

## Singapore

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### Highlighted Companies

#### SATS Ltd

**ADD, TP S\$4.77, S\$4.17 close**

SATS could see a swifter recovery from the aviation industry, as borders reopen in a more significant manner with the introduction of VTF.

#### Singapore Post Ltd

**ADD, TP S\$0.90, S\$0.655 close**

We believe Singapore's border reopening can lower conveyance costs, which will aid SPOST's international post and parcel segment's volume and margin recovery.

#### SingTel

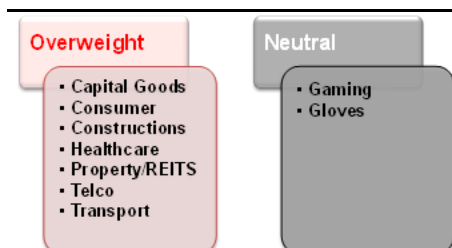
**ADD, TP S\$3.30, S\$2.62 close**

We like Singtel for its potential earnings rebound, driven by higher associate earnings, Singapore's roaming revenue recovery post Covid-19 and higher Optus earnings on the back of more rational competition. Potential entry into digital banking businesses in Malaysia and Indonesia (in addition to Singapore) and further asset monetisation are catalysts.

### Impact of latest changes on sectors

Sector	positive	neutral
Capital goods	✓	
Consumer		✓
Construction	✓	
Property	✓	
Airlines	✓	
Healthcare		✓
REITs	✓	
Telco	✓	
Gaming	✓	
Land transport	✓	
Logistics/Others	✓	

### Sector ratings



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# Singapore Strategy

## A decisive step towards reopening

- The government has announced meaningful easing of social restrictions and travel, as Singapore heads towards greater domestic and international reopening.
- Sectors that will benefit from the latest changes include consumer, retail and office landlords, transport operators, selected F&B, as well as hospitality and tourism.
- Reopening plays still have legs to run. Our preferred stocks in this regard are SATS, SingTel, SPOST and SIE.

### Changes to safe management measures

- Singapore has announced key changes to its safe management measures (SMMs) as the country continues to further reopen domestically and internationally. To date, 95% of Singapore's eligible population have been vaccinated, while 71% of the total population have received a booster shot. From Mar 29, i) group size of up to 10 people for F&B dining and unique household visitors will be allowed; ii) wearing masks for outdoor settings will be optional while maintaining safe distancing requirements; mask-on remains mandatory for indoors settings; iii) 75% of employees will be allowed to return to workplaces; and iv) capacity limits for larger events of >1k pax will be increased to 75%. Other changes include allowing large-scale social gatherings, such as gala dinners, birthday celebrations and corporate D&Ds, as well as live performances. Routine testing for all sectors will also be stopped. To safeguard the elderly (those >80 years old), a second booster shot will be recommended for those living in aged care facilities and with weakened immune systems or have severe chronic disease.

### Living with Covid as endemic

- We believe the higher dine-in capacity of 10 and allowing the sale and consumption of alcohol at F&B outlets beyond 10.30 p.m. from Mar 29 will boost shopper traffic and tenant sales at shopping malls and restaurants. In addition, allowing 75% of employees back to office could also benefit downtown malls, as well as transport operators. Beneficiaries will include retail landlords such as CICT, FCT, LREIT, SPHREIT, SGREIT and office REITs such as KREIT, SUN and OUECT, as well as restaurant operators such as JUMBO. More office commuters and potentially increased tourist volume should also benefit transport operators, such as CD and SBS.

