

Technical Analysis: The Phillip 20

October Monthly Review

Singapore | TECHNICAL ANALYSIS | UPDATE

6 November 2017

- New Entries: Hi-P, OUE and Chasen
- Take Profit: Hi-P
- Total return since May to October is +8.3% with a realised gain of 0.89% in October
- STI breaking above the July 2017 high of 3354 points suggests a strengthening bullish momentum

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

The “Phillip 20 portfolio” performance

- October monthly return : +4.85%
- Total return since May : +8.3%

October came and went with a bang as the Straits Times Index regained all the loses from the prior two months. STI advanced 4.79% in October, and the monthly close above the July high of 3354 is a bullish sign.

As rising tide lifts all boats, the “Phillip 20 Portfolio” also benefited from the bullish momentum. The relative performance of the “Phillip 20 Portfolio” in October was +4.85%.

STI Weekly Chart – Broke a new 52-week high



Source: Bloomberg, PSR
 Red line = 20 period moving average, Blue line = 60 period moving average, Green line = 200 period moving average

In the [September monthly review report](#), we emphasised the importance of the 3189 support area. Since then, the 3189 support area held up steadily and succeeded in reversing the STI back into the uptrend. On the weekly timeframe, the 3189 support area also coincided with the 20 week moving average making that area a major pivot point. The subsequent bullish break above the 20 week moving average and downtrend line in the week ended 6 October kick-started the current up leg.

Moreover, with October closing above the 3354 July high, the STI has successfully established another new 52-week high. Thus confirming the progress of the uptrend since February 2016 with the formation of the series of higher highs and higher lows.

With the ongoing bullish momentum, expect the STI to head higher next to test the 3457 resistance area followed by 3549.

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The Phillip 20 Portfolio - October new entries

Company Name	Ticker	L	Entry Date	Entry price	Stop Loss	Last price	Current gain/loss (%)
HI-P	H17	Long	3-Oct-17	1.410	1.265	1.905	35.11%
OUE	LJ3	Long	9-Oct-17	2.010	1.895	2.050	1.99%
CHASEN	5NV	Long	9-Oct-17	0.093	0.081	0.089	-4.30%

New Entries

Three new trades entered into the portfolio, namely, [Hi-P](#), [OUE](#) and [Chasen](#) in October while [Golden Agri-Res](#) is still pending to be triggered at 0.400.

Winners

However, in the same month, we have also decided to take profit on [Hi-P](#) due to the bearish price action on 17 October. Hi-P yielded the portfolio an equal-weighted return of 0.89%.

Losers

The portfolio suffered no realised losses in October.

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

Company Name	Ticker	L	Entry Date	Entry price	Exit date	Exit Price	P&L
HI-P	H17	Long	3-Oct-17	1.410	17-Oct-17	1.660	17.73%

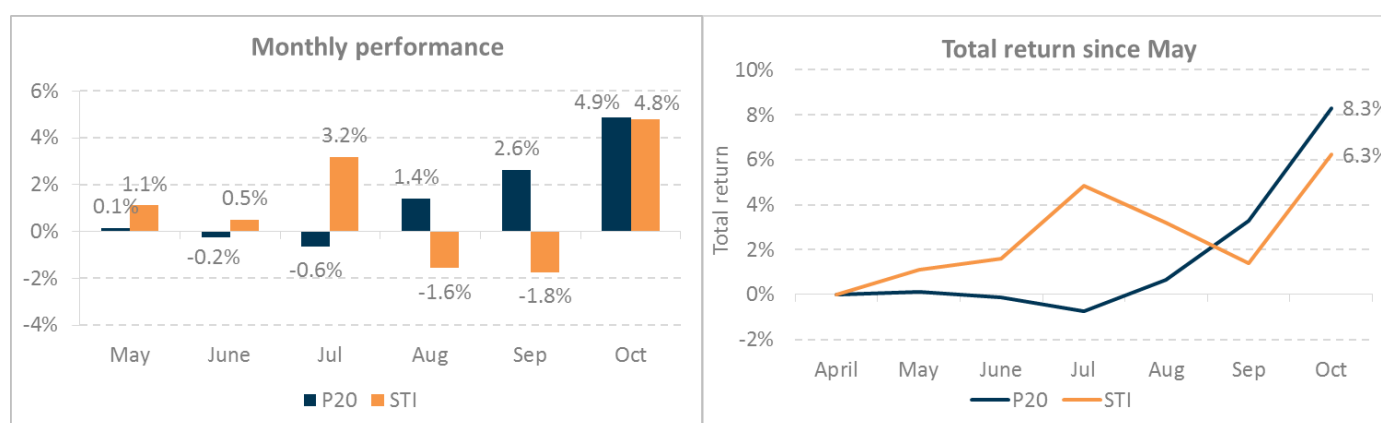
*Average gain is calculated based on equal weight of 5% placed on each trade

