MORNING CALL

February 27th, 2023

"A challenging week for the market with the absence of a catalyst and pessimism returning"

- Global stocks fell
- Domestic stocks continued to drop, pillar stocks made it difficult for the index
- US core PCE inflation rises more than expected
- Technical view and recommendations
- Economic calendar
- Q&A

Open Account

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Global Market Review - Week 20/02 - 24/02/2023

Major stock markets fell, US core PCE inflation rises more than expected

Global stocks reversed to decline, the lack of catalysts on the upside made cautious sentiment overshadowed the market. The focus of the week is on the minutes of the FOMC meeting and the results show that the Fed will almost certainly continue its monetary tightening cycle until inflation returns to the target level. Investors are worried that the rate hike could be 50 basis points instead of 25 basis points as previously expected, when the US economic data is hotter than expected and the personal consumption expenditures (PCE) price index, the Fed's preferred inflation gauge, which rose to 4.7% in January, was well above consensus, pushing back the idea of an early Fed policy pivot. Closing the week, Dow Jones, S&P 500 lost 2.9% and 2.7% respectively. European stocks also traded in the red with Stoxx Euro down 1.4%. Asian stocks mostly fell, led by Hang Sen with a drop of 3.4%. Nikkei also left the reference level and decreased slightly by 0.2%.

The core PCE price index in the United States, which excludes food and energy, rose 0.6% in January, the highest since August and above estimates of 0.4%. The annual rate, the Fed's preferred measure of inflation, accelerated to 4.7% from 4.6% and beat forecasts of 4.3%, supporting signals from Fed policymakers that interest rates should higher for a longer period to tame inflation. The PCE index also increased 0.6% month-on-month and 5.4% year-on-year.

WTI crude oil had a struggling week at around $76/barrel. New data from the EIA's new report showed that US inventories rose to a record high from September last year, offsetting Russia's announcement of plans to cut oil exports from western ports by 25% in March. Notably, the dollar index rose above 105, a seven-week high along with yields on the US 10-year Treasury note, seen as a proxy for global borrowing costs, jumped to above 3.94%, its highest level in three months.

In focus next week, in the US, appearances from several Fed officials will be in the spotlight alongside the ISM PMIs release. Elsewhere, investors will follow GDP growth figures for India, Australia, Canada, Brazil and Switzerla, PMIs for China and preliminary inflation data for the Eurozone.

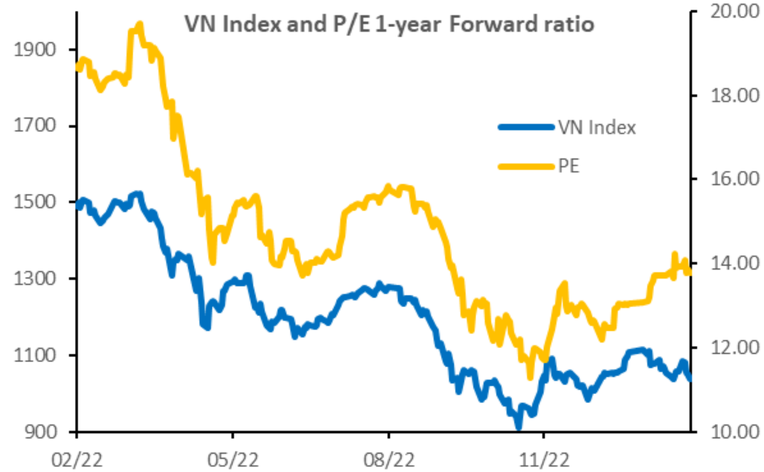
Market

	Close	%1D	%1M	%1Y
VN-Index	1,040	-1.34%	-6.94%	-30.64%
S&P 500 Index	3,970	-1.05%	-2.47%	-9.46%
Dow Jones Index	32,817	-1.02%	-3.42%	-3.65%
GP 100	7,879	-0.37%	1.46%	5.20%
Nikkei 225	27,350	-0.38%	-0.12%	3.30%
SHCOMP Index	3,267	-0.62%	0.07%	-5.34%
STOXX 600	458	-1.04%	0.56%	0.92%
KOSPI Index	2,393	-1.25%	-3.66%	-10.59%
Hang Seng	20,010	-1.68%	-11.81%	-12.11%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	105.20	-0.01%	3.21%	8.89%
USD/VND	23,788.00	-0.16%	-1.43%	-4.03%
EUR/USD	1.06	0.04%	-2.91%	-5.95%
USD/CNY	6.96	-0.75%	-2.52%	-9.06%
Brent	83.39	0.28%	-3.77%	-14.85%
WTI	76.63	0.41%	-3.83%	-16.33%
Natural gas	2.59	1.61%	-16.73%	-42.08%
Coal	204.25	1.19%	-43.20%	-14.72%
Gold	1,812.95	0.11%	-5.97%	-5.03%

