OCBC Investment Research

MARKET PULSE

Morning Call
23 Feb 2022

Singapore Market Statistics

	Close	Net Chg	% Chg
Straits Times Index	**3,400.6**	**-35.8**	**-1.0%**
FTSE ST Financials	1,216.1	-13.6	-1.1%
FTSE ST REITs	824.0	-8.2	-1.0%
FTSE ST Real Estate	808.1	-7.4	-0.9%
Vol (m)	1,451.7	632.1	77.1%
Turnover (m)	1,120.5	361.7	47.7%
52 week range	2,875.9	-	3,466.2
Gainers / losers	157 / 363		

World Indices

	Close	Chg	% Chg
S&P 500	**4,304.8**	**-44.1**	**-1.0%**
DJI	33,596.6	-482.6	-1.4%
Nasdaq Comp	13,381.5	-166.5	-1.2%
FTSE 100	7,494.2	9.9	0.1%
STOXX Europe 600	455.1	0.3	0.1%
Nikkei 225	26,449.6	-461.3	-1.7%
Hang Seng Index	23,520.0	-650.1	-2.7%
SHSE Comp Index	3,457.1	-33.5	-1.0%
SZSE Comp Index	2,297.3	-28.5	-1.2%
SHSE SZSE CSI 300	4,574.2	-60.2	-1.3%
KLCI	1,577.0	-5.7	-0.4%
JCI	6,862.0	-41.0	-0.6%
SET	1,691.1	-3.2	-0.2%
KOSPI	2,706.8	-37.0	-1.3%
TWSE	17,969.3	-252.2	-1.4%

FX & Commodities

		Close	% Chg
USDSGD		1.3455	0.1%
USDJPY		115.08	-0.3%
USDCNY		6.326	0.1%
USDHKD		7.802	0.0%
WTI Crude	USD/bbl.	91.91	0.9%
Brent	USD/bbl.	96.84	1.5%
Gold	USD/oz.	1,898.6	-0.4%
Silver	USD/oz.	24.11	0.9%

Source: Bloomberg

Market Commentary

S&P 500 enters a correction

- The S&P 500 index plunged by over 10% from its January peak, signalling a correction as investors assessed the new sanctions on Russia. A correction happens when an index closes more than 10% below its record closing level.
- Us President Joe Biden announced the first economic sanction on Russian elites and two major financial institutions while promising to impose harsher punishments should Russia continue its aggression. Furthermore, the European Union also introduced new sanctions as German Chancellor Olaf Scholz halted the Nord Stream 2 gas pipeline that connects Russia to Germany.
- The S&P 500 and Dow Jones Industrial Average shed 1.01% and 1.42%, respectively, and the technology-heavy Nasdaq Composite lost 1.23%. Meanwhile, US Treasuries were broadly lower while the yield curve flattened as the commodities rally ranging from oil, agriculture and metals have underscored economic risks from inflation.
- International Brent crude oil benchmark rose 1.5% at US$96.84 per barrel amid fears that the escalating tension could lead to supply disruptions on Russia's energy export. US West Texas Intermediate crude also climbed 1.4% at US$92.35 per barrel, after hitting its peak of US$96 since August 2014.
- Geopolitical risks are fuelling further pressure on global markets, which have already been affected by the outlook of tighter Federal Reserve monetary policy to combat inflation. Expectations of rate hikes are heightened as investors continue to weigh higher commodity prices in light of the Russia-Ukraine tension.
- In Asian markets, stocks slid for a third consecutive day amid rising tensions in Ukraine, coupled with new regulatory scrutiny on China's technology sector. The MSCI Asia Pacific Index plunged by over 2.1% on the day, hitting a three-week low, hurt by a sharp selloff in Chinese technology giants. In contrast, energy was among the least affected as oil prices rose.
- Alibaba Group Holding Ltd tumbled by 3.1% in Hong Kong after Chinese regulators told companies to check their financial exposure to Ant Group Co, which Alibaba owns a one-third stake. Last Friday, Chinese technology stocks took a hit after regulators announced new rules for food delivery platforms. China issued new guidelines requiring food-delivery platforms to cut the fees they charge restaurants.
- The Hang Seng Tech Index fell to its lowest since its inception in July 2020 amid ongoing regulatory pressure from Chinese policymakers on the technology sector. Some analysts believe that the country's policy pivot is unlikely to soften even if valuations become more attractive.