Realized Average Gain: 0.89%

Watchlist

After a major reshuffling of the portfolio, there are currently 19 stocks within the "Phillip 20 Portfolio." The following is the revised watch list that we are closely monitoring:

- China Sunsine
- Sunningdale Tech
- Straits Trading
- Jiutian Chemical
- GSH
- Hotung Inv
- Moya Asia
- Wing Tai
- Fischer Tech
- Asian Pay TV
- UOL
- Avi-Tech
- SingHoldings
- Metro
- Yongnam
- Allied Tech
- Frasers Cpt
- Chip Eng Seng
- CityDev
- Sheng Siong
- Food Empire
- Frasers L&I Tr
- Micro-Mechanics
- Hi-P
- YZJ Shipbldg SGD
- AEM
- Genting Sing
- Memtech Intl
- Wheelock Prop
- Venture
- Banyan Tree
- Serial System
- Sunright
- Oxley
- Cityneon
- Centurion
- Net Pacific Fin
- SBS Transit
- KSH
- Hong Fok
- Ho Bee Land
- Olam



The Phillip 20 Portfolio - Our top technical picks, as of 3 November

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	0.113	-17.52%
BREADTALK	5DA	Long	2-Nov-17	1.645	1.470	1.615	-1.82%
COGENT	KJ9	Long	22-Mar-17	0.780	0.725	0.990	26.92%
CHASEN	5NV	Long	9-Oct-17	0.093	0.081	0.088	-5.38%
ELLIPSIZ	BIX	Long	3-Aug-17	0.645	0.575	0.825	27.91%
FRENCKEN	E28	Long	20-Jul-17	0.525	0.445	0.590	12.38%
F & N	F99	Long	24-Mar-17	2.220	2.220	2.540	14.41%
GOLDEN ENERGY	AUE	Long	2-Aug-17	0.425	0.360	0.460	8.24%
HANWELL	DM0	Long	13-Sep-17	0.345	0.295	0.320	-7.25%
HAW PAR	H02	Long	18-Aug-17	10.930	10.500	12.170	11.34%
JUMBO	42R	Long	22-Sep-17	0.575	0.525	0.605	5.22%
MIYOSHI	M03	Long	23-Aug-17	0.074	0.062	0.082	10.81%
OUE	LJ3	Long	9-Oct-17	2.010	1.895	2.070	2.99%
PANUNITED	P52	Long	22-Aug-17	0.550	0.500	0.590	7.27%
RIVERSTONE	AP4	Long	12-Jul-17	1.065	0.995	1.050	-1.41%
SPH	T39	Long	25-Sep-17	2.750	2.530	2.660	-3.27%
SINGAPORE O&G	1D8	Long	14-Sep-17	0.490	0.420	0.510	4.08%
THAIBEV	Y92	Long	14-Mar-17	0.955	0.825	0.960	0.52%
UMS*	558	Long	29-Sep-17	0.788	0.705	1.010	28.17%

*UMS entry price and stop loss have been adjusted for bonus share issue

Source: Bloomberg, PSR

Note: The "Phillip 20 Portfolio" is an actively managed portfolio that utilises technical analysis for selecting stocks. We have capped the amount of stocks to 20 for the portfolio, and each trade is equally weighted at 5% of the initial capital.

Inception date is the start of May 2017 with an initial capital of \$100,000.

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