



Shinhan
Securities

MORNING CALL

March 15th, 2023

“Retesting short-term support, expect a pivot when more positive information appears”

- ❑ Global stocks rebounded after US CPI data
- ❑ Domestic stocks dropped again, trading cautiously
- ❑ The State Bank of Vietnam (SBV) adjusts the operating interest rate
- ❑ Follow the SVB event stream, the Fed's monetary tightening campaign was shaken
- ❑ Technical view and recommendations **#VCG**
- ❑ Economic calendar
- ❑ Q&A

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Open Account



Major stock markets rebounded after US CPI data

The Dow Jones closed 336 points or 1% higher on Tuesday, while the S&P 500 and Nasdaq 100 rallied 1.6% and 2.1%, respectively, as February inflation cooled and the fears of a broader financial crisis eased. Investors have been speculating that the Fed will soon be able to pause its tightening cycle as fears mount for the health of the broader financial system after the failure of SVB and the closure of Signature Bank.

European equity markets rebounded from a two-day selloff on Tuesday, with the benchmark Stoxx 600 rising 1.7%, after a 2.4% slump in the previous session and the banking sector recovered more than 2.5% from its worst day in a year.

The US annual inflation rate (CPI) fell to 6% in February, the lowest since September 2021 and in line with market expectations adding to signs inflationary pressures are easing as a result of the Fed's tightening campaign over the past year. Core inflation, which strips out food and energy prices, edged down to 5.5% (0.4% m/m), also the lowest since late 2021.

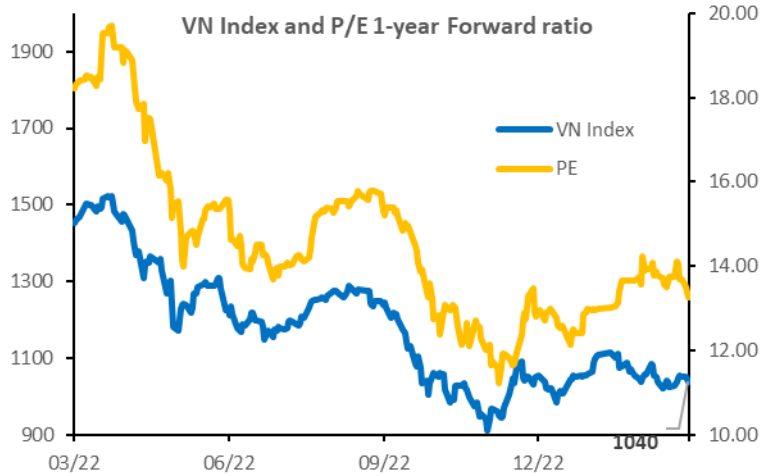
Stocks of crude oil in the United States increased by 1.555 million barrels in the week ended March 10th, 2023, well above market expectation of a 0.555 million barrels rise and following a 3.835 million barrels fall in the previous week, data from the American Petroleum Institute showed.

The UK unemployment rate was unchanged at 3.7% in November 2022 to January 2023, slightly below market consensus of 3.8%, as the number of unemployed people rose by 5K and employment levels increased by 65K, more than expected.

WTI crude oil futures fell 5% to around \$72 a barrel on Tuesday, closing at their lowest level since December 2021 amid a rebound in inventories in the US.

Market	Close	%1D	%1M	%1Y
VN-Index	1,040	-1.20%	-0.77%	-28.40%
S&P 500 Index	3,919	1.65%	-5.50%	-8.05%
Dow Jones Index	32,155	1.06%	-5.78%	-4.14%
GP 100	7,637	1.17%	-4.51%	6.43%
Nikkei 225	27,300	0.29%	-0.73%	7.71%
SHCOMP Index	3,245	-0.72%	-1.07%	5.92%
STOXX 600	450	1.53%	-3.19%	3.32%
KOSPI Index	2,381	1.38%	-1.91%	-9.16%
Hang Seng	19,248	-2.27%	-7.52%	4.52%

Currency & Commodity	Close	%1D	%1M	%1Y
Dollar Index	103.71	0.11%	-0.20%	4.66%
USD/VND	23,589.00	0.15%	0.01%	-2.98%
EUR/USD	1.07	-0.04%	0.37%	-2.07%
USD/CNY	6.87	-0.37%	-0.66%	-7.39%
Brent	77.97	0.67%	-8.68%	-21.96%
WTI	71.96	0.88%	-8.44%	-25.38%
Natural gas	2.58	0.43%	4.57%	-43.43%
Coal	180.00	-1.59%	-18.00%	-50.24%
Gold	1,901.25	-0.15%	3.55%	-0.87%