Research Ideas

SIA Engineering (SIE SP) - Continuing recovery

- **3QFY22 business update**
- **Net profit improved to SGD33.2m**
- **Sequential improvement in operating statistics**

3QFY22 results beat expectations on one-time writeback of tax provision – SIA Engineering Company provided its 3QFY22 business update. Revenue rose 33.8% YoY to SGD140.0m, driven by higher transit handling-related revenue on the back of a recovery in flight activities. Share of profits of associates and JVs jumped 226.0% YoY to SGD40.1m, mainly due to a one-time writeback of tax provision by certain associated companies for the engine and component segment, as well as lower losses from the airframe and line maintenance segment (+SGD5.4m YoY). As such, PATMI grew by SGD25.5m (+331% YoY) to SGD33.2m during the quarter, above our expectations.

Encouraging signs of recovery – SIAEC benefitted from a recovery in flight activities and Singapore's progressive reopening of borders. For 3QFY22, the continuing recovery trend is encouraging with flights handled at Changi by line maintenance growing 65% YoY, or 17% QoQ to 12,860 (at 31% of pre-Covid-19 levels). In addition, number of flights checked at Singapore base increased to 117 (+70% YoY and +15% QoQ). Majority of the checks performed at Singapore base remained largely from light checks (+19.5% QoQ) as compared to heavy checks (flat QoQ).

New Component and Services division to position for recovery and growth – As the aviation sector recovers, management is optimistic about the demand outlook and growth for the MRO industry. To position the group for growth post-pandemic, SIAEC announced the formation of a new Component Services division (CSD) to grow its component maintenance, repair and overhaul (MRO) business. Following the announcement, SIA announced the setup of a component MRO joint venture with SR Technics to expand its MRO network in Malaysia. As Singapore presses on with its "living with the pandemic" strategy, and global travel demand recovers, we believe SIAEC will be a key beneficiary. SIAEC is trading at undemanding valuations with price-to-book ratio of 1.5x (near 1 s.d. below its history average of 2.2x). We revise our estimates but maintain our fair value estimate at SGD2.68.

ESG Updates

SIA Engineering's ESG rating was upgraded in Oct 2020. SIA Engineering scores better than its global peers in terms of environmental and social issues due to its strong efforts to mitigate adverse environmental impact of operations, and low injury and fatality rates. However, SIA Engineering's corporate governance falls into the lower scoring range relative to its peers, due to concerns relating to the board and ownership structure. **BUY**. ***(Chu Peng)***

Wuxi Apptec (2359 HK / 603259 CH) - Solid preliminary FY21 results

- **FY21 revenues and net profit growth of 38.5% and 72.2% yoy were consistent with the positive profit alert issued last month, as earnings continue to benefit from outsourcing demand growth.**
- **Fair value is reduced to HKD159.70 (2359 HK) / CNY 122.60 (603259 CH) as we adjust our DCF estimates to factor in a higher weighted average cost of capital.**
- **Fundamental outlook continues to look constructive in FY22E although growth oriented stocks such as WuXi Apptec could see weaker sentiment during periods of broad market risk-off and heightened geo-political concerns. Prefer to add in stages.**

Preliminary FY21 results release is consistent with the positive profit alert issued last month.

WuXi Apptec's FY21 revenue of CNY22.9bn and net profit of CNY5.1bn grew 38.5% and 72.2% respectively. Adjusted net profit of CNY4.1bn grew 70.4% yoy. The firmi's top line came in at the upper limit of its alert range of 38-38.5% yoy, while its bottom line was above its alert range of 68-70%.

By segments, WuXi Chemistry's FY21 sales of CNY14.09bn grew 46.9%, within which small molecule discovery and technical development & manufacturing businesses increased 43.2% and 49.9% respectively. For this segment, the company guided that 2022 chemistry segment revenue is likely to nearly double.

Testing business sales of CNY4.53bn increased 38% yoy, helped by 38.9% yoy growth in lab testing services (excluding medical devices, growth was about 52.1%), while clinical CRO and SMO business also gained a solid 36.2%. Guidance is for continued growth ahead in FY22.

WuXi Biology business revenues grew 30.1% yoy to CNY1.99bn. Management expects revenue growth to continue the momentum from the past few years.

