

Technical Analysis: The Phillip 20

December Monthly Review



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Singapore | TECHNICAL ANALYSIS | UPDATE

8 January 2018

- New Entries: Yoma Strategic, Wing Tai, Chip Eng Seng and China Aviation
- Take Profit: UMS
- Stop loss: Hanwell
- Total return since May to December is +5.24% with a realised gain of 0.45% in December
- Uptrend in the STI re-established here as the 20 and 60 day moving average propelled price higher

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

The "Phillip 20 portfolio" performance

- December monthly return: +0.26%
- Total return since May: +5.24%

The performance of the STI was relatively weak in December, as volume tends to dry up in the holiday season. The STI retreated -0.89% in December and gained 18% in 2017. On the other hand, the performance of the "Phillip 20 portfolio" was also rather flat as it gained 0.26% in December.

Since the [November Monthly Review](#) update, a correction in the STI happened as expected. The 3457 resistance area continue to weight down on prices since the last update, thus resulting in a marginal loss of -0.89% in December. Nonetheless, the long-term uptrend that was established back in January 2016 appears strong even in the midst of the December correction.

STI Daily Chart – strong support off the 20 and 60 day moving average



Source: Bloomberg, PSR

Red line = 20 period moving average, Blue line = 60 period moving average, Green line = 200 period moving average

Switching view to the Daily timeframe shows the robustness of this uptrend. Since November 2016, the uptrend has been held up steadily by the 20 and 60 day moving average on every retracement shown by the highlighted areas. The only exception was the August to September period of 2017 where the 20 and 60 day moving average failed to hold up. Nevertheless, the uptrend was still being propped by the 3196 support area where the bulls regained control.

Since then, we have witnessed three more occasions where the 20 and 60 day moving average reversed the correction and return the bulls into the uptrend. Looking at the most recent bullish rejection off the 60 day moving average since 26 December 2017 signals the next higher low point within this uptrend is established at 3370 points.

Jeremy Ng (+65 6212 1857)
Investment Analyst
 jeremyngch@phillip.com.sg

Moreover, the bullish follow-through has also succeeded in closing prices above the 60 day moving average on 2 January 2017 suggests the resumption of the uptrend. For this current up-leg, the bulls should be aiming for the April 2015 high of 3549 points followed by 3600 points.

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

Company Name	Ticker	L	Entry Date	Entry price	Exit date	Exit Price	P&L
UMS	558	Long	29-Sep-17	0.798	6-Dec-17	0.985	23.43%
HANWELL	DM0	Long	13-Sep-17	0.345	11-Dec-17	0.295	-14.49%

Winners

We took profit on [UMS](#) on 6 December 2017 at 0.985 due to the bearish price action that was exhibited on the monthly timeframe. As a result, this trade contributed an equal weighted gain of +1.23% to the “Phillip 20 Portfolio” in December.

Losers

Our stop loss in Hanwell was unfortunately triggered on 8 December 2017 at 0.295, resulting in an equal weighted loss of -0.72%.

New Entries

Even in the midst of a sluggish December, [Yoma Strategic](#), [Wing Tai](#), [Chip Eng Seng](#) and [China Aviation](#) were added into the “Phillip 20 Portfolio.”

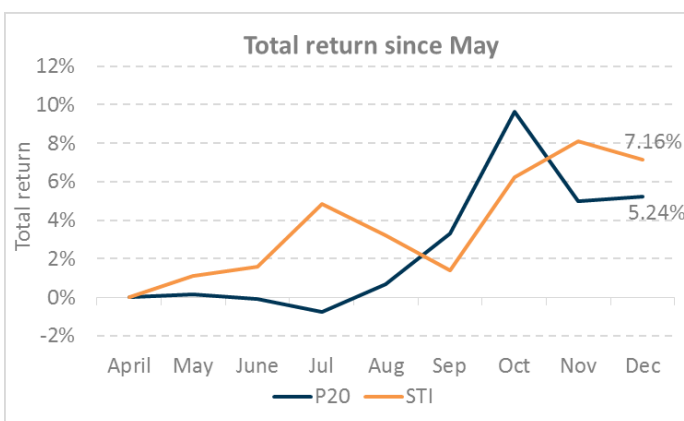
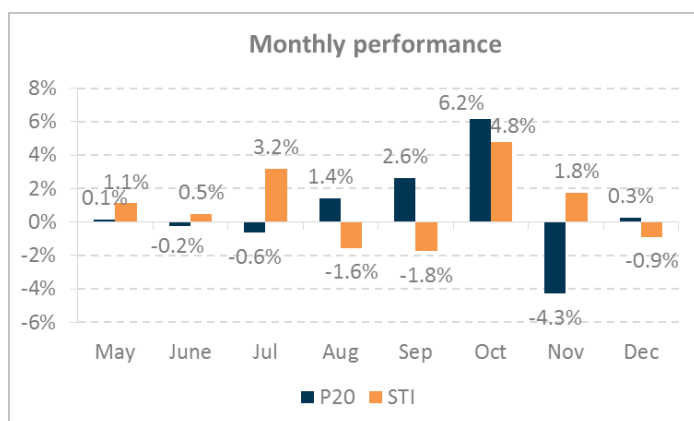
The Phillip 20 Portfolio - December new entries as of 4 January 2018