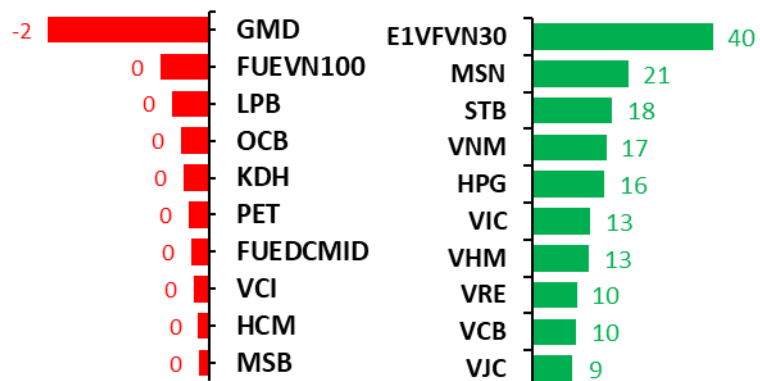
	Close	PE	Difference	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI INDEX	1,040.13	13.54	-12.67	-1.20	534	9,123
HNX INDEX	202.55	18.45	-3.29	-1.60	79	1,108

Money flow and sector rotation (VND bn)

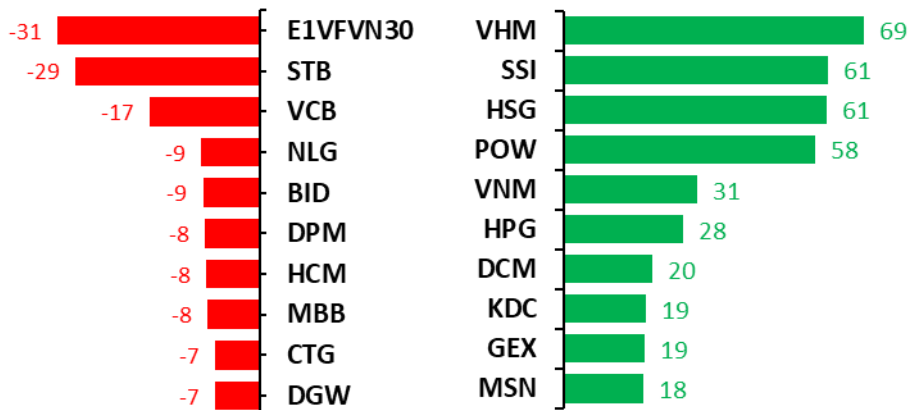
Sector	%1D	3/14/2023	3/13/2023	20-session Average	
Oil & Gas		97.33	172	87	132
Industrial Goods & Services		49.40	370	248	329
Basic Resources		48.03	1,490	1,007	1,091
Retail		41.48	197	140	186
Health Care		38.08	16	12	17
Automobiles & Parts		22.79	63	51	75
Construction & Materials		16.84	665	569	658
Chemicals		13.87	332	291	292
Food and Beverage		3.76	740	713	552
Real Estate	-0.2		1,243	1,245	1,341
Personal & Household Goods	-7.7		75	81	80
Financial Services	-10.0		1,004	1,116	927
Utilities	-10.9		235	264	187
Banks	-13.6		2,402	2,782	1,791
Travel & Leisure	-28.9		53	74	52
Technology	-43.6		46	82	71
Insurance	-51.1		15	31	28
Media	-55.6		1	2	2

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	43	78	(110)	32
Basic Resources	21	97	(113)	17
Media	-	0	(0)	(0)
Industrial Goods & Services	0	19	(25)	6
Health care	-	1	(4)	3
Chemicals	2	24	(15)	(9)
Financial Services	50	46	(83)	37
Travel & Leisure	9	11	(5)	(6)
Banks	59	(41)	(35)	77
Construction & Materials	(0)	15	(7)	(8)
Food and Beverage	45	77	(130)	52
Retail	2	1	7	(8)
Utilities	6	57	(66)	9
Personal & Household Goods	0	3	(2)	(1)
Technology	0	0	(9)	9
Automobiles & Parts	(0)	(2)	0	1
Insurance	2	(0)	(2)	2
Oil & Gas	1	(0)	(9)	9

Source: Fiinpro, Shinhan Securities Vietnam

Macro

Positive

- The State Bank adjusts the operating interest rate (details on the following slide)
- The trading session on March 13 witnessed remarkable developments in the money market when the State Bank of Vietnam (SBV) suspended the withdrawal of liquidity via T-bills. Specifically, after months of hard work in net withdrawal, the operator has stopped offering 7-day bills. Previously, the SBV also stopped issuing 91-day bills in the session of March 10.
- In the first two months of the year, Ho Chi Minh City disbursed 1% of public investment capital, President Phan Van Mai directed urgently.
- Ho Chi Minh City restarted the project of anti-flood, anti-tide VND 10,000 billion.
- Vietnamese goods made a good impression at the North American Seafood Fair.