Vietnam Market Snapshot 23/02/2023



	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,039.56	13.50	-14.10	-1.34	371	5,804
HNX INDEX	207.32	18.28	-1.98	-0.95	57	714

Money flow and sector rotation (VND bn)

Sector	%1D	2/24/2023	2/23/2023	20-session Average
Health Care	14.83	24	20	16
Travel & Leisure	14.26	94	82	56
Personal & Household Goods	-0.6	87	87	115
Retail	-21.1	175	222	280
Real Estate	-28.4	1,196	1,669	1,556
Automobiles & Parts	-33.7	68	103	88
Food and Beverage	-36.0	452	706	680
Banks	-38.8	1,192	1,946	2,119
Insurance	-40.1	21	36	42
Media	-41.3	2	4	1
Chemicals	-41.6	242	414	399
Utilities	-42.0	97	168	177
Basic Resources	-48.5	722	1,401	1,121
Industrial Goods & Services	-48.6	242	471	427
Construction & Materials	-51.0	422	862	723
Financial Services	-52.0	625	1,303	1,062
Oil & Gas	-52.5	92	194	132
Technology	-53.0	50	107	86

Source: Bloomberg, Sinhan Securities Vietnam

Vietnam Market Snapshot 24/02/2023

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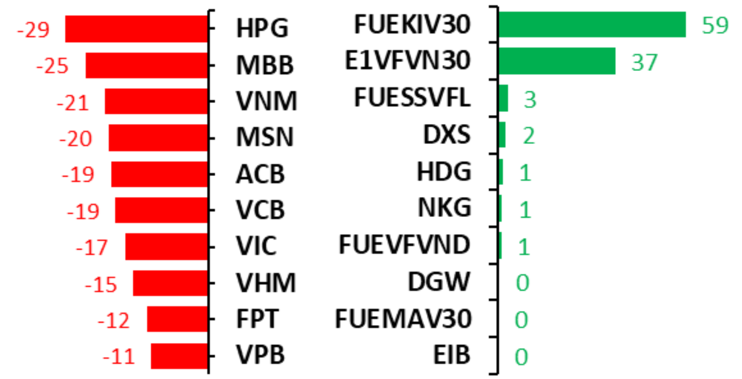
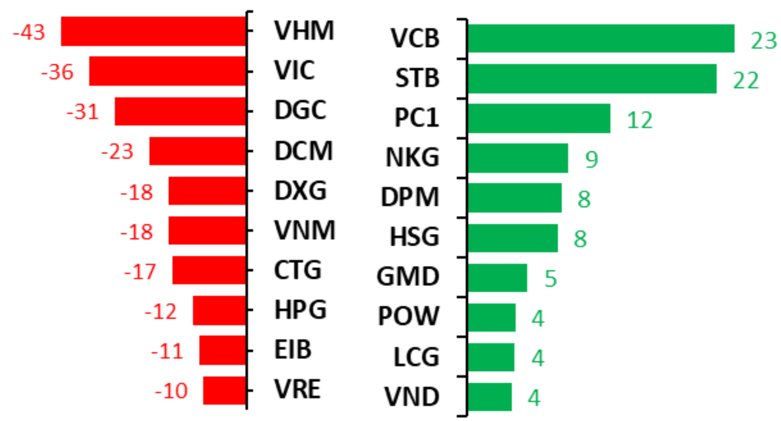
Top net buying & selling of proprietary trading (VND billion)



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	(45)	(132)	241	(109)
Basic Resources	(28)	0	22	(22)
Media	-	0	(0)	0
Industrial Goods & Services	(3)	(1)	4	(4)
Health care	0	0	(3)	3
Chemicals	(9)	(49)	69	(20)
Financial Services	34	(14)	56	(42)
Travel & Leisure	(9)	3	9	(12)
Banks	(115)	(19)	163	(144)
Construction & Materials	(2)	16	(13)	(3)
Food and Beverage	(44)	(33)	90	(57)
Retail	(10)	2	10	(11)
Utilities	(6)	9	(0)	(9)
Personal & Household Goods	(11)	1	7	(7)
Technology	(12)	(0)	10	(9)
Automobiles & Parts	-	(1)	2	(0)
Insurance	(2)	(1)	1	(0)
Oil & Gas	(1)	1	0	(2)

Source: Fiinpro, Shinhan Securities Vietnam

Breaking News

Macro

Positive

- Domestic construction steel price has just been adjusted to increase by enterprises for the 5th time in a row since the beginning of 2023.