Company Name	Ticker	L	Entry Date	Entry price	Stop Loss	Last price	Current gain/loss (%)
YOMA STRATEGIC	Z59	Long	1-Dec-17	0.505	0.470	0.545	7.92%
WING TAI	W05	Long	11-Dec-17	2.270	2.060	2.330	2.64%
CHIP ENG SENG	C29	Long	12-Dec-17	0.945	0.880	1.010	6.88%
CHINA AVIATION	G92	Long	13-Dec-17	1.670	1.510	1.650	-1.20%

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
- Falcon Energy
- Jiutian Chemical
- GSH
- Hotung Inv
- Lian Beng
- Geo Energy Res
- Valuetronics
- Asian Pay TV
- UOL
- Avi-Tech
- SingHoldings
- Metro
- Yongnam
- Allied Tech
- Frasers Cpt
- Alliance Mineral
- CityDev
- InnoTek
- Food Empire
- OCBC
- Frasers L&I Tr
- Micro-Mechanics
- Hi-P
- YZJ Shipbldg SGD
- AEM
- Genting Sing
- Memtech Intl
- Wheelock Prop
- Venture
- Banyan Tree
- UnUsUal
- Sunright
- Oxley
- Nordic
- Centurion
- SATS
- Keong Hong
- Starhub
- Hong Fok
- Ho Bee Land
- DBS
- UOB



The Phillip 20 Portfolio - Our top technical picks as of 4 January 2018

Company Name	Ticker	L	Entry Date	Entry price	Stop Loss	Last price	Current gain/loss (%)
BREADTALK	5DA	Long	2-Nov-17	1.645	1.470	1.690	2.74%
COGENT	KJ9	Long	22-Mar-17	0.780	0.725	1.010	29.49%
CHIP ENG SENG	C29	Long	12-Dec-17	0.945	0.880	1.020	7.94%
CHINA AVIATION	G92	Long	13-Dec-17	1.670	1.510	1.670	0.00%
ELLIPSIZ	BIX	Long	3-Aug-17	0.645	0.575	0.730	13.18%
FRENCKEN	E28	Long	20-Jul-17	0.525	0.445	0.545	3.81%
F & N	F99	Long	24-Mar-17	2.220	2.220	2.570	15.77%
GOLDEN AGRI-RES	E5H	Long	26-Oct-17	0.400	0.350	0.390	-2.50%
GOLDEN ENERGY	AUE	Long	2-Aug-17	0.425	0.360	0.405	-4.71%
JUMBO	42R	Long	22-Sep-17	0.575	0.525	0.600	4.35%
MIYOSHI	M03	Long	23-Aug-17	0.074	0.062	0.080	8.11%
PANUNITED	P52	Long	22-Aug-17	0.550	0.500	0.580	5.45%
RIVERSTONE	AP4	Long	12-Jul-17	1.065	0.995	1.060	-0.47%
SINOSTAR PEC	C9Q	Long	28-Nov-17	0.194	0.149	0.195	0.52%
SPH	T39	Long	25-Sep-17	2.750	2.530	2.780	1.09%
SINGAPORE O&G	1D8	Long	14-Sep-17	0.490	0.420	0.445	-9.18%
THAIBEV	Y92	Long	14-Mar-17	0.955	0.825	0.905	-5.24%
WING TAI	W05	Long	11-Dec-17	2.270	2.060	2.310	1.76%
YOMA STRATEGIC	Z59	Long	1-Dec-17	0.505	0.470	0.535	5.94%

Monthly Phillip 20 performance update

- [May 17 performance](#)
- [June 17 performance](#)
- [July 17 Performance](#)
- [August 17 Performance](#)
- [September 17 Performance](#)
- [October 17 Performance](#)
- [November 17 Performance](#)

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

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.

