OCBC Investment Research

# MARKET PULSE

Morning Call
17 Jan 2022

### Singapore Market Statistics

| | Close | Net Chg | % Chg |
|---|---|---|---|
| **Straits Times Index** | **3,282.0** | **24.7** | **0.8%** |
| FTSE ST Financials | 1,168.1 | 15.2 | 1.3% |
| FTSE ST REITs | 830.5 | -3.7 | -0.4% |
| FTSE ST Real Estate | 808.4 | -2.8 | -0.3% |
| | | | |
| **Vol (m)** | 954.9 | -230.3 | -19.4% |
| **Turnover (m)** | 1,097.1 | 165.8 | 17.8% |
| **52 week range** | 2,869.3 | - | 3,296.1 |
| **Gainers / losers** | 211 / 252 | | |

### World Indices

| | Close | Chg | % Chg |
|---|---|---|---|
| **S&P 500** | **4,662.9** | **3.8** | **0.1%** |
| **DJI** | 35,911.8 | -201.8 | -0.6% |
| **Nasdaq Comp** | 14,893.8 | 86.9 | 0.6% |
| **FTSE 100** | 7,543.0 | -20.9 | -0.3% |
| **STOXX Europe 600** | 481.2 | -4.9 | -1.0% |
| | | | |
| **Nikkei 225** | 28,124.3 | -364.9 | -1.3% |
| **Hang Seng Index** | 24,383.3 | -46.5 | -0.2% |
| **SHSE Comp Index** | 3,521.3 | -34.0 | -1.0% |
| **SZSE Comp Index** | 2,435.4 | 0.5 | 0.0% |
| **SHSE SZSE CSI 300** | 4,726.7 | -39.2 | -0.8% |
| **KLCI** | 1,555.3 | -14.2 | -0.9% |
| **JCI** | 6,693.4 | 35.0 | 0.5% |
| **SET** | 1,672.6 | -7.4 | -0.4% |
| **KOSPI** | 2,921.9 | -40.2 | -1.4% |
| **TWSE** | 18,403.3 | -33.6 | -0.2% |

### FX & Commodities

| | | Close | % Chg |
|---|---|---|---|
| **USDSGD** | | 1.3477 | -0.2% |
| **USDJPY** | | 114.19 | 0.0% |
| **USDCNY** | | 6.353 | 0.1% |
| **USDHKD** | | 7.785 | 0.0% |
| | | | |
| **WTI Crude** | USD/bbl. | 83.82 | 2.1% |
| **Brent** | USD/bbl. | 86.06 | 1.9% |
| **Gold** | USD/oz. | 1,817.9 | -0.3% |
| **Silver** | USD/oz. | 22.96 | -0.5% |

*Source: Bloomberg*

## Market Commentary

### Financial stocks slide in volatile week in US markets

- US stocks notched their second consecutive weekly decline, with shares of big banks falling on Friday after disappointing results from industry bellwether JPMorgan Chase.
- The S&P 500 inched up 0.08% to 4,662.85, while the tech-heavy Nasdaq Composite outperformed with a 0.59% gain to close at 14,893.75. While the tech-heavy Nasdaq Composite and the S&P 500 indices ended the day in positive territory, the two closely followed market gauges finished lower for the week following five volatile days of trading. For the week, the Nasdaq shed 0.28%, while the S&P 500 lost 0.30%. This marked the third negative week in a row for the Nasdaq.
- The Dow Jones Industrial Average slid 0.56%, to 35,911.81 on Friday. Bank stocks, which had outperformed in recent weeks as interest rates moved higher, were broadly lower as earnings reports appeared to underwhelm investors despite strong headline numbers.
- The S&P's financials sub-index dropped 1% as American Express, Goldman Sachs, and Morgan Stanley also came under pressure. The Dow Jones Industrial Average slid 0.56%, to 35,911.81. For the week, the Dow lost 0.88%.
- The choppy trading in stocks on Friday accompanied a relatively intense sell-off in the US$22 trillion Treasury bond market, as investors dumped US government debt.
- The yield on the two-year note rose to 0.97%, its highest level since February 2020, while the 10-year note yield climbed to 1.79%.
- The rapid increase in Treasury yields has injected volatility into global financial markets, as investors begin to adjust portfolios for a world with tighter policy from the Federal Reserve.
- Bourses in Europe to Asia were washed in red on Friday.
- China's CSI 300 Index closed at its lowest since November 2020. Chinese technology shares dropped for a second day on signals by Fed officials that they will use aggressive monetary tightening to combat inflation. Gemdale and other state-owned Chinese real estate developers fell after several of China's largest banks were said to have become more selective about funding real estate projects by local government financing vehicles.
- In Japan, sentiment worsened as Tokyo raised its Covid-19 alert to the second-highest of four levels as virus cases surged.
- The Straits Times index bucked regional losses to jump 0.76% to 3,281.97, pushing through its 2021 high of 3,273.54. Markets remain relatively positive regarding Singapore's economic fundamentals and Covid-19 policies that should remain geared toward balancing economic and health concerns.
- The Fed is on course to remove the extraordinary support measures against a robust US economy, but we believe that the pace of rate hike will be a gradual one of 25bps per quarter. The precondition to not disrupt the recovery remains vital to the central bank.

