

Technical Analysis: The Phillip 20

March Monthly Review



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Singapore | TECHNICAL ANALYSIS | UPDATE

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- New Entries: Genting Sing, KrisEnergy and UOL
- Stop loss: F&N and Wing Tai
- Total return since May 17 to March 18 is +3.23%
- Weekly hammer rejection off the 3,354 to 3,340 support area on the week ended 06/04/18 suggests the resumption of the uptrend next

March was another disappointing month as the Straits Times Index (STI) failed to follow through with bullish momentum from the last two weeks of February. As a result, the STI was down -2.56% in March mainly caused by the general risk-off sentiment across the world.

The main highlight in March that sparked the risk-off sentiment was the harsh trade war talks between US and China. As soon as the US fired the first warning shot on 9 March, where president Trump imposed tariffs on Steel and Aluminium at 25% and 10% respectively, the S&P 500 index formed a top shortly after and rolled over into a severe selloff. Since the announcement of the Steel and Aluminium tariffs, the S&P 500 index has fallen as much as -7%. The contagion effect also dragged the rest of the global equity market down along with it including the STI but to a lesser extent.

However, we do not expect the current risk-off sentiment to stay as our "[Phillip Recession Tracker](#)" still signals for a bullish outlook as 14 out of 15 recession indicators have yet to trigger their bearish signal.

From a longer-term price action perspective, the general risk-off sentiment has dragged the STI into a prolonged correction that began in January, but the long-term uptrend remains intact. Even with the severe correction of -7.5% off the 3,611 high in February, the STI managed to keep the structure of the uptrend in place as it continues to form a series of Higher Highs (HH) and Higher Lows (HL). More importantly, the 3,354 to 3,340 support area needs to hold for the uptrend to regain strength.

On the weekly timeframe, the 3,354 to 3,340 support area held up once again for the week ended 06/04/18 proving the significance of the support area. Moreover, the strong bullish rejection resulted in price forming a hammer suggests a possible reversal higher back into the uptrend. Further clues of bullishness can be seen when the STI closes back above the 20 week moving average.

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

The "Phillip 20 portfolio" performance

- February monthly return: - 0.83%
- Total return since May 17: +3.23%

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STI Weekly Chart – hammer rejection off the 3,354 – 3,340 support area suggests a rebound higher



Source: Bloomberg, PSR

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

Overall, the “Phillip 20 Portfolio” was also affected by the depressing price action. The “Phillip 20 Portfolio” was down -0.83% while the STI was down -2.56% in March.

The Phillip 20 Portfolio - Realised P&L for March 2018

Company Name	Ticker	L	Entry Date	Entry price	Exit date	Exit Price	P&L
F & N	F99	Long	24-Mar-17	2.220	26-Mar-18	2.220	0.00%
WING TAI	W05	Long	11-Dec-17	2.270	27-Mar-18	2.060	-9.25%

Losers

Unfortunately, both F&N and Wing Tai were stopped out in March due to the depressing price action from the general risk-off sentiment.

Note: The March new entries of KrisEnergy and Genting Sing have hit their respective stop loss resulting in -9.68% and - 8.85% loss to the portfolio. Average loss from these trades were -0.92%.

New Entries

With the dull movement in the broad-based market in March, only three new trades were taken shown in the following table.

