capital.



Trend: Correction phase

- The selling continued to dominate today but the bottom-fishing cash flow also quickly re-entered so the index ended in green. However, the matching order was at a low level below the 20-session average, showing that despite the gain, the money flow seems to be not really drastic and investor sentiment is still cautious. Moreover, Vnindex is slightly green but still below the 20-day MA, corresponding to 1,080 points. Technical indicators have not improved much as MACD is cutting down the signal line and widening its range while the RSI is almost flat around 50 level and has not been able to break through. This means that the corrective inertia continues. The next period will be quite shaky with high divergence, so investors need to be patient and limit excitement.

Scenarios:

- Positive (50%): The index successfully tested the support around the 20-day MA, corresponding to 1,060 points and created a recovery pace to 1,150 points.
- Less positive (50%): The index losing the 1,060 threshold might drop to test the psychological level of 1,000 points and lower to the 980 point area.

9/2/2023

Unit: thousand VND

Today's watchlist											
	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals			
PC1	Watch							Retest the 20-day MA			
CTG	Watch							Retest the 20-day MA			
BID	Watch							Retest the MA10-20 day area			
POW	Watch							Retest the old peak 12, maintained above the 10-day MA			
FRT	Watch							Maintained above the 10-day MA			
REE	Watch							Testing MA20-weekly resistance, volume down			
VSH	Watch							Maintained above the 10-day MA			
BVH	Watch							Retest the 20-day MA			
Trading portfolio											
Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
PLX	Hold	38	42	36	11%	-5%	37.2	1	-2.11%	08/02/2023	
VRE	Hold	29	32	27.5	10%	-5%	28.5	6	-1.72%	01/02/2023	

February 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
29	30	31	1 FOMC Statement (US) Federal Funds Rate (US) ISM Manufacturing PMI (US) OPEC-JMMC Meetings	2 BOE Monetary Policy Report (UK) Monetary Policy Statement (Euro)	3 Non-Farm Employment Change, Unemployment Rate, ISM Services PMI (US)	4
5	6 RBA Rate Statement (Australia)	7	8	9	10 GDP m/m (UK) Prelim UoM Consumer Sentiment (US)	11
12	13	14 CPI, Core CPI (US)	15 CPI m/m (UK) Retail Sales m/m (US)	16 Derivatives contract maturity PPI, Core PPI (US)	17	18
19	20 Flash Manufacturing and Services PMI (UK)	21 Flash Services and Manufacturing PMI (US) CPI y/y (Canada)	22 FOMC Meeting Minutes (US)	23 Prelim GDP q/q (US)	24 Core PCE Price Index m/m (US)	25
26	27	28 Vietnam macro data GDP m/m (Canada) CB Consumer Confidence (US) CPI, GDP (Australia)	1	2	3	4



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