## Research Ideas

### United Overseas Bank Ltd (UOB SP) - Acquiring Citi's consumer businesses

- **UOB has entered into agreements to acquire Citi's consumer businesses in key Asean markets of Indonesia, Thailand, Malaysia and Vietnam.**
- **We view this announcement positively, which should help deepen its Asean franchise and double its Asean-4 scale, adding to rate tailwinds already underpinning the bank's growth outlook.**
- **The proposed acquisition is expected to complete between mid-2022 to 1Q 2024, depending on the pace of individual country's regulatory clearance, while the estimated impact on its CET1 ratio is immaterial.**
- **Since our "Buy" reiteration two weeks ago, the share price has gained ~10%, adding on to a solid ~24% total returns delivered last year and underscoring our prior recommendations to add positions.**

**UOB has announced it will be acquiring Citigroup's consumer banking businesses comprising its unsecured and secured lending portfolios, wealth** management and retail deposit businesses in Indonesia, Malaysia, Thailand and Vietnam.

**We view this announcement positively, given Citi's assets look complementary and should further strengthen UOB's current Asean franchise.** As per the company's announcement, Citigroup's Consumer Business had an aggregate net asset value of about S$4.0 billion and a customer base of about 2.4 million as at 30 June 2021, and generated income of approximately S$0.5 billion in the first half of 2021. In terms of scale, the bank estimates its retail customer base could double from ~2.9mn pre-acquisition to ~5.3mn post transaction.

**Financial highlights** - Post acquisition, the bank expects an immediate S$1bn in incremental annual income uplift and asset growth through the expanded franchise. Its proforma 1H21 geographical loan mix is expected to remain largely unchanged in terms of regional distribution post transaction, with Singapore anchoring the majority of group loans.

**Targets higher ROE of 13% and RORWA of 2% by 2026 driven by regional scale up and organic growth** - Excluding one-off transaction costs, UOB expects the proposed acquisition should be **immediately accretive to UOB's earnings per share (EPS) and return on equity (ROE).** The total cash consideration for the proposed transaction will be calculated based on an aggregate premium equivalent to S$915 million plus the net asset value of the Consumer Business as at completion.

**Immaterial impact on CET1 ratio expected, CET1 ratio should stay above 13% by 2023:** The bank expects to finance the acquisition through its excess capital, which is estimated to reduce UOB's CET1 ratio by 70 basis points to 12.8%, based on its capital position as at 30 September 2021.

Completion of acquisitions in each country is conditional on obtaining regulatory approvals relevant to each country and in Singapore. The **transaction should complete between mid-2022 and early 2024**, depending on the progress and outcome of the regulatory approval process. Our Buy rating is maintained.

