



Shinhan
Securities

MORNING CALL

February 10th, 2023

“Concern sentiment continues to put pressure on the market, correcting trend remains”

- ❑ Global stocks fell again, Baltic dry index fell to the lowest level since 2020
- ❑ Domestic stocks retreat with low liquidity
- ❑ Update business results **#VHC #CTS #DAG #PTB #PC1**
- ❑ Technical view and recommendations
- ❑ Economic calendar
- ❑ Q&A

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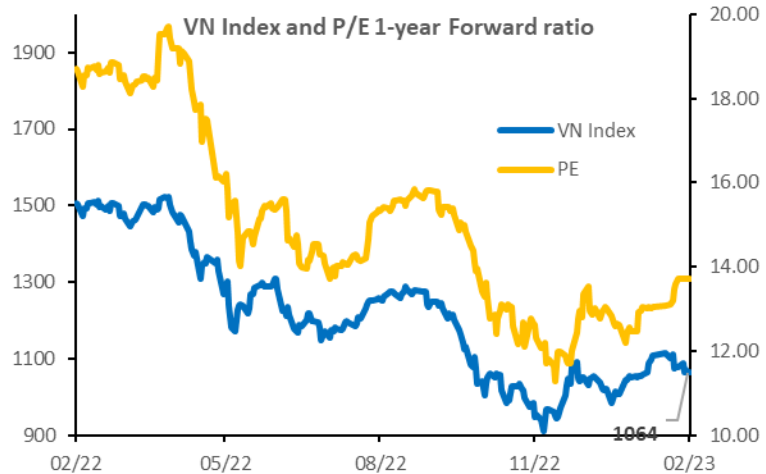


Major stock markets fell again

- The Dow finished more than 240 points lower on Thursday, while the S&P 500 and Nasdaq 100 lost almost 0.8% and 1%, respectively, as persistent concerns about the economic outlook and higher interest rates rattled optimism about upbeat earnings reports and raised worries on companies' future performance. Richmond Federal Reserve president Thomas Barkin was among the latest officials to acknowledge that the US economy is slowing but warned on continuing rate to ensure inflation doesn't get entrenched.
- European shares rebounded on Thursday, with the pan-European STOXX 600 climbing to a fresh nine-month high and Germany's DAX 40 rising above the 15,520 mark for the first time since February last year. Investors welcomed data that showed Germany's inflation rate rose below expectations, which could ease pressure on the European Central Bank to keep raising rates.
- Annual inflation rate in Germany edged higher to 8.7% in January of 2023 from a four-month low of 8.6% in the previous month, but below market forecasts of 8.9%, preliminary estimates showed.
- The number of Americans filing for unemployment benefits rose to 196 thousand in the week ending February 4th, from the previous week's nine-month low of 183 thousand and above market expectations of 190 thousand.
- The Baltic Exchange's main sea freight index, which measures the cost of shipping goods worldwide, fell about 1.8% to 592 points on Thursday, its lowest since June 2020.
- WTI crude futures dropped more than 1% to around \$77 per barrel on Thursday, pausing a three-day rally as rising US inventories offered a bleak picture for domestic demand. The Energy Information Administration said crude oil stocks rose last week to their highest since June 2021, helped by higher production and somewhat sluggish consumption.

Market	Close	%1D	%1M	%1Y
VN-Index	1,064	0.00%	1.01%	-29.38%
S&P 500 Index	4,082	-0.88%	4.14%	-9.38%
Dow Jones Index	33,700	-0.73%	-0.01%	-4.37%
GP 100	7,911	0.33%	2.82%	3.11%
Nikkei 225	27,717	0.48%	5.89%	0.08%
SHCOMP Index	3,267	-0.12%	3.06%	-6.29%
STOXX 600	462	0.62%	3.72%	-2.13%
KOSPI Index	2,467	-0.59%	4.92%	-11.00%
Hang Seng	21,440	-0.85%	0.51%	-13.98%

Currency & Commodity	Close	%1D	%1M	%1Y
Dollar Index	103.30	0.07%	0.06%	8.10%
USD/VND	23,584.00	-0.08%	-0.56%	-3.77%
EUR/USD	1.07	-0.07%	-0.01%	-6.09%
USD/CNY	6.79	-0.07%	-0.17%	-6.43%
Brent	84.27	-0.27%	5.21%	-7.81%
WTI	77.78	-0.36%	3.54%	-13.46%
Natural gas	2.46	1.19%	-32.43%	-37.89%
Coal	225.50	-5.79%	-42.74%	-5.75%
Gold	1,862.46	0.04%	-0.78%	1.95%



