MORNING CALL

February 15th, 2023

"Hovering to find the balance zone, liquidity fell to a low level"

- Global stocks fell after US CPI data
- Domestic stocks struggled, liquidity fell to a low level
- The fierce market share race in the steel industry #HPG #HSG #NKG
- Update on seafood export situation in January 2023 #ANV
- Technical view and recommendations #PVS
- Economic calendar
- Q&A

[Analysts]

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Open Account

Global Market Review - Week 13/02 - 17/02/2023

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Major stock markets fell again

- The Dow Jones closed more than 150 points lower on Tuesday, while the S&P 500 finished slightly below the flatline and Nasdaq 100 added 0.5%, after a volatile session as investors were digesting the latest US inflation data and reassessed the outlook for monetary policy.
- The annual inflation rate in the US slowed to 6.4% in January, the lowest since October 2021, compared to 6.5% in December and market expectations of 6.2%. Although inflation has shown signs of peaking at 9.1% in June last year, it remains more than three times above the Fed's 2% target and continues to point to a broad-based advance on the general price level, particularly services and housing. Compared to December, the CPI rose 0.5%, the most in three months, mostly due to the higher cost of shelter, food, gasoline, and natural gas.
- US natural gas futures jumped 8% to $2.6/MMBtu, recovering from over two-year lows of $2.37/MMBtu, on progress in restarting the Freeport LNG terminal, lower US output and forecasts for lower temperatures.
- The Baltic Exchange's main sea freight index, which measures the cost of shipping goods worldwide, slumped about 8.6% to 563 points on Tuesday, its lowest since early June 2020.
- Stocks of crude oil in the United States jumped by 10.507 million barrels in the week ended February 10th, 2023, following a 2.184 million barrels drop in the previous week, data from the American Petroleum Institute showed. It was the highest weekly gain since the first week of January 2023, compared with market expectations of a 0.321 million barrels increase.
- WTI crude futures fell more than 1% to around $79 per barrel on Tuesday, retreating from an almost three-week peak of $80.6 touched in the previous session, after the US government announced plans to release 26 million barrels of oil from strategic reserves, countering the impact of Russian output cuts. Supply worries also eased after the EIA said it expected record March production from the seven largest US shale basins.

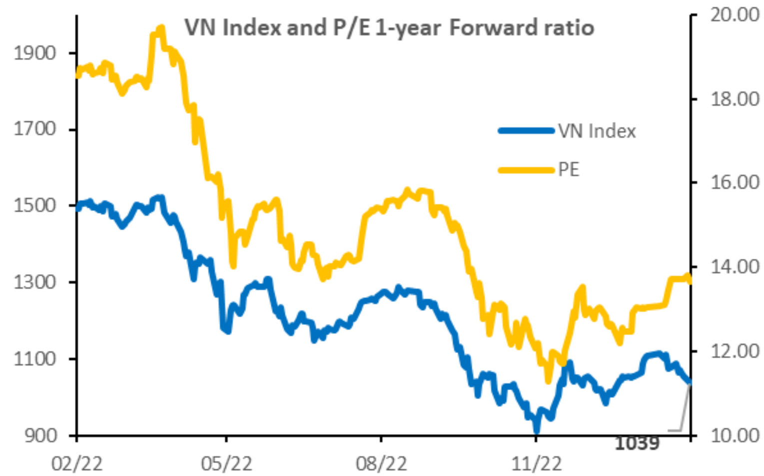
Market

	Close	%1D	%1M	%1Y
VN-Index	1,039	-0.48%	-2.03%	-30.42%
S&P 500 Index	4,136	-0.03%	3.43%	-6.03%
Dow Jones Index	34,089	-0.46%	-0.62%	-1.38%
GP 100	7,954	0.08%	1.40%	4.53%
Nikkei 225	27,637	0.12%	5.81%	2.87%
SHCOMP Index	3,293	0.28%	3.07%	-4.43%
STOXX 600	462	0.08%	2.18%	-1.10%
KOSPI Index	2,446	-0.79%	2.52%	-8.61%
Hang Seng	21,114	-0.24%	-2.87%	-13.31%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	103.23	-0.11%	1.01%	7.12%
USD/VND	23,591.00	-0.06%	-0.63%	-3.65%
EUR/USD	1.07	-0.03%	-0.80%	-5.49%
USD/CNY	6.83	-0.14%	-1.31%	-6.89%
Brent	85.58	-1.19%	0.35%	-11.30%
WTI	78.66	-0.51%	-1.50%	-14.57%
Natural gas	2.57	0.08%	-24.86%	-40.34%
Coal	219.50	-0.68%	-40.72%	-8.54%
Gold	1,855.10	0.04%	-3.18%	0.08%

