

Taiwan Stock Market Investment for the Future Market Forecast

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1.1 investment strategy

1. Set the stop loss point: the stop loss point is about 15-20%, and the stop loss point is about 5-10%, falling for 2 consecutive days and rising for 5 consecutive days.
2. Observation of the general environment: such as domestic and foreign situation potential and related data, such as CPI, GDP, N1B, etc.
3. Shares of Taiwan 50 Index: representing the 50 enterprises with the highest market value and stability in Taiwan, it is relatively stable, and is also a very important indicator for stock selection during operation.
4. Choose more familiar industries and observe the trend of current events.
5. Understand the fundamentals and overall operating conditions of the investment targets
6. Master the company's information: profit more and bad and financial information disclosure instructions
7. With technical indicators: (K chart, volume, average, KD index, MACD)
8. Application of gold cross and death cross: gold cross can be regarded as a buying point, and death cross is the selling point.
 - Monthly line gold cross: the short average through the long average monthly KD upward volume to amplify long-term buying points
 - Monthly line death cross: the short average fell below the long average monthly KD downward volume to amplify the long-term selling point
9. unpopular investment method:
 - Financial sound but for the grass creative company

2.1. Overall economic analysis

Economic analysis mainly discusses the impact of various economic indicators and economic policies on the stock price

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- **Political and economic situation at home and abroad**

- **Economic indicators**

1. Leading indicators: interest rate level, money supply, consumer confidence, raw material prices, enterprise investmentCapital scale, these indicators will precede the change in the stock price.
2. At the same time, indicators: GDP, personal income, import and export trade, etc., these indicators will change the share price

Change at the same time.

3. Backward indicators: unemployment rate, enterprise inventory, wage level, etc., these indicators generally fallChanges in the stock price in the later trading period.

- **Stock market three power**

1. Business
2. Funds
3. Popular market

3.1. Stock basic analysis

The basic analysis architecture expected to use in this group is top-down (TOP-DOWN Approach)

First, analyze the overall global economy, after evaluating and comparing the economic conditions of each country, select a certain country and its most potential industries, and finally the research scope is gradually narrowed to the potential stocks in the industry.

The actual method is as follows:

- 1、 Analyze the overall environment to decide whether to invest into the stock market.
- 2、 Analyze the profile of each industry to determine the investment proportion of various stocks.
- 3、 Companies in these stocks conduct financial ratio to operating condition analysis to select investable companies.
- 4、 Determine the value of the stock through the industry profile, company financial reports, and operating status.
- 5、 Finally, according to the news to grasp the industry rotation and market demand, to short-term speculation.

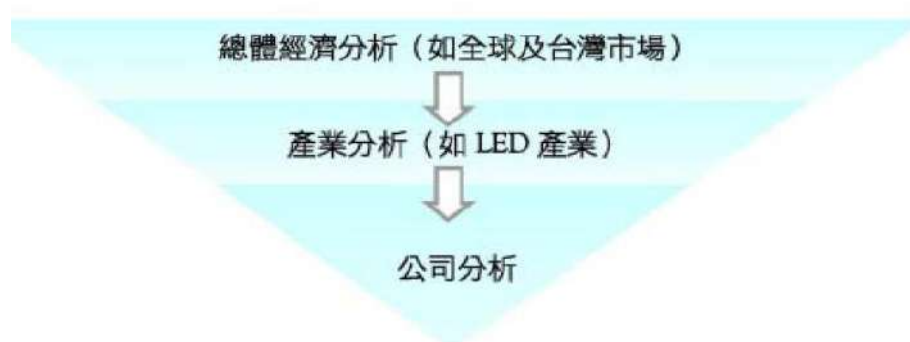


Figure 1 architecture from top to down

4.1. Stock industry analysis

Industrial life cycle mode (Industrial Life Cycle Model) is to analyze the impact of competitiveness in various periods of industrial development, and use the life cycle model to analyze the various stages of various industrial environment and industrial development (Figure 2), including the following four stages:

4.1.1 Early bud: can provide investors high pay, but the company may also be because of the

The risk of camp closure is poor and bankruptcy, so the risk of investors is also higher.