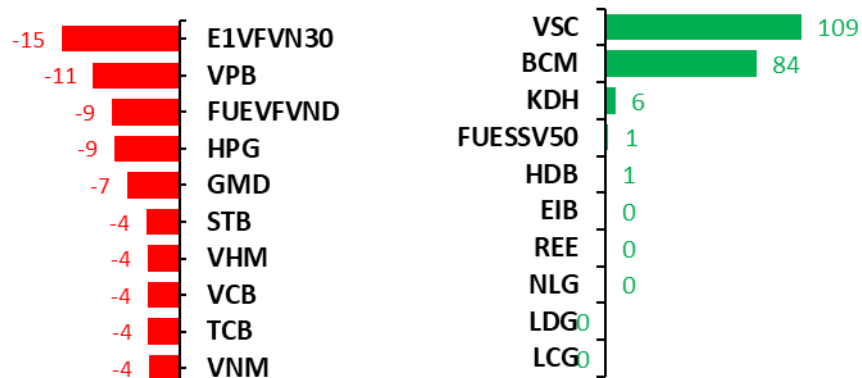
	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI INDEX	1,064.03	13.77	0.00	0.00	473	9,221
HNX INDEX	210.13	15.93	-0.79	-0.37	46	743

Money flow and sector rotation (VND bn)

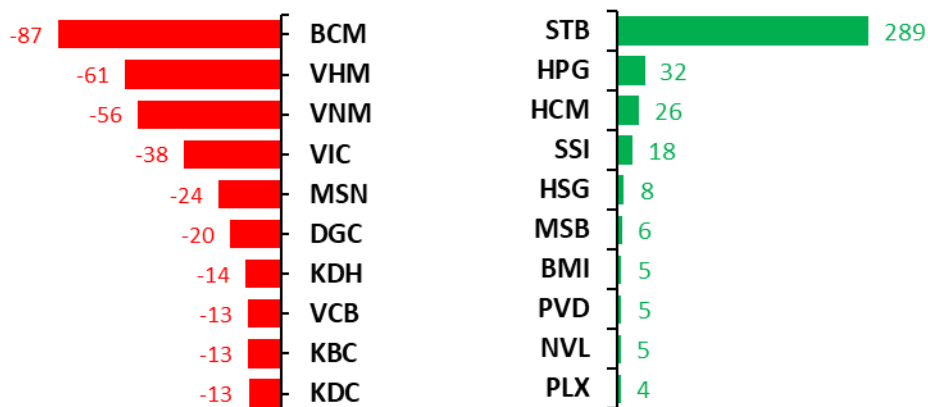
Sector	%1D	2/9/2023	2/8/2023	20-session Average	
Oil & Gas		57.03	145	92	114
Food and Beverage		28.28	696	543	747
Media		17.82	1	0	1
Banks		12.55	2,252	2,001	2,374
Personal & Household Goods		10.84	103	93	112
Technology	-5.5		73	77	91
Health Care	-6.0		17	18	16
Travel & Leisure	-7.6		36	39	75
Utilities	-16.9		106	128	186
Industrial Goods & Services	-18.1		233	285	434
Retail	-19.1		190	235	276
Automobiles & Parts	-25.7		45	61	77
Financial Services	-30.7		573	826	1,123
Real Estate	-32.0		989	1,454	1,411
Construction & Materials	-38.9		365	597	665
Chemicals	-40.9		256	433	371
Basic Resources	-42.9		655	1,148	1,084
Insurance	-57.6		14	34	44

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	77	(216)	201	14
Basic Resources	(9)	39	(38)	(1)
Media	-	0	(0)	0
Industrial Goods & Services	101	(4)	(107)	111
Health care	-	0	(1)	0
Chemicals	(4)	(31)	44	(13)
Financial Services	(27)	30	(14)	(16)
Travel & Leisure	(4)	(4)	(4)	8
Banks	(36)	281	(242)	(39)
Construction & Materials	(0)	3	2	(5)
Food and Beverage	(8)	(85)	83	1
Retail	(4)	(11)	13	(2)
Utilities	(2)	2	(4)	2
Personal & Household Goods	(0)	(2)	13	(12)
Technology	(3)	(0)	(5)	5
Automobiles & Parts	(0)	3	(3)	(0)
Insurance	(1)	4	(1)	(3)
Oil & Gas	(0)	9	(35)	26

Source: Fiinpro, Shinhan Securities Vietnam

Macro

Positive

- According to VSD's report, by the end of January 2023, there were a total of more than 6.9 million trading accounts, an increase of more than 36,000 accounts compared to December 2022. In which, the number of domestic trading accounts is more than 6.89 million and the number of foreign trading accounts is nearly 42.9 thousand.poww
- Many banks simultaneously lowered deposit interest rates.
- Prime Minister Pham Minh Chinh is on an official visit to Singapore and Brunei.

Less positive

- Seafood exports are estimated at 600 million USD in January 2023, down 31% over the same period, expected to recover from the second quarter.
- 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.