Vietnam Market Snapshot 14/02/2023



	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,038.64	13.51	-5.06	-0.48	395	6,722
HNX INDEX	204.86	15.52	0.37	0.18	37	564

Money flow and sector rotation (VND bn)

Sector	%1D	2/14/2023	2/13/2023	20-session Average
Media	10.85	1	1	1
Basic Resources	-0.4	739	742	1,079
Technology	-14.8	56	65	91
Travel & Leisure	-16.3	30	35	68
Personal & Household Goods	-21.6	64	82	114
Real Estate	-25.1	1,187	1,586	1,428
Banks	-37.8	1,282	2,060	2,270
Automobiles & Parts	-43.2	45	78	77
Utilities	-45.8	86	158	178
Food and Beverage	-47.6	445	851	741
Retail	-47.9	124	238	281
Industrial Goods & Services	-48.3	247	478	430
Health Care	-48.9	8	17	16
Chemicals	-51.2	244	501	377
Construction & Materials	-52.3	341	716	652
Financial Services	-56.4	458	1,051	1,113
Oil & Gas	-57.4	71	166	114
Insurance	-61.7	20	52	44

Source: Bloomberg, Sinhan Securities Vietnam

Vietnam Market Snapshot 14/02/2023

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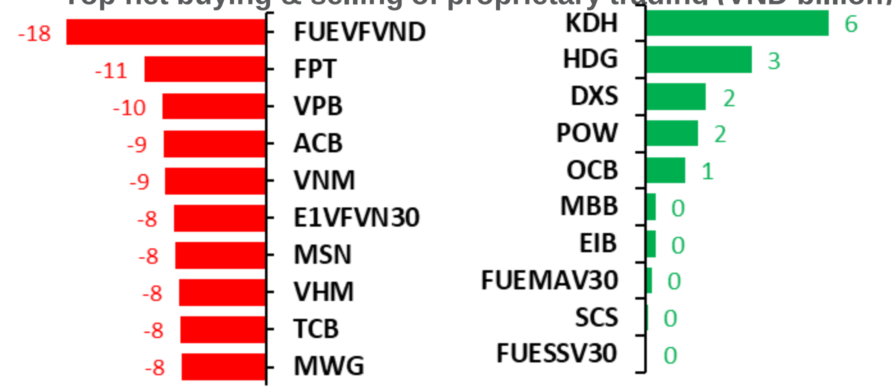
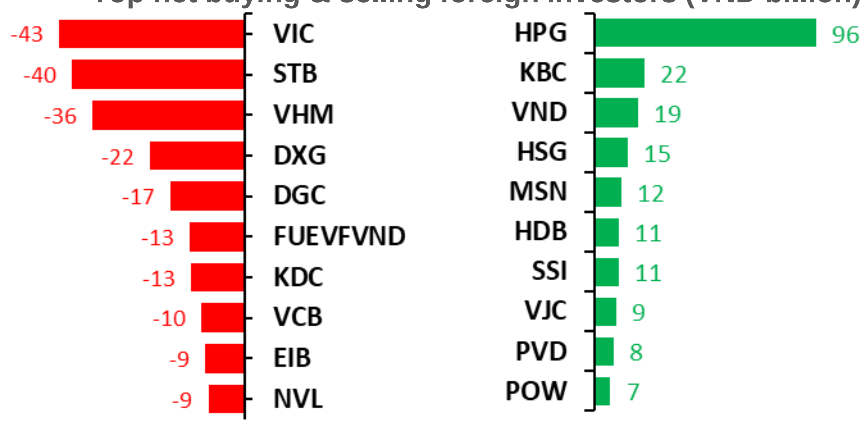
Top net buying & selling of proprietary trading (VND billion)



Top net buying & selling foreign investors (VND billion)



The net 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	(16)	(79)	127	(47)
Basic Resources	(4)	113	(31)	(82)
Media	-	(0)	(0)	0
Industrial Goods & Services	(3)	7	(12)	5
Health care	-	1	(1)	(0)
Chemicals	(0)	(16)	33	(17)
Financial Services	(29)	21	(40)	19
Travel & Leisure	(3)	9	(6)	(4)
Banks	(47)	(59)	125	(67)
Construction & Materials	(1)	12	0	(12)
Food and Beverage	(19)	12	8	(20)
Retail	(13)	5	11	(16)
Utilities	0	13	(10)	(2)
Personal & Household Goods	(3)	(1)	1	(0)
Technology	(11)	0	(7)	7
Automobiles & Parts	-	2	(3)	0
Insurance	(0)	7	(6)	(1)
Oil & Gas	(0)	10	(15)	5