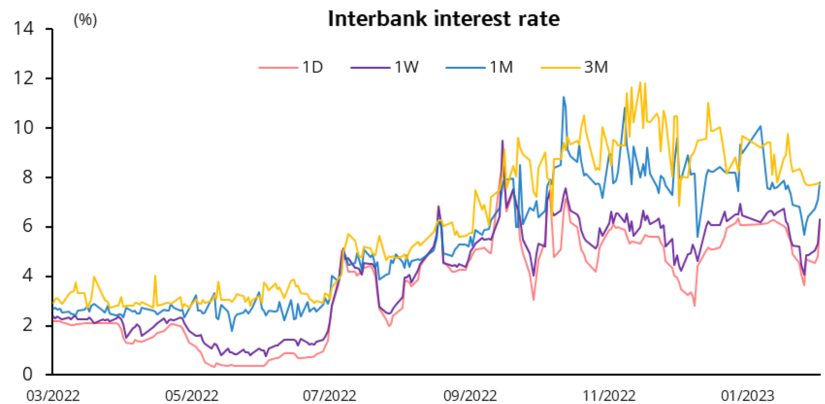
Less positive

- The export value of wood and wood products in January 2023 reached USD 806 million, down 38.4% from the previous month and down 48.6% over the same period.
- Russia suspended the nuclear arms control treaty (New START) with the US.
- In January 2023, Vietnam's seafood export turnover reached 456 million USD, down 48% over the same period in 2022.
- ECB President reaffirms interest rate hike by 0.5 percentage point for March meeting.

Business news

- On February 23, many steel companies announced to increase the selling price of steel products in the domestic market. Accordingly, Viet Duc, Hoa Phat, Viet Italy, Viet Sing ... simultaneously increased prices for construction coil products at an average of 150,000 - 210,000 VND/ton (excluding VAT).
- NVL: Former Chairman of the Board of Directors of Novaland Bui Xuan Huy and current General Director Hoang Thu Chau have submitted their resignations.
- DIG: DIC Corp moved the issue date of 100 million shares to Q2 - Q3/2023.
- BAF: IFC and BAF have signed an investment contract, under which, IFC will provide a maximum funding package of about $39 million.
- VCG: Vinaconex completed the transfer of shares in Vinaconex Electromechanical Joint Stock Company, thereby reducing its ownership rate to 5%.
- SKG liquidated 2 ferries Superdong PI and PII worth nearly 3 million USD.
- KDC: KIDO established a fish sauce production company with charter capital of VND 200 billion.
- PAT plans to reduce profit after tax in 2023 by 57%, cash dividend in 2023 is expected to be 140%.
- AIC: DB Insurance (Korea) became the controlling shareholder of Vietnam Aviation Insurance Joint Stock Company.
- SCR (TTC Land): The company has no outstanding bonds.
- VIB: Expected to pay 15% cash dividend, 20% stock bonus for shareholders in 2023.

Interbank interest rates and exchange rates are increasing again



- Interbank interest rates have just rebounded in terms, along with the exchange rate is likely to increase when the USD recovers strongly.
- Many businesses that are slow to pay interest and principal on bonds show short-term cash flow problems.

https://cafef.vn/doanh-nghiep

Technical view

Trend: Increased risk

- The market almost covered up the gaining momentum of the first session of the week to trade in the red with selling dominating. This shows that there are many "bullish traps" in the session and investors need to avoid excitement. Especially, large-cap group traded negatively, causing obstacles for the index. Interbank interest rates starting to increase again along with exchange rate pressure is also something to pay attention to in the coming time. Technically, the MACD failed to get up and the RSI dropped back below 50, meaning that the money flow is weakening. The short-term uptrend was also violated when the index lost the threshold of 1,050 points, corresponding to the 50-day MA, pushing the trading risk higher. Therefore, the appropriate strategy is to reduce the weight and stay out of the observation. The upcoming developments will be quite difficult and noisy.

Scenarios:

- Positive (40%): The index balanced above 1,040 points and created a recovery pace to 1,080 points, more optimistic than 1,100 points.
- Less positive (60%): The index losing the support level of 1,040 points might drop to retest the psychological level of 1,000 points and lower to the area of 950 points.

Recommended stocks

` 27/2/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
BSR	Watch							Waiting to test the 20-day MA
VCG	Watch							Waiting to test the 20-day MA
BCC	Watch							Retest the old peak
HPG	Watch							Waiting to test the 20-day MA
PC1	Watch							Retest the old peak

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
LTG	Hold	27.5	30	25.5	9%	-7%	28.3	5	-2.55%	20/02/2023	
C4G	Hold	11.5	14	10.5	22%	-9%	11.9	5	-2.61%	20/02/2023	

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

Q&A

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