Less positive

- According to VSSA, demand fell sharply, the amount of sugar produced from sugarcane could not be consumed, and many factories had no room to store in their warehouses. The market is also affected by imported sugar under the additional 2022 quota, evading trade remedies from Indonesia and smuggled sugar originating in Thailand from Laos and Cambodia.



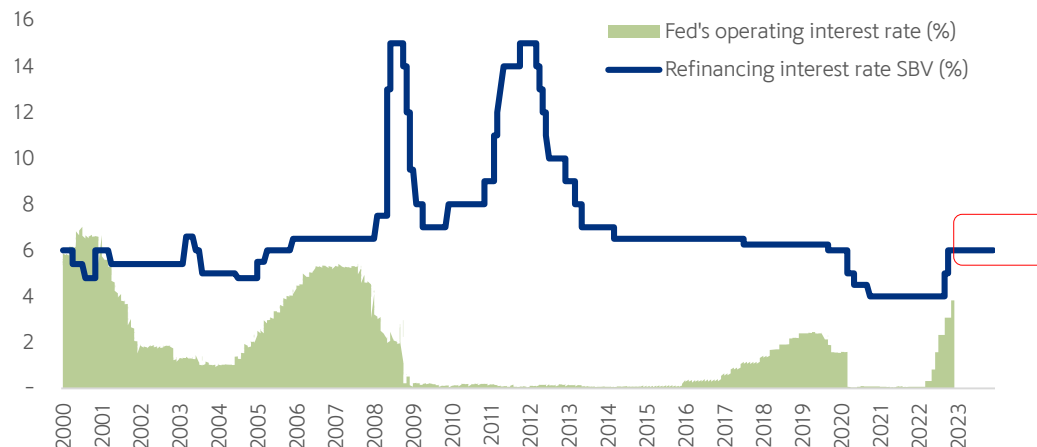
Business news

- C4G: Cienco4 issued an additional 112.36 million shares to existing shareholders with a ratio of 2:1, priced at 10,000 VND/share.

Total expected proceeds from the issuance is 1,124 billion VND, Cienco4 will use 400 billion VND to pay off bank loans, 100 billion VND to pay debts expected to be paid to contractors. and suppliers of goods and services, there is VND 624 billion left to pay expenses and supplement working capital for the Company's business activities.

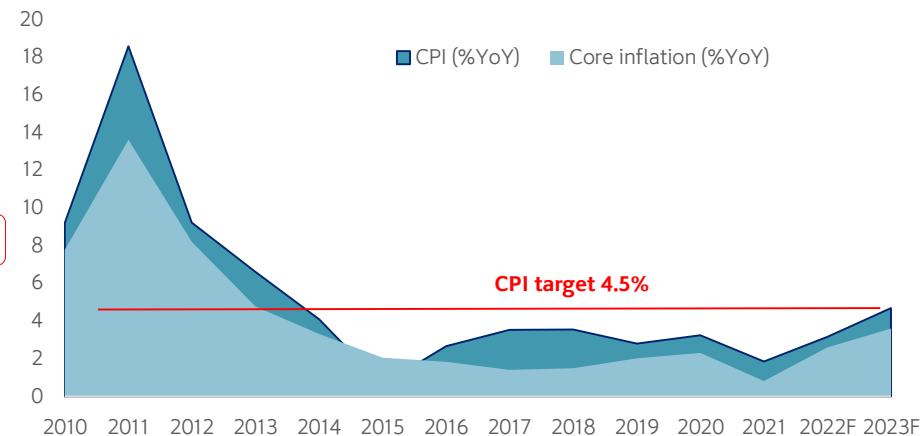
- BSR: In 2023, BSR sets a target of total consolidated revenue of nearly VND 95,645 billion, profit after tax of VND 1,628.4 billion, down 43% and 89% respectively compared to the newly announced 2022 audit results.
- HBC: After the news that 7 subcontractors collected overdue debts and stopped construction, the Chairman of the Board of Directors of Hoa Binh Construction Group affirmed that they are ready to "assign debt" with land and property.
- GEX: Dragon Capital Group has just bought back 1.5 million GEX shares and became a major shareholder again.
- DIG: DIC Corp wants to buy back VND 1,000 billion of bonds before maturity to reduce bond debt to VND 900 billion.
- HAG: HAGL uses 30 million shares of its subsidiary as collateral for Hung Thang Loi Gia Lai's loan.
- STK: Century Yarn wants to pour nearly 300 billion dong into Unitex.
- DAH: Dong A Hotel officially invested in a 6-star luxury resort in Van Phong economic zone.
- HPX: Hai Phat Invest dissolves Greenland Bac Giang company after 9 months of capital contribution.

