

# Technical Analysis: The Phillip 20

April Monthly Review



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Singapore | TECHNICAL ANALYSIS | UPDATE

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- New Entries: Genting Sing, JB Foods, Hi-P, Sembcorp Ind and Allied Tech
- Stop loss: KrisEnergy, Genting Sing, Sunright, Micro-Mechanics and Hi-P
- Total return since May 17 to April 18 is +2.47%
- STI currently in a correction phase as the 3611 resistance area capped the bullish move

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

#### The "Phillip 20 portfolio" performance

- April monthly return: - 0.73%
- Total return since May 17: +2.47%

April was a remarkable month for the Singapore equity market as the STI was up a whopping +5.4%. To put things into context, the S&P 500 index was up marginally by +0.40% while the Hang Seng Index gained +2.38% in April. The main mover that lifted the STI higher was the banking sector with DBS, OCBC and UOB rallying +12.15%, +10.34% and +7.64% in April.

All in, with the sharp rise in price action in April, we expect to see some near-term correction in the STI as the current price action is showing some weakness at the 3611 resistance area, which was the January 2018 high. Following up from the [March monthly review](#), the STI rebounded off perfectly the 3354 support area with the hammer rejection bar on the week ended 18 April. After the bullish price action was confirmed, the uptrend resumed as expected and brought the STI back up to retest the key resistance area at 3611 points.

However, on the daily timeframe, the STI is exhibiting some sign of weakness lately as the 3611 resistance area tries to put a cap on the bullish momentum. The buyers successfully closed price above the 3611 resistance area since 30 April, but the follow through was rather weak. Since then, the STI has rolled back below the 3611 resistance area suggesting a correction is happening.

Moreover, the Relative Strength Index (RSI) has also recently hit a high of 66 on 2 May signalling for a mean reversion lower. RSI measures momentum. An RSI reading above 70 represents overbought condition while an RSI reading below 30 represents oversold condition. With the past few days of selling, it appears that the RSI is currently in the midst of a mean reversion where a correction lower in the STI is expected.

For the next correction, we expect the STI to retrace to the 60-day moving average at 3500 points first before possibly seeing the resumption of the uptrend as the market rebalances. The next leg up will have the bulls targeting the 3688 resistance area followed by the 3700 psychological round number.

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**STI Daily Chart – Facing some near-term resistance at 3611 points**



Source: Bloomberg, PSR

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

Unfortunately, the “Phillip 20 Portfolio” did not perform as positively as the STI. The “Phillip 20 Portfolio” was affected mainly by the Tech selloff in April resulting in a couple of the momentum stocks within the Portfolio hitting their stop losses. The “Phillip 20 portfolio” was down -0.73% in April as compared to the STI of +5.4%.

**The Phillip 20 Portfolio - Realised P&L for April 2018**

Company Name	Ticker	L	Entry Date	Entry price	Exit date	Exit Price	P&L
KRISENERGY	SK3	Long	<a href="#">9-Mar-18</a>	0.093	<a href="#">4-Apr-18</a>	0.084	-9.68%
GENTING SING	G13	Long	<a href="#">8-Mar-18</a>	1.130	<a href="#">5-Apr-18</a>	1.030	-8.85%
SUNRIGHT	S71	Long	<a href="#">20-Feb-18</a>	0.905	<a href="#">5-Apr-18</a>	0.755	-16.57%
MICRO-MECHANICS	5DD	Long	<a href="#">21-Feb-18</a>	2.220	<a href="#">27-Apr-18</a>	1.890	-14.86%
HI-P	H17	Long	<a href="#">11-Apr-18</a>	2.150	<a href="#">27-Apr-18</a>	1.780	-17.21%

**Losers**

In total, five trades hit their stop losses in April resulting in a total loss of -3.36% to the “Phillip 20 Portfolio” shown in the above table.

**New Entries**

With the increasing volatility in the market, we were able to identify a few trading opportunities in April leading to the addition of the following stocks to the “Phillip 20 Portfolio.”

Note: Hi-P hit the stop loss in the April shortly after entry due to the Tech sell-off