Its cell and gene therapy (CGT) contract testing, development, manufacturing organization (CTDMO) business - WuXi ATU – saw a modest -2.8% yoy contraction in revenues of CNY1.026bn in 2021. China CTDMO business saw robust top line growth of 87% yoy, which helped to partially mitigate the decline in business in the U.S. due to the delay in submission of new drug applications by select clients. CGT projects include 11 phase 3, 8 phase 2 and 53 phase 1/pre-clinical projects while 4 projects are in BLA preparation stage. This segment is expected to see above industry average growth in FY22.

Its domestic new drug discovery service unit, WuXi DDSU, realised FY21 revenue of ~CNY1.25bn which grew 17.5% yoy. Here, the firm expects top line momentum to decline this year, given plans for certain upgrade to fulfil demand growth from domestic drug makers. The firm has submitted a cumulative total of 144 new chemical enetity IND filings and received 110 CTAs, with 1 NDA, 3 phase 3, 14 phase 2 and 74 phase 1 projects. Some contractions are expected here in FY22.

Constructive outlook for FY22E - Staff strength was boosted from over 33,000 in 3Q to about 35,000 in 4Q21. The firm has guided for 67% growth in revenue in 2022 (expects chemistry to grow +94% yoy, the rest of business to grow +25% yoy), supported by encouraging progress in various indicators last year that include 732 new molecules added to its CDMO pipeline (which totals about 1666 that comprises of 42 commercialized products); more than 1600 new clients (total more than 5700) and progress in its ~72 cell and gene therapy projects (11 that are in phase 3 trials comprise of about ~ 64% U.S. and balance China, 4 in BLA preparation stage and 144 cumulative IND filings in its DDSU unit-first royalty expected in 2H).

Fair value is lowered to HKD159.70 as we adjust our DCF to factor in a higher WACC. Our Buy rating maintained, with preference to add in given ongoing weak sentiment in growth stocks and choppy broad equity market sentiment. The company's 2022 earnings outlook looks promising with ongoing demand from global clients, although periods of heightened geo-political risks could continue to exert volatility on its share price. To meet continued growth in industry demand, management has previously guided for plans to expand its capacity towards a target of 1.7mn m2 by 2023 (vs current 838K m2 in total site capacity), with three overseas sites acquired to support its CDMO expansion plans.

ESG updates

The company ESG rating has been upgraded, reflecting its product quality and governance practices, which pegs the company above the median amongst global peers. Its board as above average compared to peers in China, which became independent in FY2020. While the firm is exposed to corruption related risks due to the nature of its business as a contract development and manufacturing organization (CDMO) with various touchpoints with government for regulatory approvals, its business ethics framework compares favourably to domestic peers. Its quality management system has improved, with evidence of complaint resolution programs and supplier audit. The company currently has two different schemes supporting human capital objectives – traditional ESOP yearly tied to annual performance, another concept shareholder alignment (SAI) programme stretching out 10-11 years focusing on retention and combating tight job market within the industry. Areas of improvement include employee management efforts, which appear to lag leading peers although some programs and training opportunities are in place. This is key since it has been growing through acquisitions over the past few years and has been increasing its employee force yearly which can pose challenges to employee integration. **BUY**. ***(Research Team)***

HSBC (HSBA LN / 5 HK) - In-line 4Q21 underlying results with positive guidance

- **In-line underlying results**
- **Capital position was stronger than expected**
- **Higher interest rates drive early delivery of ROTE**

In-line underlying 4Q21 results – While 4Q21 pre-provision operating profit (PPOP) was 2% higher than consensus estimates, profit before tax (PBT) was 3% lower than expected, mainly driven by higher provisions. Final DPS of US18cents was in-line with expectation. Income was 1% lower than expected - net interest income was 2% ahead of expectation and was offset by a 5% lower than expected non-interest income. Operating costs was 2% lower than consensus estimates. Provisions was higher than expected at USD450mn (vs. consensus estimate of USD19mn), driven by provisioning for Chinese real estate which was more than offset European overlay releases.

Capital position was stronger than expected – Common Equity Tier 1 (CET1) ratio was 30bps higher than consensus estimate and came in at 15.8%. With a strong capital position, HSBC announced a further USD1bn buyback to commence after the current USD2bn program finishes. Pro-forma CET1 ratio would be at 14.5%, which is still at the top of the target range of 14.0-14.5% in FY22e.