Operating interest rate (%)



Source: SBV, Bloomberg, Shinhan Securities Vietnam

Vietnam's inflation rate (%)



- ❑ Decision No. 313/QĐ-NHNN dated 14/3/2023 on refinancing interest rate, rediscount interest rate, overnight lending rate in interbank electronic payment and lending to cover capital shortfall in clearing payment of the State Bank for credit institutions. Accordingly, the refinancing interest rate remained unchanged at 6%/year, the rediscount interest rate decreased from 4.5%/year to 3.5%/year; interest rates for overnight loans in interbank electronic payments and loans to cover capital shortfalls in clearing payments of the SBV for credit institutions decreased from 7.0%/year to 6.0%/year.
- ❑ Decision No. 314/QĐ-NHNN dated March 14, 2023 on the maximum short-term lending interest rate in VND of credit institutions for borrowers to meet capital needs for a number of economic sectors and industries. according to the provisions of Circular 39/2016/TT-NHNN dated December 30, 2016. Accordingly, short-term lending interest rates for these fields of credit institutions will be reduced from 5.5%/year to 5.0%/year and of People's Credit Funds and Microfinance Institutions will decrease from 6.5%/year to 6.5%/year. %/year.

- ❑ This is considered a wise and timely action of the State Bank in the context of controlled inflation, and at the same time, credit institutions have also reduced costs and reduced deposit interest rates to reduce interest rates. lending to support businesses and people, implementing the Government's direction in removing difficulties for the economy.
- ❑ Immediately after Decisions 313 and 314, surveyed at commercial banks, the Big 4 group (VietinBank, Vietcombank, BIDV, Agribank) had the lowest 12-month deposit interest rate in the market, applied below 7.2%/year. decreased by 0.2% compared to the previous listed level. Most of the remaining banks have reduced their 12-month deposit interest rates to below 9%/year.



Image: Reuters

On March 13, HSBC Bank (UK) helped prevent a crisis in the country's technology sector when it bought the UK branch of SVB for 1 pound (symbolic payment).

However, the US government has not announced a buyer for SVB in the US at the beginning of the week.

Asia	Price	Day	%	Weekly
JP225	27222	▼ 611	-2.20%	-3.84%
SHANGHAI	3245	▼ 23	-0.72%	-1.21%
CSI 300	3985	▼ 24	-0.60%	-1.58%
SHANGHAI 50	2645	▼ 19	-0.71%	-2.51%
CH50	12995.57	▼ 84.34	-0.64%	-2.33%
SENSEX	57924	▼ 314	-0.54%	-4.10%
DSE Broad	6244	▲ 9	0.14%	-0.25%
JCI	6642	▼ 145	-2.14%	-1.85%
TASI	10283	▼ 22	-0.22%	-1.79%
TAIEX	15360	▼ 200	-1.29%	-3.14%
ADX General	9647	▼ 111	-1.14%	-3.02%
SET 50	911	▼ 29	-3.05%	-5.82%
FKLCI	1394	▼ 28	-1.97%	-4.45%
STI	3130	▼ 3	-0.08%	-3.56%
TA-125	1707	▼ 11	-0.63%	-4.06%
HK50	19248	▼ 448	-2.27%	-6.27%
PSEI	6393	▼ 151	-2.31%	-4.65%
KSE 100	41922	▲ 65	0.16%	1.42%
KASE	3249	▼ 29	-0.88%	-1.78%
QE	10318	▼ 90	-0.86%	-3.77%

Impact on Asia

- According to analysts, the collapse of Silicon Valley Bank (SVB) is unlikely to have a spillover effect in Asia. However, some analysts believe that this can be seen as a warning bell for Asia, especially those economies that have not yet raised interest rates strongly.

