

MONTHLY SET STRATEGY:

Thai Stock Market Outlook & Stock Picks for May 2014

Rising political risks

Research Team

May 6, 2014

Summary

- Rising political risks may bring a lot of volatility to the Thai stock market throughout the month of May. Chances are very slim that Thailand, which has been deeply divided by color-coded politics, will get a new government that could satisfy all sides. For this reason, there is potential for the current political impasse to drag on further while the risk of violence remains latent along the way. As things stand, we believe the market may be set up for more choppy range-bound action with limited room for upside amid a cloud of political uncertainty in the month of May.
- Foreign fund inflows look likely to continue into Asia as the Federal Reserve's QE tapering and tightening policies would be on a measured basis. As political uncertainty still overshadows the Thai stock market, we expect a mixed picture of foreign fund flows as long as there is no sign of the light at the end of the political tunnel yet in sight.
- First-quarter earnings plays are likely to lend some support to the market.
- Domestic political wildcard is likely to dictate the trend on the Thai stock market in the month of May. In our view, political pressure looks set to build up in early to mid-May as the looming rulings from the Constitutional Court and the National Anti-Corruption Commission in the Thawil Pliensri transfer and rice pledging cases would influence the movements of both government supporters and opponents: UDD and PDRC, a move that could add further fuel to the political fire. On the other hand, in case of no political progress at all, the market may be in a holding pattern until greater political clarity emerges. First-quarter earnings plays should also provide support to the market. Support for the SET index is seen at 1370 points and resistance at 1450 points.
- Our top picks for the month of May include: (1) earnings theme: IVL and SPALI and (2) a play on a return of foreign fund flows: SMART and TTW.

Possible political scenarios

Scenario	Odds	Potential impact on stock market
<p>1. Best Case: The new election can be held as soon as possible without violence.</p>	Very slim	<p>The market will likely stage a rapid and strong rebound toward 1500 points in response to the positive news. Foreign fund flows will return after the political crisis is solved in a democratic way.</p>
<p>2. Base Case: The failure to reach a compromise between both conflicting sides causes the current political impasse to drag on further.</p>	High	<p>The market is expected to be trapped in a sideways trading range with the upside seen limited to 1440 points until there is a light at the end of the tunnel for the formation of a new government. The longer the political uncertainty continues, the higher the risk of GDP/sovereign credit rating downgrades will be. The downside target is seen at 1340-1320 points.</p>
<p>3. Worst Case: Violence occurs as a result of clashes between both conflicting sides, which would finally lead to a military coup.</p>	Possible	<p>The market may be vulnerable to a panic sell-off as a consequence of violent clashes. Even though a short-term rebound is likely once the violence ends, the market will however remain at risk as foreign investors may view Thailand has deviated from the democratic path and uncertainty persists over the formation of a new government under the coup leadership with possible threats of GDP/sovereign credit rating downgrades. The downside target is seen at 1260-1240 points.</p>

New election

- **New poll date set for Jul 20: What remains to be seen is whether new election will be successful**
- The Constitutional Court's ruling on May 8, 2006 nullified the general election which was held on Apr 2, 2006. The new poll date was set on Oct 15, 2006, more than five months after the court's nullification of the election but there was a military coup before the election on Sep 19, 2006.

Caretaker government status

- **Constitutional Court expected to rule on the Thawil Pliensri transfer case on May 7-9, a move that may possibly invalidate caretaker PM Yingluck Shinawatra's rights to office**
- The court is expected to give its ruling on the case within this month. Caretaker PM Yingluck Shinawatra may face removal from office if found guilty, a move that could in turn lead to a political vacuum.
- **NACC expected to make decision on whether to indict caretaker PM for alleged dereliction of duty in the rice pledging scheme on May 8, 15**
- It may take more time than in the Thawil Pliensri case. If the NACC decides to indict caretaker PM Yingluck Shinawatra for alleged dereliction of duty in the rice pledging scheme, it will later forward the case to the Senate for possible impeachment to remove her from office. It would require the votes of three-fifths of the senators.

Political protests

Anti-government PDRC

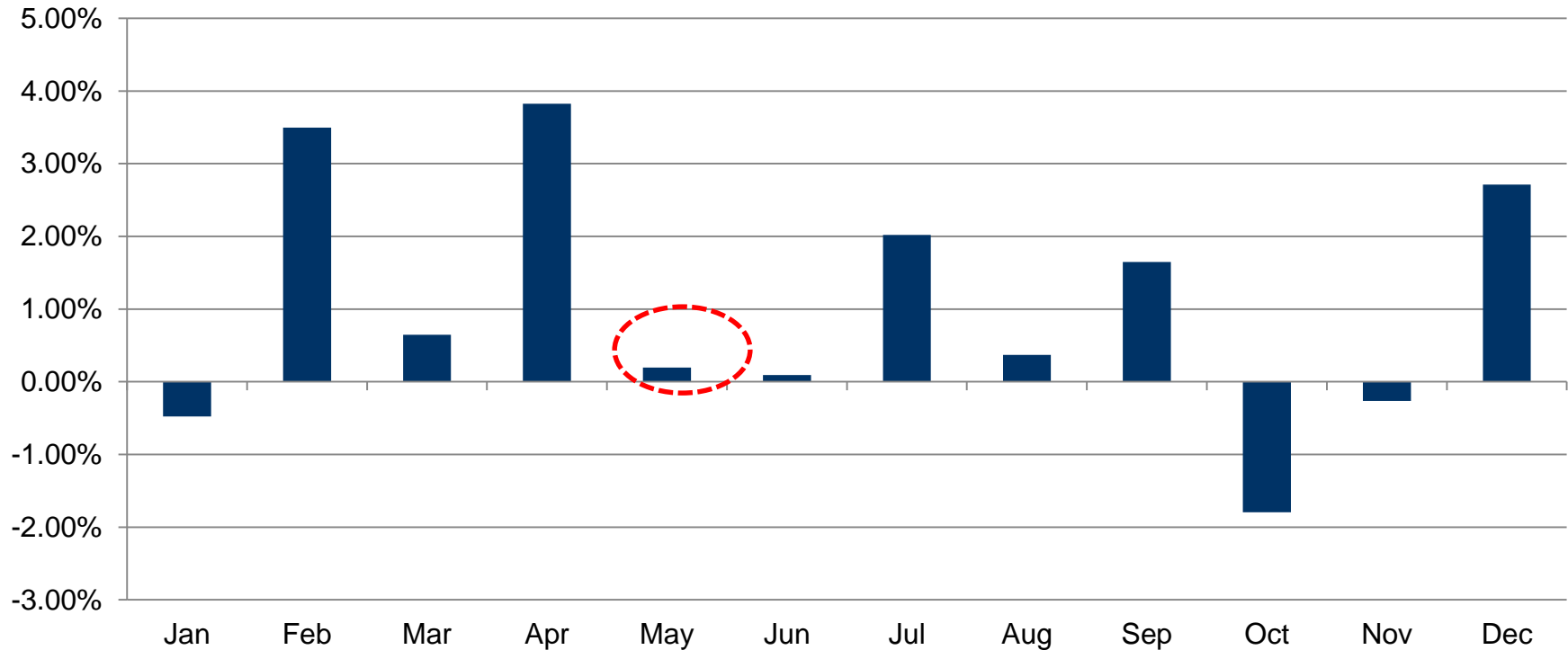
- Mass rally set for May 14
- Call for political reform before election