**The Fed's new rate hike cycle this year has positive implications for rate sensitive Singapore banks' net interest margins and earnings outlook** - For 2022, we retain our constructive stance on the sector in view of attractive dividend yields and higher Fed funds rate expected from June, which should translate to higher SG/HK interbank rates and sector NIM expansion over the course of 2H22. Costs should be largely controlled as banks continue to scale up their digital capabilities and adopt ESG principles. 9M21 credit cost for the sector was low at 23-25bps. Credit costs has already normalized with ample general provisions/GP buffer (GPs made up 70-100bps of total loans within the sector, which is close to 30bps higher than pre-pandemic year 2019 - this suggests room for banks to write back in 2022 assuming the macro environment continues to show steady progress and loans under moratoriums remain low.

Singapore banks are levered to rising rates, with high exposure to currencies that correlate to Fed funds rate. In addition, banks have a relatively high mix of floating rate assets, which should be repriced higher as interbank rates increase. This positioning should benefit the sector in 2022 as the next rate hike cycle kicks off. As of end 3Q21, UOB was estimated to have about 63% of its loan books exposed to SGD, HKD and USD. In addition, Singapore banks have a relatively high mix of floating rate assets, which should be repriced higher as interbank rates increase. With the sector's strong deposit franchises and high CASA ratios (UOB's CASA ratio ~52.7%), deposit rates tend to be raised at a lagged pace. Given the high exposure of Singapore banks' loan books to SGD/HKD/USD and relatively low proportion of fixed rate loans, we expect the sector to see NIM expansion and better profitability from the new rate hike cycle.

During the last rate hike cycle in 2016-2018, the sector reported average NIM expansion of 10-17bps and saw improved profitability and higher return on assets. In terms of rate sensitivity, During the last rate hike cycle in 2016-2018, the sector reported average NIM expansion of 10-17bps and saw improved profitability and higher return on assets. In terms of sensitivity estimates, UOB's management has previously guided a 25bps short term rate increase could lift its NIMs by 3-4bps.

**Our fair value of SGD34.80** implies 1.28x forward price/book. UOB's share price has outperformed the STI index in 2021 by +10%, underscoring our prior advice to add positions since last year. Our Buy rating is maintained as we await the next Fed lift-off, with valuations still at reasonable levels. Looking ahead, apart from upside from NIM expansion, the gradual reopening of borders within Asean is also supportive of further recovery in regional business flows over the medium term. We continue to see scope for UOB's share price to gain ground, with potential catalysts from improving fee income momentum, loans growth recovery, stabilizing NIMs and easing concerns in its ASEAN loan book. The group remains focused on its digital agenda to capture customer demand, and sees opportunities arising from the growth recovery in Greater China and developed markets.

Within the sector, while we see relatively higher rate sensitivity in DBS, there is better valuation proposition in UOB which has lagged in 2021 due to concerns over the impact of Covid-19 infections in its key Asean markets. This should improve in 2022 as Asean region gradually re-opens, which bodes well for asset quality trends. We are constructive on both banks.

Next results release for FY21 is expected mid February, where we expect updated guidance from the sector. As a recap, UOB's previous FY21E guidance included double digit growth in non interest income, lower credit costs outlook (improved to below 25 bps, from prior 30bps guidance), stable cost income ratio, loans expected at high single-digit and dividend payout ratio of 50%.

### ESG updates

**Sustainable financing demand increasing across different client segments.** In its latest 1H21 results release, UOB shared the group has seen demand increasing from more companies with the group extending a total of $13bn in financing to clients as of end June 2021. The group has steered wealth towards sustainable investments with total AUM in ESG focused investments estimated at SGD5.7bn as of end June 2021.