Source: Fiinpro, Shinhan Securities Vietnam

Macro

Positive

- The Vietnam Sugarcane Association (VSSA) proposed to the Ministry of Finance to direct the General Department of Customs to verify the origin of goods at the production facility for imported sugar lots imported by PT. Kebun Tebu Mas Indonesia produced. At the same time, it is proposed to temporarily apply the MFN tax rate to this company's shipments to Vietnam as soon as possible.
- The nationwide online conference on promoting the real estate market, chaired by Prime Minister Pham Minh Chinh, was moved to February 17.
- Deposit interest rates continued to cool down after the Lunar New Year.

Less positive

- The merchandise trade balance had a deficit of $39 million in the second half of January.
- 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

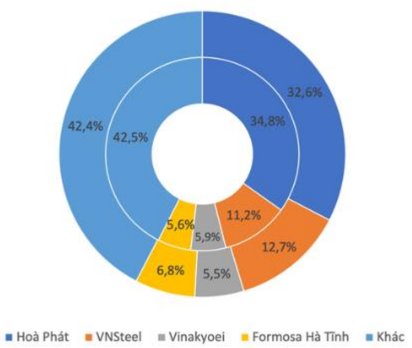
- TPB, TPBank are about to pay cash dividends at the rate of 25%. The ex-rights date is February 20, 2023.

  Regarding business activities, for the whole year of 2022, TPBank's net interest income increased by 14% compared to the previous year, reaching nearly VND 11,387 billion. Service activities increased by 75%, earning nearly VND 2,692 billion in profit thanks to increased revenue from payment activities and other service fees. Notably, profit from other activities was 2.9 times higher than the previous year, reaching more than VND 702 billion.

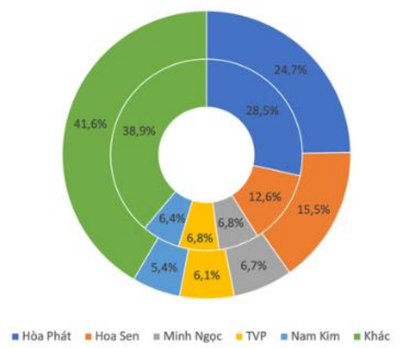
  During the year, TPBank spent nearly VND 1,844 billion to provision for credit risks, down 37%, so the Bank earned more than VND 7,828 billion in pre-tax profit, up 30% from the previous year.
- FLC, HOSE has just issued a decision to cancel the listing of nearly 710 million FLC shares from February 20 for "serious violations of the obligation to disclose information".
- PDR, According to the disclosure of information on transactions of PDR insiders, Mr. Dat was sold off his mortgage of 5.268 million PDR shares in the session on February 13, 2023 due to a misunderstanding during information exchange.
- HDB, Deputy General Director of HDBank, Nguyen Van Hao continued to register to buy 200,000 shares.
- CTD, Coteccons consulted shareholders, asked to extend the issuance of ESOP shares and treasury shares.
- YEG, Yeah 1 is promoting the acquisition of core businesses that have been divested in the past period in order to stabilize the ecosystem. Specifically, the Board of Directors of Yeah1 Group JSC has just approved the transfer of shares in Yeah1 Edigital JSC (Y1D) and Netlink Vietnam Technology Communication JSC.
- HBC, Mr. Nguyen Cong Phu withdrew from the Board of Directors of Hoa Binh Construction. Mr. Nguyen Cong Phu's application for resignation from the position of member of the Board of Directors will be considered and approved at the 2023 Annual General Meeting of Shareholders.

The fierce competition for market share in the steel industry

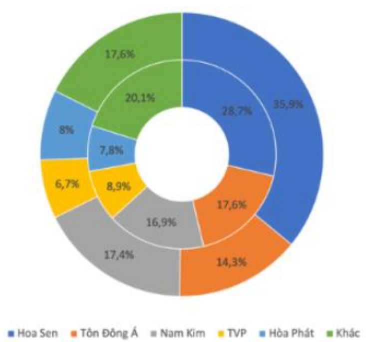
Construction steel market share in 2022 (inner ring) and 2021 (outer ring)



Steel pipe market share in 2022 (inner ring) and 2021 (outer ring)



Market share of metal-plated and color-coated corrugated iron in 2022 (inner ring) and 2021 (outer ring).



