

# Phillip Securities Research Morning Call

## *20<sup>th</sup> January 2020*

### Macro/Sector Outlook

- **SG Weekly**
- **Technical Analysis (STI, UOB, DJIA)**
- **Technical Pulse Updates**

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# Week 4 - Phillip Singapore Weekly

*Paul Chew*

*Head Of Research*

*Phillip Securities Research Pte Ltd*

*20 January 2020*

# Week 4 – Tactical Views

## Macro Last Week

- **SG macro:** Dec19 exports first positive YoY growth in 13 months due to 35% surge in pharma exports; electronic exports still down 21%;  
Property: Dec19 sold 538 new units excl EC (11% YoY); 4Q19 sold 2635 units (+14% YoY)
- **Global:** Dec19 pick recovery in Korea (-5% YoY, weakest contraction in 7 months) and Taiwan exports (+4% YoY, fastest in 14 months)
- **Trade deal:** buddies for 1 year and renegotiate after election; deal to double China imports by US\$200bn (US\$32bn agri + US\$52bn energy + manufacturing US\$77bn + services US\$38bn);

## Corporate News

- **SingTel- 4Jan20:** Bharti announce placement US\$3bn (shares/CB) / **16Jan:** Court reject October due decision / **23Jan:** Bharti pay US\$3bn/Vodafone to pay US\$4bn
- Postives: 1) India could become duopoly of Bharti and Reliance Jio because Vodafone Idea survival in doubt; 2) Successful capital raising at 5% discount to share price; 3) Some positive data from Bharti Airtel; 4) Increased tariff by as much as 1/3 in early December;

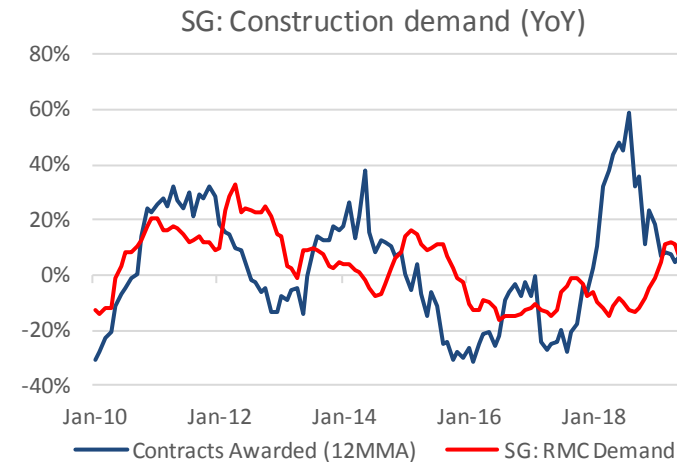
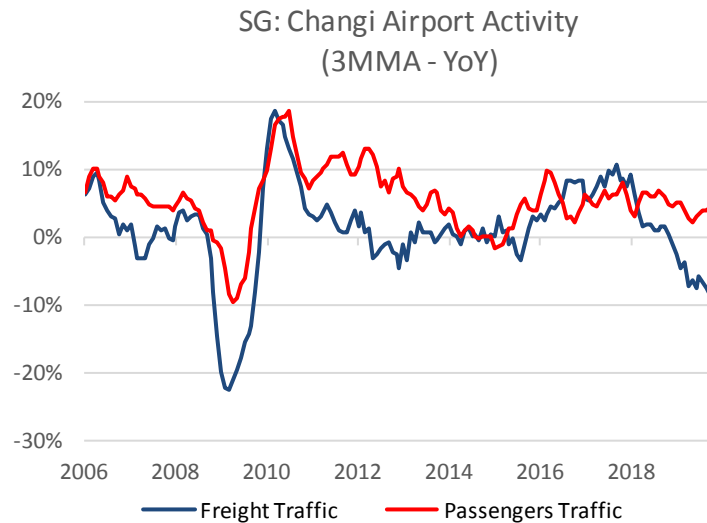
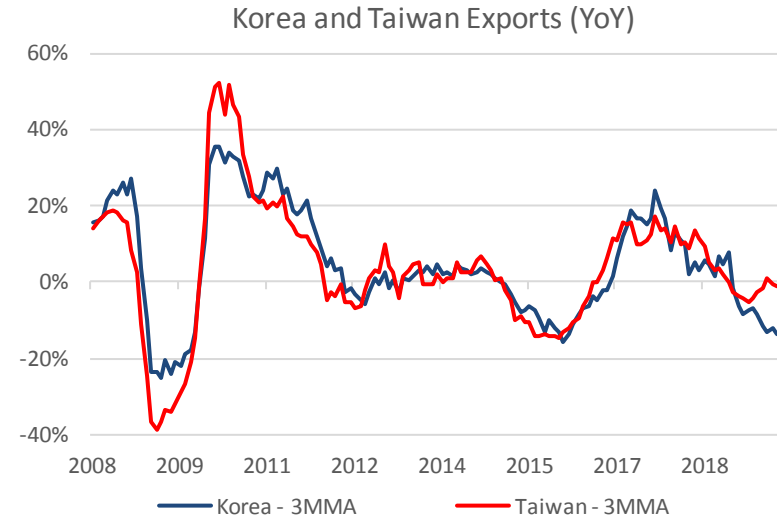
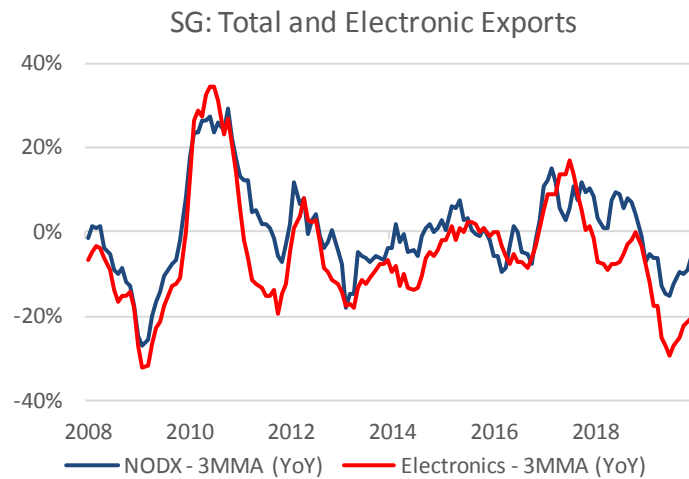
## Tactically Positive