**UOB has been upgraded for its ESG performance in its October 2021 review, joining domestic peer DBS and pegging the bank above the median global industry rating.** The latest upgrade was driven by a reassessment of its management practices related to mitigating environmental risks in its lending business which appears to have industry leading practices in ESG due diligence, and executive oversight. Other positives observed include its strong governance performance, alignment of accounting and pay practices with shareholder interests although employee attrition levels are above industry average, which may suggest improvements needed in human capital management areas. Its board is well organized with majority independent composition, separate CEO and chairman roles, which supports management oversight process. The bank has a majority independent risk committee to review risk taking behaviour by senior decision makers. **BUY**. ***(Research Team)***

## Bank of China (Hong Kong) (2388 HK) - Riding on the rate hike cycle

- **Stable net interest margin**
- **Asset quality remains stable**
- **Preferred HK domestic banks on relative valuation**

**Stable net interest margin (NIM)** – Management guidance for FY21 NIM to be at around 1.1%. While 1-month HIBOR rose 11bps in December, BOCHK did not benefit much from the move as this happened towards the end of the year when there was not much loan growth. Fee income grew 16% during 9M21 led by strong growth from investment related fee income. The 9M21 local growth was at around 7% and management. During 4Q21, management saw mortgage loan growth but not much growth within corporate loans.

**Asset quality remains stable** – Management guided that FY21 credit costs could be below FY20 level. By comparison 9M21 was around 13-14bps in credit costs. BOCHK did not make material buffers during Covid, and therefore it is unlikely for the bank to have writebacks. BOCHK's loans to mainland China property developers is 6-7% of total loans. It has been prudent on Mainland China related loans with 60% of the loans is for state-owned enterprises and 40% for very large private companies, of which 80% of the companies has crossed the green line and none of the companies has crossed the red line. BOC HK does not have any exposure to Evergrande or Fantasia.

**Preferred HK domestic banks on relative valuation** – BOS has recently brought forward the forecast for the Fed's first rate hike to March. HK banks as a sector should benefit from the rate hike cycle. Among HK domestic banks, we prefer BOCHK on the back of a more attractive relative valuation. Its return-on-equity gap with Hang Seng Bank has narrowed. Potential border re-opening with Mainland China later this year would be another positive catalyst in driving loan growth and recovering of cross border related fee income. The stock is trading at 0.94x forward Price-to-Book, which is around at 16% discount to its historical average. Tailwinds from higher rates and its unique position to benefit from the GBA Wealth Connect should support the long-term development. We lift our Fair Value estimate to HKD33.6 which is set 1.1x forward P/B multiple, which is at historical average level.

### ESG updates

**Strong corporate governance relative to peers** – Strong board structure and pay practices contribute positively to BOCHK's overall ESG rating. Its executive pay disclosure meets ESG Research's criteria, so it scores higher on its pay practices relative to global peers. However, there have been presence of related party transactions with the bank's controlling owner.

BOCHK's board has an independent majority which may enhance oversight of management.

Also, its fully independent audit and majority independent risk committees may assist the board on financial oversight and to preempt unethical behavior among senior decision-makers, respectively.

With 30% of its total loan portfolio consisting of retail lending operations, BOCHK may be exposed to potential client grievances. The bank has a customer charter to monitor that retail customers' rights are effectively protected and managed by the bank. Also, the bank provides loan modification programs for borrowers experiencing financial difficulties. **BUY.** ***(Research Team)***

## Yanlord Land Group Ltd (YLLG SP) - Weaker contracted sales outlook but little liquidity concerns

- **Contracted sales fell 24.0% in 2021**
- **Next earliest USD bond maturity is in Apr 2023**
- **Slightly lower fair value of SGD1.16**

**2021 contracted sales fell 24.0% to RMB59.6b** – Yanlord Land Group Limited's (Yanlord) contracted sales from residential and commercial units and car parks (together with its JVs and associates) fell 16.3% YoY to RMB9.2b for the month of Dec 2021, notwithstanding an increase in contracted GFA to 322,671 sqm. This implies a dip in ASP of 29.4% YoY to RMB28,565 per sqm. For the full-year 2021, Yanlord Group (including JVs and associates) registered a 24.0% decline in contracted sales to RMB59.6b, and this was driven by a decline in both contracted GFA and ASP of 12.7% and 13.0% to 1,868,568 sqm and RMB31,889 per sqm, respectively. Overall contracted sales fell short of management's target of RMB70b by 14.9%. This was likely due to the headwinds faced by the entire property sector in light of tighter regulatory and credit conditions.