Pro-government UDD

- Hold small rallies in the provinces on May 2-8 as an overture to a major rally
- Stage a mass rally on Aksa Road in Bangkok on May 10
- Wait for the Constitutional Court's ruling in the Thawil Pliensri case: UDD opposes any plan for an interim prime minister under Section 7 of the Constitution to replace Yingluck Shinawatra and a military coup

Historical performance of the Thai stock market in May

SET Total Return



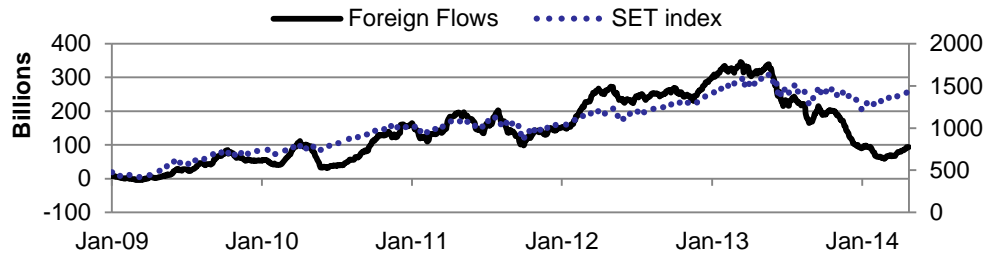
Source: Bloomberg

- Statistics over the past 10 years since 2004 showed May was traditionally a weak month for Thai stocks. Statistics further showed that HEALTH and ICT normally performed the best among all sectors in May.

Foreign fund flow: Foreign selloff of Thai shares on QE tapering & domestic political strife but foreign role greater in Thai stock market

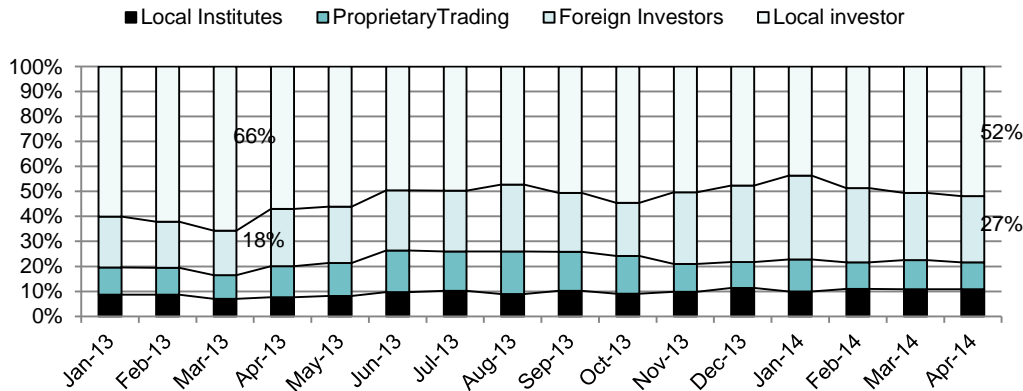
Net cumulative foreign portfolio investment in Thai stock market