Higher interest rates drive early delivery of ROTE – HSBC would benefit from a higher rates environment and management provides a set of positive guidance. A mid single digit loan growth is expected in 2022e and a higher rate outlook should drive a positive net interest margin outlook. In light of higher rates, the ROTE target of "at least 10%" is brought froward by a year to 2023e. Also, a flat underlying cost in 2022e and a 0-2% guided expense growth in 2023e, helped by the ongoing USD7bn restructuring plan. This should help reinforce confidence around strong growth in pre-provision profit as HSBC heading into rates hike cycle. Impairments is targeted to normalise towards 30bps through the cycle average (vs. 2022e consensus at 20bps). The geopolitical tension is set to raise volatility in equities market in the near-term. However, HSBC's fundamentals remains solid and share price should be supported by positive guidance and the new share buyback program. The stock is trading at 0.78x forward P/B and 3.9% forward dividend yield. We raised our Fair Value estimate to HKD64 which is based on an unchanged valuation multiple of 0.9x forward P/B (representing historical average level) and rolling over estimates by incorporating our economist's latest Fed rate hike forecast.

ESG updates

Industry-leading corporate governance structure – HSBC leads peers on most assessed key Issues and its improvement on pay practices further strengthened its governance profile. The board is majority-independent, and diverse, comprising 36% women directors. However, HSBC's involvement in ongoing controversies weighs on the rating, according to ESG research.

In 2020, HSBC has fulfilled 93% of its sustainable finance target (USD100 billion by 2025), and increased it to USD750 billion-1 trillion by 2030. HSBC integrates climate risk into its group-wide risk management framework, and as an Equator Principles signatory, it maintains ESG due diligence for project finance transactions. However, it has been criticized recently for its funding of palm oil companies allegedly involved in forced labor and deforestation.

HSBC has detailed policies related to financial crime, along with board oversight of ethics issues. However, ESG research indicates HSBC faced prolonged investigations on alleged forex and interbank rate manipulation and money-laundering breaches, among others. **BUY**. ***(Research Team)***

Developed Market Banks – Minimal direct exposure to Russia/Ukraine, watchful for inflationary shocks and rate implications

Market jitters have increased in recent days over the risks of more geo-political uncertainties and potential inflationary shocks should prolonged military conflict between Ukraine and Russia materialize. To recap, if such a scenario pans out, our house expects the risk-off sentiment to impact global equities negatively in a knee-jerk reaction, while higher commodity prices could drive inflationary pressures further. The risks of inflationary shocks could also lead to easing of Fed rate hike expectations, which could lead to a period of consolidation for the global financials sector following the sector's outperformance over world equities year to date by ~9.1% (refer to exhibit 1).

As highlighted in our house's latest report (Ukraine & Russia: Tense times), our base case is that there is unlikely to be a full-fledged invasion of Ukraine by Russia, given the unprecedented levels of diplomatic efforts by various countries to engage in dialogue, although the fluid situation makes forecasting possible outcomes extremely challenging. Our house believes that financial markets should recover eventually and not experience a sustained downturn, should diplomatic efforts be successful in averting a war and sanctions are not imposed on Russia's energy exports. We do not think it is likely for Russia's energy exports to be meaningfully limited given its key roles as the world's largest gas exporter and second largest oil exporter, this should mitigate some concerns over potential inflation shocks for energy consumers globally.

Within this report, we examine the disclosures provided by developed market banks that pertain to Russia and conclude that **the direct exposures to both Russia and Ukraine should be limited for the global banks under research coverage.** We do not have research coverage of Russian banks, which would be intuitively more exposed to risks from potential sanctions being considered (in particular, SWIFT exclusions could be more impactful given an estimated 85% of exports and more than 70% of Russia's imports are transacted in foreign currencies) or downturn in asset quality of their loan books due to prolonged military conflicts.

Most developed market banks disclose regional exposures, instead of country exposures, which makes risk assessment more challenging. For the U.S. banks, one exception is **Citigroup** (Buy, fair value USD83), which has a minimal ~0.3% of risk exposure to Russia, and roughly 10% exposed to the European Union (EU). **Wells Fargo** (Hold, fair value USD62) has ~2% of its exposure to the EU (presumably limited/nil exposure in Russia, in Morningstar's view). **JP Morgan** (Hold, fair value USD152) has about 12% of its credit exposed to EU, with no mention of Russia. **Bank of America** (Hold, fair value USD43) has disclosed roughly 7% of its assets and ~1% of net income is based out of "Europe, Middle East and Africa" (most are likely to be EU based).

