



Shinhan
Securities

MORNING CALL

April 13th, 2023

“Money flow spreads in the small and mid-cap while the large-cap group restrains the uptrend”

- ❑ World stocks diverged. US CPI data showed that inflation continued to cool while the minutes of the FOMC meeting showed that the Fed raised interest rates further is appropriate
- ❑ Bank of Canada keeps interest rate target unchanged
- ❑ Domestic stocks traded in balance around the 10-day MA
- ❑ Technical view and recommendations #NLG
- ❑ Economic calendar
- ❑ Q&A

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Major stocks market diverged, CPI data and FOMC meeting minutes mixed

The Dow Jones closed 0.1% lower on Wednesday, while the S&P 500 and Nasdaq 100 slid by 0.4% and 0.8%, respectively. Recession concerns grew after FOMC minutes showed that Fed expects banking turmoil to cause a recession while investors were digesting fresh inflation data. Even though the recent crisis in the banking sector sparked speculation that the Fed might pause its rate-hike cycle, policymakers stressed the need to continue tightening monetary policy to tame inflation.

Stock markets across Europe rose to a fresh one-month high Wednesday afternoon after a cooler-than-expected US CPI reading for March suggested the Federal Reserve might pause its tightening cycle after a 25 bps rate hike is to be delivered in May.

US Inflation Rate falls more than expected. The annual inflation rate in the US eased for a ninth consecutive period to 5% in March, the lowest since May 2021 and compared to market expectations of 5.2%, as the cost of food and services grew at a slower pace and the energy index declined. Still, the core inflation inched up for the first time in six months to 5.6% boosted by higher shelter costs.

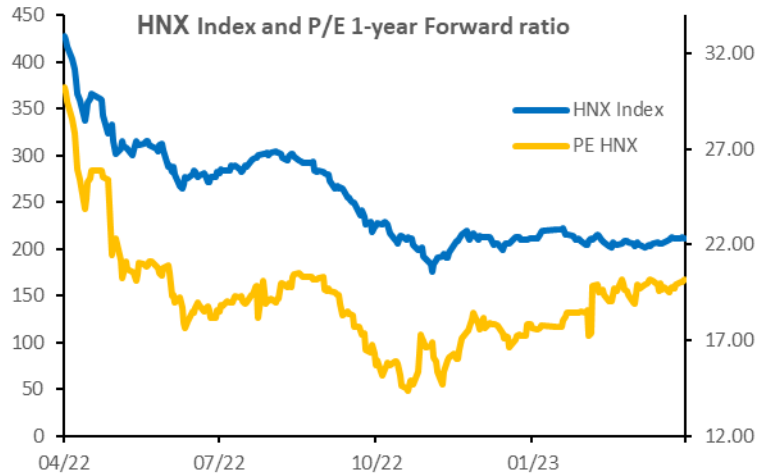
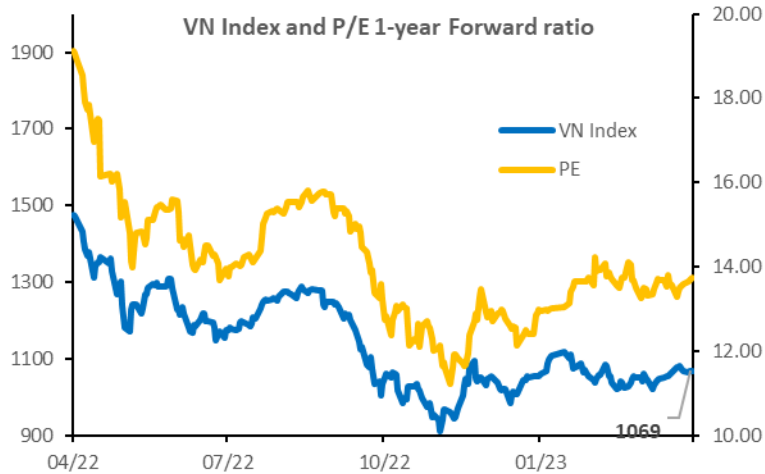
The Bank of Canada held the target for its overnight rate unchanged at 4.5% in its April 2023 meeting, as previously signaled, and stated that it will continue to monitor the latest economic data for future decisions on the policy rate. The decision followed the tightening pause in March, as the Governing Council believes that current borrowing costs are restrictive enough to bring inflation down to the 2% level.

Fed sees further rate hikes appropriate. FOMC members observed that inflation remained much too high and that the labor market remained tight and as a result, they anticipated that some additional policy firming may be appropriate to attain a sufficiently restrictive policy stance to return inflation to 2%.