Source: VSA, Fireant

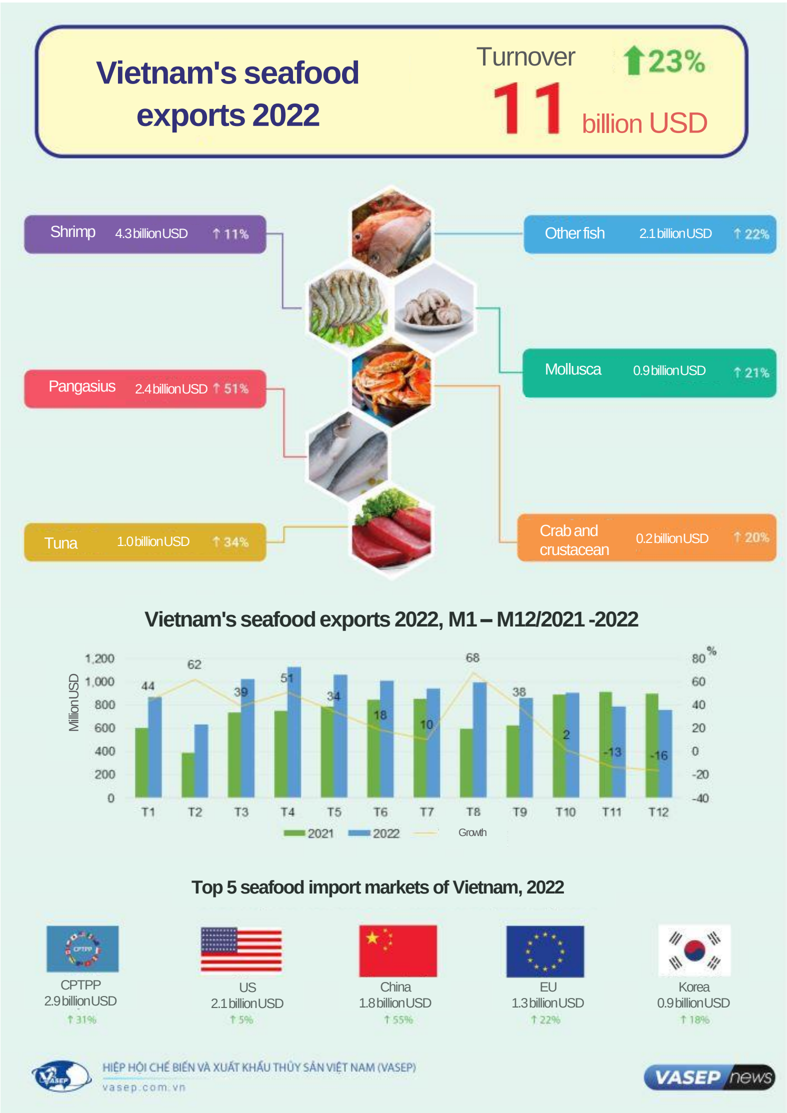
According to data from the Vietnam Steel Association (VSA), in 2022, steel sales of all kinds reached 27.3 million tons, down 7.2% compared to 2021. Exports reached 6.28 million tons, down 19.1% over the same period last year. Construction steel was the only item that recorded a slight growth of 3%, the rest all dropped sharply such as hot rolled coil (-13.2%), metal coated and color coated steel sheet (-21.8%), coil steel cold rolled (-11.8%).

In the third and fourth quarters of 2022, most factories are in a difficult situation due to high inventory prices. Enterprises continuously lower selling prices to lower inventories in the context of low demand in the period of May to August. This makes competition between factories fierce on selling prices and encroaching on the market each other's part.

- ✓ With construction steel, Hoa Phat (HPG) continues to lead the market share with 34.8%, up 2.2 percentage points compared to 2021. Meanwhile, the pie of other competitors ranked 2nd and 3rd such as Vietnam Steel Corporation or Vinakyoei decreased.