4.1.2 Growth period: The growth rate of this period is also quite high, which is a good investment for investors

Interpoint.

4.1.3 Mature period: With few new investment opportunities, stable surplus income is allocated to investment

People, the mature period of the company dividend returns are very high, but not suitable for love capital gains

Investors.

4.1.4 Recession: Investment in companies should be avoided.

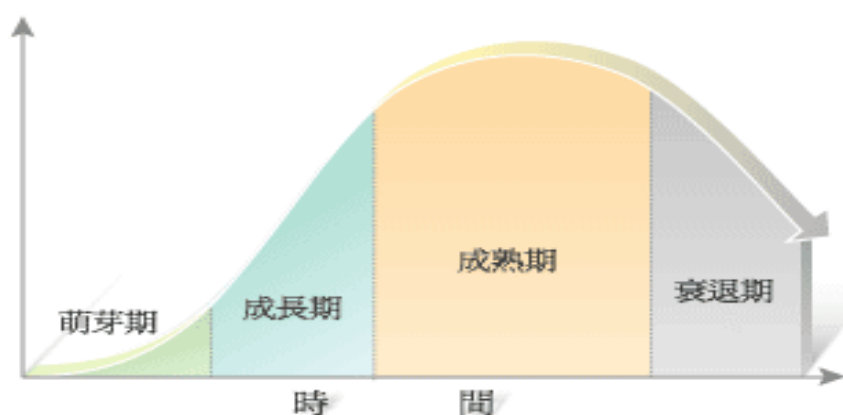


Figure 2 Industrial lifecycle stage

5.1 Stock investment target

□ □ sample source: YAHOO Chimo stock market, Tycoon net

Sample number of □ □ single investment targets: 52

□ □ sample period: 2014-04-02 ~ 2015-04-01

□ □ sampling unit: weekly remuneration rate

Content description: use financial newspapers and magazines, understand the current trend of the industry, and watch whether the enterprise turns losses to profit, cooperate with KD value, many and short technical indicators and futures long and short parties to choose the target, the investment period of two to three futures will be done to configure the investment portfolio.

9910 Fengtai

Fengtai (9910) has positive growth in 2014. Among them, fengtai of NIKE main supply chain opened a high price of 155 yuan today, while Fengtai announced a post-tax surplus of 597 million from January to February 2015 and 597 million yuan, with a post-tax surplus of 1.03 yuan per share.

Fengtai announced a post-tax surplus of 597 million yuan from January to February 2015, also up 32.47% from the 450 million yuan in the same period in 2014.

Fengtai reported a record high in December 2014 with 4.841 billion yuan. Fengtai reported a combined pre-tax surplus of 505 million yuan in December, compared with the cumulative after-tax surplus attributable to the parent company of 3.09 billion and a post-tax surplus of 5.34 yuan per share.

Fengtai is a major supplier of footwear products of NIKE, with positive growth in the fourth shipping season of 2014, its December revenue reached 4.45 billion yuan in November with 4.841 billion yuan, reaching a new monthly revenue; accumulated 47.587 billion yuan, also up 22.8% over the same period in 2013.

8936 General

With the theme of drought, the recent challenge of historical high price, but after foreign investment took the lead in selling, caused three legal persons synchronous adjustment, Friday to 57 yuan, down 3.06%, water treatment and water resources related plants are unified.

Legal person pointed out that one of the important reasons for Chinese environmental situation is the environmental supervision is not in place, in January this year, the history of the most severe new environmental law, four supporting: the interim measures for environmental protection daily punishment, the implementation

of environmental protection seizure, seizure interim measures, the environmental protection limit production, production regulation interim measures, the interim measures for enterprises and institutions environmental information disclosure, are currently in the process of soliciting opinions. In the future, environmental protection departments are expected to be more forced and deterred.

In addition, environmental protection "much starker choices-and graver consequences-in" planning wave after wave, including the executive meeting of the State Council has considered water pollution prevention action plan (water ten), will be announced recently, the future soil ten will be gradually announced, environmental protection spending will be substantial growth, related environmental protection growth rate will see double-digit growth, beneficial into China's environmental protection market.