Crude oil continued to rise around 83 USD/barrel despite the US crude oil inventories data rose by 0.597 million barrels in the April 7th week, 2023, following two consecutive periods of decline and defying with market consensus of a 0.583 million fall, data from the EIA.



















Market	Close	%1D	%1M	%1Y
VN-Index	1,069	0.00%	1.58%	-27.60%
S&P 500 Index	4,092	-0.41%	6.13%	-7.98%
Dow Jones Index	33,647	-0.11%	5.74%	-2.66%
GP 100	7,825	0.50%	3.66%	3.22%
Nikkei 225	28,004	-0.28%	0.62%	4.32%
SHCOMP Index	3,327	0.41%	1.79%	4.40%
STOXX 600	462	0.13%	4.42%	1.23%
KOSPI Index	2,544	-0.25%	5.54%	-6.34%
Hang Seng	20,310	-0.86%	3.12%	-4.98%

Currency & Commodity	Close	%1D	%1M	%1Y
Dollar Index	101.48	-0.02%	-2.04%	1.60%
USD/VND	23,448.00	0.01%	0.75%	-2.41%
EUR/USD	1.10	0.06%	2.50%	1.02%
USD/CNY	6.87	0.19%	-0.36%	-7.38%
Brent	87.23	-0.11%	8.00%	-19.81%
WTI	83.20	-0.07%	11.23%	-20.19%
Natural gas	2.09	-0.24%	-19.88%	-70.16%
Coal	194.60	0.23%	5.05%	-37.04%
Gold	2,019.53	0.23%	5.53%	2.11%



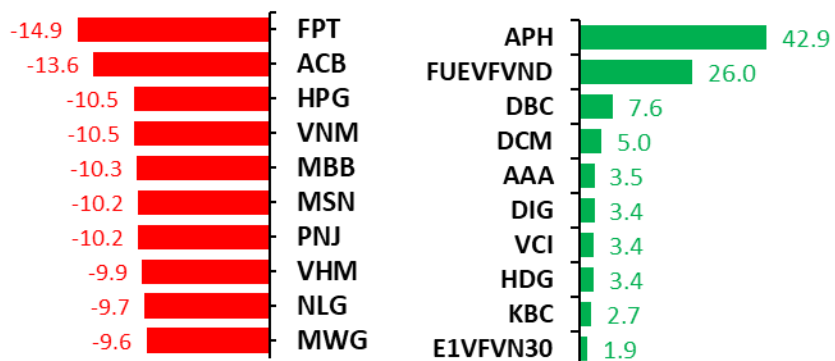
	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI INDEX	1,069.45	13.99	-0.01	0.00	650	11,166
HNX INDEX	211.94	24.56	-0.40	-0.19	97	1,283

Money flow and sector rotation (VND bn)

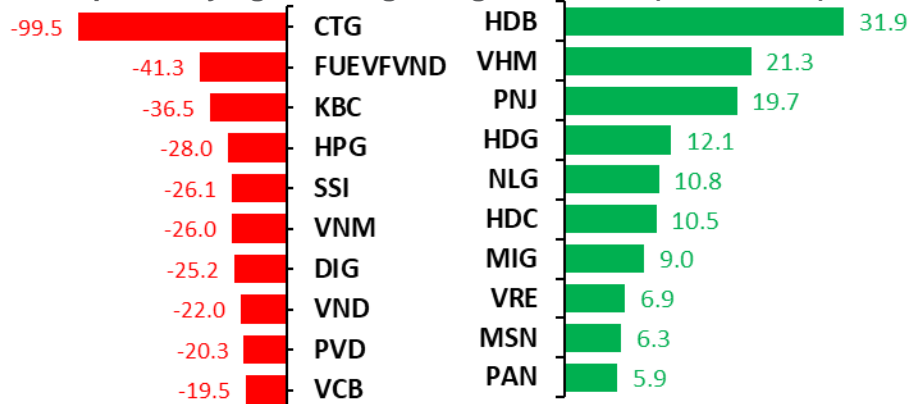
Sector	%1D	4/12/2023	4/11/2023	20-session Average	
Utilities		129.05	360	157	173
Insurance		117.70	55	25	25
Health Care		77.40	25	14	16
Automobiles & Parts		73.96	149	86	86
Chemicals		39.18	375	270	312
Industrial Goods & Services		34.60	590	439	348
Banks		25.33	2,176	1,736	2,330
Personal & Household Goods		20.57	151	126	93
Construction & Materials		20.17	775	645	743
Real Estate		13.89	3,354	2,945	1,901
Technology		12.42	64	57	65
Retail		4.53	324	310	260
Media		4.21	1	1	1
Food and Beverage		-4.7	722	758	619
Travel & Leisure		-16.8	57	69	59
Basic Resources		-19.5	541	672	955
Financial Services		-26.1	1,344	1,818	1,578
Oil & Gas		-35.4	100	155	127