Commulative Foreign Flow adjusted by Market Return



Sources: Bloomberg, SETSMART

Breakdown of trading volume by investor category



Source: SETSMART

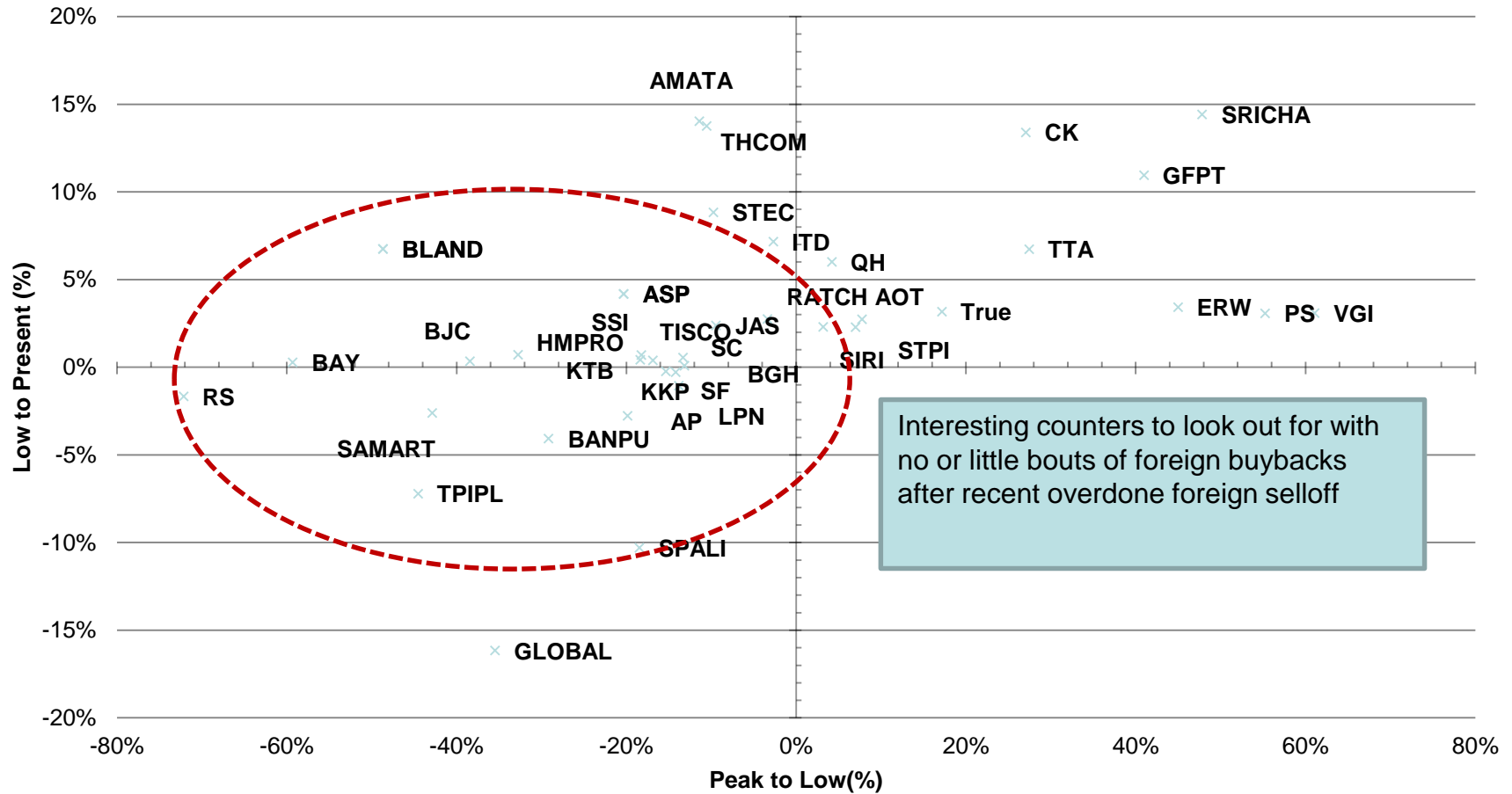
- The recent foreign flight from Thai stocks was triggered by QE tapering in the US and domestic political turmoil. Foreign fund inflows have showed signs of nascent return to Asia including Thailand since Mar 2014.
- Despite heavy selloffs foreign investors however played a bigger role on the Thai stock market while the role of retail investors got diminished as most of them stayed sidelined from the market.

Key investment themes for the month of May

- A play on a return of foreign buying: To bet on a return of foreign fund flows, it is best to look for fundamentally strong counters with no or little bouts of buybacks after recent overdone foreign selloff.
- 1QFY14 earnings plays

% of foreign holdings in Thai stocks: Oversold stocks with no or little buybacks to date

% Change in Foreign Holding (Including NVDR)



Attractive counters recently beaten down by overdone foreign selloff

	Rebound Rate	Average 3-year P/E	Current PE	P/B	Dividend Yield	ROE (%)	Upside gain	Fair Value
BLAND	20.31%	16.68	13.39	0.71	4.91%	6.60	45.40%	2.37
TTW	36.17%	12.63	15.38	3.64	6.50%	25.28	30.00%	13.00
SAMART	50.00%	12.42	13.95	3.26	4.37%	24.55	21.36%	25.00
SPALI	55.26%	10.20	11.64	2.35	4.82%	19.90	25.13%	25.14

Sector update & stock picks for May 2014

Sector update & stock picks for May 2014

Sector	Investment weighting		Stock pick	Investment theme	2014				Mkt Cap (Btmn)
					FV (Bt)	P/E (X)	P/BV (X)	Div Yield	
FOOD	NT	---	CPF	Earnings recovery is expected to be seen in 1QFY14 onwards on the back of strong ASPs and a likely improvement in aquaculture business on growing production.	34.50	17.31	1.62	2.78%	209,059
BANK	NT	▼	BBL	The highest NPL coverage ratio in the sector should provide BBL a bigger cushion against potential risks.	223.00	9.47	1.11	3.98%	359,817
PETRO	OW	---	IVL	Helped by a pickup in PET spread, 1QFY14 earnings are forecast to be better than 4QFY13. The outlook also remains favorable in 2QFY14 as the impact from a drop in PET spreads back to normalized levels would be offset by sales volume growth driven by full-quarter production of POLYESTER-CP4 and upside from PHP FIBERS GMBH.	26.30	26.74	1.81	1.13%	114,579
CONMAT	NT	---	SCC	Cement demand is likely to see virtually no growth in 2QFY14 after a slowdown to a 4% growth in 1QFY14. SCC cut its FY14 cement growth forecast to a mere 0%-3% citing concerns about a possible slowdown in construction activity in both public and private sectors. In view of weak growth outlook for cement demand, we prefer SCC than other cement producers as petrochemical business and revenue contribution from its overseas operations in ASEAN should offset the impact from cement business.	490.00	13.44	2.30	3.96%	520,800
PROP	NT	---	SPALI	SDH/TH presales gradually came back but condo bookings remained in the doldrums. Many property developers have delayed new condo launches. Overall SDH/TH presales are expected to be up q-q but down y-y while condo bookings would drop both q-q and y-y. We still favor property stocks with a sizable revenue backlog like SPALI. Thanks to its backlog, SPALI offers best earnings growth visibility this year in the property space.	25.14	8.33	2.25	4.82%	33,473
ENERG	NT	---	BCP	Higher GRM and marketing margins should be key earnings drivers in 1QFY14. The prospects also look encouraging in 2QFY14 as the startup of the third phase of the solar farm project and an additional gain from insurance claims would offset the impact from refinery maintenance shutdown plan.	41.00	8.74	1.16	4.59%	44,062
			TTW	In normalized terms, earnings growth is expected to be strong in 1QFY14 thanks to tax breaks for post-flood reconstruction investment as part of BOI's tax relief measures. On a net profit basis, 1QFY14 results are seen declining, reflecting the tax refund at its subsidiary PTW a year ago. TTW would continue to benefit from tax breaks for post-flood reconstruction investment throughout the remaining course of this year.	13.00	14.08	3.39	6.50%	39,900