6148 HuaHongzi

HuahongZitong Group in itong, broadband network, telecommunications, traffic control engineering network and several multimedia on both sides, with cross-regional, cross-industry, cross-technology competitive advantages;

With the rise of security awareness in recent years, combined with the cloud concept, committed to upgrade IaaS (Infrastructure as a Service) to SECaaS (Security as a Service), into the emerging security market, alliance with Huahong Group and three business computer through equity transactions, is expected to connect three-way superior technology and capabilities, extend the service to large corporate customers, government agencies, financial institutions, medical student technology and consumer entertainment market.

5306 Gui League

Bicycle chain giant Guangxi Alliance (5306) acquired Tianjin and Shenzhen Guangxi Alliance respectively last year, it is estimated that the annual shipments this year will double from more than 20 million to nearly 50 million last year, and the total group shipments will reach 65 million in 2016. Gui League pointed out that the company actively increased the proportion of higher-order products, more than 8 speed accounted for has reached 70%, is expected to be increased to 75% this year.

Gui League pointed out that because the new car species will be launched at the end of the second season and the beginning of the third season, this year is more inclined to advanced entry car models, therefore, the proportion of advanced products increased. Gui League further pointed out that the present proportion of more than 8 speeds has reached 70%, if 10 and 11 speed accounted for 50%, it is estimated that the proportion of 8 speeds can rise to 75% this year, among which the growth of 10 speed is greater.

In order to expand the market share of the global bicycle chain, it has launched the first phase integration plan since 2012, first invested in Taiwan, specializing in advanced bicycle chain research and development,

production and sales; complete the second phase integration plan in 2013, increase three sales channels in Europe, USA and Indonesia, enhance brand marketing ability and close to market services. The acquisition of Tianjin GuiAlliance in 2014 is also the first step for Guimeng Group to enter the domestic mainland bicycle market. This reinvestment in Shenzhen GuiAlliance will not only obtain the production base and expand the customer base in South China, but also help them prepare for the integration and expansion plan in the next stage of the mainland.

Gui league pointed out that the merger and acquisition effect has begun to show, last year tianjinguangmeng only recognize part of the revenue, annual shipments more than 200, but this year in addition to can fully recognize tianjinguangmeng, can also recognize half of shenzhenguangmeng, so this year shipments can double to nearly 50 million, next year because of shenzhenguangmeng complete performance contribution, the annual shipment can reach 65 million, revenue scale will be further climb.

3474 Huacaceae

The DRAM industry has made big money for two consecutive years, Huaco made well this year, Making NT \$33.489 billion in the first three quarters, Pure gain of 5.31 yuan per share, To off a new contract battle between Micron and Formosa Plastics Group in 2015, Micron demanded a review of the Huaco pricing contract, Period can share a higher profit distribution right, Huyaco's nearly 100,00020 nm production capacity has become the biggest bargaining chip, In the new contract in 2015, Micron may raise the upper limit on R & D, marketing expenses, However, Huyaco relies on advanced production technology, cost advantages, In the future, 70% is expected to reach 70 nm, Thus known, Huyaco is becoming more and more important to Micron, Micron is quite certain and attaches great importance to the bilateral partnership, Huyaco's position is even more stable.

The market demand continues to grow. Samsung and Hynix will make large-scale investment in about 2016, and the output will prioritize profit and dynamically adjust the capacity according to the market demand. With the transfer of the process, it is expected that DRAM factory profit will still be stable next year.

Action devices, the Internet of Things and servers will be the three major growth drivers of the DRAM industry in the future. In the past, as long as the DRAM schedule lags behind, it may be eliminated. However, with the rise of the Internet of Things, there will be products where 63 / 40 / 30 nm will be introduced in the future. Now the global DRAM industry has been away from the personal computer era of Microsoft and Intel, mobile devices, consumer electronics, on-board boxes, hard drives and servers, have pulled up the applications of DRAM.