- **Add more cyclical:** economic conditions are recovering and cautious on SG REITs

## Week(s) Ahead

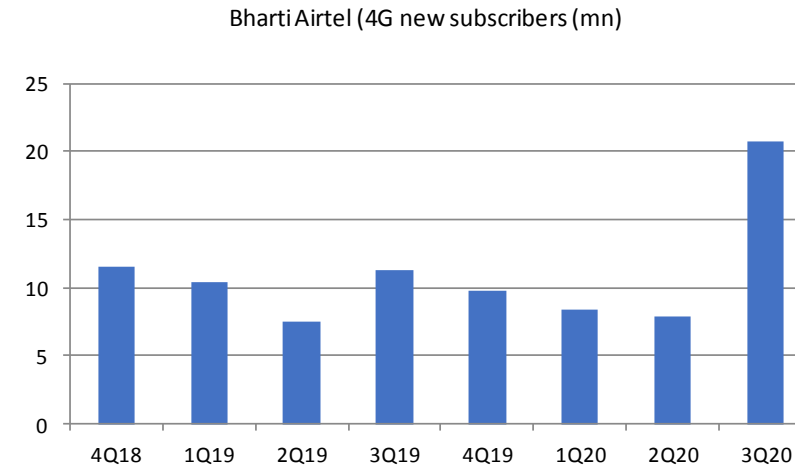
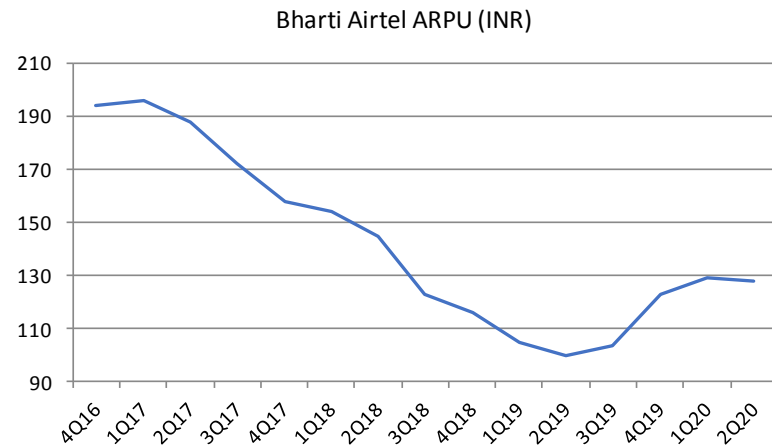
- **21Jan:** Senate impeachment proceedings; Davos WEF; **22Jan:** SG CPI; **23Jan:** ECB meeting; **24Jan:** SG Industrial production; Markit flash manufacturing PMI

