

9 February 2018
PSR Tactical Portfolio

Update	Stock	Action/Price	Remark
		Unchanged	

Current portfolio holdings*

Long	KKP (87.50), SYNEX (16.80), D (9.60), PSL (12.30), SVI (4.64)
Short	KBANK (214.00)

*(Short-term target prices)

Cash Balance

- Stocks on cash balance list*: TTCL, SOLAR
- 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
ORI	Trading	21	21.7, 22.0	20.8
AMATA	Trading	26	27.00-27.50	25.50
III	Trading	8.50	8.80, 9.00	8.40

Key Factors to Watch

- Feb 14: US Jan inflation BOT rate decision
- Feb 16: US building permits

Block Trade Corner

Trend	Stock
Bull	AAV, HANA, BA, KCE, CPALL
Bear	TTW

PSR Strategy & Technical Teams
Market Outlook: 1760 seen as key support zone

- **US stocks sink again as bond yields rise:** The DJIA suffered yet another big slide, closing 1,032.89 points or 4.15% lower on Thu amid worries over soaring US bond yields. Mirroring Wall Street carnage, Asian shares could be poised for another sharp sell-off today like what they saw on Mon. Amid bearish overseas sentiment and a lack of fresh positive catalysts, we think the writing is on the wall that Thai stocks may be hard to escape the sell-off today. The 1760-point level should act as a key support zone. The market could fall further to the next support levels at 1740 and 1700 points if the above key support level is breached. The trading range for the SET index is expected to be between 1760-1790 points today.
- **Risk of sharp correction looms after energy retreat:** Global oil prices fell further on Thu amid fears of rising global supplies after data showed a buildup in US crude inventories and Iran announced plans to boost production despite its alleged adherence to the OPEC output cut deal. With a possible sell-off in energy counters triggered by a further slide in oil prices, the risk of a sharp correction in Thai stocks looms as energy shares earlier led the recent market rally. In focus will be PTT shares, which bucked the slide among its energy peers on Thu on speculation over the share par value split.
- **Investment strategy:** Cut loss and stay on the sidelines if the SET index fails to hold its grip on the 1780-point level.
 - **Upside momentum plays:** None. (Note that the portfolio will be reviewed monthly on the 16th day of each month.)
 - **Stock of the Week:** Hold onto **PSL** and **SVI**.
 - **Selective plays:**
 - Hold onto (i) **KKP** in anticipation that it will pay a dividend yield of around 5%, (ii) **SYNEX** on expectations that 4QFY17 results will be strong, (iii) **D** on expectations that it will report upbeat 4QFY17 results and pay a dividend yield of roughly 5%, and (iv) **short KBANK** amid a selloff in big-cap names in times of the extremely volatile and bearish sentiment that have pervaded the market.

Technical View: Deeper pullback likely


The SET index made another lower high again yesterday accompanied by a sell signal from Modified Stochastic while MACD was below signal line. So overall trend looks exhausted and any recovery is unlikely today. In the near term, it is better to wait for a buy signal before going back in. Support levels hold at 1780 and 1760 points while resistance levels are lowered to 1795-1800 points.

Derivatives Strategy

Strategy	Trading Range
S50H18 Unwind existing long bets which were opened at 1,155 points at ATO.	1,138-1,166 points
GF10G18 Look to go short at Bt20,100 in anticipation of a downward move towards a profit target of Bt19,800. Place a stop above Bt20,200.	Bt19,770-Bt20,150

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