Source: Bloomberg, Shinhan Securities Vietnam

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)	(35)	94	(59)
Basic Resources	(13)	(25)	45	(20)
Media	-	0	(0)	(0)
Industrial Goods & Services	36	(0)	(41)	41
Health care	-	(4)	3	1
Chemicals	8	(27)	24	3
Financial Services	33	(130)	20	110
Travel & Leisure	(4)	(3)	(90)	93
Banks	(77)	(96)	341	(246)
Construction & Materials	(0)	(3)	40	(37)
Food and Beverage	(15)	(29)	76	(47)
Retail	(13)	4	27	(31)
Utilities	(1)	(1)	19	(18)
Personal & Household Goods	(10)	24	(7)	(16)
Technology	(15)	6	11	(17)
Automobiles & Parts	(0)	(1)	1	1
Insurance	(0)	1	1	(2)
Oil & Gas	(1)	(23)	25	(3)

Source: Fiinpro, Shinhan Securities Vietnam

Macro

Positive

- According to the latest "Business Confidence Index" (BCI) report conducted by the European Chamber of Commerce in Vietnam (EuroCham) and Decision Lab, European business leaders acknowledged that Vietnam's economy has had certain improvement and is a destination strongly attracting foreign capital (FDI).

Less positive

- In the first quarter of 2023, it is estimated that public investment disbursement is about VND 73,192 billion, reaching 9.69% of the plan and reaching 10.35% of the plan assigned by the Prime Minister (lower than the same period).
- Recently, Chinese steel manufacturers have continuously lowered prices of hot rolled coil (HRC) in the Vietnamese market, creating pressure.
- In Q1/2023, export turnover of wood and wood products reached USD 2.88 billion, down 28.3% y/y.
- Overnight interbank interest rate continued to increase to 5.19% (Updated on April 10).

Business news

- iShares MSCI Frontier & Select EM ETF (ETF focusing on frontier and emerging market stocks) continued to have a net buying week of Vietnamese stocks (March 31 - April 6).

With the strongest bought code is HPG. Following are SHB and VNM. On the other hand, only NVB continued to be sold. It is known that NVB is in the group of Vietnamese stocks that were excluded in the February 2023 review of MSCI (officially effective from the beginning of March 2023).

- ANV: In 2023, Nam Viet Seafood sets a target of VND 5,200 billion in revenue and VND 500 billion in pre-tax profit, respectively increasing by 6% and decreasing by 35% compared to 2022.

The company also plans to issue shares to existing shareholders at a ratio of 1:1 to double its charter capital.

- SCR: In 2023, the target is net revenue of VND 540 billion and pre-tax profit of VND 20 billion, down 39.5% and 74.7% respectively compared to the previous year.
- GIL: In 2023, Gilimex sets a target of VND 1,500 billion in revenue and VND 103.5 billion in profit after tax, down 53% and 71% respectively over the same period. The dividend payout in 2023 is expected to be 5% - 10%.

The company said that in 2023, there will be many large and potential customers in the world to replace, supplement orders for existing customers and increase capacity for the company (after the Amazon lawsuit).

- BMI targets pre-tax profit in 2023 to increase by at least 9% (VND 375 billion in 2022). The company also intends to issue more than 10.96 million shares to pay the 2022 dividend, the rate of implementation is 10% to increase charter capital. Expected release time in quarter 2-4/2023.
- SZC: Sonadezi Chau Duc plans to issue shares to existing shareholders at a ratio of 2:1, equivalent to about 60 million shares, to supplement capital for Chau Duc Urban Area.



- DGC: Cash dividend rate of 10%, ex-rights date April 13.
- GDT: Cash dividend rate of 10%, ex-rights date April 13.

Business news

- SHB: As shared at the AGM, SHB's pre-tax profit in the first quarter was more than 3,500 billion VND, an increase of about 10.3% compared to the same period in 2022. With this result, SHB has completed about 35% of the target profit in 2023, according to the plan approved by the General Meeting of Shareholders.
- VCS: At the 2023 Annual General Meeting of Shareholders, Mr. Ho Xuan Nang - Chairman of the Board of Directors of Vicostone shared Q1 business results with revenue down 37-38%, profit halved compared to the first quarter of last year. In the first quarter of 2023, only VND 190 billion in after-tax profit while the same period last year was about VND 371 billion. Sales decreased in line with the overall decline of the market.

