

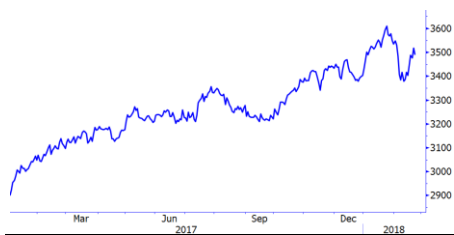
Market Indicators

	20-Feb	21-Feb	22-Feb
Mkt. T/O (S\$ mil)	1,292.9	1,552.6	1,715.7
Stock Advances	176	287	126
Stock Declines	285	156	328

Major Indices

	20-Feb	21-Feb	22-Feb
DJ Ind Avg	24,964.8	24,797.8	24,962.5
S & P 500	2,716.3	2,701.3	2,704.0
Nasdaq Comp	7,234.3	7,218.2	7,210.1
Hang Seng	30,873.6	31,431.9	30,965.7

STI Index 3,488.46 (-0.79%)



Source: Bloomberg

Commodities

	Current Price	% Chge from Close
Gold (SPOT) US\$ / oz	1,330.22	0.63%
Oil (NYMEX CWT1) US\$ / bbl	62.65	2.47%
Baltic Dry Index	1146	2.60%

Exchange Rates



USD : SGD 1.3196 / MYR : SGD 2.9684

Source: Bloomberg

Interest Rates

3-mth Sibor	1.189%
SGS (10 yr)	2.393%

KGI Securities Research Team

Market Colour

Overnight, US markets closed higher (Dow Jones +0.7%, S&P 500 -0.1%) as the USD reverted its downtrend, driven by treasury yields on 10-Y government bonds falling to 2.92%. The weakness in USD could be seen across currency pairs with the Dollar Index declining 0.29% to 89.736 even though jobless claims fell to a 5 week low.

In Singapore, the STI declined 0.8% to 3,488.46, led by stocks in the oil and gas sector (Sembcorp Industries -3.5%, Keppel Corp -2.2%, Yangzijiang -4.0%) after Sembcorp Marine released disappointing figures for 4Q17.

News

ST Engineering: Earnings for FY17 rose 5.6% YoY to \$511.9mn from \$484.5mn in FY16 while Revenue declined 1% YoY to \$6.62bn from \$6.68bn in FY16, missing the street's estimates of \$6.79bn. A final dividend of 10 cents per share was announced, same as the previous year. **Currently trades at 2018F EPS of 19.3x vs 5-year historical average EPS of 17.6x with dividend yield for 2018F expected at 4.59%. Consensus has a fair value of S\$3.80, implying a 12% upside.**

Sembcorp Industries: 4Q17 earnings declined 95% YoY while FY17 full-year earnings dropped 44% YoY to S\$245mn. **Earnings was below consensus estimates. The group announced its much-awaited strategic review, which included plans to divest assets in its utilities business (up to S\$0.5bn in value) and the IPO of its India energy business. However, the strategic review did not include any plans for Sembcorp Marine. We think this could be short-term negative for Sembcorp marine's share price given that most of its recent gains have been driven by expectations of corporate action (e.g. privatisation). We will give further updates after the management meeting this morning.**

Frencken: Earnings for FY17 rose 107% to \$33.1mn from \$16mn in FY16 with gross margins remaining stable at 14.6 while gross profit rose 12.8% YoY to \$18.4mn from \$16.3mn in FY16. **FY17 results was in line with our estimates. Frencken is currently trading at 8x FY2018 EPS compared to peers trading at 10-20x 2018F EPS. We currently have a BUY call and will give an update after our meeting with management.**

Wilmar International: Earnings for FY17 rose 25.4% YoY to US\$1.22bn from US\$972.2mn in FY16 while 4Q17 revenue slipped 3.3% YoY to US\$ 11.55bn, in line with lower sales volume and lower average selling prices during the quarter. The board proposed a final dividend of 7 cents per share, bringing total dividend for FY17 to 10 cents per share. **EPS came in at 0.19, beating consensus estimates of 0.17 and the stock currently trades at 11.9x 2018F EPS vs 5-year historical average EPS of 13.0x.**

OUE: Earnings for FY17 declined 31.5% YoY to \$98.9mn from \$144.4mn in FY16 with the board proposing a final cash dividend of 2 cents per share, bringing the total cash dividend for FY17 to 3 cents per share.

