

Market Indicators

	12-Apr	13-Apr	16-Apr
Mkt. T/O (S\$ mil)	1,115.2	1,234.5	849.2
Stock Advances	188	275	144
Stock Declines	223	151	272

Major Indices

	12-Apr	13-Apr	16-Apr
DJ Ind Avg	24,483.1	24,360.1	24,573.0
S & P 500	2,664.0	2,656.3	2,677.8
Nasdaq Comp	7,140.3	7,106.7	7,156.3
Hang Seng	30,831.3	30,808.4	30,315.6

STI Index 3,497.19 (-0.12%)



Source: Bloomberg

Commodities

	Current Price	% Chge from Close
Gold (SPOT) US\$ / oz	1,348.27	0.23%
Oil (NYMEX CWT1) US\$ / bbl	66.44	0.42%
Baltic Dry Index	1014	2.11%

Exchange Rates



USD : SGD 1.3100 / MYR : SGD 2.9646

Source: Bloomberg

Interest Rates

3-mth Sibor	1.504%
SGS (10 yr)	2.370%

KGI Securities Research Team

KGI Market Ideas

Manulife US REIT: The REIT announced last week that it had entered into sale and purchase agreements with its sponsor to acquire 1750 Pennsylvania Avenue in Washington, D.C. (Penn) and Phipps Tower in Buckhead, Atlanta (Phipps) at a total purchase price of US\$387mn (1.8% discount to average valuations of two independent valuers). This acquisition will enhance the enlarged portfolio's defensiveness, with the inclusion of high quality tenants which include: The US Treasury Department, United Nations Foundation, Carter's (NYSE: CRI) and CoStar (NASDAQ: CSGP). The Weighted Average Lease Expiry (WALE) of the enlarged portfolio will increase from 5.7 years to 6.3 years. Having a long Weighted Average Debt Maturity (WADM) of about 3 years with 100% of its debt fixed should also allay any near term concerns of the negative impact of rising interest rates on the REIT's debt obligations. Additionally, 76% of the enlarged portfolio's leases have built-in rental escalations, which provide for organic growth in rents. **Compared to its local peers which have fallen as much as 12% YTD, the REIT is up 2.2% YTD. The REIT is still actively looking for accretive acquisitions and plans to achieve its target of US\$2.6bn in AUM from the post-acquisition AUM of US\$1.7bn by 2020. We currently have a fair value estimate of US\$1.01, implying a 15% upside, inclusive of a 7% dividend.**

Facebook: Facebook is trading at a discount of more than 10% from its price before the scandal. After detailed reports from the New York Times and the Guardian, the stock fell to its YTD low of 152.22. Multiple media reports have since indicated that the Cambridge Analytica scandal is unlikely to affect Facebook's user base and advertising revenue. While risks remain with uncertainty about future regulatory costs, concerns from the scandal may fade eventually as Facebook tightens its security measures. Facebook remains the largest social network in the world with over 2 billion monthly active users and owns under-monetised assets in both Facebook and Whatsapp Messengers. **Fundamentally, Facebook is a net cash company with net profit margins exceeding 40% and the stock trades at attractive valuations compared to its peers in the tech sector. Currently trading at 17.9x 2018F consensus P/E (Amazon: 81.7x, Google: 19.2x, Line Corp: 76.2x).**

Sheng Siong: Amid the volatility in equity markets and concerns of overvaluation in some sectors, Sheng Siong stands out for its defensive nature as a consumer staple stock. With 44 stores located in suburban areas, Sheng Siong operates the third largest supermarket chain in Singapore that caters to the country's mass market. FY2017 revenues grew 4.2% YoY to S\$829.9mn. Gross profit also improved 6.2% YoY on the back of lower input costs. Overall, core earnings for FY2017 increased 7.9% YoY and is expected to hover around that range as new stores gradually start to contribute to the bottom line. **The stock currently trades at a P/E of 21.8x, just slightly below its 7-year average of 22.3x, and which we believe offers a good entry point given its growth prospects and resilience amid competition from e-commerce. The stock currently offers a dividend yield of 3.5% and has a consensus fair value estimate of S\$1.10, implying a 9% upside.**