The US and Canadian markets still account for the majority of the company's revenue. Of which, the US market's revenue accounts for about 65%, the Canadian market's revenue is about 25-30%, and the European market accounts for 10%. There is no intention to develop the Asian market due to Chinese competition.

- VJC: Vietjet achieved revenue exceeding the plan and was profitable in the first quarter.

The acceleration right from the first months of 2023 has brought Vietjet positive business results. Accordingly, the airline has carried out 31,260 flights, transported 5.4 million passengers, achieved air transport revenue of the first quarter of VND 12,600 billion. Revenue of goods and ancillary accounts for 42% of total air transport revenue

- TNG wants to raise VND 400 billion of bonds and issue more than 32 million shares to increase charter capital.
- VTR: Vietravel shares got rid of restricted trading from April 12 because the equity in the 2022 financial statements is no longer negative.
- KDH: VinaCapital's fund (VOF Investment Limited) sold 4.3 million KDH shares, officially divesting all capital.
- HAX: Mr. Tran Van My, Deputy General Director registered to buy 650,000 shares.



Trend: Balance

- The index was balanced today with green color dominating a bit more. Liquidity continued to remain positive above the 20 session average. The spreading money flow in the small and medium-cap groups, especially in the real estate industry, helped many stocks achieve good gains, while in the opposite direction, the large-cap groups were holding back the market's upward momentum. The current movement begins to show divergence again. Technical indicators are neutral and the index is retesting MA10 around 1,060 points. The bright spot in daily chart is that MA20 has just crossed to MA50, showing that the medium-term uptrend is consolidated, but the index needs to overcome resistance at 1,080 points for confirmation. The right strategy is to hold, consider taking profits, stocks that reach the target and limit excitement

Scenario:

- Positive (50%): The index successfully surpassing 1,100 points will continue to keep its momentum towards 1,150 points, corresponding to the old bottom that was broken before.
- Less positive (50%): The index failed to test the threshold of 1,100 points and needs more time to accumulate with the corresponding support at 1,060 points and 1,040 points lower, respectively.

13/4/2023

Unit: VND thousand

Today's watchlist										
	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals		
MBB	Watch							Bollinger Band tends to expand, volume improves		
FPT	Watch							MA10 tends to cross above MA20, giving a buy signal with large volume		
PVT	Watch							Trend break resistance zone 21.5		
FCN	Watch							Trend breaks resistance zone 12, surpasses MA200		
CII	Watch							Trend breaks resistance at 15.5, price bounces back when touching MA10		
SSI	Watch							Trend breaks resistance zone 21.5, price bounces back when touching MA10		

Trading portfolio											
Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
NLG	Sell	28.5	32	27.5	12%	-4%	32	7	12.28%	04/04/2023	Hit target
VGC	Buy	34.5	38	32.5	10%	-6%	36.5	6	5.80%	05/04/2023	
HPG	Buy	21.5	23.5	20	9%	-7%	20.75	6	-3.49%	05/04/2023	
HDG	Buy	32	35	31	9%	-3%	33.65	5	5.16%	06/04/2023	
NT2	Buy	30.5	33.95	29	11%	-5%	29.9	5	-1.97%	06/04/2023	
TCB	Buy	30	32.5	28.5	8%	-5%	30.7	5	2.33%	06/04/2023	
CTR	Buy	64.2	70	62	9%	-3%	65.2	5	1.56%	06/04/2023	
HDB	Buy	19.7	21	19	7%	-4%	19.65	5	-0.25%	06/04/2023	
GVR	Buy	15.5	17	14.5	10%	-6%	16.35	4	5.48%	07/04/2023	

April 2023

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
26	27	28	29	30	31	1 PMI (EU, VN)
2	3 Caxin Manufacturing PMI (China)	4 PPI (EU)	5 Balance of Trade (US)	6 Initial Jobless Claims (US)	7 Non-farm payroll, unemployment rate (US)	8
9	10 Wholesale inventories in US	11 Retail sales (EU), Inflation rate (China)	12 Inflation (US)	13 Balance of Trade (China), FDI (China) PPI (US)	14	15
16	17	18 China macroeconomic data release	19 Inflation, PPI (GB)	20	21 Retail sales (GB)	22
23	24	25 House Price Index (US)	26	27 GDP growth rate (US)	28 GDP growth rate (EU)	29 Vietnam macroeconomic data
30 PMI (US)	1					



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