# SG: Economy recuperating



Source: CEIC, PSR, Bloomberg

# SingTel: Positives from Bharti Airtel (India)



Shareholders	Shares (mn)	
Bharti Enterprise	2448	42.4%
SingTel	770	13.3%
GIC	248	4.3%
Others	2312	40.0%
New - QIP	324	5.6% - INR445 per share
	<u>5777</u>	

# Convertible bond: coupon 1.5% and convertible in 2025 at 102.66% of principal amount at INR534/share. Translates to 129.5mn shares of 2.2% dilution

Source: CEIC, PSR, Bloomberg

# United Overseas Bank.

*Upside rally chances is slim.*

*Chua Wei Ren*

*Technical Analyst*

*Phillip Securities Research Pte Ltd*

*20<sup>th</sup> January 2020*

# United Overseas Bank.

January 8<sup>th</sup> 2020.

- We had a technical buy previously but price seems to struggle to break the ascending triangle resistance level.





# United Overseas Bank.

January 20<sup>th</sup> 2020.

- 3 bearish pin bar clustered together.
- Rising wedge formation indicate a further correction.
- Stochastic indicates an overbought crosses.
- Bearish downside risk is high.



# CapitaLand Mall Trust.

*Upside rally took us by surprise.*

*Chua Wei Ren*

*Technical Analyst*

*Phillip Securities Research Pte Ltd*

*20<sup>th</sup> January 2020*

# CapitaLand Mall Trust.

January 8<sup>th</sup> 2020.

- We initially thought that a bearish continuation is strong.
- But the stock's bull rally took us by surprise.

## CapitaLand Mall Trust (Current Price: 2.45) - **Technical SELL**

Sell Spot: 2.45

Stop loss: 2.51

Take profit: 2.33



# CapitaLand Mall Trust.

January 20<sup>th</sup> 2020.

- Bearish flag was invalidated after strong break upwards
- Bullish rally is strong but the supply zone 1 and 2 are potential game changer.



# UOL Group Ltd

***Further bullish upside is going strong.***

*Chua Wei Ren*

*Technical Analyst*

*Phillip Securities Research Pte Ltd*

*20<sup>th</sup> January 2020*



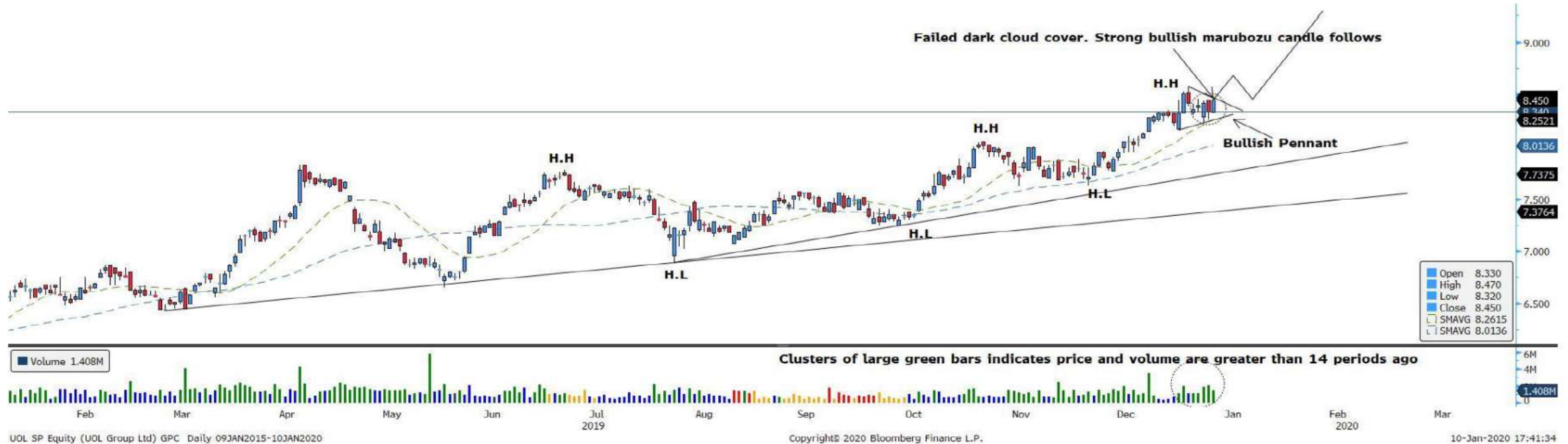
# UOL Group Ltd.