### Reopening of borders

- The introduction of the Vaccinated Travel Framework (VTF) will not only allow Singaporeans to travel abroad more easily, but also encourage inbound tourism as most restrictions for fully vaccinated visitors into Singapore are lifted. From 1 Apr, vaccinated travellers into Singapore will no longer be required to take designated flights (VTL) flights and will not have to undergo an ART test within 24 hours of arrival. There will be no more quota on the number of daily arrivals and no entry approvals needed for all vaccinated travellers. That said, visitors are still required to take a pre-departure Covid-19 test within two days of departure for Singapore. Remote supervised ART services by approved licensed providers in Singapore will be allowed for Singapore citizens, PRs, long term passholders and work pass holders arriving from selected countries. To put this into perspective, in 2021, tourist arrivals into Singapore were 329.9k (or 12.2% of 2020's level and 1.7% of the peak 2019 numbers). We believe these changes will boost tourist arrivals into Singapore and positively impact tourism-related sectors, such as aviation (SIA, SIE), hospitality (CDREIT, FEHT, ART), telco (Singtel, Starhub), gaming (GENS), and even logistics operators, such as SPOST.

### Stocks that we like

- With this significant easing of social restrictions and travel, we believe stocks that benefit from the reopening theme are likely to have more legs to run. Our picks to play into this recovery theme are SATS, SPOST, SingTel and SIE. SATS could see a swifter recovery from the aviation industry as borders reopen in a more significant manner. The government said it is targeting traveller numbers at Changi Airport recovering to 50% of the pre-Covid-19 level by end-CY22F, from 18% currently. SIE also offers a proxy play into gradual air traffic recovery. Meanwhile SingTel is likely to benefit from a recovery in roaming revenue when more tourists enter Singapore. With more flights, we believe SPOST could also benefit from lower conveyance costs, which will aid its international post and parcel segment's volume and margin recovery. Downside risks could include emergence of new virus variants that could derail a speedy recovery.

**Figure 1: Impact of latest changes on sectors**

Sector	Impact	Companies
Capital goods	Positive for SIE with flights handling as Changi volume goes up, but this has been priced in. Negotiations for deals / M&As could be expedited for companies in general	SIE
Consumer	Positive for Jumbo Seafood as gathering size limit is increased from 5 to 10; easing travel measures could also boost tourist arrivals which will bode well for the company.	Sheng Siong, Kimly and Jumbo Seafood
	Neutral for Kimly. While pax limit can be raised from 2 to 5 without imposing of SafeEntry checks, demand may taper with more people returning to workspace. Negative for Sheng Siong. Elevated demand for groceries may taper with relaxation of SMM measures and easing of land border restrictions.	
Construction	Neutral to slight positive for construction players. We believe easing of border measures can aid faster recovery in migrant workforce and help construction activity recovery.	BRC Asia
Property	Positive for developers especially those with hotel operations, with potentially more tourists into Singapore. Potential upside for high-end residential segment from foreign buyers.	CIT, UOL
Airlines	Positive for airlines as border reopening will encourage more inbound travellers into Singapore, although we expect the recovery of tourists flows to be gradual, as travellers will be subject to self-quarantine if they test positive while in Singapore and they will not be permitted to board their flights home	SIA
Healthcare	Slight negative with further relaxation of testing protocols: no more on-arrival tests for vaccinated travelers, but private providers may offer virtual pre-departure test services for inbound travelers.	RFMD, QNM
	Impact to Raffles Medical will be offset as Community Treatment Facilities (CTFs) will continue to remain in operation in the short term to ease the burden as public hospitals pivot to resolve its 'BAU (business-as-usual) debt', i.e. elective procedures for chronic illnesses that have been deferred, due to the pandemic.	
REITs	Positive for retail REITs on larger dine-in group limit which will help to improve tenant sales and ease pressure on rental reversion. The higher office capacity limit and quarantine free travel for vaccinated travellers will benefit downtown malls. Positive for hospitality REITs on potential faster-than-expected recovery of tourists. Positive for office REITs with higher physical occupancy at the workplace.	Retail REITs: CICT, FCT, LREIT, MCT, SPH REIT and SG REIT Hospitality REITs: ART, FEHT, CDLHT Office REITs: KREIT, SUN, OUECT
Telco	Positive for telcos due to recovery in roaming revenues & tourist/migrant workers prepaid SIM card sales.	Singtel, StarHub
Gaming	Positive for sector, given capacity restrictions for 'larger scale events' are lifted from 50% to 75%, which could mean higher capacity for both attractions and gaming facility.	GENS
Land transport	Relaxation of SMM measures will help increase social mobility, which will aid further ridership recovery for land transport. Additionally, ComfortDelgro may benefit from more taxi demand as alcohol consumption limit is pushed beyond 1030pm, while SBS Transit may benefit from cross-border bus route resumption between JB and Singapore.	ComfortDelgro, SBS Transit
Logistics/Others	Singapore Post's international post and parcel (IPP) segment will benefit from the higher number of flights in and out of Changi Airport; this will likely help lower conveyance costs and improve IPP volume and margins.	Singapore Post