Recent In depth Regional Reports

13/4	TW Apple Insight: Software as an innovation challenge for Apple (Part 2) –HomePod shipments could be far below expectations, implying hurdles to Apple’s AI development
13/4	TW Taiwan Paiho (9938 TT; Outperform; TP: NT\$101.00): Short-term earnings slowdown yields long-term entry point
13/4	HK Uni-President China (220 HK; Neutral; TP: HK\$7.80): Better operating environment fuels share strength
13/4	CN/HK Stock Liquidity Monitor: Weekly data – Stock incentive & employee shareholding plans
13/4	CN_HK Economy: China set for substantial opening to foreign financial players this year
13/4	CN_HK Economy: Impact of Sino-US trade frictions not yet evident; China trade deficits to occur more frequently
12/4	TW Financial Sector (Overweight): China deregulation to benefit Taiwanese financial firms
12/4	TW Telecom Sector (Neutral): Telecoms’ 1Q18 earnings generally in line
12/4	TW Ta Yih (1521 TT; Not Rated): Decent 2018F growth outlook on export business
12/4	TW TSMC (2330 TT; Neutral; TP: NT\$246.00): Upgraded 7nm without EUV to be another focus in 2019F
12/4	HK Minsheng Education (1569 HK; Outperform; TP: HK\$2.30): Speeding up expansion
12/4	HK PC Partner (1263 HK; Outperform; TP: HK\$7.80): Key takeaways from conference call
12/4	TH Banpu Pcl. (BANPU TB; Outperform; TP: Bt 27.50): 1Q18 earnings preview: Overlooking Hongsa expense
12/4	TH L.P.N. Development (LPN TB; Neutral; TP: Bt 12.30): Chronic downturn for low-end condos persists
12/4	TH Sansiri (SIRI TB; Neutral; TP: Bt 2.00): Trend of dwindling transfers
11/4	TW Apple Insight: Software as an innovation challenge for Apple (Part 1) – Apple’s first-mover lead in augmented reality narrowed significantly by OPPO
11/4	TW Compeq (2313 TT; Outperform; TP: NT\$40.00): Enhancing profitability a priority in 2018
11/4	HK ANTA Sports (2020 HK; Outperform; TP: HK\$48.60): Strong 1Q18 sell-through bodes well for full-year growth
11/4	CN_HK Economy: China 2Q18F inflation to stay high but overall stable; likely no change to interest rate
11/4	TH Robinson Department Store (ROBINS TB; Outperform; TP: Bt 85.00): Positive SSSG and rental income to drive 1Q18 earnings
11/4	TH Thai Wah (TWPC TB; Neutral; TP: Bt 10.10): 1Q18 Preview: Improvement
10/4	GLOBAL Sino-US trade war 2.0: Tit-for-tat tariffs to pressure negotiations; Taiwan panel, display module, EMS & automation to be hardest hit
10/4	TW Auto Parts Sector: Industry headwinds remain, but select EV, ADAS, & fuel economy firms will outperform in 2018F
10/4	TW Financial Sector (Overweight): FHC earnings rebounded in March, rose 79% YoY in 1Q18
10/4	TW IT Hardware (Neutral): Top picks are MacBook Air, server & good cash yield plays
10/4	TW Bizlink (3665 TT; Outperform; TP: NT\$306.00): 2018 growth outlook intact; attractive risk-reward profile
10/4	TW Formosa Chemicals (1326 TT; Outperform; TP: NT\$128.00): Earnings in line
10/4	TW Formosa Petrochemical (6505 TT; Outperform; TP: NT\$130.00): 1Q18 earnings below estimate
10/4	TW Formosa Plastics (1301 TT; Neutral; TP: NT\$112.00): Earnings as expected
10/4	TW Nan Ya Plastics (1303 TT; Outperform; TP: NT\$92.00): Earnings on par in 1Q18

For full reports, please contact Research Department at 6202 1190 or sgp.researchcom@kgi.com

