MORNING CALL

March 07th, 2023

"The recovery momentum is not stable, cautious sentiment still dominates"

- ❑ Global stocks remained in green, European stocks reached the highest level in more than 1 year
- ❑ Domestic stocks narrowed their gain, trading was still cautious.
- ❑ Update business situation #HPG #FCN
- ❑ Technical view and recommendations #BSR
- ❑ Economic calendar
- ❑ Q&A

[Analysts]

Khang Tran ☎ (84-28) 6287-8037 ✉ khang.lt@shinhan.com

Nhut Nguyen ☎ (84-28) 6287-7751 ✉ nhut.nq@shinhan.com

Open Account

Shinhan Securities

Global Market Review - Week 27/02 - 03/03/2023

Major stock markets remained in green

In regular trading on Monday, the Dow and S&P 500 gained 0.12% and 0.07%, respectively, while the Nasdaq Composite lost 0.11%. US stocks initially rallied after Goldman Sachs initiated coverage of Apple with a buy rating, before giving up most of the gains as fears about further monetary tightening resurfaced. Investors now look ahead to Powell's comments on Tuesday and Wednesday, as well as the key monthly jobs report on Friday.

European stocks rose on Monday ahead of an action-packed week, with the continent-wide STOXX 600 and Germany's DAX 40 hovering around their highest levels since February 2022 and France's CAC 40 hitting a new peak. Market focus shifted to Federal Reserve Chair Powell's testimony on Tuesday, which will likely dictate the direction of the US central bank for the near future. Meanwhile, ECB's chief economist Lane said it would be appropriate to raise interest rates further beyond the March meeting as inflation in the bloc remained high.

New orders for US manufactured goods fell 1.6% month-over-month in January 2023, after a downwardly revised 1.7% rise in December, still better than market forecasts of a 1.8% drop.

Retail trade in the Euro Area increased by 0.3 percent from a month earlier in January 2023, following a downwardly revised 1.7 percent drop in December and missing market expectations of 1.0 percent growth.

China has set a target of 5% economic growth in 2023, one of its lowest levels in decades. China also targets a consumer price index of 3% in 2023 and an urban unemployment rate of 5.5% with the creation of about 12 million new jobs in the region.

WTI crude futures rebounded above $80 per barrel on Monday and extended gains into a fifth session as a weaker dollar boosted the appeal of greenback-priced commodities.