Portfolio analysis

Weekly remuneration rate statistics						
	Annual remuneration rate	Mean	standard deviation	Number of variants	Minimum value	Maximum value
Fengtai	83.58602841	1.547889415	3.973396307	15.78787821	-7.609988109	10.58823529
State unification	0.16951734	0.00313921	5.817676581	33.8453608	-23.55140187	11.12469438
Hua Hong capital	13.52025567	0.250375105	5.684888532	32.31795762	-16.57866948	18.79049676
Gui League	9.76764447	0.180882305	3.584574525	12.84917453	-9.574468085	13.30798479
HuaYaco	66.57683134	1.232904284	7.779972379	60.52797021	-9.615384615	28.7755102

Covariate number matrices					
	Fengtai	State unification	Hua Hong capital	Gui League	HuaYaco
Fengtai	15.78787821	4.300848172	4.44911757	2.605950876	-2.723612213
State unification	4.300848172	33.84536086	9.408829282	8.029859048	7.987936455
Hua Hong capital	4.44911757	9.408829282	32.31795762	2.025266412	3.377651819
Gui League	2.605950876	8.029859048	2.025266412	12.84917453	4.696320031
HuaYaco	-2.723612213	7.987936455	3.377651819	4.696320031	60.52797021

correlation coefficient

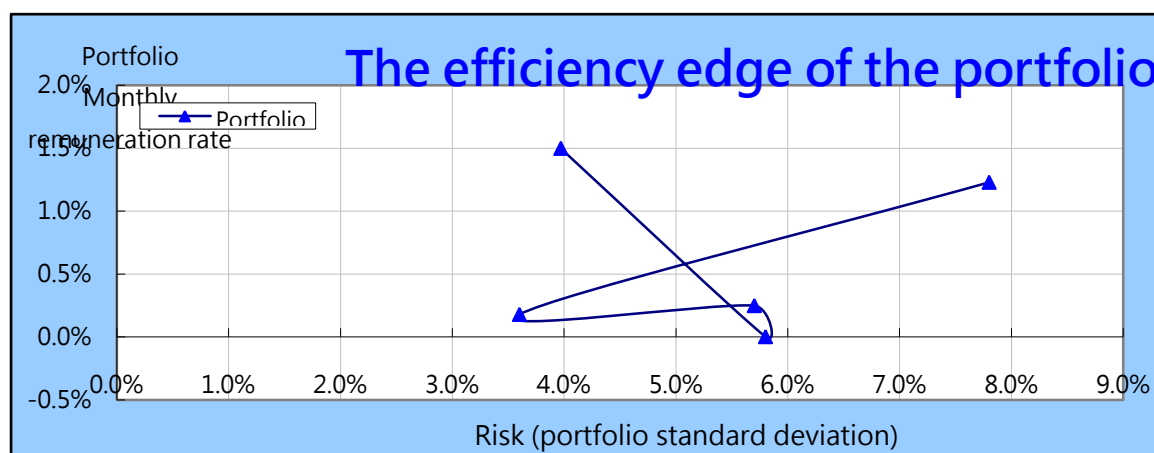
	Fengtai	State unification	Hua Hong capital	Gui League	HuaYaco
Fengtai	1				
State	0.189776672	1			

unificatio n					
Hua Hong capital	0.200904755	0.290177833	1		
Gui League	0.186623744	0.392754261	0.101373109	1	
HuaYaco	-0.089868089	0.180014357	0.077895979	0.171767972	1

Negative-related portfolio statistics

	Fengtai	State unificat ion	Hua Hong capital	Gui League	HuaYaco	Feng tai + Hua Hong Capit al	Hua Hon g capit al + GUI Leag ue	Fontai + HuaY aco	Huaco + HuaHon gzhi
Average Compensa tion rate	1.607424	0.00326 0	0.260005	0.187839	1.280324	0.933	0.223	1.44	0.77
Number of variants	15.78787 821	33.8453 608	32.31795 762	12.84917 453	60.52797 021	5.59	1.338	8.64	4.62

The efficiency edge of the portfolio



Risk-free interest rate: the postal reserve two-year fixed deposit rate is 1.415%, and the average weekly remuneration rate is 1.2329%

Average weekly remuneration rate of the listing-weighted index: 1.02% %

Portfolio

Subject matter	The proportion of funds
Fengtai	35%
Hua Hong capital	15%
Gui League	25%
HuaYaco	25%

Minimum-risk portfolio

Subject matter	The proportion of funds
Fengtai	20%
State unification	20%
Hua Hong capital	20%
Gui League	20%
HuaYaco	20%