Sheng Siong: Earnings for FY17 rose 11.4% YoY to \$69.8mn from \$62.7mn in FY16 with the board declaring a final cash dividend of 1.75 cents per share, payable on May 17. **Currently trades at 2018F EPS of 19.7x vs 5-year historical average EPS of 23.1x.**

Recent In depth Regional Reports

22/2	TH Economic: January export value overshoot 17.6% YoY
22/2	TH Asia Aviation (AAV TB; Outperform; TP: Bt 6.55): 4Q17 earnings review: Within our forecast
22/2	TH Banpu Power (BPP TB; Outperform; TP: Bt 32.00): 4Q17 earnings review: Below our forecast
22/2	TH Bumrungrad Hospital (BH TB; Outperform; TP: Bt 236.00): 4Q17 earnings review: In line with our forecast
22/2	TH Carabao Group (CBG TB; Under Review; TP: Under Review): 4Q17 earnings review: All around weak
22/2	TH Central Pattana (CPN TB; Outperform; TP: Bt 93.00): 4Q17 earnings review: Lower than expected
22/2	TH Gunkul Engineering (GUNKUL TB; Outperform; TP: Bt 3.94): 4Q17 earnings review: Below expectations
22/2	TH Mono Technology (MONO TB; Outperform; TP: Bt 5.75): 4Q17 earnings review: In line results
22/2	TH Ratchaburi Electricity (RATCH TB; Outperform; TP: Bt 66.00): Catch yield and growth in the pocket
22/2	TH RS (RS TB; Outperform; TP: Bt 37.00): 4Q17 earnings review: Beat expectations
22/2	TH TOA Paint (Thailand) (TOA TB; Outperform; TP: Bt 40.50): Coloring the future
22/2	TH TPC Power Holding (TPCH TB; Outperform; TP: Bt 22.50): 4Q17 earnings review: In line with our forecast
21/2	SG Offshore & Marine: Small-mid cap oil & gas picks
21/2	SG Manulife US REIT (MUST SP; BUY; TP: US\$1.008): Pure-play US REIT looking to double AUM in two years
21/2	TW Strategy: After rout, bear run or post-bull correction?
21/2	TW Petrochemical Sector (Overweight): Anti-dumping measures for SM to suppress earnings of FCFC & GPPC
21/2	HK Minsheng Education (1569 HK; Outperform; TP: HK\$2.30): Expanding into high school arena
21/2	HK Sunny Optical Technology (2382 HK; Outperform; TP: HK\$164.80): 2017 net profit growth beat on ASP; 1Q18 slow season
22/2	TH Economic: January export value overshoot 17.6% YoY
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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	29.00	74,352	(1.5%)	16.7%	2.5%	3.9%	4.1%
OCBC SP	OCBC	13.10	54,830	0.8%	5.7%	2.5%	3.2%	3.4%
UOB SP	UOB	27.52	45,753	(0.3%)	4.0%	1.8%	3.4%	3.6%
SGX SP	SGX	7.48	8,007	(1.4%)	1.2%	1.5%	4.0%	4.3%
PROPERTIES								
AREIT SP	Ascendas REIT	2.55	7,364	(1.5%)	(6.3%)	(0.8%)	6.3%	6.5%
CAPL SP	CapitaLand	3.55	15,066	(1.4%)	0.6%	(0.6%)	3.3%	3.4%
CCT SP	CapitaLand Comm Trust	1.69	6,098	(3.4%)	(10.5%)	(2.9%)	5.2%	5.3%
CT SP	CapitaLand Mall Trust	1.98	7,022	(0.5%)	(5.8%)	1.5%	5.6%	5.7%
CIT SP	City Development	12.60	11,457	(1.5%)	0.9%	(0.9%)	1.2%	1.2%
HKL SP	Hongkong Land USD	7.04	21,930	(0.3%)	0.0%	1.9%	2.8%	2.9%
UOL SP	UOL	8.29	6,980	(1.5%)	(6.5%)	(0.6%)	1.8%	1.8%
TELECOMMUNICATIONS								
ST SP	SingTel	3.35	54,702	(0.6%)	(6.2%)	0.6%	6.1%	5.4%
STH SP	StarHub	2.49	4,306	(2.4%)	(12.6%)	(3.1%)	6.3%	6.2%
CONSUMER SERVICES AND GOODS								
JCNC SP	Jardine C&C	36.88	14,576	(2.3%)	(9.3%)	(2.7%)	3.0%	3.3%
JM SP	Jardine Matheson USD	61.83	59,453	(1.1%)	1.8%	(0.2%)	2.6%	2.7%
JS SP	Jardine Strategic Holding	38.00	55,731	(0.7%)	(4.0%)	(0.9%)	0.9%	0.9%
GENS SP	Genting Singapore	1.29	15,531	(0.8%)	(1.5%)	4.0%	2.3%	2.4%
SPH SP	SPH	2.64	4,223	(1.1%)	(0.4%)	0.4%	5.2%	5.0%
THBEV SP	ThaiBev	0.83	20,842	(0.6%)	(7.8%)	(2.4%)	3.3%	3.6%
VMS SP	Venture Corp	25.03	7,152	0.9%	22.3%	9.3%	2.6%	2.6%
TRANSPORT								
SIA SP	Singapore Airlines	11.16	13,197	(1.2%)	4.6%	(1.9%)	2.7%	2.6%
CD SP	ComfortDelGro	1.98	4,284	(2.0%)	0.0%	(3.4%)	5.3%	5.4%
COMMODITIES								
GGR SP	Golden Agri	0.36	4,585	0.0%	(2.7%)	0.0%	1.8%	1.8%
WIL SP	Wilmar	3.04	19,230	(1.3%)	(1.6%)	0.3%	2.4%	2.9%
OFFSHORE & MARINE/INDUSTRIALS								
KEP SP	Keppel Corp	7.97	14,437	(2.2%)	8.4%	0.4%	3.3%	3.5%
SCI SP	Sembcorp Industries	3.27	5,835	(3.5%)	7.9%	1.6%	2.3%	3.0%
YZJSGD SP	Yangzijiang SGD	1.44	5,715	(4.0%)	(2.0%)	3.6%	3.3%	3.2%
SATS SP	SATS	5.21	5,827	(0.2%)	0.2%	0.2%	3.4%	3.5%
STE SP	ST Engineering	3.38	10,531	0.0%	3.7%	1.5%	4.4%	4.6%
HPHT SP	HPH Trust USD	0.36	4,152	1.4%	(9.6%)	2.9%	7.3%	7.5%

