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Enlighten Research

Background

Since the re-establishment of the Enlighten Research (ER) early this year, we would like to take this opportunity to present again to our clients the purpose, functioning, operation and more importantly the methodology of how the research team works and helps enhance the investment strategy and thus the return of the clients.

Objective

We aim to provide timely, scientific and educational investment (not speculation) recommendation to help the readers positioning their investment in respond to the ever changing capital market.

Our primary research methodology is based on the fundamental from Macroeconomics down to supportive policy, beneficial industries and individual company Microeconomics. The investment horizon is medium to long term. We will also complement to our analysis by using technical strength indicators to provide recommendation and at the same points extend more coverage to benefit those investors who are looking for short term trading ideas.

Publishing

In future we target to publish the following 4 types of report.

1. **Daily Commentary**

   Providing daily summary of latest important information e.g. news, economic figures, revision of major overseas markets performance and daily investment recommendation

2. **Market Outlook**

Providing market outlook on quarterly basis, based on the top-down approach i.e. from the very basic nationwide macroeconomics e.g. government economics and industrial statistics, policies changes, to company analysis based on financial models
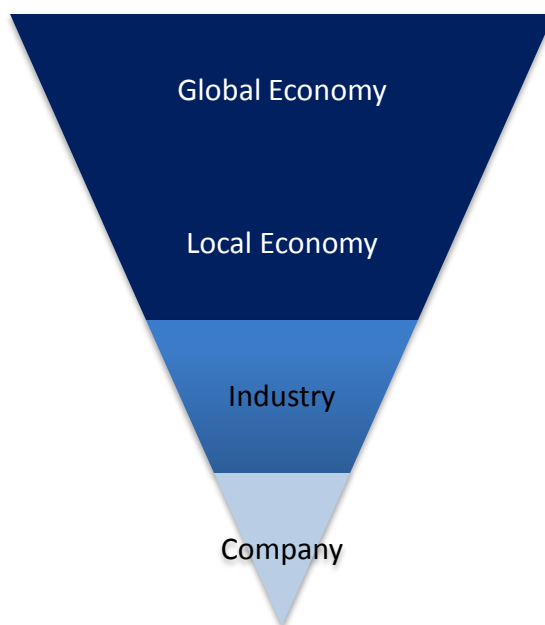
3. **Company Report**

Providing detail company report on stocks that match our view stated in the Market Outlook, on weekly basis

4. **Hot Issue**

Providing comments or interpretation for selected hot issues on timely fashion

Research Methodology

As aforementioned, our primary research methodology is based on Top-Down approach. We adopt the conventional 3 layers pyramidal analysis namely, Macroeconomics, Industry, and finally Company, with the modification which optimizes the approach for greater China region.

Global Economy

Local Economy

Industry

Company

Macroeconomics

In the Macroeconomics analysis we further break down into 2 sub-layers i.e. Global economy and Local economy. First of all, for the Global economy analysis (GEA), we focus on the global economic cycle (GEC). Upon finishing identifying the phrase of GEC, in which not only consider the impact from the 33 countries in OECD, but also those from the developing and emerging countries like BRIC and ASEAN. In view of the multiple economic indicators, which formulate the AD-AS model, such as GDP, inflation, unemployment etc, and other qualitative factors like political and social issues, we will project the global economic growth accordingly.

We then move on to the Local economy analysis. Gathering the preliminary projection from the GEA, we in this step principally concentrate how the foreign (global) economies influence the local economy. After taking all factors into account, we will finally form our medium to long term strategy (which will be revised regularly in response to the economic condition changes).

Industry

The second layer is the industry analysis. We prioritize industrial choices based on the backbone derived from the first layer. We look for the industry that would benefit from the same economic backdrop and value created from the synergy of supporting policy (which plays an important role in PRC region), technology, and demographical and social changes.

Company

The final step is to select the right companies. In the company analysis, we incorporate the results of the Macro and industry analysis in determining the fair value which is based on various financial models including DCF (Div, FCF, FCFE, FCFE, RI, RC), multiples (PER, EVEBITDA), and EYGM etc. Upon finishing the valuation and relative performance comparison, we will grade each researched company according to Ratings Classification.

Technical Analysis

For the technical analysis, we primarily focus on (but not limited to) the following indicators:

Trend, RSI, MA, STC, Volume, MACD, Bollinger Band….. etc

Team Member

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