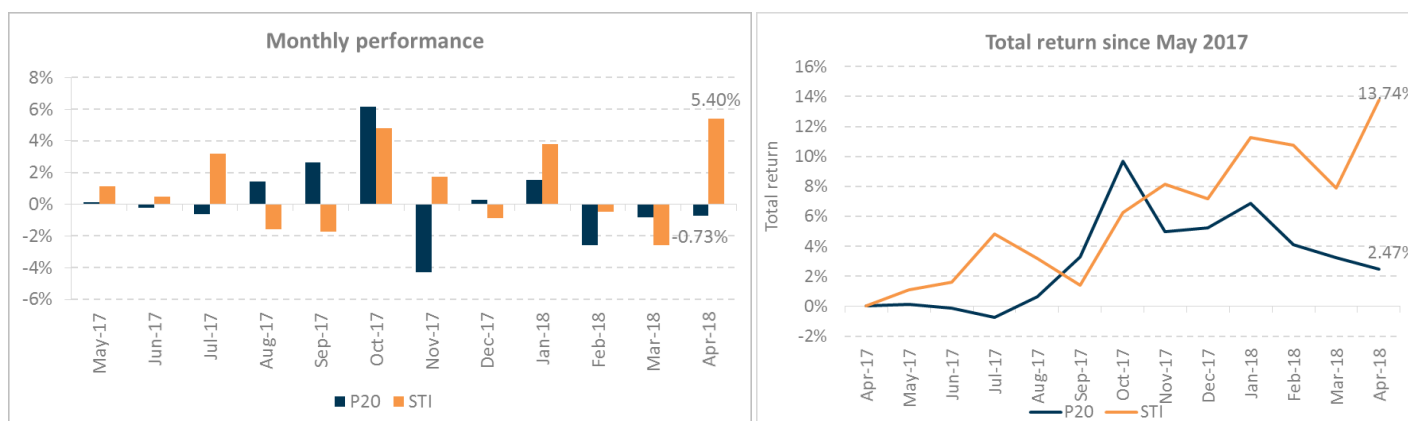
**The Phillip 20 Portfolio - April new entries as of 4 May 2018**

Company Name	Ticker	L	Entry Date	Entry price	Stop Loss	Last price	Current gain/loss (%)
GENTING SING	G13	Long	<a href="#">9-Apr-18</a>	1.160	0.990	1.180	1.72%
JB FOODS	BEW	Long	<a href="#">10-Apr-18</a>	0.590	0.490	0.545	-7.63%
HI-P	H17	Long	<a href="#">11-Apr-18</a>	2.150	1.780	1.480	-31.16%
SEMBCORP IND	U96	Long	<a href="#">23-Apr-18</a>	3.270	2.970	3.040	-7.03%
ALLIED TECH	A13	Long	<a href="#">27-Apr-18</a>	0.049	0.041	0.047	-4.08%

### Watchlist

After a major reshuffling of the portfolio, there are currently 16 stocks within the “Phillip 20 Portfolio.” The following is the revised watch list that we are closely monitoring:

- China Sunsine
- HMI
- Jiutian Chemical
- Clearbridge
- Olam Intl
- Hotung Inv
- InnoTek
- Geo Energy Res
- Tianjin ZX USD
- Moya Asia
- Best World
- Avi-Tech
- UOB
- UOI
- CityDev
- Sheng Siong
- ComfortDelGro
- Yongnam
- Hong Leong Fin
- ST Engineering
- Ho Bee Land
- Memtech Intl
- AEM
- Haw Par
- CSE Global
- SBS Transit
- UMS
- Alliance Mineral
- DBS
- UnUsUal
- Keong Hong
- SingHoldings
- Nordic
- SATS
- SPH
- SIA
- Sunright
- Hi-P


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

Company Name	Ticker	L	Entry Date	Entry price	Stop Loss	Last price	Current gain/loss (%)
ALLIED TECH	A13	Long	<a href="#">27-Apr-18</a>	0.049	0.041	0.049	0.00%
800 SUPER	5TG	Long	<a href="#">13-Feb-18</a>	1.110	0.990	1.140	2.70%
BREADTALK	5DA	Long	<a href="#">2-Nov-17</a>	1.645	1.470	1.970	19.76%
CHIP ENG SENG	C29	Long	<a href="#">12-Dec-17</a>	0.945	0.880	1.000	5.82%
ELLIPSIZ	BIX	Long	<a href="#">3-Aug-17</a>	0.645	0.575	0.590	-8.53%
FRENCKEN	E28	Long	<a href="#">20-Jul-17</a>	0.525	0.445	0.555	5.71%
GENTING SING	G13	Long	<a href="#">9-Apr-18</a>	1.160	0.990	1.170	0.86%
GOLDEN ENERGY	AUE	Long	<a href="#">2-Aug-17</a>	0.425	0.360	0.365	-14.12%
JB FOODS	BEW	Long	<a href="#">10-Apr-18</a>	0.590	0.490	0.540	-8.47%
JUMBO	42R	Long	<a href="#">22-Sep-17</a>	0.575	0.525	0.550	-4.35%
MIYOSHI	M03	Long	<a href="#">23-Aug-17</a>	0.074	0.062	0.070	-5.41%
OCBC	O39	Long	<a href="#">9-Feb-18</a>	12.360	11.430	13.800	11.65%
RIVERSTONE	AP4	Long	<a href="#">12-Jul-17</a>	1.065	0.995	1.050	-1.41%
SEMBCORP IND	U96	Long	<a href="#">23-Apr-18</a>	3.270	2.970	3.070	-6.12%
SINGPOST	S08	Long	<a href="#">13-Mar-18</a>	1.400	1.210	1.340	-4.29%
SINOSTAR PEC	C9Q	Long	<a href="#">28-Nov-17</a>	0.194	0.149	0.180	-7.22%
UOL	U14	Long	<a href="#">12-Mar-18</a>	8.830	8.170	8.810	-0.23%

**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](#)
- [March 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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