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	1.91	5,082	(1.5%)	(10.1%)	(1.5%)	5.2%	5.2%
MCT SP	Mapletree Commercial	1.55	4,464	0.0%	(3.0%)	1.3%	5.7%	5.7%
KREIT SP	Keppel REIT	1.18	3,996	(2.5%)	(5.3%)	(0.8%)	5.0%	5.0%
SMM SP	Semcorp Marine	2.33	4,865	(11.4%)	26.6%	(7.5%)	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 22 Feb 18
Karin Technology Hldgs	12-Feb-18	1H18	HKD 0.0680	1-Mar-18	5-Mar-18	15-Mar-18	SGD 0.325
Ireit Global	15-Feb-18	FY17	SGD 0.0288	5-Mar-18	7-Mar-18	15-Mar-18	SGD 0.785
Global Invts	20-Feb-18	FY17	SGD 0.00600	6-Mar-18	8-Mar-18	24-Apr-18	SGD 0.150
Tai Sin Electric	9-Feb-18	2Q18	SGD 0.0075	7-Mar-18	9-Mar-18	16-Mar-18	SGD 0.405
Qian Hu Corp Ltd	12-Jan-18	FY17	SGD 0.0020	10-Apr-18	12-Apr-18	25-Apr-18	SGD 0.200
M1	23-Jan-18	FY17	SGD 0.06200	18-Apr-18	20-Apr-18	27-Apr-18	SGD 1.780
United Overseas Insurance	5-Feb-18	FY17	SGD 0.1400	19-Apr-18	23-Apr-18	3-May-18	SGD 7.450
United Overseas Insurance - Special	5-Feb-18	FY17	SGD 0.0500	19-Apr-18	23-Apr-18	3-May-18	SGD 7.450
Great Eastern Hldgs	13-Feb-18	FY17	SGD 0.50000	20-Apr-18	24-Apr-18	8-May-18	SGD 30.220
Great Eastern Hldgs - Special	13-Feb-18	FY17	SGD 0.10000	20-Apr-18	24-Apr-18	8-May-18	SGD 30.220
Lee Metal Grp	20-Feb-18	FY17	SGD 0.0100	20-Apr-18	24-Apr-18	7-May-18	SGD 0.410

