

Technical Analysis: The Phillip 20

September Monthly Review

Singapore | TECHNICAL ANALYSIS | UPDATE

6 October 2017

- Take Profit: Mandarin Oriental USD
- Stop Loss: Moya Asia
- Cumulative returns up to September is 9.68% with a realised gain of 1.36% in September
- STI still range bound between the 3274 range high and 3195 range low

"The Phillip 20" is a portfolio of our top technical picks of stocks on SGX.

September was yet another month bogged down with the never-ending Korea war scare as the US and North Korea exchanged heated words. Ri Yong Ho, foreign minister of North Korea, stated that President Trump had declared war on North Korea and Pyongyang reserved the right to take countermeasures such as shooting down US bombers even if they are not in its airspace. This came after the US B1-1B bombers escorted by fighters flew east of North Korea in the aftermath of more sanctions imposed on them.

Not surprisingly, the Straits Times Index (STI) remain depressed due to the escalating tensions between North Korea and the US. The STI was down -1.75% in September, and the price action suggests further downside if the 3189 critical support area gives way. Our bearish view from the [last report](#) remains valid as price continued to test the 3189 critical support area.

STI Daily Chart – Stuck in a range between 3274 range high and 3195 range low



STI Index (Straits Times Index STI) STI PA Daily 16SEP2011-05OCT2017
 Source: Bloomberg, PSR
 Red line = 20 period moving average, Blue line = 60 period moving average, Green line = 200 period moving average

On the daily timeframe, more signs of weakness appeared after the 20-day moving average crossed below the 60-day moving average on 7 September while the 3195 critical support area held up once again proving its significance. However, there was a bullish break above the immediate downtrend line and 20/60 day moving average on 2 October, but the follow through was underwhelming. We might see a range bound action between the 3274 range high and 3195 range low moving forward. Watch the range extremes closely as the breakout will dictate the next course of action.

Keep in mind the weekly RSI is still in the midst of mean reversion off a recent overbought peak of 72 in July. Moreover, the average correction that follows after the overbought RSI mean reversion tends to drag the STI down by -7.7% suggests a bearish bias here.

The Phillip 20 Portfolio - Realised P&L for September 2017

Company Name	Ticker	L	Entry Date	Entry price	Exit date	Exit Price	P&L
MOYA ASIA	SWE	Long	23-Aug-17	0.117	5-Sep-17	0.115	-1.71%
MAN ORIENTAL USD	M04	Long	6-Sep-17	2.040	19-Sep-17	2.630	28.92%

*Average gain is calculated based on equal weight placed on each trade

Realised Average Gain: **1.36%**

Losers

With the STI moving sluggishly, not much action has been going on in the “Phillip 20 Portfolio.” We closed out the position in [Moya Asia](#) earlier in the month due to the bearish price action around the prior downtrend line. As a result, the “Phillip 20 Portfolio” was dragged down by -1.71%.

Winners

Only one trade was closed out with a profit in September. We decided to close out [Mandarin Oriental USD](#) on 19 September with 28.92% gain due to the ongoing bearish price action.

New Entries

[SPH](#), [Jumbo](#) and [Singapore O&G](#) were added into the “Phillip 20 Portfolio” in September with more of a bottom picking approach for these entries.

The Phillip 20 Portfolio - September new entries

Company Name	Ticker	L	Entry Date	Entry price	Stop Loss	Last price	Current gain/loss (%)
JUMBO	42R	Long	22-Sep-17	0.575	0.525	0.570	-0.87%
SINGAPORE O&G	1D8	Long	14-Sep-17	0.490	0.420	0.470	-4.08%
SPH	T39	Long	25-Sep-17	2.780	2.530	2.690	-3.24%

*Average gain is calculated based on equal weight of 5% placed on each trade

Average Unrealised Gain/loss: **-0.41%**

Watchlist

After a major reshuffling of the portfolio, there are currently 18 stocks within the “Phillip 20 Portfolio.” The following is the revised watch list that we are closely monitoring:

- China Sunshine
- Sunningdale Tech
- Straits Trading
- Jiutian Chemical
- GSH
- Hotung Inv
- Moya Asia
- Wing Tai
- Fischer Tech
- Asian Pay TV
- UOL
- Avi-Tech
- Silverlake Axis
- Metro
- Yongnam
- Frasers L&I Tr
- Micro-Mechanics
- Breadtalk
- YZJ Shipbldg SGD
- AEM
- Genting Sing
- Memtech Intl
- Wheelock Prop
- Venture
- Banyan Tree
- Serial System
- Sunright
- Oxley
- Cityneon
- Centurion

The Phillip 20 Portfolio - Our top technical picks, as of 5 October 2017

Company Name	Ticker	L	Entry Date	Entry price	Stop Loss	Last price	Current gain/loss (%)
BLACKGOLDNATURAL	41H	Long	6-Jul-17	0.137	0.103	0.118	-13.87%
COGENT	KJ9	Long	22-Mar-17	0.780	0.725	0.975	25.00%
ELLIPSIZ	BIX	Long	3-Aug-17	0.645	0.575	0.825	27.91%
FRENCKEN	E28	Long	20-Jul-17	0.525	0.445	0.540	2.86%
F & N	F99	Long	24-Mar-17	2.220	2.220	2.520	13.51%
GOLDEN ENERGY	AUE	Long	2-Aug-17	0.425	0.360	0.455	7.06%
HANWELL	DM0	Long	13-Sep-17	0.345	0.295	0.340	-1.45%
HAW PAR	H02	Long	18-Aug-17	10.930	10.500	12.170	11.34%
HI-P	H17	Long	3-Oct-17	1.410	1.265	1.530	8.51%
JUMBO	42R	Long	22-Sep-17	0.575	0.525	0.570	-0.87%
MIYOSHI	M03	Long	23-Aug-17	0.074	0.062	0.075	1.35%
PANUNITED	P52	Long	22-Aug-17	0.550	0.500	0.595	8.18%
RIVERSTONE	AP4	Long	12-Jul-17	1.065	0.995	1.040	-2.35%
SPH	T39	Long	25-Sep-17	2.750	2.530	2.690	-2.18%
SINGAPORE O&G	1D8	Long	14-Sep-17	0.490	0.420	0.470	-4.08%
THAIBEV	Y92	Long	14-Mar-17	0.955	0.825	0.910	-4.71%
UMS	558	Long	29-Sep-17	0.985	0.885	1.025	4.06%
VALUETRONICS	BN2	Long	14-Jul-17	0.825	0.740	0.975	18.18%
						Average Unrealised Gain/loss:	4.92%

**Average gain is calculated based on equal weight of 5% placed on each trade from their respective entry dates*

Monthly Phillip 20 realised performance:

May 17 performance	3.37%
June 17 performance	0.33%
July 17 Performance	2.73%
August 17 Performance	-1.26%
September 17 Performance	1.36%
Cumulative return since inception	11.45%

**Take profit will be updated accordingly in the future technical pulse report*

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