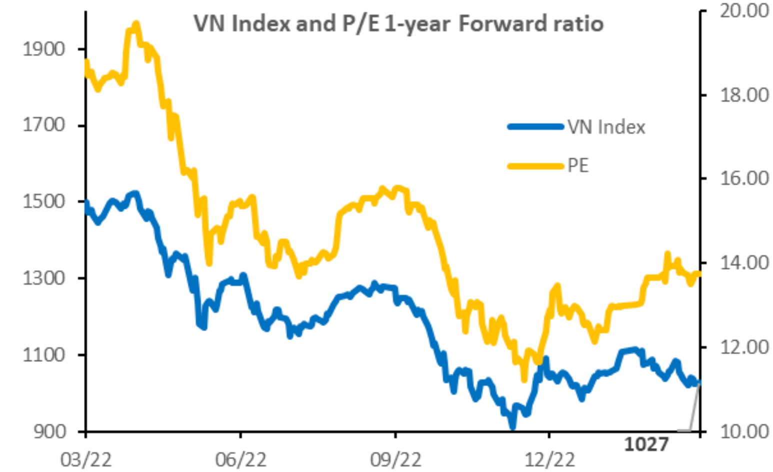
Market

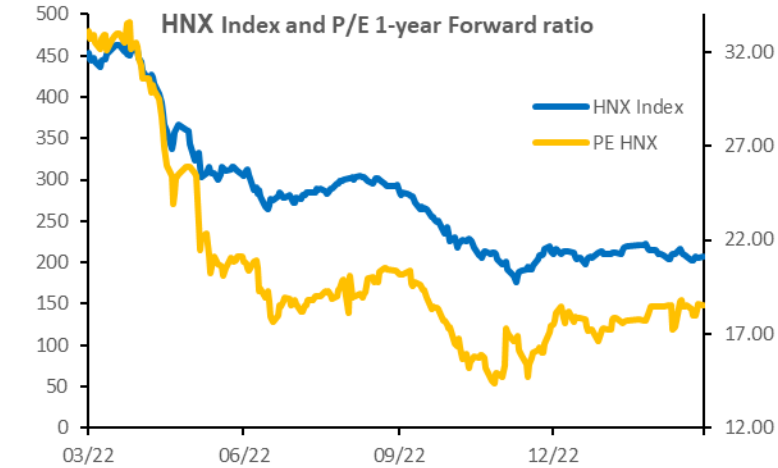
	Close	%1D	%1M	%1Y
VN-Index	1,027	0.24%	-3.63%	-31.48%
S&P 500 Index	4,048	0.07%	-1.52%	-6.48%
Dow Jones Index	33,431	0.12%	-1.36%	-0.55%
GP 100	7,930	-0.22%	0.83%	13.94%
Nikkei 225	28,238	1.11%	1.99%	11.96%
SHCOMP Index	3,322	-0.19%	2.28%	-1.51%
STOXX 600	464	-0.02%	1.31%	11.28%
KOSPI Index	2,463	0.03%	0.48%	-7.08%
Hang Seng	20,603	0.17%	-3.27%	-2.16%

Currency & Commodity

	Close	%1D	%1M	%1Y
Dollar Index	104.35	-0.16%	0.70%	5.78%
USD/VND	23,700.00	0.12%	-0.96%	-3.59%
EUR/USD	1.07	0.00%	-0.42%	-1.59%
USD/CNY	6.93	-0.40%	-1.95%	-8.81%
Brent	86.18	0.41%	6.41%	-27.03%
WTI	80.50	0.05%	4.36%	-32.58%
Natural gas	2.61	1.36%	0.89%	-46.06%
Coal	181.75	-3.79%	-27.88%	-56.60%
Gold	1,844.80	-0.11%	-1.51%	-7.67%

Vietnam Market Snapshot 06/03/2023





	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI NDEX	1,027.18	13.35	2.41	0.24	374	6,141
HNX INDEX	206.56	18.75	1.67	0.82	55	741

Money flow and sector rotation (VND bn)

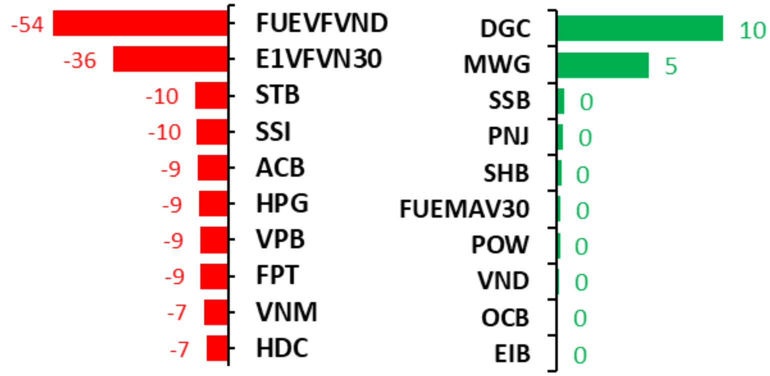
Sector	%1D	3/6/2023	3/3/2023	20-session Average
Media	152.59	3	1	1
Banks	41.10	1,638	1,161	1,704
Automobiles & Parts	34.86	73	54	76
Real Estate	21.32	1,306	1,077	1,385
Travel & Leisure	20.98	48	40	44
Insurance	20.14	19	16	32
Chemicals	16.57	223	191	311
Personal & Household Goods	13.11	65	57	85
Food and Beverage	10.76	419	378	552
Technology	8.10	72	66	73
Financial Services	7.02	625	584	868
Industrial Goods & Services	-1.0	263	265	342
Retail	-14.7	132	155	203
Oil & Gas	-15.2	86	101	128
Health Care	-18.6	16	19	17
Utilities	-23.5	119	155	161
Construction & Materials	-28.1	413	574	629
Basic Resources	-41.7	618	1,060	989