  In 2022, Hoa Phat produces 4.3 million tons of steel, 400 thousand tons higher than in 2021. The consumption is about 4.2 million tons.
- ✓ Like construction steel, steel pipes are also Hoa Phat's strengths when leading the market share for many years and 2022 is no exception. Hoa Phat's steel pipe market share in 2022 is 28.5% compared to 24.7% in 2021. Hoa Sen ranked second with 12.6%, down nearly 3 percentage points compared to 2021. Nam Kim (NKG) also decreased 1 percentage point in market share in this segment.
- ✓ With the metal-plated corrugated iron & color coating - products that Hoa Sen (HSG) has led for many years, Hoa Sen's market share plummeted 7.2 percentage points compared to 2021, to 28.7%. Other businesses such as Ton Dong A, TVP take advantage of filling the gap left by Hoa Sen. The market share of Hoa Phat and Nam Kim is almost unchanged compared to 2021.

Update on seafood export situation in January 2023



- By the end of December 2022, Vietnam's seafood exports reached the target of 11 billion USD, up 23% compared to 2021. Export turnover of commodity groups such as pangasius, shrimp, tuna... of Vietnam increased compared to the previous year. Successful results of the first 3 quarters of the year continued to grow positively at a high rate of 34 -46% over the same period last year. In the fourth quarter, the export trend reversed to negative growth of more than 9% and fell deeply in all categories due to the impact of inflation in markets around the world.
- In January 2023, seafood exports continued to decline sharply following the trend of the last quarter of last year plus the occasion of the Lunar New Year holiday. It is estimated that in the first month of the year, seafood exports decreased by 31%, reaching about 600 million USD. In which, pangasius decreased by 50%, shrimp decreased by 46%, tuna decreased by 32%, only squid and octopus maintained a positive growth of 4% and other marine fish species increased by 6%. Exports to major markets in January 2023 all decreased sharply, of which the US decreased by 56%, China - HK decreased by 55%, the EU decreased by 35%.

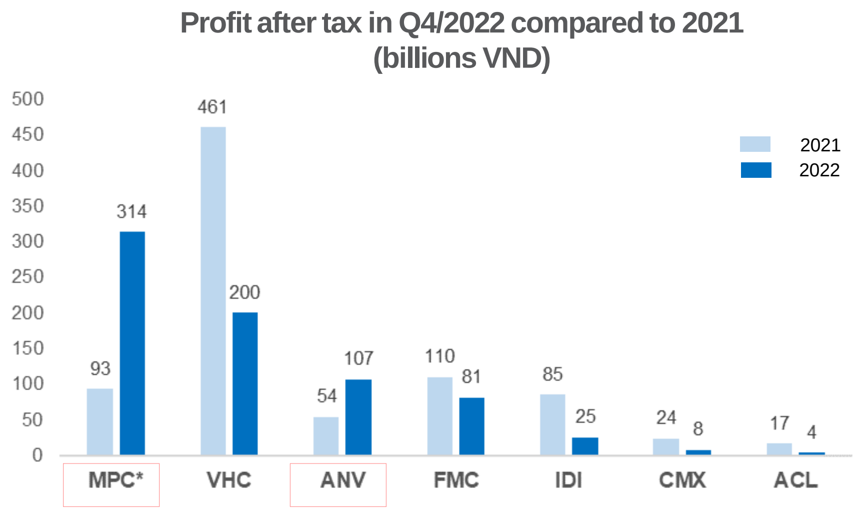
Bright spot

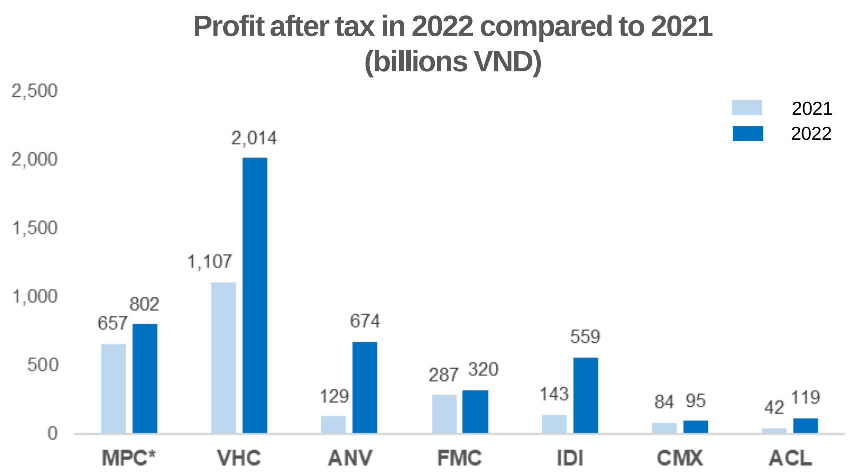
- China's opening gives great hope for a recovery in demand not only in this market but also in other markets around the world, when tourism and trade are smooth. Besides, we can still be optimistic about markets that are assessed to have stable economic growth this year such as Asia, the Middle East...
- Infrastructure and logistics for export production in the key areas of the Mekong Delta have been improved. The latest news is that on the first day of the new year, Prime Minister Pham Minh Chinh came to work and inspect key transport projects in the Mekong Delta and required that by 2026 the Mekong Delta must have 554 km of highways. This is meaningful news for the economic development of the region, especially in the fisheries sector.