Sector update & stock picks for May 2014

Sector	Investment weighting		Stock pick	Investment theme	2014				Mkt Cap (Btmn)
					FV (Bt)	P/E (X)	P/BV (X)	Div Yield	
TRANS	NT	---	TTA	Earnings improvement momentum is set to continue into 2QFY14 on better conditions in the dry bulk shipping industry. TTA is also expected to remain profitability in 2QFY14, reversing a year-ago loss.	24.60	22.50	1.05	1.35%	26,745
MEDIA	---	---	TKS	Earnings growth is expected in 1QFY14 on the back of printing works in both public and private sectors. There would be a backlog of around Bt800mn to be booked as revenue in FY14. TKS seems to have been shielded from a slowdown in ad spending unlike its peers which focus on ad spending based revenue stream.	7.95	7.88	1.50	7.94%	1,875
COMM	NT	---	CPALL	1QFY14 earnings are expected to be better than 4QFY13. Earnings improvement is also likely to continue in the following quarters of the year, benefiting from debt refinancing, new store rollout and synergy with MAKRO.	54.25	32.56	11.67	2.38%	377,290
			MC	1QFY14 profit is expected to be higher than 1QFY13 boosted by sales from 113 new points of sales opened in FY13.	19.10	15.40	3.58	4.54%	13,920
HEALTH	NT	---	CHG	Small-tier hospital CHG appears to have been undeterred by a drop in international patients as it targets mid-tier clients and its hospitals are not located near protest sites.	12.10	24.77	4.04	2.48%	11,990
ICT	NT	▼	SAMART	SAMART is a holding company. Earnings growth would be boosted by booming sales of high-margin smart phones at its mobile handset distribution arm SIM, which would drive average selling prices (ASPs) higher and boost margins and strong performance from SAMART affiliates. Digital TV set top box sales are expected to rise in 2HFY14 as NBTC plans to hand out its subsidy coupons used to buy digital TV set top boxes in Jun 2014.	25.00	12.41	2.85	4.37%	20,730
	NT	▼	INTUCH	Earnings growth would be driven by profit contribution from ADVANC and THCOM. In our view, earnings growth momentum is likely to continue at ADVANC as the mobile business would continue to be driven by revenue from non-voice services, which is projected to grow by at least 20%-25%. For THCOM, growth would be driven by bandwidth demand in many countries and Thaicom 6 satellite, which was launched into orbit at the start of the year.	97.00	15.79	7.45	5.71%	250,101
ETRON	NT	---	KCE	KCE is expected to deliver stellar 1QFY14 earnings growth in both y-y and q-q terms on burgeoning sales and better margin on higher operating run rates. Earnings growth momentum also looks set to continue in the following quarters.	38.00	13.83	4.09	2.14%	19,216

** Based on closing price as of Apr 30, 2014

Supalai – SPALI

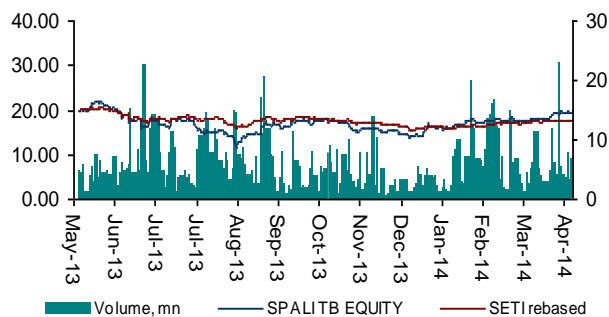
Rating	Buy
Target Price (Bt)	25.14
Closing Price (Bt)	19.60
Expected Capital Gains (%)	28.3%
Expected Dividend Yield (%)	3.3%
Expected Total Return (%)	31.6%
Raw Beta (Past 2yrs w eekly data)	1.29
Market Cap. (Bt mn)	33,473
3M Average Daily T/O (mn)	7.2
52 w eek range	11.3 - 22.3



Major Shareholders (12/03/14)	(%)
1. Prateep Tangmatitham	22.9
2. Thai NVDR	19.0
3. Atchara Tangmatitham	5.3

Valuation Method

P/E14 (10.5x)



Conso'	Profits	EPS	DPS	BV	ROE	P/E	Yield	P/BV
Ending	(Btm)	(Bt)	(Bt)	(Bt)	(%)	(x)	(%)	(x)
12/12 A	2,744	1.60	0.65	7.43	21.51	12.23	3.32	2.64
12/13 A	2,882	1.68	0.70	8.44	19.90	11.64	3.57	2.32
12/14 E	4,267	2.48	0.99	9.76	25.48	7.89	5.07	2.01
12/15 E	5,830	3.39	1.36	11.30	30.05	5.77	6.93	1.73



Target price: Bt25.14

Short-term technical view:

Support: Bt19.30

Resistance: Bt20.60-Bt21.00

Cut loss: Bt18.90

- SPALI offers best earnings growth visibility in the property space as current backlog covers up to Bt17bn or 90% of our FY14 revenue target of Bt19.7bn for SPALI. To meet the full-year target, the remaining Bt2bn should come from revenue to be realized from SDH/TH presales in 2QFY14-4QFY14. In 1QFY14, SPALI reported SDH/TH presales of Bt1.6bn. Given a drop in new SDH/TH supply, we believe SDH/TH presales will fare better ahead and put revenue on course to meet full-year growth target of 60%. Higher development costs as a result of pressure from labor shortage a year ago may also put margin under slight downward pressure. Overall strong revenue growth should lead SPALI to deliver FY14 profit growth of 48% y-y. In our 1QFY14 earnings preview, we expect SPALI to report robust profit growth of 53% y-y.
- Earnings growth momentum also looks set to continue into FY15. The forecast assumes SDH/TH revenue will be a catalyst to drive FY15 revenue up 27% y-y to Bt25bn and SPALI has a current backlog on hand of Bt14.4bn to be booked as revenue in FY15. SDH/TH presales would roar back to life if domestic political crisis eases.
- In our view, SPALI looks to be the best growth play in the property space. Current valuation looks undemanding at 8x P/E, which represents a discount to its historical average of 10x with an estimated dividend yield of roughly 5%.

Indorama Ventures - IVL

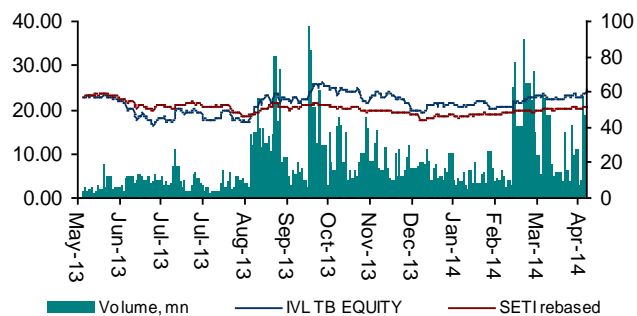
Rating	Trading Buy
Target Price (Bt)	26.30
Closing Price (Bt)	24.40
Expected Capital Gains (%)	7.8%
Expected Dividend Yield (%)	1.1%
Expected Total Return (%)	8.9%
Raw Beta (Past 2yrs w weekly data)	1.49
Market Cap. (Bt mn)	115,061
3M Average Daily T/O (mn)	26.1
52 week range	15.8 - 26.5

Major Shareholders (11/03/14)

1. Indorama Resources Ltd	(%)	63.7
2. BBL		4.8
3. Thai NVDR Ltd		3.0

Valuation Method

P/B'14 (2x)



INDORAMA



Conso' Ending	Profits (Btm)	EPS (Bt)	DPS (Bt)	BV (Bt)	ROE (%)	P/E (x)	Yield (%)	P/BV (x)
12/12 A	4,611	0.96	0.36	12.37	7.80	25.47	1.48	1.97
12/13 A	1,326	0.28	0.28	12.53	2.21	88.60	1.15	1.95
12/14 E	4,257	0.88	0.27	13.14	6.89	27.59	1.09	1.86
12/15 E	4,396	0.91	0.27	13.79	6.78	26.72	1.12	1.77



Target price: Bt26.30

Short-term technical view:

Support: Bt23.70

Resistance: Bt25.00-Bt25.50

Cut loss: Bt23.20

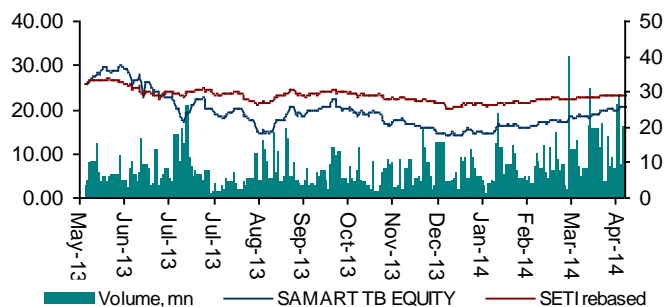
- Our earnings preview suggests IVL will return to a profit of Bt448mn in 1QFY14 from a loss of Bt469mn in 4QFY13 helped by (i) a rise in PET and polyester spreads, which would drive core EBITDA from both businesses higher to 76% in 1QFY14 from 63% in 4QFY13 and push core EBITDA/ton higher to US\$104 in 1QFY14 from US\$86 in 4QFY13 and (ii) an additional gain of around US\$4mn from insurance claims.
- The outlook also remains favorable for IVL in 2QFY14 as the impact from a drop in PET spreads back to normalized levels as a result of new supply in Europe scheduled to come onto the market would be offset by sales volume growth driven by full-quarter production of POLYESTER-CP4 and upside from PHP FIBERS GMBH. The acquisition of Turkish polyester producer SASA POLYESTER is also expected to be completed within 2QFY14. In our view, we expect IVL to make 4-5 M&A deals this year.

Samart Corporation - SMART

Rating	Buy
Target Price (Bt)	25.00
Closing Price (Bt)	20.80
Expected Capital Gains (%)	20.2%
Expected Dividend Yield (%)	4.4%
Expected Total Return (%)	24.6%
Raw Beta (Past 2yrs weekly data)	2.14
Market Cap. (Bt mn)	20,529
3M Average Daily T/O (mn)	11.8
52 week range	13.6 - 30.75

Major Shareholders (23/08/13)	(%)
1. Vilailuck International Holding	17.3
2. Mr. Watchai Vilailuck	12.1
3. Mr. Charoenrath Vilailuck	11.9

Valuation Method
P/E14 (15x)



SMART

STRONG



DVB-T2



Conso' Ending	Profits (Btm)	EPS (Bt)	DPS (Bt)	BV (Bt)	ROE (%)	P/E (x)	Yield (%)	P/BV (x)
12/12 A	1,083	1.09	0.60	5.46	21.45	19.08	2.88	3.81
12/13 A	1,468	1.47	0.80	6.29	25.07	14.15	3.85	3.31
12/14 E	1,664	1.66	0.91	7.15	24.72	12.53	4.38	2.91
12/15 E	1,761	1.76	0.97	7.99	23.22	11.82	4.66	2.60