Source: Bloomberg, Shinhan Securities Vietnam

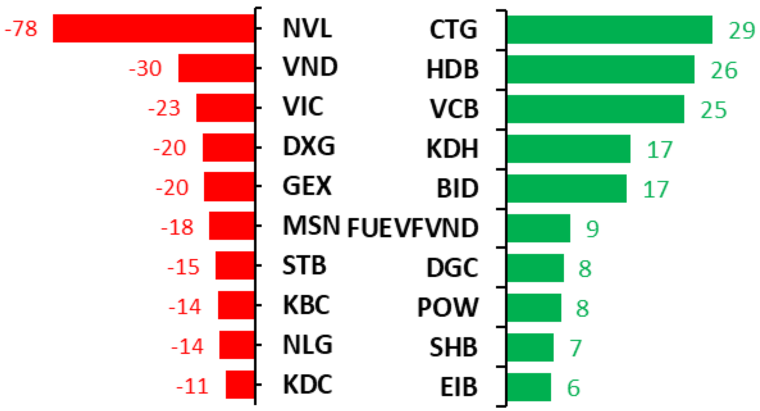
Vietnam Market Snapshot 06/03/2023

Shinhan Securities

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	(20)	(124)	190	(66)
Basic Resources	(9)	(0)	(1)	1
Media	(0)	(1)	1	(0)
Industrial Goods & Services	(3)	(25)	24	1
Health care	0	(1)	(1)	2
Chemicals	9	3	5	(8)
Financial Services	(101)	(13)	31	(18)
Travel & Leisure	(3)	1	1	(2)
Banks	(55)	93	(12)	(82)
Construction & Materials	(1)	2	2	(4)
Food and Beverage	(15)	(48)	61	(13)
Retail	4	(6)	18	(11)
Utilities	(1)	8	1	(9)
Personal & Household Goods	0	(3)	1	3
Technology	(9)	(0)	(10)	10
Automobiles & Parts	(0)	2	(3)	1
Insurance	(0)	1	(0)	(1)
Oil & Gas	(1)	11	(9)	(2)

Source: Fiinpro, Shinhan Securities Vietnam

Macro

Positive

- The estimated disbursement rate of public investment capital in 2 months only reached 6.55% of the plan in 2023, lower than the same period in 2022 at 8.61%.

Less positive

- In the first 2 months of 2023, the export value of wood and wood products was estimated at 1.6 billion USD, down 34.8% over the same period.
- 83% of businesses in Ho Chi Minh City have difficulties, it is forecasted that the market's purchasing power will still be low in the second quarter, according to a survey by HUBA.
- Nearly 1,900 real estate businesses suspended business, leaving the market in the first two months of the year, according to GSO.

Business news

- HPG: In February 2023, Hoa Phat's sales volume of construction steel, hot rolled coil (HRC) and billet reached 475,000 tons, down 33% over the same period. Consumption of steel products in domestic and foreign markets both decreased.

  In the first 2 months of the year, Hoa Phat Group's crude steel output reached 809,000 tons, down 42%. Sales of construction steel, HRC and billet recorded 877,000 tons, down 34% y/y.
- C4G: Cienco 4 plans to issue shares to existing shareholders to increase capital, ratio 2:1, at the price of 10,000 VND/share. The expected value of mobilized capital at this issuance is more than VND 1,123 billion. If the issuance is successful, C4G's charter capital will exceed VND 3,300 billion.
- VHM: Vinhomes approved the establishment of 2 real estate subsidiaries with a total charter capital of nearly VND 11,500 billion.