Seafood export in January 2023		
	Billion USD	Growth (%)
Shrimp	169,134	-46
Pangasius	106,804	-50
Tuna	59,738	-32
Other fish	168,743	6
Mollusca	65,817	4
Krill shells	11,839	0
Other mollusks	120	0
Total	599,673	-31

*** Recently, the Ministry of Agriculture and Rural Development said that the CIFER system of the General Administration of Customs of China has officially approved, adding 23 seafood processing facilities of Vietnam that are allowed to export to China. Accumulated to the beginning of 2023, the CIFER system has recorded 802 Vietnamese enterprises that are eligible to export seafood to this country.

Business situation of seafood enterprises





* Financial statements of the parent company

Source: Compiled from financial statements

In the first half of 2022, the seafood industry benefits continuously thanks to good prices and favorable export markets. However, the situation gradually deteriorated towards the end of the year and exports also cooled down. Most of the profits of seafood enterprises decreased in the fourth quarter of 2022

- In the fourth quarter of 2022, Vinh Hoan (VHC) lost more than half of its profit over the same period, only nearly VND 200 billion. This is also the company's lowest profit quarter in 2022. Meanwhile, the giant shrimp industry Sao Ta (FMC) also reduced its profit by 26% to more than VND 80 billion. The group of seafood businesses with a smaller market share also recorded a decline in which Multinational Development and Investment JSC (IDI) reported a profit decrease of more than 70% YoY to VND 25 billion, Cuu Long An Giang Seafood (ACL) also went back 76% to more than VND 4 billion.
- In the opposite direction, there are still businesses that recorded positive profit growth in the fourth quarter of 2022. Typically, ANV's profit doubled to VND 107 billion. Especially, shrimp king Minh Phu, although not yet announced the consolidated financial statements, parent company MPC also recorded a Q4 net profit that increased by 238% YoY to VND 314 billion. Worth mentioning, this is also the champion in profit of the seafood group in the last 4 quarters.

➢ With the expected bright spot from the opening of the Chinese market, leading to an improvement in demand, enterprises with a high proportion of exports to China will benefit more, including **ANV and IDI.**

Moreover, a potential market for seafood exports is ASEAN, which is assessed as having stable growth. By the end of November 2022, pangasius exports to this market group reached $183 million, up 87% over the same period last year. The dominant market is Thailand.

➢ Pangasius exports to Thailand by the end of November 2022 reached nearly $83 million, up 67% over the same period in 2021. This market has attracted nearly 80 Vietnamese pangasius exporters. In particular, Nam Viet JSC **(ANV)** alone accounts for more than a quarter of the market share in Thailand.

Technical view

Trend: Find the balance zone

- Hesitancy still dominates investors in the current period of lack of supporting information. Although the money flow flourishes at the beginning of the session, the selling quickly overwhelmed again so the market continued to close in the red. Order matching fell to a low level, showing caution and reticence in the buying direction. The index hovering below the 50-day MA has not given clear signals and supply and demand are still struggling to find direction. Therefore, the right strategy is to be patient and maintain observation state.

Scenarios:

- Positive (50%): The index successfully tested the support around the 50-day MA, corresponding to 1,050 points and created a recovery pace to 1,150 points.
- Less positive (50%): The index losing the 1,050 threshold might drop to test the psychological level of 1,000 points and lower to the 980 point area.

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Recommended stocks

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` 15/2/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
PVS	Buy	24	26	23	8%	-4%	24.4	Well tested the 20-day MA, volume improves, RSI > 50
BCC	Watch							Testing the 20-day MA, the volume suddenly increased
HT1	Watch							Breaking out of the correction trend, the volume spikes
NT2	Watch							Breaking out of the correction trend, the volume spikes
PC1	Watch							Testing the 20-day MA
BID	Watch							Good reaction around 20-day MA
LCG	Watch							Good reaction around 10-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%	38	5	0.00%	08/02/2023	
VRE	Sell	29	32	27.5	10%	-5%	28	10	-3.45%	01/02/2023	Failed test of 50-day MA

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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

Q&A

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