STI Components and Key Metrics

Ticker	Company Name	Last Price (Lcl)	Market Cap (SGDm)	1 Day Change (%)	Total Return YTD (%)	Total Return 1 Week (%)	Div Yield FY18 (%)	Div Yield FY19 (%)
FINANCIALS								
DBS SP	DBS	28.55	73,199	0.5%	14.9%	2.7%	4.2%	4.4%
OCBC SP	OCBC	13.10	54,787	0.2%	5.7%	2.3%	3.3%	3.5%
UOB SP	UOB	28.36	47,104	0.4%	7.2%	2.6%	3.5%	3.8%
SGX SP	SGX	7.44	7,961	(0.3%)	0.6%	2.2%	4.0%	4.3%
PROPERTIES								
AREIT SP	Ascendas REIT	2.69	7,878	0.0%	(1.1%)	0.0%	5.9%	6.2%
CAPL SP	CapitaLand	3.64	15,291	(1.1%)	3.1%	0.8%	3.2%	3.3%
CCT SP	CapitaLand Comm Trust	1.84	6,646	0.0%	(2.6%)	0.0%	4.8%	4.9%
CT SP	CapitaLand Mall Trust	2.09	7,416	0.5%	(0.5%)	1.0%	5.3%	5.4%
CIT SP	City Development	12.66	11,512	(1.2%)	1.4%	(1.6%)	1.3%	1.4%
HKL SP	Hongkong Land USD	7.09	21,876	0.4%	2.8%	2.8%	3.0%	3.0%
UOL SP	UOL	8.67	7,303	(1.4%)	(2.3%)	0.2%	1.9%	1.9%
TELECOMMUNICATIONS								
ST SP	SingTel	3.36	54,865	(0.3%)	(5.9%)	(1.2%)	6.0%	5.4%
STH SP	StarHub	2.30	3,980	0.9%	(19.3%)	0.9%	6.8%	6.7%
CONSUMER SERVICES AND GOODS								
JCNC SP	Jardine C&C	35.17	13,900	(0.1%)	(13.5%)	(0.9%)	3.4%	3.7%
JM SP	Jardine Matheson USD	61.50	58,573	(0.4%)	3.2%	(0.1%)	2.7%	3.0%
JS SP	Jardine Strategic Holding	38.50	55,927	(2.0%)	(2.2%)	0.5%	0.9%	0.9%
GENS SP	Genting Singapore	1.17	14,093	(0.8%)	(10.7%)	2.6%	3.0%	3.1%
SPH SP	SPH	2.56	4,095	0.0%	(3.4%)	2.4%	5.4%	5.2%
THBEV SP	ThaiBev	0.80	20,089	0.0%	(11.1%)	0.0%	3.2%	3.6%
VMS SP	Venture Corp	29.04	8,347	(1.6%)	41.9%	3.3%	2.3%	2.4%
TRANSPORT								
SIA SP	Singapore Airlines	10.76	12,724	(0.6%)	0.8%	(3.0%)	3.1%	2.9%
CD SP	ComfortDelGro	2.18	4,716	(0.5%)	10.1%	4.8%	4.8%	4.9%
COMMODITIES								
GGR SP	Golden Agri	0.35	4,393	0.0%	(6.8%)	0.0%	1.9%	2.3%
WIL SP	Wilmar	3.18	20,118	0.3%	2.9%	1.0%	3.2%	3.5%
OFFSHORE & MARINE/INDUSTRIALS								
KEP SP	Keppel Corp	7.86	14,238	0.3%	6.9%	1.8%	3.3%	3.5%
SCI SP	Sembcorp Industries	3.12	5,568	(0.6%)	3.0%	1.3%	2.6%	3.0%
YZJSGD SP	Yangzijiang SGD	1.19	4,723	(1.7%)	(19.0%)	0.0%	3.7%	3.7%
SATS SP	SATS	5.21	5,814	0.2%	0.2%	0.2%	3.4%	3.5%
STE SP	ST Engineering	3.62	11,296	(1.4%)	11.0%	0.0%	4.3%	4.5%
HPHT SP	HPH Trust USD	0.33	3,770	0.0%	(17.2%)	0.0%	7.8%	8.0%

Dividend Yield based on Bloomberg consensus. Total return includes dividends.

Source: Bloomberg

STI Reserve List (by market cap) - STI next review date: March 2018

Ticker	Company Name	Last Price (Lcl)	Market Cap (SGDm)	1 Day Change (%)	Total Return YTD (%)	Total Return 1 Week (%)	Div Yield FY18 (%)	Div Yield FY19 (%)
SUN SP	Suntec REIT	1.90	5,056	0.0%	(10.5%)	1.1%	5.2%	5.3%
MCT SP	Mapletree Commercial	1.59	4,579	0.6%	(0.5%)	1.9%	5.6%	5.7%
KREIT SP	Keppel REIT	1.21	4,101	(0.8%)	(2.9%)	0.0%	4.8%	4.9%
SMM SP	Semcorp Marine	2.26	4,719	(0.9%)	22.8%	3.7%	0.9%	1.1%

Dividend Yield based on Bloomberg consensus. Total return includes dividends.