For example, China and Japan go against the trend of increasing interest rates of central banks around the world. The Bank of China (PBOC) kept its prime lending rate unchanged, while the Bank of Japan (BOJ) maintained a negative 0.1% interest rate.

- Credit rating agency Moody's Investors Service also said that Asian banks will probably not be affected by the collapse of SVB because their deposits are mainly used for lending instead of investing in major bonds. government.
- For Asian technology startups and venture capitalists, although many companies are also at risk related to the collapse of SVB, not many businesses openly admit to suffering great losses because of this incident.
- Andrew Tilton, chief economist for Asia-Pacific at Goldman Sachs, said that the macroeconomic outlook for Asia will not be deeply affected by the SVB bankruptcy.

Asian stocks are still in the red session on March 14

Stock markets in Japan, Australia and South Korea all recorded a drop of nearly 2%. Meanwhile, markets in China and Singapore witnessed a massive sell-off in stocks.

Among banks in the region, shares of Mitsubishi UFJ Financial Group (MUFG) and Sumitomo Mitsui Financial Group together fell more than 7% in Japan, while shares of HSBC listed in Hong Kong fell more than 3%. National Australia Bank shares fell more than 2% and South Korea's KB Financial Group fell 3%. According to Bloomberg, about \$465 billion has "evaporated" from global equity markets in the past three days, despite reassuring moves from the authorities.



Bright spot

Protect the interests of depositors

A few days after the closure of Silicon Valley Bank (SVB) and Signature Bank, the US Treasury and the Fed had to launch a large-scale emergency lending program to support the banking system, as many banks are facing serious challenges with the risk of withdrawal.

The Fed's monetary tightening campaign is shaken

The movement of futures contracts is showing a split in the market on the question of whether the Fed will keep its course or not. Goldman Sachs Group now predicts the Fed will not raise rates at its meeting next week. Barclays economists make similar predictions.

According to Bloomberg, the worry is that the collapse of SVB and Signature Bank is just the beginning of the damage from the Fed's "hawkish" (tightening monetary policy) policy. The new turmoil could force Fed officials to change plans.

- Changing interest rate policy will be the key factor for a dynamic market. The rapid increase in interest rates in 2022 causes the valuations of many companies to drop. The stock market fell into a bear market. However, after the collapse of SVB, the market's expectations are leaning towards the previously unthinkable. That is the Fed will soon stop its tightening policy and cut interest rates by the end of 2023.

Yields on Treasuries and USD plummeted

Yields on 10-year and 2-year US Treasuries both fell sharply as investors bet that the Fed would reduce the scale of rate hikes. Even stopping the year-long tightening campaign altogether.

The USD index also fell sharply and weakened below 104. In an abrupt change from last week, money markets are now pricing in a 31% chance that the Fed will leave rates unchanged next week, with a cut interest rates are expected from the beginning of June to the end of this year.



Trend: Technical recovery

- Selling pressure prevailed in today's session and pushed the market to close in the red. Order matching continued to remain above the 20 session average. Investor sentiment is still cautious before the news that Silicon Valley Bank (SVB) collapsed last weekend. This is shown by the market breadth skewed to the sell side in the context of the lack of a leading group making it difficult for the market to recover. After today's drop, technical indicators fell back to the neutral zone and have not given clear signals. The index also returned to test short-term support around 1,040 points. In general, trading struggled will dominate the coming sessions and the market will be challenged to find direction.

Scenarios:

- Positive (50%): The index rebounded to 1,050 points and balanced above to continue creating a recovery pace to 1,080 points, more optimistic than 1,100 points.
- Less positive (50%): The index failed to test and lost the support level of 1,050 points, it might drop to retest the psychological level of 1,000 points and lower to the area of 950 points..

15/3/2023

Unit: thousand VND

Today's watchlist											
	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals			
NKG	Watch							Waiting to test the 20-day MA			
PC1	Watch							Good reaction around the 10-day MA			
NT2	Watch							Good reaction around the 10-day MA			
POW	Watch							Good reaction around the 10-day MA			
PVS	Watch							Waiting to test the 50-day MA			
HVN	Watch							Waiting to test the MA10 - 20 day			

Trading portfolio											
Ticker	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
VCG	Sell	20.6	23	19.5	12%	-5%	19.3	4	-6.31%	09/03/2023	Hit stoploss
KSB	Hold	25.2	29	23.5	15%	-7%	24.5	4	-2.78%	09/03/2023	
BSR	Hold	16.4	18	15.3	10%	-7%	15.7	6	-4.27%	07/03/2023	

March 2023

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



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