**No USD bond maturing in 2022** – Yanlord does not have any USD bonds maturing in 2022. Its three outstanding USD bonds will mature in Apr 2023 (USD350m), Feb 2024 (USD400m) and May 2026 (USD500m). Yanlord also highlighted to us that it does not have any private bonds, onshore bonds, commercial paper and wealth management products. Given Yanlord's healthy balance sheet, it was still able to acquire a few land projects in Shanghai, Yangzhou, Wuxi, Suzhou and Wuhan with total consideration of RMB12.3b (attributable amount to Yanlord was ~RMB3.7b) from Sep to Dec 2021, with most of the land costs already paid as of 31 Dec 2021.

**Slightly lower fair value of SGD1.16** – We factor in Yanlord's actual FY21 contracted sales in our model, and also assume a 5% contraction for FY22F. Correspondingly, we cut our core PATMI forecasts for FY21F and FY22F by 32.4% and 20.4%, respectively. However, we ascribe a higher P/E target multiple of 5.6x (including a slight ESG valuation discount) given signs of policy easing in the Chinese property sector, coupled with Yanlord's healthy financial position relative to its peers. Our fair value estimate declines slightly from SGD1.20 to SD1.16.

### ESG Updates

Yanlord ESG rating was upgraded by one notch in Mar 2021. The upgrade was driven largely by Yanlord's better safety performance and overall improvement in corporate governance practices. The resignation of an executive director during the 2020 AGM resulted in the board becoming majority independent, and believes this could aid independent decision making. Yanlord also managed to improve its employee safety performance on a YoY basis in 2019. However, on the other hand, although Yanlord has shown commitment to develop eco-friendly properties, this has been limited to only a few properties. Furthermore, Yanlord also does not appear to aggressively pursue green building certifications such as LEED or China Three Star unlike its leading peers. **HOLD**. ***(Research Team)***

## Aviation – Recovery delayed but not derailed

- Temporary setback due to the outbreak of Omicron infections
- Reopening and recovery delayed but not derailed
- Expecting a stronger recovery in second half of 2022

The emergence and rapid spread of the Omicron variant in recent months pose risks to re-opening efforts. While initial studies have shown that the Omicron variant will likely cause less severe illness than the Delta strain, concerns over its higher transmissibility caused countries around the world to restore travel curbs and new travel requirements. Unsurprisingly, international ticket sales in Dec 2021 and early Jan 2022 fell sharply as compared to 2019, posing risks on the travel recovery.

While concerns over Omicron's impact to the aviation sector are valid, we view the disruptions as temporary. The pace of reopening of borders and relaxation of travel curbs could be delayed but not derailed. We believe 2022 will be another year of recovery, albeit with bumps in the tarmac. As countries experiment with living with Covid-19, we should be prepared to see frequent start-stops amid the emergence of new variants and cases. We continue to assume a jagged recovery towards pre-pandemic passenger numbers as virus and other factors such as consumer confidence in air travel, corporate travel appetite will take time to normalise and rebuild. Importantly, the demand for travel remains. As countries reopen, with higher vaccination rates and better control over the spread of Covid-19 from the past 2 years' experiences, we will see a stronger recovery in 2022, particularly in the second half of the year.

We remain selectively positive on the aviation sector and favour **Delta Air Lines [DAL US; BUY; FV: USD57]** and **Southwest Airlines [LUV US; BUY; FV: USD63]** among the US airline names we cover. Within Asia, we like **SATS [SATS SP; BUY; FV: SGD4.80], SIA Engineering [SIE SP; BUY; FV: SGD2.68]** and **Qantas Airways [QAN AU; HOLD; FV: AUD5.40]**. ***(Chu Peng)***