January 13<sup>th</sup> 2020.

- The bullish upside was strong after a series of higher highs and lows are confirming the bullish trend
- Bullish pennant is the key signal for a bullish continuation.

**UOL Group Ltd (Current Price: 8.45) - Technical BUY**

**Buy Spot: 8.45   Stop loss: 8.10   Take profit: 8.80**



# UOL Group Ltd.

## January 20<sup>th</sup> 2020.

- Price break out of the pennant formation after a steady rise.
- However, immediate resistance of 8.58 is key level to continue it's bullish trend.



# Industrial & Commercial Bank of China Ltd

*Further bullish upside is going strong.*

*Chua Wei Ren*

*Technical Analyst*

*Phillip Securities Research Pte Ltd*

*20<sup>th</sup> January 2020*



# Industrial & Commercial Bank of China Ltd.

January 7<sup>th</sup> 2020.

- Despite the formation of long legged doji, the true bullish rally was the rejection of the demand area highlighted in teal.
- The breakout of the 6.00 psychological level is the key for a strong bullish sentiment.

## Industrial & Commercial Bank of China Ltd (HK\$ 5.93) - Technical BUY

Buy Spot: 5.93 Stop loss: 5.72 Take profit: 6.38



# Industrial & Commercial Bank of China Ltd.

January 20<sup>th</sup> 2020.

- Price did indeed reject the demand level.
- New formation of a bullish pennant shows that price may continue to exhibit stronger bullish rebound.
- Bullish pin bar above 50% and closing price above 38.2% reiterate the bullish momentum.



# Johnson & Johnson

***Price may enter into a phase of correction after a strong bullish upbreak.***

*Chua Wei Ren*

*Technical Analyst*

*Phillip Securities Research Pte Ltd*

*20<sup>th</sup> January 2020*

# Johnson & Johnson.

January 7<sup>th</sup> 2020.

- Bullish flag formation and pin bar rejecting the demand area.
- Golden cross and series of higher high and lows confirms the bullish sentiment.

## Johnson & Johnson (US\$144.10) - Technical BUY

Buy spot: 144.10 Stop loss: 142.00 Take profit: 150.00



3M3 US Equity (Johnson & Johnson) GPC Daily 08JAN2015-07JAN2020

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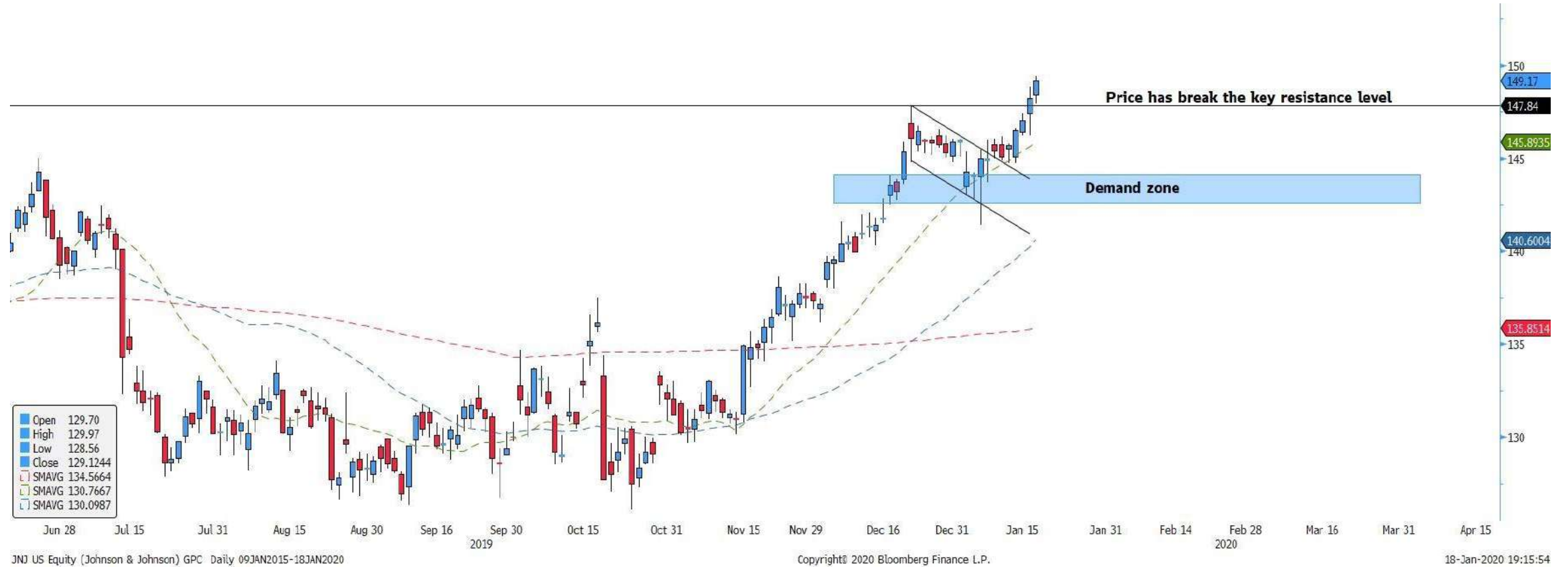
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# Johnson & Johnson.