Contact Information (Singapore Research Team)

Head of Research

Paul Chew – paulchewkl@phillip.com.sg

Research Operations Officer

Mohamed Amiruddin - amiruddin@phillip.com.sg

Consumer | Healthcare

Soh Lin Sin - sohls@phillip.com.sg

Oil & Gas | Energy

Chen Guangzhi - chengz@phillip.com.sg

Macro

Pei Sai Teng - peist@phillip.com.sg

Transport | REITs (Industrial)

Richard Leow, CFTe, FRM -
richardleowwt@phillip.com.sg

REITs (Commercial, Retail, Healthcare) | Property

Dehong Tan - tandh@phillip.com.sg

Technical Analysis

Jeremy Ng - jeremyngch@phillip.com.sg

Banking and Finance

Jeremy Teong - jeremyteongfh@phillip.com.sg

US Equity

Ho Kang Wei - hokw@phillip.com.sg

Contact Information (Regional Member Companies)

SINGAPORE

Phillip Securities Pte Ltd

Raffles City Tower
250, North Bridge Road #06-00
Singapore 179101
Tel +65 6533 6001
Fax +65 6535 6631
Website: www.poems.com.sg

MALAYSIA

Phillip Capital Management Sdn Bhd

B-3-6 Block B Level 3 Megan Avenue II,
No. 12, Jalan Yap Kwan Seng, 50450
Kuala Lumpur
Tel +603 2162 8841
Fax +603 2166 5099
Website: www.poems.com.my

HONG KONG

Phillip Securities (HK) Ltd

11/F United Centre 95 Queensway
Hong Kong
Tel +852 2277 6600
Fax +852 2868 5307
Websites: www.phillip.com.hk

JAPAN

Phillip Securities Japan, Ltd.

4-2 Nihonbashi Kabuto-cho Chuo-ku,
Tokyo 103-0026
Tel +81-3 3666 2101
Fax +81-3 3666 6090
Website: www.phillip.co.jp

INDONESIA

PT Phillip Securities Indonesia

ANZ Tower Level 23B,
Jl Jend Sudirman Kav 33A
Jakarta 10220 – Indonesia
Tel +62-21 5790 0800
Fax +62-21 5790 0809
Website: www.phillip.co.id

CHINA

Phillip Financial Advisory (Shanghai) Co Ltd

No 550 Yan An East Road,
Ocean Tower Unit 2318,
Postal code 200001
Tel +86-21 5169 9200
Fax +86-21 6351 2940
Website: www.phillip.com.cn

THAILAND

Phillip Securities (Thailand) Public Co. Ltd

15th Floor, Vorawat Building,
849 Silom Road, Silom, Bangrak,
Bangkok 10500 Thailand
Tel +66-2 6351700 / 22680999
Fax +66-2 22680921
Website www.phillip.co.th

FRANCE

King & Shaxson Capital Limited

3rd Floor, 35 Rue de la Bienfaisance 75008
Paris France
Tel +33-1 45633100
Fax +33-1 45636017
Website: www.kingandshaxson.com

UNITED KINGDOM

King & Shaxson Capital Limited

6th Floor, Candlewick House,
120 Cannon Street,
London, EC4N 6AS
Tel +44-20 7426 5950
Fax +44-20 7626 1757
Website: www.kingandshaxson.com

UNITED STATES

Phillip Capital Inc

141 W Jackson Blvd Ste 3050
The Chicago Board of Trade Building
Chicago, IL 60604 USA
Tel +1-312 356 9000
Fax +1-312 356 9005
Website: www.phillipusa.com

AUSTRALIA

Phillip Capital Limited

Level 10, 330 Collins Street
Melbourne, Victoria 3000, Australia
Tel +61-03 9629 8288
Fax +61-03 9629 8882
Website: www.phillipcapital.com.au

SRI LANKA

Asha Phillip Securities Limited

2nd Floor, Lakshmans Building,
No. 321, Galle Road,
Colombo 03, Sri Lanka
Tel: (94) 11 2429 100
Fax: (94) 11 2429 199
Website: www.ashaphillip.net

INDIA

PhillipCapital (India) Private Limited

No.1, 18th Floor, Urmi Estate
95, Ganpatrao Kadam Marg
Lower Parel West, Mumbai 400-013
Maharashtra, India
Tel: +91-22-2300 2999 / Fax: +91-22-2300 2969
Website: www.phillipcapital.in

TURKEY

PhillipCapital Menkul Degerler

Dr. Cemil Bengü Cad. Hak Is Merkezi
No. 2 Kat. 6A Caglayan
34403 Istanbul, Turkey
Tel: 0212 296 84 84
Fax: 0212 233 69 29
Website: www.phillipcapital.com.tr

DUBAI

Phillip Futures DMCC

Member of the Dubai Gold and
Commodities Exchange (DGCX)
Unit No 601, Plot No 58, White Crown Bldg,
Sheikh Zayed Road, P.O.Box 212291
Dubai-UAE
Tel: +971-4-3325052 / Fax: + 971-4-3328895

CAMBODIA

Phillip Bank Plc

Ground Floor of B-Office Centre,#61-64,
Norodom Blvd Corner Street 306,Sangkat
Boeung Keng Kang 1, Khan Chamkamorn,
Phnom Penh, Cambodia
Tel: 855 (0) 7796 6151/855 (0) 1620 0769
Website: www.phillipbank.com.kh

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