Amongst our European banks coverage, we **highlight two banks with some Russian operations**, which are **Unicredit SPA** (Hold, fair value EUR12) and **Societe Generale** (Sell, fair value EUR25.50), which are estimated to generate low single digit of their group profits before tax from Russia. Although Russian loans as a proportion of the banks' respective overall loan books look fairly small, there are some downside risks of higher loan loss provisions should there be widescale defaults in a bear case scenario. **Given the rally in Unicredit and Societe Generale's share prices on recovery expectations over the past year, we think it is prudent for investors to take some profits off the table to manage risks, particularly as our fair value estimates for these two banks have been exceeded as well.** It is possible that other European banks under coverage could have outstanding corporate loans/wealth relationships to Russian clients, although such specifics are not disclosed.

Being macro plays, the impact on global banks would be influenced by how global economic growth, rates and inflation expectations could be affected from the current developments as well as the final form of sanctions if imposed. While mindful of potential risks, we maintain our constructive stance on financials in view of the start of the Fed rate hike cycle, and view that global banks are generally well capitalized with sufficient capital buffer to withstand some uncertainties. Key risks to our overweight sector stance could come from potential inflation shocks/higher energy prices which could impact rate hike expectations, raise concerns of recessions or a slowdown in global growth. However this is not our house's base case (US curves, avoiding inversion), as we expect Fed rate hikes to be raised five (or more) times this year but remain low compared to history, which should be supportive of risk assets and global economic recovery beneficiaries such as the financials sector. ***(Research Team)***

Latest OIR Reports

No.	Report Date	Mkt	Stock / Sector / Market	Report Title	Bloomberg Ticker	Rating	Fair Value
1	23 Feb 2022	SG	SIA Engineering	Continuing recovery	SIE SP	BUY	SGD 2.68
2	23 Feb 2022	HK CH	Wuxi Apptec	Solid preliminary FY21 results	2359 HK 603259 CH	BUY	HKD 159.70 CNY 122.6
3	23 Feb 2022	HK LN	HSBC	In-line 4Q21 underlying results with positive guidance	HSBA LN 5 HK	BUY	GBp 598.00 HKD 64.0
4	23 Feb 2022	-	Developed Market Banks	Minimal direct exposure to Russia/Ukraine, watchful for inflationary shocks and rate implications	-	-	-
5	21 Feb 2022	SG	Raffles Medical Group	FY2021 results beat	RFMD SP	BUY	SGD 1.65
6	21 Feb 2022	SG	Starhub Ltd	Moving into an investment phase	STH SP	HOLD	SGD 1.23
7	21 Feb 2022	HK CH	China Communications Construction	Aided by the higher tide	1800 HK 601800 CH	HOLD SELL	HKD 4.80 CNY 8.17
8	21 Feb 2022	SG	OUE Commercial REIT	A soft ending to FY21	OUECT SP	HOLD	SGD 0.43
9	21 Feb 2022	SG	Singapore Budget 2022	Several wealth tax hikes	-	-	-
10	18 Feb 2022	SG	Genting Singapore	Beneficiary of relaxed pandemic restrictions	GENS SP	BUY	SGD 0.90
11	17 Feb 2022	SG	Keppel Corporation	Outperformer so far this year	KEP SP	BUY	SGD 7.00
12	17 Feb 2022	SG	Thai Beverage	A better quarter	THBEV SP	BUY	SGD 0.88
13	17 Feb 2022	SG	NetLink NBN Trust	Healthy growth in connections	NETLINK SP	BUY	SGD 1.06
14	17 Feb 2022	HK	Standard Chartered PLC	A mixed 4Q21 results with positive guidance	2888 HK	BUY	HKD 66.00
15	17 Feb 2022	-	Energy Sector	Inflation to drive up marginal costs and break-evens	-	-	-
16	16 Feb 2022	SG	United Overseas Bank Ltd	FY21 results beat	UOB SP	BUY	SGD 36.50
17	16 Feb 2022	SG	Singtel	Encouraging scorecard; dividends still expected to be at upper half of policy range	ST SP	BUY	SGD 2.98
18	16 Feb 2022	SG	Far East Hospitality Trust	Sequential recovery in RevPAR/PAU	FEHT SP	HOLD	SGD 0.61
19	14 Feb 2022	SG	Hutchison Port Holdings Trust	Good set of results	HPHT SP	BUY	USD 0.280
20	14 Feb 2022	SG	DBS Group Holdings Ltd	4Q21 dividends raised	DBS SP	HOLD	SGD 40.00