Samart Corporation - SMART



Target price: Bt25.00

Short-term technical view:

Support: Bt19.90

Resistance: Bt21.10-Bt21.50

Cut loss: Bt19.50

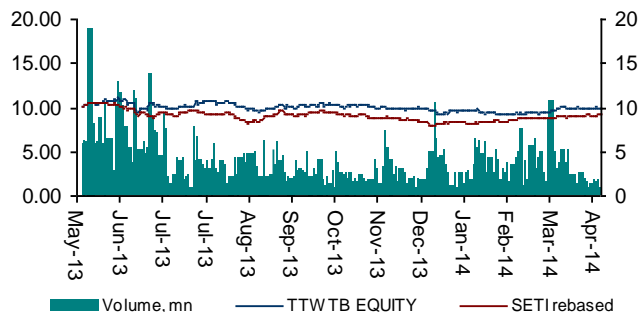
- SMART is expected to report 1QFY14 profit of Bt390mn, up 7% q-q as (i) blooming smart phone sales at its mobile handset distribution arm SIM would push average selling prices (ASPs) higher to Bt2,926 per unit from Bt2,515 per unit, (ii) revenue at its system integration subsidiary SAMTEL would continue to keep rising and (iii) SMART would see its revenue rise on better performance from Samart Engineering, Kampot, Vision and OTO.
- The NBTC plans to hand out its subsidy coupons used to buy digital TV set top boxes in Jun 2014. The prospect of rising revenue from Samart Engineering should further brighten the revenue outlook for SMART in 2HFY14.
- Its subsidiary One-to-One Contacts (OTO) is scheduled for listing on MAI in mid-May 2014. Some portion of shares in the IPO would be offered to existing SMART shareholders. The pre-emptive rights ratio is 50.3165 shares of SMART to one share of OTO at Bt5.40/share.
- On a full-year basis, we estimate SMART will achieve FY14 net profit of Bt1,664mn, up 13.34% y-y. Key potential earnings drivers would be (i) margin improvement at SIM on growing sales of high-margin smart phones and (ii) better profitability from other SMART affiliates.

Rating	Buy
Target Price (Bt)	13.00
Closing Price (Bt)	9.95
Expected Capital Gains (%)	30.7%
Expected Dividend Yield (%)	6.5%
Expected Total Return (%)	37.2%
Raw Beta (Past 2yrs w weekly data)	0.39
Market Cap. (Bt mn)	39,900
3M Average Daily T/O (mn)	3.5
52 w week range	9 - 11.3



Major Shareholders (11/02/14)	(%)
1. Mitsui Water Holding (Thailand) Co., Ltd.	26.0
2. BECL	20.2
3. CK	19.0

Valuation Method
SOTP



Conso' Ending	Profits (Btm)	EPS (Bt)	DPS (Bt)	BV (Bt)	ROE (%)	P/E (x)	Yield (%)	P/BV (x)
12/12 A	2,338	0.59	0.52	2.66	22.49	16.86	5.23	3.74
12/13 A	2,574	0.65	0.60	2.75	23.83	15.31	6.03	3.62
12/14 E	2,853	0.71	0.65	2.91	25.28	14.01	6.53	3.42
12/15 E	2,932	0.73	0.65	3.14	24.31	13.63	6.53	3.17



Target price: Bt13.00

Short-term technical view:

Support: Bt9.90

Resistance: Bt10.90

Cut loss: Bt9.75

- TTW is forecast to report 1QFY14 revenue growth of 5.8% y-y driven largely by the positive effects of water tariff increases though tap water sales volume edged up a measly 2.3% y-y. Top-line growth aside, tax breaks for post-flood reconstruction investment as part of the BOI's tax relief measures should lead TTW to post a 30% rise in 1QFY14 pre-exceptional profit. On a net profit basis, TTW is expected to report an 18.3% y-y drop in 1QFY14 net profit to Bt714mn, reflecting the Bt325mn tax refund at its subsidiary PTW in 1QFY13.
- The outlook brightens for TTW in 2QFY14. The pace of growth in tap water sales volume looks set to accelerate in 2QFY14 amid the extremely hot weather and a recovery of seafood exports in Samut Sakorn Province. Despite full utilization at PTW, there remains room for growth at BLDC and TTW. BLDC should benefit from the startup of the Bang Pa-In Cogeneration Power Plant owned by CKP's subsidiary in Jun 2014. TTW would also continue to enjoy BOI tax breaks for post-flood reconstruction investment. On this basis, earnings growth is expected to be favorable in terms of both pre-exceptional profit and net profit. Our forecast also suggests TTW will pay out a bigger dividend in 1HFY14.
- Profits from CKP are likely to be better than a year ago on the back of full-year contribution from new capacity from Bang Pa-In Cogeneration Power Plant and lower interest expenses following partial debt repayments funded by IPO proceeds and successful negotiations to bring down interest rates.

Economic calendar for May 2014

			May 1	May 2
			US: Fed QE3 pace, FOMC rate decision, Challenger job cuts, initial jobless claims, core PCE, Markit US manufacturing PMI, ISM manufacturing, ISM prices paid index CH: Manufacturing PMI TH: CPI	US: Unemployment rate, change in household employment, underemployment rate, ISM New York, factory orders EU: Markit euro-zone manufacturing PMI, Markit euro-zone manufacturing PMI, unemployment rate TH: Foreign reserve
May 5	May 6	May 7	May 8	May 9
US: Markit US composite PMI, ISM non-manufacturing composite CH: HSBC China manufacturing PMI EU: PPI	US: Trade balance, IBD/TIPP economic optimism EU: Markit euro-zone composite PMI, Markit euro-zone composite PMI, retail sales	US: Nonfarm productivity CH: HSBC China composite PMI EU: Markit euro-zone retail PMI	US: Consumer credit, initial jobless claims CH: Trade balance, exports, imports EU: ECB interest rate decision TH: Consumer confidence	US: Wholesale inventories, wholesale trade sales CH: PPI, CPI TH: Foreign reserve