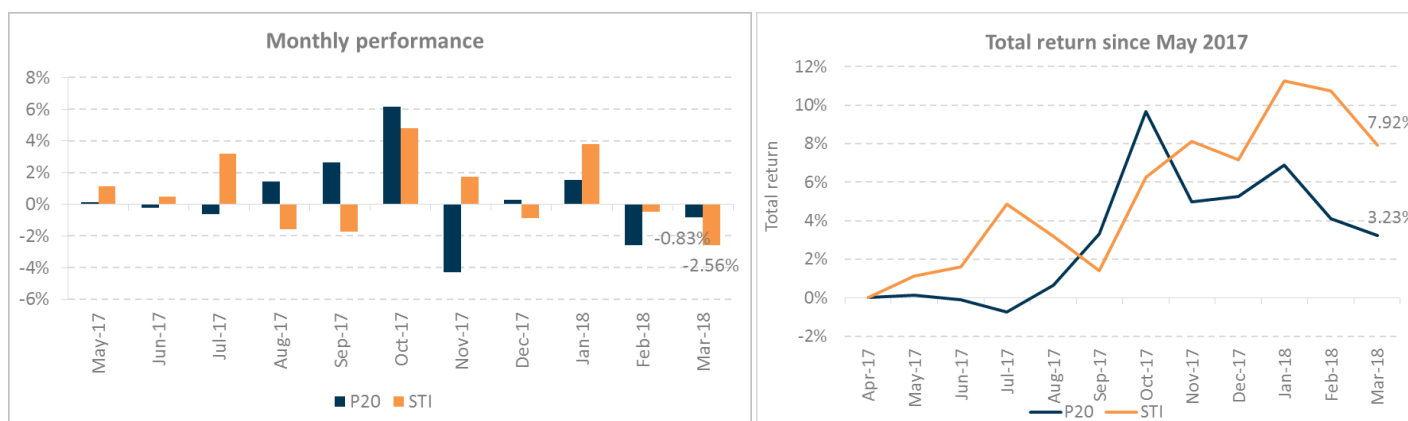
The Phillip 20 Portfolio - March new entries as of 6 March

Company Name	Ticker	L	Entry Date	Entry price	Stop Loss	Last price	Current gain/loss (%)
GENTING SING	G13	Long	8-Mar-18	1.130	1.030	1.120	-0.88%
KRISENERGY	SK3	Long	9-Mar-18	0.093	0.084	0.083	-10.75%
UOL	U14	Long	12-Mar-18	8.830	8.170	8.630	-2.27%

Watchlist

After a major reshuffling of the portfolio, there are currently 14 stocks within the “Phillip 20 Portfolio.” The following is the revised watch list that we are closely monitoring:

- China Sunsine
- Sunningdale Tech
- Jiutian Chemical
- Clearbridge
- Olam Intl
- Hotung Inv
- InnoTek
- Geo Energy Res
- Valuetronics
- Moya Asia
- Best World
- Avi-Tech
- UOB
- UOI
- CityDev
- ST Engineering
- Hi-P
- Memtech Intl
- AEM
- Haw Par
- CSE Global
- SBS Transit
- UMS
- Venture
- DBS
- UnUsUal
- Keong Hong
- Oxley
- Nordic
- SATS


The Phillip 20 Portfolio - Our top technical picks as of 30 March

Company Name	Ticker	L	Entry Date	Entry price	Stop Loss	Last price	Current gain/loss (%)
800 SUPER	STG	Long	13-Feb-18	1.110	0.990	1.150	3.60%
BREADTALK	5DA	Long	2-Nov-17	1.645	1.470	1.920	16.72%
CHIP ENG SENG	C29	Long	12-Dec-17	0.945	0.880	0.985	4.23%
ELLIPSIZ	BIX	Long	3-Aug-17	0.645	0.575	0.645	0.00%
FRENCKEN	E28	Long	20-Jul-17	0.525	0.445	0.615	17.14%
GENTING SING	G13	Long	8-Mar-18	1.130	1.030	1.080	-4.42%
GOLDEN ENERGY	AUE	Long	2-Aug-17	0.425	0.360	0.380	-10.59%
JUMBO	42R	Long	22-Sep-17	0.575	0.525	0.550	-4.35%
KRISENERGY	SK3	Long	9-Mar-18	0.093	0.084	0.085	-8.60%
MICRO-MECHANICS	5DD	Long	21-Feb-18	2.220	1.890	2.030	-8.56%
MIYOSHI	M03	Long	23-Aug-17	0.074	0.062	0.071	-4.05%
OCBC	O39	Long	9-Feb-18	12.360	11.430	12.820	3.72%
RIVERSTONE	AP4	Long	12-Jul-17	1.065	0.995	1.030	-3.29%
SINGPOST	S08	Long	13-Mar-18	1.400	1.210	1.370	-2.14%
SUNRIGHT	S71	Long	20-Feb-18	0.905	0.755	0.880	-2.76%
SINOSTAR PEC	C9Q	Long	28-Nov-17	0.194	0.149	0.178	-8.25%
UOL	U14	Long	12-Mar-18	8.830	8.170	8.550	-3.17%

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](#)
- [December 17 Performance](#)
- [January 18 Performance](#)
- [February 18 Performance](#)

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

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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