Source: Bloomberg

Appendix 1: Corporate Action

Company	Results Ann Date	Period	DPS	Ex-Date	Book Close	Payable	Share Price 16 Apr 18	Yield (%)
M1	23-Jan-18	FY17	SGD 0.06200	18-Apr-18	20-Apr-18	27-Apr-18	SGD 1.790	3.5
United Overseas Insurance	5-Feb-18	FY17	SGD 0.1400	19-Apr-18	23-Apr-18	3-May-18	SGD 7.680	1.8
United Overseas Insurance - Special	5-Feb-18	FY17	SGD 0.0500	19-Apr-18	23-Apr-18	3-May-18	SGD 7.680	0.7
Great Eastern Hldgs	13-Feb-18	FY17	SGD 0.50000	20-Apr-18	24-Apr-18	8-May-18	SGD 30.200	1.7
Great Eastern Hldgs - Special	13-Feb-18	FY17	SGD 0.10000	20-Apr-18	24-Apr-18	8-May-18	SGD 30.200	0.3
Lee Metal Grp	20-Feb-18	FY17	SGD 0.0100	20-Apr-18	24-Apr-18	7-May-18	SGD 0.415	2.4
iFAST Corporation	14-Feb-18	FY17	SGD 0.00900	24-Apr-18	26-Apr-18	8-May-18	SGD 0.890	1.0
Singapore Technologies Engrg	23-Feb-18	FY17	SGD 0.1000	24-Apr-18	26-Apr-18	8-May-18	SGD 3.620	2.8
StarHub	14-Feb-18	FY17	SGD 0.04000	24-Apr-18	26-Apr-18	10-May-18	SGD 2.300	1.7

Latest Rights Issue Announcement

Company	Particulars	Ex-Date	Book Close	Rights Trading Period	
				From	To
ESR-REIT	199 New Units @ S\$0.54 each Rts share for every 1,000 existing units in ESR-REIT	5-Mar-18	7-Mar-18		
Infinio Group	1 Rights Shares @ S\$0.007 for each Rights Share for every 1 existing shares held	4-Apr-18	6-Apr-18	11-Apr-18	19-Apr-18
Pine Capital Group	25 Rights Shares @ S\$0.0025 for each Rights Share for every 100 shares held and 8 free detachable Warrants (exercise price S\$0.002) for every 25 Rights Shares subscribed	6-Apr-18	10-Apr-18	13-Apr-18	23-Apr-18

Source: SGX Announcement

Latest Bonus & Listing Issue Announcement

Company	Particulars	Ex-Date	Book Close	Payable / Crediting Date	Listing Date
Roxy-Pacific Hldgs	1 Bonus share for every 10 share held	13-Apr-18	17-Apr-18	-	-

Source: SGX Announcement

Company	Offer Price	Closing Date	Offeror
Tat Hong Hldgs Ltd	SGD 0.500 Cash	5.30 p.m. on 26 Apr 2018	THSC Investments Pte. Ltd.
LTC Corporation Limited	SGD 0.925 Cash	5.30 p.m. on 25 Apr 2018	Mountbatten Enterprises Pte. Ltd.

Source: SGX Announcement

Appendix 2: Financial Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
16-Apr Q1: Keppel DC REIT / Keppel Infrastructure Trust / M1 / Qian Hu Corp / Soilbuild Biz Space REIT	17-Apr Genting Hong Kong: Delisting of Shares from the SGX-ST Q1: First REIT / Keppel Telecoms & Tpt / Keppel-KBS US REIT	18-Apr Q1: Ascott Residence Trust / Keppel REIT IPO: SLB Development (Catalist): Close @ 12.00 noon	19-Apr Q1: Keppel Corp / Spore Reinsurance Corp	20-Apr Q1: CapitaLand Mall Trust / ESR-REIT Q2: Frasers Commercial Trust *Q3: Spore Exchange IPO: SLB Development (Catalist): Commence Trading @ 9.00 a.m.
23-Apr SG (Mar 2018): CPI Overall index and sub-indices Q1: Utd Overseas Insurance Q4: Ascendas REIT / Mapletree Industrial Trust	24-Apr Q1: CapitaLand Commercial Trust Q4: Mapletree Commercial Trust	25-Apr Q1: Cache Logistics Trust / Sembcorp Marine / Suntec REIT Q2: Frasers Centrepoint Trust Q4: Ascendas India Trust / Mapletree Greater China Commercial Trust	26-Apr SG (Mar 2018): Index of Industrial Production SG (1Q18): Industrial Properties Q1: CapitaLand Retail China Trust / Far East Hospitality Trust / Ho Bee Land / Thakral Corp Q2: Frasers Hospitality Trust Q3: Starhill Global REIT Q4: Mapletree Logistics Trust	27-Apr SG (Mar 2018): Unemployment Rate & Employment Q1: CDL Hospitality Trusts / iFast Corp (Both release on Sat, 28-Apr) /
30-Apr Q1: CapitaLand / Parkway Life REIT / Raffles Medical Grp	1-May-18		2-May STI Review Q1: Sembcorp Industries / UOB (Before mkt open)	3-May Q1: Great Eastern Hlds
7-May Q1: OCBC (Before mkt open)	8-May	9-May Q1: China Aviation Oil Spore Corp	10-May	11-May
14-May	15-May Q4: SIA Engrg Co	16-May	17-May	18-May

* Tentative

Source: Bloomberg

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