  The first subsidiary expected to be established is Truong Loc Company, with charter capital of nearly VND 4,425 billion, based in the Dream City Eco-urban project, Hung Yen province. The Dream City Hung Yen Ecological Urban Area project has the commercial name of Vinhomes Ocean Park The Empire (Ocean Park 2), with a total project area of 486 hectares.

  The second subsidiary that VHM intends to establish is Phat Dat Company, with an expected charter capital of more than VND 7,008 billion and headquartered in Dai An urban area, Hung Yen province, such as Truong Loc Company. According to the project's information page, the Dai An urban area project with the expected trade name is Vinhomes Dai An with a total area of 293.96 hectares.
- DGC: In 2023, DGC sets a target of VND 10,875 billion in total consolidated revenue and VND 3,000 billion in profit after tax, down 25% and 50% respectively compared to the implementation in 2022.

  Regarding the profit distribution plan, DGC plans to pay dividends in 2023 to shareholders at the rate of 30%, equal to the 2022 dividend.
- DRC: Da Nang Rubber JSC approved the Decision approving the plan to select a contractor for the project to expand the Radial truck tire factory, increasing the capacity to 1 million tires/year. This project has a total investment of more than 915 billion VND.

Breaking News

➢ *In February, the cumulative total value of FECON's winning bid packages was VND 463 billion.*

- **FCN:** FECON JSC has just announced to record many new bidding packages, with a total value of nearly VND 500 billion in February 2023.

  In the field of foundation and foundation construction, FECON continues to be assigned the package "supplying, constructing and testing piles" at Nhon Trach 3 & 4 Power Plant project with a total contract value of VND 179 billion.

  In the field of underground infrastructure, FECON recorded another bidding package "Construction of diaphragm wall south of Terminal 11" worth more than 62 billion VND, after many contracts were signed under the Urban Railway Project (Metro Line 3) pilot of the city. Hanoi.

  Also in February, FECON also recorded a new contract worth 75 billion VND at Vung Ang II Thermal Power Plant project (Ha Tinh). With this contract, FECON will undertake the construction of coal storage piles at the project.

  In the field of infrastructure construction, FECON won the package "Construction of the section Km91+800 - Km114+200" with a value of 147 billion VND, the component project of the Hau Giang - Ca Mau section of the Construction Project. the East North-South Expressway in the 2021-2025 period.

- OIL: B12 Petroleum Joint Venture and Hanoi Petroleum (PVOIL Hanoi) is the unit selected to win the fuel procurement package worth more than 5,100 billion VND at Vietnam Coal and Mineral Industries Group.

  PVOIL Hanoi is one of 27 wholly-owned subsidiaries of Vietnam Oil Corporation (PV OIL). According to the consolidated financial statements of the fourth quarter of 2022, as of December 31, 2022, PV Oil is holding 71.84% of the charter capital of Hanoi Petroleum Joint Stock Company.

- KBC approved the early redemption of a bond lot of VND 1,000 billion with code KBCH213002. The expected acquisition time is April 5, 2023.

  Previously, the company announced its decision to lend Trang Cat Urban Development One Member Limited Liability Company a loan of 200 billion VND. This is a wholly owned subsidiary of KBC.

- PVB: PVCoating executes pipe wrapping contract for Vietsovpetro Petroleum Joint Venture.

  At the beginning of March 2023, Vietnam Oil and Gas Pipe Coating JSC (PVCoating) started executing the pipe wrapping package for the RC8-RC9 in-field development project of the Vietnam - Russia joint venture investor Vietsovpetro (VSP).

Technical view

Trend: Finding the balance zone

- The market opened the session in excitement with the green color spreading widely, which mainly in the real estate group when many stocks increased to hit the ceiling price, boosted by the newly announced Decree on bonds creating a optimistic. However, the selling force came back to dominate again and pushed the market to close creating a red candle and significantly narrowing the intraday gain. It can be seen that the buying money flow in the current period is not really drastic, along with the recent return of foreign investors to be net sellers, which continues to create pressure. Technically, the index failed to test MA10 today, showing that the drop still prevails and the trend is not clear. The market may need more time to accumulate to find the balance.