STI Stocks Sorted by Market Capitalisation (US$m)

	Code	Company		Price on 22 Feb 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	36.25	69,345	1.2	3.3	3.9	13	13	11	13	6	0	19
2	OCBC SP	OCBC	SGD	13.16	43,946	1.1	4.0	4.4	12	11	10	17	3	0	20
3	JM SP	Jardine Matheson Hldgs	USD	59.30	42,843	0.7	2.9	3.0	85	15	11	3	3	1	7
4	UOB SP	United Overseas Bank	SGD	32.20	40,022	1.1	3.7	4.2	15	12	10	19	0	0	19
5	ST SP	Spore Telecoms	SGD	2.56	31,416	0.9	2.7	3.9	41	19	16	16	2	0	18
6	WIL SP	Wilmar Int'l	SGD	4.62	21,622	0.9	3.4	3.9	11	12	11	13	0	0	13
7	CLI SP	Capitaland Investment	SGD	3.69	14,103	-	-	2.3	-	23	18	15	1	0	16
8	HKL SP	Hongkong Land	USD	5.61	13,093	1.0	3.9	3.9	-	13	12	10	3	1	14
9	THBEV SP	Thai Beverage	SGD	0.70	12,979	1.1	3.0	3.3	17	15	14	16	1	0	17
10	SIA SP	Spore Airlines	SGD	5.26	11,603	1.2	-	0.0	-	-	-	1	7	4	12
11	CICT SP	CapitaLand Mall Trust	SGD	2.13	10,464	1.2	5.0	5.4	13	17	17	19	1	0	20
12	STE SP	ST Engrg	SGD	3.81	8,816	1.0	3.9	3.9	21	21	20	10	0	2	12
13	AREIT SP	Ascendas REIT	SGD	2.81	8,769	0.9	5.4	5.8	12	17	17	14	5	0	19
14	KEP SP	Keppel Corp	SGD	6.03	8,110	0.9	5.5	3.9	11	13	12	11	0	1	12
15	SGX SP	Spore Exchange	SGD	9.51	7,555	0.6	3.4	3.4	24	24	22	6	8	2	16
16	GENS SP	Genting Spore	SGD	0.78	7,000	1.2	1.3	3.1	51	28	18	10	7	1	18
17	JCNC SP	Jardine Cycle & Carriage	SGD	22.05	6,479	1.2	3.1	4.3	14	9	7	3	0	0	3
18	MLT SP	Mapletree Logistics Trust	SGD	1.77	6,153	0.9	4.6	4.9	16	22	21	13	4	0	17
19	MINT SP	Mapletree Industrial Trust	SGD	2.55	5,044	0.8	4.9	5.4	29	18	18	14	2	0	16
20	CIT SP	City Developments	SGD	7.21	4,861	1.3	1.1	2.2	-	12	12	15	2	0	17
21	MCT SP	Mapletree Commercial Trust	SGD	1.85	4,571	1.1	4.7	5.0	18	22	19	9	5	0	14
22	UOL SP	UOL Group	SGD	7.22	4,532	0.9	2.1	2.4	33	20	16	8	2	0	10
23	YZJSGD SP	Yangzijiang Shipbldg	SGD	1.36	3,956	0.8	3.3	3.2	8	8	7	8	2	0	10
24	FLT SP	Frasers Logistics & Comm Trust	SGD	1.41	3,869	1.2	5.5	5.6	7	15	20	9	2	0	11
25	VMS SP	Venture Corp	SGD	17.88	3,862	0.9	4.2	4.2	17	17	15	9	3	1	13
26	DFI SP	Dairy Farm Int'l Hldgs	USD	2.74	3,708	1.0	5.3	3.3	21	28	14	3	5	1	9
27	SATS SP	SATS	SGD	4.21	3,512	1.4	-	0.0	397	132	36	5	2	1	8
28	SCI SP	Sembcorp Industries	SGD	2.51	3,321	0.8	2.0	2.6	16	11	10	9	2	0	11
29	KDCREIT SP	Keppel DC REIT	SGD	2.14	2,732	0.5	4.6	5.0	11	18	18	6	8	0	14
30	CD SP	ComfortDelGro	SGD	1.47	2,368	1.2	2.4	3.5	20	19	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.

Co.Reg.no.: 198301152E
Published by OCBC Investment Research Private Limited