## January 20<sup>th</sup> 2020.

- Price broke out of the flag and key resistance level.
- However, there might be a strong possibility of a correction at 150.00 psychological resistance.





# American Airlines Group Inc

*Bullish strength is lacking.*

*Chua Wei Ren*

*Technical Analyst*

*Phillip Securities Research Pte Ltd*

*20<sup>th</sup> January 2020*

# Johnson & Johnson.

January 9<sup>th</sup> 2020.

- Bullish engulfing at 88.6% and the bottom of the ascending triangle.
- Potential double bottom is still running.

## American Airlines group Inc (US\$27.84) - **Technical BUY**

Buy spot: 27.84 Stop loss: 26.50 Take profit: 30.64



# Johnson & Johnson.

## January 20<sup>th</sup> 2020.

- Price struggled to rally after the bullish engulfing. Although there's a strong rebound for 4 periods, the rebound seems lacking in strength
- Long legged doji at the gap zone is the crucial warning sign that price may reverse. Also bearish flag is spotted as well.





# Dow Jones Industrial Average.

*30,000 target is closer now.*

*Chua Wei Ren*

*Technical Analyst*

*Phillip Securities Research Pte Ltd*

*2<sup>nd</sup> December 2019*

# Dow Jones Industrial Average.

After 29000 level is broken, The bullish trend is continuing.

- For the whole of 2019. We've been sharing that the Dow Jones Industrial is in a 5 wave expanding triangle. However, the recent price action especially after it breaks 28000 level, invalidated the whole triangle action.
- We turn to a expanded flat corrective wave and it too had been invalidated after the supposed B wave broke the 123.6% of wave A.



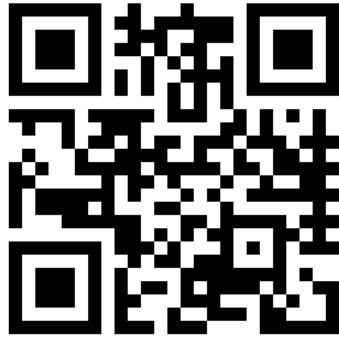
# Dow Jones Industrial Average.

**After 29000 level is broken, The bullish trend is continuing.**

- Based on the Fibonacci extension, the supposed B wave is now the start of an impulse wave rather than a corrective wave.
- As such we believe that there is still a tiny room for the upside till 29348.10 minimum.



# Ask questions!



## StocksBnB.com

*Have an opinion or questions on our reports?  
Post them in the comment section of the report!*

## Analysts

**Phillip Securities Research Pte Ltd**

**Siti Nursyazwina**, Research Admin

**Paul Chew**, Head of Research

**Natalie Ong**, REITs (Hospitality) | Transport

**Mike Zheng Jieyuan**, China/HK Markets

**Timothy Ang**, Credit(Bonds)

**Chua Wei Ren**, Technical

*Thank you*