Source: Bloomberg

Economic calendar for May 2014

May 12	May 13	May 14	May 15	May 16
CH: New Yuan loans, aggregate financing RMB	US: Import price index CH: Retail sales, industrial production	US: PPI final demand CH: Foreign direct investment EU: Industrial production	US: CPI, industrial production, manufacturing (SIC) production, NAHB housing market index, initial jobless claims EU: ECB monthly report, CPI, GDP	US: Housing starts, building permits, University of Michigan confidence EU: Trade balance TH: Car sales
May 19	May 20	May 21	May 22	May 23
EU: Construction output EU: GDP		EU: ECB current account, consumer confidence	US: Federal Reserve's minutes from Apr 29-30 FOMC meeting, initial jobless claims, existing home sales, Markit manufacturing PMI CH: HSBC China manufacturing PMI EU: Markit euro-zone manufacturing PMI, Markit euro-zone services PMI, Markit euro-zone composite PMI	US: New home sales TH: Foreign reserve

Source: Bloomberg

Economic calendar for May 2014

May 26	May 27	May 28	May 29	May 30
EU: EC OECD economic outlook TH: Capacity utilization, manufacturing production index	US: House price purchase index, S&P/CS composite-20, consumer confidence index, Markit composite PMI	EU: Consumer Confidence	US: GDP, personal consumption, initial jobless claims, GDP price index, core PCE QoQ, pending home sales	US: Core PCE YoY, University of Michigan confidence TH: Current account balance, trade balance, business sentiment index

Investment return calculation principles

Model portfolio performance in Apr 2014	PSR portfolio at +4.78% vs. SET index at +2.81% <ul style="list-style-type: none">▪ Top three gainers/outperformers BWG, KCE, SPALI▪ Top three losers/underperformers CPF, PTTGC, TTA
Cumulative model portfolio performance for the period of Jan-Apr 2014	PSR portfolio at +17.51% vs. SET index at +8.78%
Duration of holding period	1 month
Number of recommended stocks	10-15 stocks
Investment rating	'BUY' only
Calculation of investment returns	<ul style="list-style-type: none">▪ Buying and selling at the closing price of the month.▪ Dividend is included in the calculation if the holding period for portfolio covers XD date.

Disclaimer

Important Information

This publication is prepared by Phillip Securities Research Pte Ltd., 250 North Bridge Road, #06-00, Raffles City Tower, Singapore 179101 (Registration Number: 198803136N), which is regulated by the Monetary Authority of Singapore (“Phillip Securities Research”). By receiving or reading this publication, you agree to be bound by the terms and limitations set out below.

This publication has been provided to you for personal use only and shall not be reproduced, distributed or published by you in whole or in part, for any purpose. If you have received this document by mistake, please delete or destroy it, and notify the sender immediately. Phillip Securities Research shall not be liable for any direct or consequential loss arising from any use of material contained in this publication.

The information contained in this publication has been obtained from public sources, which Phillip Securities Research has no reason to believe are unreliable and any analysis, forecasts, projections, expectations and opinions (collectively, the “Research”) contained in this publication are based on such information and are expressions of belief of the individual author or the indicated source (as applicable) only. Phillip Securities Research has not verified this information and no representation or warranty, express or implied, is made that such information or Research is accurate, complete, appropriate or verified or should be relied upon as such. Any such information or Research contained in this publication is subject to change, and Phillip Securities Research shall not have any responsibility to maintain or update the information or Research made available or to supply any corrections, updates or releases in connection therewith. In no event will Phillip Securities Research or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the preparation or issuance of this report, (i) be liable in any manner whatsoever for any consequences (including but not limited to any special, direct, indirect, incidental or consequential losses, loss of profits and damages) of any reliance or usage of this publication or (ii) accept any legal responsibility from any person who receives this publication, even if it has been advised of the possibility of such damages. You must make the final investment decision and accept all responsibility for your investment decision, including, but not limited to your reliance on the information, data and/or other materials presented in this publication.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this material are as of the date indicated and are subject to change at any time without prior notice.

Past performance of any product referred to in this publication is not indicative of future results.

This report does not constitute, and should not be used as a substitute for, tax, legal or investment advice. This publication should not be relied upon exclusively or as authoritative, without further being subject to the recipient’s own independent verification and exercise of judgment. The fact that this publication has been made available constitutes neither a recommendation to enter into a particular transaction, nor a representation that any product described in this material is suitable or appropriate for the recipient. Recipients should be aware that many of the products, which may be described in this publication involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made, unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Nothing in this report shall be construed to be an offer or solicitation for the purchase or sale of any product. Any decision to purchase any product mentioned in this research should take into account existing public information, including any registered prospectus in respect of such product.

Disclaimer

Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the preparation or issuance of this report, may provide an array of financial services to a large number of corporations in Singapore and worldwide, including but not limited to commercial / investment banking activities (including sponsorship, financial advisory or underwriting activities), brokerage or securities trading activities. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the preparation or issuance of this report, may have participated in or invested in transactions with the issuer(s) of the securities mentioned in this publication, and may have performed services for or solicited business from such issuers. Additionally, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the preparation or issuance of this report, may have provided advice or investment services to such companies and investments or related investments, as may be mentioned in this publication.

Phillip Securities Research or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the preparation or issuance of this report may, from time to time maintain a long or short position in securities referred to herein, or in related futures or options, purchase or sell, make a market in, or engage in any other transaction involving such securities, and earn brokerage or other compensation in respect of the foregoing. Investments will be denominated in various currencies including US dollars and Euro and thus will be subject to any fluctuation in exchange rates between US dollars and Euro or foreign currencies and the currency of your own jurisdiction. Such fluctuations may have an adverse effect on the value, price or income return of the investment.