**Exhibit: Ratings and potential upside**

| Counter | Ticker | Markte Cap (USD b) | | Last Close | Fair Value | Potential Upside | Rating |
|---|---|---|---|---|---|---|---|
| **Southwest Airlines** | LUV US | 27.1 | USD | 45.79 | 63.00 | 37.6% | **BUY** |
| **Delta Air Lines** | DAL US | 26.5 | USD | 41.47 | 57.00 | 37.4% | **BUY** |
| **American Airlines** | AAL US | 12.5 | USD | 19.34 | 19.00 | -1.8% | **HOLD** |
| **United Airlines** | UAL US | 15.6 | USD | 48.17 | 55.00 | 14.2% | **HOLD** |
| **Qantas Airways** | QAN AU | 6.7 | AUD | 4.99 | 5.40 | 8.2% | **HOLD** |
| **Sydney Airport** | SYD AU | 17.0 | AUD | 8.69 | 8.75 | 0.7% | **HOLD** |
| **Air China** | 601111 CH | 18.3 | CNY | 9.52 | 8.91 | -6.4% | **BUY** |
| **Singapore Airlines** | SIA SP | 11.1 | SGD | 5.04 | 5.08 | 0.8% | **HOLD** |
| **SATS** | SATS SP | 3.3 | SGD | 3.92 | 4.80 | 22.4% | **BUY** |
| **SIA Engineering** | SIE SP | 1.8 | SGD | 2.17 | 2.68 | 23.5% | **BUY** |

Source: Internal estimates, as at 13 Jan 2022 closing prices

## Latest OIR Reports

| No. | Report Date | Mkt | Stock / Sector / Market | Report Title | Bloomberg Ticker | Rating | Fair Value |
|---|---|---|---|---|---|---|---|
| 1 | 14 Jan 2022 | SG | United Overseas Bank Ltd | Acquiring Citi's consumer businesses | UOB SP | BUY | SGD 34.80 |
| 2 | 14 Jan 2022 | HK | Bank of China (Hong Kong) | Riding on the rate hike cycle | 2388 HK | BUY | HKD 33.60 |
| 3 | 14 Jan 2022 | SG | Yanlord Land Group Ltd | Weaker contracted sales outlook but little liquidity concerns | YLLG SP | HOLD | SGD 1.16 |
| 4 | 14 Jan 2022 | - | Aviation | Recovery delayed but not derailed | - | - | - |
| 5 | 12 Jan 2022 | SG | DBS Group Holdings Ltd | Poised for NIM expansion | DBS SP | BUY | SGD 40.00 |
| 6 | 12 Jan 2022 | SG | United Overseas Bank Ltd | New Fed rate hike cycle in 2022 | UOB SP | BUY | SGD 34.80 |
| 7 | 12 Jan 2022 | HK | China State Construction Intl | Significant outperformer | 3311 HK | BUY | HKD 11.00 |
| 8 | 11 Jan 2022 | HK | Longfor Group Holdings Ltd | Proposed spin-off to unlock value | 960 HK | BUY | HKD 48.76 |
| 9 | 10 Jan 2022 | SG | SPH REIT | Suburban malls performed better | SPHREIT SP | HOLD | SGD 0.95 |
| 10 | 3 Jan 2022 | SG | Mapletree Commercial Trust | Strategic benefits from merger but moving to riskier markets | MCT SP | BUY | SGD 2.14 |
| 11 | 3 Jan 2022 | SG | Mapletree North Asia Commercial Trust | Proposed merger with MCT | MAGIC SP | HOLD | SGD 1.15 |
| 12 | 3 Jan 2022 | - | Global Financials | Waiting for new rate hike cycle, outlook remains constructive | - | - | - |
| 13 | 3 Jan 2022 | - | Industrial Automation | Beneficiary of movement in supply chains | - | - | - |
| 14 | 24 Dec 2021 | US<br>HK | JD.com | Limited fundamental impact from Tencent's distribution in specie | JD US<br>9618 HK | BUY | USD 111.00<br>HKD 432.00 |
| 15 | 24 Dec 2021 | HK | Tencent Holdings | Unlocking value for shareholders | 700 HK | BUY | HKD 605.00 |
| 16 | 21 Dec 2021 | US | Adobe Inc | Concerns over outlook but longer-term story intact | ADBE US | BUY | USD 629.00 |
| 17 | 20 Dec 2021 | US | Trip.com | Local focus, global vision | TCOM US | BUY | USD 31.00 |
| 18 | 20 Dec 2021 | HK | Trip.com | Local focus, global vision | 9961 HK | BUY | HKD 242.00 |
| 19 | 20 Dec 2021 | HK<br>CH | Haier Smart Home | Growing its revenue streams | 6690 HK<br>600690 CH | BUY | HKD 37.00<br>CNY 33.00 |
| 20 | 17 Dec 2021 | CH | Strategy | Entering The Metaverse | - | - | - |