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Key changes to Singapore's Covid-19 measures from 29 Mar 2022

## Key changes to Singapore's COVID-19 measures from Mar 29, 2022

### MAXIMUM GROUP SIZE

- **10 people**, up from 5



### F&B

- Groups of **up to 10** fully vaccinated people can dine in
- No restriction on selling or drinking alcohol after 10.30pm
- All **live performances** can resume



### MASKS

- **Wearing masks outdoors is optional**, e.g. at HDB void decks, retail shop walkways, bus stops
- Masks are still **mandatory indoors**, e.g. at hawker centres and coffee shops, wet markets, buses and trains
- **1m safe-distancing** still required for mask-off settings

### WORKPLACES

- Up to 75% of those who can work from home can return to their workplaces, up from 50%
- No more rostered routine testing (RRT)



### EVENTS

- 75% capacity limit for larger events and settings with more than 1,000 people, up from 50%
- Congregational singing, cheering at events allowed
- Larger-scale social gatherings, including gala dinners, D&Ds and birthday celebrations, allowed to resume



### TRAVEL

- From Apr 1, fully vaccinated travellers can take any flight or ferry to Singapore; no on-arrival test or stay-home notice needed



Infographic: Dawn Teo  
Source: Ministry of Health and CAAS, Mar 24, 2022



SOURCES: MOH, CNA

Figure 3: Key changes to Singapore's Covid-19 border measures 1 Apr 2022

## Key changes to Singapore's COVID-19 border measures from Apr 1, 2022

- **No more VTL flights or ferries:** Fully vaccinated travellers can take any flight or ferry to Singapore. They will get quarantine-free treatment on arrival
- Fully vaccinated visitors will not need to apply for a vaccinated travel pass before entering Singapore
- **No on-arrival test or stay-home notice** needed for fully vaccinated visitors
- For now, those arriving by air and sea will still need to submit a negative pre-departure test result taken within two days of departure for Singapore

Country / region	Travellers who are....		Border health measures	Pre-departure test	On-arrival test	Stay home notice (SHN)	SHN exit PCR test
	General travel category	Fully vaccinated travellers (Air/sea)*		All countries/ regions	PCR, professionally administered ART or supervised ART	—	—
Restricted category**	Non-fully vaccinated travellers	All countries/ regions	PCR, professionally administered ART or supervised ART	—	7-day SHN at declared place of accomodation	Travellers will be notified	
	—	—	PCR	PCR	7-day SHN at dedicated SHN facility	Travellers will be notified	

\* Border measures for fully vaccinated land travellers will be announced separately

\*\* There are currently no countries in the restricted category

Infographic: Clara Ho Source: Ministry of Health and Civil Aviation Authority of Singapore, Mar 24, 2022



SOURCES: MOH, CAAS, CNA

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#### Corporate Governance Report:

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

<b>Score Range:</b>	90 - 100	80 - 89	70 - 79	Below 70	No Survey Result
<b>Description:</b>	Excellent	Very Good	Good	N/A	N/A

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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	0.0%
Reduce	7.1%	0.0%

### Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021

**ADVANC** – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** – Excellent, Certified, **DDD** – Excellent

n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, n/a, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** – Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

## Recommendation Framework

### Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

### Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

### Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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