

27 Oct 2017
PSR Tactical Portfolio

Update	Stock	Action/Price	Remark
IN	HANA	Buy @ 46.5	ST target @ 49.75
IN	SPALI	Buy @ 24.5	ST target @ 27
OUT	ILINK	Cut @ 14.7	P/L @ -3.4%
OUT	MONO	Take @ 4.22	P/L @ 5.9%

Current portfolio holdings*

Long	QH (2.98), CHO (2.00), SAT (22.00), ECL (4.40)
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*(Short-term target prices)

Cash Balance

- Stocks on cash balance list*: GCAP, HYDRO
- Stocks expected to be on cash balance list*: ---
- * If underlying stocks are on the cash balance account, warrants would also be on the list, too.

Technical Picks

Stock	Rating	Support	Resistance	Cut
ASIAN	Trading	14.20	15.00, 15.80	14.00
PTG	Trading	24.00	25.00, 25.50	23.70
HTECH	Trading	10.80	11.40, 11.80	10.60

Key Factors to Watch

- Oct 30-31: BOJ policy meeting
- Oct 31-Nov 1: US FOMC policy meeting
- Nov 3: US nonfarm payrolls
US unemployment

Block Trade Corner

Trend	Stock
Bull	LPN, AMATA, PTG, CHG, QH
Bear	None

PSR Strategy & Technical Teams
Market Outlook: Bullish sentiment from ECB

- **A boost from ECB:** Thai stocks are likely to get some sentiment boost from Europe today, albeit the fact that valuations are not cheap right now, after the ECB's policy decision sent European shares higher. On Thu, the ECB kept all of its interest rates unchanged and extended its bond purchases by 9 months to Sep 2018 but cut the pace of monthly purchases by half to 30bn euros from 60bn euros starting Jan to Sep 2018. The trading range for the SET index is seen between 1700-1715 points today.
- **Investment strategy:** In our view, a selective approach remains the key.
 - **Upside momentum play:** Hold onto **QH**. (Note that the portfolio will be reviewed monthly on the 16th day of each month.)
 - **Stock of the week:** Hold onto **ECL** on optimism that 3QFY17 earnings will improve both q-q and y-y.
 - **Short-term trading play:**
 - Hold onto **CHO** as a play on earnings recovery story on expectations that earnings will return back to the black in 2HFY17 and the recovery momentum will continue well into FY18.
 - Hold onto **SAT** on bullish technical call.
 - Look to go long (i) **HANA** on earnings optimism and as a weak baht play and (ii) **SPALI** on strong 3QFY17 earnings growth expectations, sizable backlog and psychological boost from the upcoming trading debut of SPALI-W4.
 - On Wed, we took profit on **MONO** and cut loss on **ILINK**.

Technical View: Hitting resistance


The SET index swung in a narrow range throughout the day and the resistance levels of 1710-1715 points appear to be a key obstacle for a breakout, given the overbought conditions of Modified Stochastic on the 60-min chart. We advise to gradually sell stocks and wait to buy back on dips. Support levels lie at 1700 and 1690 points.

Derivatives Strategy

	Strategy	Trading Range
S50Z17	Play wait & see	1,080-1,096 points
WHAZ17	Look to go long at ATO in anticipation of a further upward move towards a profit target of Bt3.95. Place a stop at Bt0.05 below the entry point.	Bt3.75-Bt3.95