## STI Stocks Sorted by Market Capitalisation (US$m)

| | Code | Company | | Price on 14 Jan 2022 | Mkt Cap US$m | Eqy Beta (x) | Div Yield (%) Hist | Div Yield (%) F1 | P/E Ratio (x) Hist | P/E Ratio (x) F1 | P/E Ratio (x) F2 | Recommendation Buy | Recommendation Hold | Recommendation Sell | Recommendation Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | DBS SP | DBS Group Hldgs | SGD | 35.88 | 68,487 | 1.1 | 2.8 | 3.2 | 14 | 13 | 13 | 16 | 4 | 0 | 20 |
| 2 | JM SP | Jardine Matheson Hldgs | USD | 59.00 | 42,560 | 0.7 | 2.9 | 3.0 | 85 | 15 | 11 | 2 | 4 | 1 | 7 |
| 3 | OCBC SP | OCBC | SGD | 12.33 | 41,214 | 1.0 | 3.3 | 4.1 | 11 | 11 | 10 | 19 | 2 | 0 | 21 |
| 4 | UOB SP | United Overseas Bank | SGD | 29.93 | 37,484 | 1.1 | 3.3 | 3.9 | 14 | 13 | 11 | 14 | 2 | 0 | 16 |
| 5 | ST SP | Spore Telecoms | SGD | 2.45 | 30,100 | 0.9 | 2.8 | 4.0 | 39 | 18 | 15 | 16 | 1 | 0 | 17 |
| 6 | WIL SP | Wilmar Int'l | SGD | 4.28 | 19,736 | 0.9 | 3.3 | 3.5 | 12 | 12 | 11 | 13 | 0 | 0 | 13 |
| 7 | CLI SP | Capitaland Investment | SGD | 3.58 | 13,717 | - | - | 2.4 | - | 22 | 17 | 13 | 1 | 0 | 14 |
| 8 | HKL SP | Hongkong Land | USD | 5.45 | 12,650 | 1.0 | 4.1 | 4.1 | - | 12 | 12 | 10 | 3 | 1 | 14 |
| 9 | THBEV SP | Thai Beverage | SGD | 0.65 | 12,100 | 1.1 | 3.2 | 3.5 | 16 | 15 | 14 | 17 | 1 | 0 | 18 |
| 10 | SIA SP | Spore Airlines | SGD | 5.06 | 11,216 | 1.2 | - | 0.0 | - | - | - | 1 | 6 | 5 | 12 |
| 11 | CICT SP | CapitaLand Mall Trust | SGD | 2.01 | 9,845 | 1.2 | 3.5 | 5.3 | 12 | 20 | 16 | 18 | 2 | 0 | 20 |
| 12 | AREIT SP | Ascendas REIT | SGD | 2.89 | 8,960 | 1.0 | 5.4 | 5.4 | 22 | 18 | 17 | 17 | 3 | 0 | 20 |
| 13 | STE SP | ST Engrg | SGD | 3.72 | 8,583 | 1.0 | 4.0 | 4.0 | 21 | 20 | 19 | 10 | 0 | 2 | 12 |
| 14 | SGX SP | Spore Exchange | SGD | 9.69 | 7,620 | 0.6 | 3.3 | 3.4 | 23 | 23 | 21 | 5 | 7 | 4 | 16 |
| 15 | KEP SP | Keppel Corp | SGD | 5.25 | 7,080 | 0.9 | 3.6 | 3.9 | 29 | 14 | 12 | 11 | 0 | 1 | 12 |
| 16 | GENS SP | Genting Spore | SGD | 0.79 | 6,974 | 1.2 | 1.3 | 2.1 | 34 | 46 | 22 | 9 | 9 | 1 | 19 |
| 17 | MLT SP | Mapletree Logistics Trust | SGD | 1.78 | 6,373 | 0.9 | 4.5 | 4.9 | 16 | 22 | 21 | 10 | 6 | 1 | 17 |
| 18 | JCNC SP | Jardine Cycle & Carriage | SGD | 20.77 | 6,087 | 1.2 | 3.3 | 4.6 | 13 | 8 | 7 | 3 | 0 | 0 | 3 |
| 19 | MINT SP | Mapletree Industrial Trust | SGD | 2.64 | 5,166 | 0.9 | 4.7 | 5.3 | 33 | 19 | 19 | 15 | 1 | 0 | 16 |