To the extent permitted by law, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the preparation or issuance of this report, may at any time engage in any of the above activities as set out above or otherwise hold a interest, whether material or not, in respect of companies and investments or related investments, which may be mentioned in this publication. Accordingly, information may be available to Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the preparation or issuance of this report, which is not reflected in this material, and Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the preparation or issuance of this report, may, to the extent permitted by law, have acted upon or used the information prior to or immediately following its publication. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited its officers, directors, employees or persons involved in the preparation or issuance of this report, may have issued other material that is inconsistent with, or reach different conclusions from, the contents of this material.

The information, tools and material presented herein are not directed, intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability or use would be contrary to the applicable law or regulation or which would subject Phillip Securities Research to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

Section 27 of the Financial Advisers Act (Cap. 110) of Singapore and the MAS Notice on Recommendations on Investment Products (FAA-N01) do not apply in respect of this publication.

This material is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. The products mentioned in this material may not be suitable for all investors and a person receiving or reading this material should seek advice from a professional and financial adviser regarding the legal, business, financial, tax and other aspects including the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.

Please contact Phillip Securities Research at [65 65311240] in respect of any matters arising from, or in connection with, this document.

This report is only for the purpose of distribution in Singapore.

Headquarters & branches

Bangkok Offices

Head Office	15th Fl., Vorawat Bldg. Tel : 0 2635 1700 , 0 2268 0999
Srinakarindr	17th Fl., Modernform Tower Tel : 0 2722 8344-53
Viphavadi	15th Fl., Lao Peng Nguan Tower 1 Tel : 0 2618 8400
Yaowarat	19th Fl., Kanchanadhat Bldg. Tel : 0 2622 7833
Bangkapi 1	8th Fl., The Mall Office Tower-Bangkapi Tel : 0 2363 3263
Bangkapi 2	9th Fl., The Mall Office Tower-Bangkapi Tel : 0 2363 3269
Hua Lumphong	4th Fl., Tang Hua Pak Bldg., 320 Rama 4 Rd. Tel : 0 2639 1200
Rangsit	G Fl., Room#PLZ.G.SHP065A Future Park Rangsit Tel : 0 2958 5040
Sindhorn	19th Fl., Sindhorn Tower 3 Building, Tel : 0 2650 9717
Siam Discovery	11st Floor, Unit A2, Siam Tower,Tel : 02 658 0776

Provincial Offices

Chaing Mai	313/15 Moo6 Chaing Mai – Lamphun Nong Hoi, Tel 053-141969
Khon Kaen	4th Fl., Kow Yoo Hah Bldg.Tel : 0 4332 5044-8
Khon Kaen - Rim Bueng	3rd Fl., Arokaya Bldg., Tel : 0 4322 6026
Phisanulok	2nd Fl., Thai Sivarat Bldg., Tel : 0 5524 3646
Had Yai	4th Fl., Southland Rubber Bldg., Tel : 0 7423 4095-99110
Had Yai - Petkasem	3rd Fl., Unit 3D, Redar Group Bldg., Tel : 0 7422 3044
Suratthan	62/9 Donnok Rd., Tel : 077 206 131
Chumporn Investor Center	25/45 Krom Luang Chumporn Rd.,Tel : 0 7757 0652-3

Overseas Offices

SINGAPORE	Phillip Securities Pte Ltd Raffles City Tower Tel : (65) 6533 6001 www.poems.com.sg
HONG KONG	Phillip Securities (HK) Ltd 11/F United Centre 95 Queensway, Tel (852) 22776600 www.phillip.com.hk
MALAYSIA	Phillip Capital Management Sdn Bhd, Block B Level 3 Megan Avenue II Tel (603) 21628841 www.poems.com.my
JAPAN	PhillipCapital Japan K.K. Nagata-cho Bldg., 8F, Tokyo Tel (81-3) 35953631 www.phillip.co.jp
INDONESIA	PT Phillip Securities Indonesia ANZ Tower Level 23B, Tel (62-21) 57900800 www.phillip.co.id
CHINA	Phillip Financial Advisory (Shanghai) Co. Ltd Ocean Tower Unit 2318 Tel (86-21) 51699200 www.phillip.com.cn
FRANCE	King & Shaxson Capital Limited 3rd Flr, 35 Rue de la Bienfaisance Tel (33-1) 45633100 www.kingandshaxson.com
UNITED KINGDOM	King & Shaxson Capital Limited 6th Flr, Candlewick House, Tel (44-20) 7426 5950 www.kingandshaxson.com
UNITED STATES	Phillip Futures Inc The Chicago Board of Trade Building Tel +1.312.356.9000
AUSTRALIA	PhillipCapital Australia Level 37, Collins Street, Melbourne, Tel (613) 96298380 Fwww.phillipcapital.com.au
SRI LANKA	Asha Phillip Securities Ltd Level 4, Millennium House, Tel: (+94) 11 2429 100 apsl@ashaphillip.net
TURKEY	Hak Menkul Kiyemetler A.Ş Dr.Cemil Bengü Cad. Tel: (+90) (212) 296 84 84 (pbx) hakmenkul@hakmenkul.com.tr
INDIA	PhillipCapital (India) Private Limited No. 1, C- Block, 2nd Floor,Modern Center , Jacob Circle, K. K. Marg, Mahalaxmi Mumbai 400011 Tel: (9122) 2300 2999 Website: www.phillipcapital.in
DUBAI	PhillipCapital (India) Pvt Ltd.601, White Crown Building Plot no 58, Sheikh Zayed Road P.O, Box 212291, Dubai UAE. Mahalaxmi Mumbai 400011 Tel: (9122) 2300 2999 Website: www.phillipcapital.in
CAMBADIA	Building No71, St 163, Sangkat Toul Svay Prey I, Khan Chamkarmorn, Phnom Penh, Kingdom of Cambodia Tel: (855) 23 217 942 Website: www.kredit.com.kh