Latest Rights Issue Announcement

Company	Particulars	Ex-Date	Book Close	Rights Trading Period	
				From	To
SingHaiyi Group Ltd	1 Rts Share @ S\$0.100 for each Rts Share for every 2 existing ord shares	13-Feb-18	15-Feb-18	21-Feb-18	1-Mar-18
Vashion Grp	10 Rights Shares @ S\$0.005 for each Rights Share for every 1 existing Share held, 1 Warrant (exercise price S\$0.005) for every 2 Rights Shares subscribed	9-Feb-18	13-Feb-18	19-Feb-18	27-Feb-18

Source: SGX Announcement

Vashion Grp: Expected date for commencement of trading of warrants: 9.00 a.m., Wednesday, 14 March 2018

Company	Offer Price	Closing Date	Offeror
CWG Int'l	SGD 0.195 Cash	5.30 p.m. on 5 Mar 2018	Elidom Investment Co., Ltd

Source: SGX Announcement

Appendix 2: Financial Calendar

Monday		Tuesday		Wednesday		Thursday		Friday	
	19-Feb		20-Feb		21-Feb		22-Feb		23-Feb
SG: 2018 Budget @ 3.30 p.m.		Q4: Global Invt		Q4: Sembcorp Marine		Q4: Amara Hldgs / BreadTalk Grp / Frencken Grp / Kingsmen Creative / Megachem / Utd Engineers / Wilmar Int'l		SG: 4Q17 GDP (Not later than 23 Feb) SG (Jan 2018): CPI Overall index and sub-indices Q4: BHG Retail REIT / CSE Global / Genting Spore PLC / IFS Capital / Sembcorp Industries / Spore Technologies Engrg / TeleChoice Int'l / UIC	
	26-Feb		27-Feb		28-Feb	1-Mar-18			2-Mar
SG (Jan 2018): Index of Industrial Production Q4: AP Oil Int'l / Asian Pay Television Trust / Aspial Corp / Best World Int'l / First Ship Lease Trust / Halcyon Agri / Haw Par Corp / Maxi-Cash Financial Services / Pharmesis Int'l / Raffles Medical Grp / Sinarmas Land		Q4: Fragrance Grp / Fuxing China Grp / Golden Agri-Resources / Hong Leong Finance / Htl Royal / mDR / Olam Int'l / Sino Grandness Food / Thakral Corp / UOL Grp		Q2: Serrano Q4: China Aviation Oil Spore / China Everbright Water / China SunSine Chemical / City Developments / EC World REIT / Emerging Towns & Cities / Hiap Hoe / Ho Bee Land / LHT Hldgs / Mewah Int'l Inc / Spore Reinsurance Corp / Straco Corp / World Precision Machinery		STI Review Q4: COSCO Shipping Int'l / Elec & Eltek Int'l / KrisEnergy / Vard Hldgs			
	5-Mar		6-Mar		7-Mar		8-Mar		9-Mar
	12-Mar		13-Mar		14-Mar		15-Mar		16-Mar
	19-Mar		20-Mar		21-Mar		22-Mar		23-Mar
								SG (Feb 2018): CPI Overall index and sub-indices	

* Tentative

Source: Bloomberg

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