Scenarios:

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

Recommended stocks

07/03/2023

Unit: thousand VND

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals
BSR	Buy	16.3	18	15.3	10%	-6%	16.4	Stable above 10-day MA, low volume, MACD narrows with signal line and tends to cut up along with improving RSI
PVS	Watch							Maintaining the trend above the 10-day MA
PVD	Watch							Maintaining the trend above the 10-day MA
PVC	Watch							Maintaining the trend above the 10-day MA
PC1	Watch							Maintaining the trend above the 10-day MA
NT2	Watch							Maintaining the trend above the 10-day MA
POW	Watch							Maintaining the trend above the 10-day MA
STB	Watch							Maintaining the trend above the 10-day MA

Trading portfolio

Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note

March 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
26	27	28	1	2	3	4
			Vietnam PMI CPI y/y (Australia) Manufacturing PMI (Eurozone, Germany, France, Italy, England) ISM Manufacturing PMI	ECB Monetary Policy Meeting Accounts CPI and Core CPI Flash Estimate y/y (Europe)	FTSE portfolio review Q1 RBNZ Gov Orr Speaks Services PMI ((Eurozone, Germany, France, Italy, England) ISM Services PMI (US)	
5	6	7	8	9	10	11
	CPI m/m (Switzerland) Factory Orders (US)	Fed Chair Powell Testifies RBA Rate Statement	BOC Rate Statement RBA Gov Lowe Speaks ADP Non-Farm Employment Change JOLTS Job Openings	CPI, PPI y/y (China) Unemployment Claims (US)	VanEck announced the list BOJ Policy Rate, BOJ Press Conference Non-Farm Employment Change, Unemployment Rate (US)	
12	13	14	15	16	17	18
		CPI and core CPI (US)	PPI and Core PPI m/m Retail Sales and Core Retail Sales m/m Monetary Policy Meeting Minutes (BOJ)	Futures contract expiration VN30F1M FTSE and VanEck restructure portfolio ECB Press Conference, Monetary Policy Statement Employment Change, Unemployment Rate (Australia)	Final CPI and Core CPI y/y (Europe) Prelim UoM Consumer Sentiment. Prelim UoM Inflation Expectations	
19	20	21	22	23	24	25
		CPI and core CPI (Canada)	CPI and core CPI (UK)	FOMC Statement, Federal Funds Rate SNB Monetary Policy Assessment, SNB Policy Rate MPC Official Bank Rate Votes, Official Bank Rate	Flash Services and Flash Manufacturing PMI (US)	
26	27	28	29	30	31	1
		CB Consumer Confidence	Vietnam macroeconomic data		Core PCE Price Index m/m	

Q&A

Shinhan Securities

Shinhan Investment Network

SEOUL

Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK

Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

HONG KONG

Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

INDONESIA

PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

SHANGHAI

Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

HO CHI MINH

Shinhan Securities Vietnam Co., Ltd.
22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,
District 3, Ho Chi Minh City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

HA NOI

Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District,
Hanoi, Vietnam.
Tel : (84-8) 6299-8000

Compliance Notice

- Analyst Certification: We/I hereby certify the information and material presented in this report are accurate expressions of their views, and that we/I have not received internally or externally wrongful pressure to express such views.
- All opinions and estimates regarding the company and its securities are accurate representations of the covering analyst's judgments as of this date and may differ from actual results.
- This report is intended to provide information to assist investment decisions only and should not be used or considered an offer or the solicitation of an offer to sell or to buy any securities. Stock selection and final investment decisions should be made at the client's own discretion.
- This report is distributed to our clients only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.

Disclaimers

- This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of Shinhan Securities Vietnam Ltd.., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of Shinhan Securities Vietnam Ltd.
- This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. Shinhan Securities Vietnam Ltd. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Shinhan Securities Vietnam Ltd.., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or Shinhan Securities Vietnam Ltd. The final investment decision is based on the client’s judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.
-

Shinhan Securities