| 20 | CIT SP | City Developments | SGD | 7.11 | 4,765 | 1.3 | 1.1 | 1.8 | - | 30 | 13 | 15 | 2 | 0 | 17 |
| 21 | MCT SP | Mapletree Commercial Trust | SGD | 1.83 | 4,531 | 1.2 | 4.8 | 5.1 | 18 | 22 | 19 | 8 | 6 | 0 | 14 |
| 22 | UOL SP | UOL Group | SGD | 7.12 | 4,424 | 0.9 | 2.1 | 2.4 | 32 | 20 | 16 | 8 | 2 | 0 | 10 |
| 23 | FLT SP | Frasers Logistics & Comm Trust | SGD | 1.45 | 4,016 | 1.2 | 5.3 | 5.4 | 7 | 19 | 19 | 10 | 1 | 0 | 11 |
| 24 | YZJSGD SP | Yangzijiang Shipbldg | SGD | 1.32 | 3,896 | 0.9 | 3.4 | 3.7 | 8 | 8 | 7 | 8 | 2 | 0 | 10 |
| 25 | VMS SP | Venture Corp | SGD | 18.14 | 3,891 | 0.9 | 4.2 | 4.2 | 17 | 17 | 16 | 9 | 3 | 1 | 13 |
| 26 | DFI SP | Dairy Farm Int'l Hldgs | USD | 2.77 | 3,762 | 1.0 | 5.2 | 3.1 | 22 | 31 | 15 | 4 | 5 | 0 | 9 |
| 27 | SATS SP | SATS | SGD | 3.94 | 3,293 | 1.4 | - | 0.0 | 396 | 124 | 34 | 5 | 2 | 1 | 8 |
| 28 | KDCREIT SP | Keppel DC REIT | SGD | 2.29 | 2,912 | 0.5 | 4.3 | 4.4 | 22 | 21 | 20 | 7 | 7 | 0 | 14 |
| 29 | SCI SP | Sembcorp Industries | SGD | 2.16 | 2,836 | 0.9 | 2.8 | 2.1 | 8 | 14 | 10 | 9 | 2 | 0 | 11 |
| 30 | CD SP | ComfortDelGro | SGD | 1.36 | 2,232 | 1.1 | 2.5 | 3.6 | 19 | 18 | 14 | 9 | 2 | 0 | 11 |

*Source: Bloomberg*

**ANALYST DECLARATION:**

For analysts' shareholding disclosure on individual companies, please refer to the latest reports of these companies.



**RATINGS AND RECOMMENDATIONS:**

- OIR's technical comments and recommendations are short-term and trading oriented.

- OIR's fundamental views and ratings (Buy, Hold, Sell) are medium-term calls within a 12-month investment horizon.

- As a guide, OIR's BUY rating indicates total expected returns (excluding dividends) in excess of 10% based on the current price; a HOLD rating indicates total expected returns (excluding dividends) within +10% and -5%; a SELL rating indicates total expected returns (excluding dividends) less than -5%. For REITs and Business Trusts, total expected returns including dividends apply.

- For companies with market capitalisation of S$150m and below, OIR's BUY rating indicates total expected returns (excluding dividends) in excess of 30%; a HOLD rating indicates total expected returns (excluding dividends) within a +/-30% range; a SELL rating indicates total expected returns (excluding dividends) less than -30%. For REITs and Business Trusts, total expected returns including dividends apply.

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