Business news

- VHC, Q4/2022, Vinh Hoan recorded a net revenue of VND 2,484 billion, down nearly 8% compared to the same period last year. Gross profit margin reached 19.1%, down 4.7 percentage points compared to Q4/2021. This is also the second consecutive quarter of revenue decline after peaking in the second quarter of 2022. Q4 net profit decreased by 58% to VND 190 billion.

At the end of the fourth quarter, Vinh Hoan made provision for nearly VND 77 billion for the stock investment with original price of VND 179 billion. The stocks that this unit holds are mainly NLG, DXS, KBC.

Accumulated in 2022, Vinh Hoan has VND 13,239 billion in net revenue, up 46% over the same period last year thanks to positive business results in the first half of the year. For the whole year, the company made a net profit of VND 1,977 billion, an increase of 80% compared to the same period last year. Earnings per share (EPS) reached VND 10,815.

- CTS, Q4/2022, operating revenue of VietinBank Securities is only VND 192 billion, much lower than VND 450 billion of Q4/2021. The company reported a loss after tax of VND 3.3 billion while the same period profit was nearly VND 190 billion. The last time this company reported a loss was from the first quarter of 2020 with a negative level of VND 82 billion.

For the whole year of 2022, VietinBank Securities earned VND 872 billion in operating revenue, down nearly VND 200 billion compared to the previous year. Except for lending income which increased by 30% YoY, other segments such as securities trading or securities brokerage all recorded negative growth.

- DAG, Q4/2022, profit before tax decreased by 82% to more than VND 1.6 billion, profit after tax was just over VND 66 million (while in 2021, profit was VND 6.1 billion). According to the explanation of DAG, the reason is the high increase in financial and administrative expenses during the period.

Accumulated in 2022, DAG achieved VND 2,273 billion in net revenue, up 16% over the same period, financial expenses and business administration expenses increased by 10% and 28% respectively compared to 2021. However, profit DAG's profit before and after tax in 2022 still increased by 17% and 24%, respectively, to VND 14.2 billion and VND 7.4 billion.



IDV, Vinh Phuc Infrastructure closed the list of shareholders to issue shares paying 20% dividend on February 23.

REE announced March 1 is the last day to close the list of shareholders to pay the 2022 dividend in cash and shares, total rate of 25%. Also on March 1, REE will finalize the list of shareholders attending the 2023 Annual General Meeting of Shareholders.

Business news

- PTB, Q4/2022, revenue reached VND 1,723 billion, down slightly by 2.2% over the same period. Gross profit margin decreased from 21.3% to 19.4%. Financial and administrative expenses increased sharply, as a result, Phu Tai reported Profit after tax reached VND 77 billion, down 40% compared to the same period last year.

The company said revenue and profit decreased over the same period due to the impact of the global market on consumption of the wood processing industry. The economic situation was volatile such as tight credit, high interest rates, and strong fluctuations in exchange rates. The enterprise also added that due to the merger of Phu Cat wood processing factory into Binh Dinh Wood One Member Company Limited, revenue and profit were not recorded in the parent company.

In the whole year of 2022, Phu Tai recorded revenue of VND 6,887 billion, up 6%. Profit after tax was recorded at VND 502 billion, down nearly 5% compared to the same period last year.

- PC1, Q4/2022, the company's sales revenue reached nearly VND 2,339 billion (up 8% over the same period). COGS only increased by 4% to VND 1,830 billion, making PC1's gross profit this quarter increased by 23% YoY to nearly VND 508 billion. As a result, PC1 reported a profit after tax of more than VND 275 billion - an increase of nearly 48% YoY and the company's highest profit quarter since 2014 to date.

In the whole year of 2022, the company's revenue reached VND 8,333 billion, down 15%. Profit before and after tax decreased by 33% and 31% respectively to VND 598 billion and VND 527 billion. EPS reached 1,513 VND/share.

- HHV, Deo Ca Transport Infrastructure Investment JSC has just announced the winning bid to implement the Prenn Pass Upgrading and Expanding Project in Lam Dong Province. The project has a length of about 7.37km with a total investment of 550 billion VND, construction is expected to be completed before December 31, 2023.
- Vietnam Airlines will resume 5 flight routes between Vietnam and China from March and April this year, thereby restoring a total of 9/10 routes to China compared to the pre-epidemic period.



Trend: Correction phase

- Hesitation continued to dominate in today's session. Although the market gained at the beginning, selling pressure quickly returned and prevailed in the afternoon so the index closed in red. Market breadth was also narrower with the money flow diverged. In general, the index is fluctuating in the correcting phase when technical indicators have not improved much. The MACD is lower than the signal line and is expanding its range with the RSI falling below 50, meaning that the bearish momentum is still there. The nearest support for the trend is the threshold of 1,050 points corresponding to the 50-day MA. The right strategy remains patient and observant.

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.

10/2/2023

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	Buy	38	42	36	11%	-5%	37.9	2	-0.26%	08/02/2023	
VRE	Hold	29	32	27.5	10%	-5%	28.2	7	-2.76%	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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