

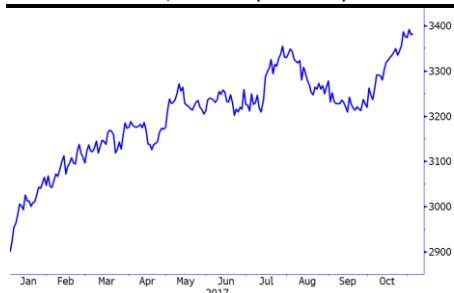
Market Indicators

	1-Nov	2-Nov	3-Nov
Mkt. T/O (S\$ mil)	1,478.1	1,106.8	914.8
Stock Advances	307	171	215
Stock Declines	154	282	206

Major Indices

	1-Nov	2-Nov	3-Nov
DJ Ind Avg	23,435.0	23,516.3	23,539.2
S & P 500	2,579.4	2,579.9	2,587.8
Nasdaq Comp	6,716.5	6,714.9	6,764.4
Hang Seng	28,594.1	28,518.6	28,603.6

STI Index 3,382.31 (+0.05%)

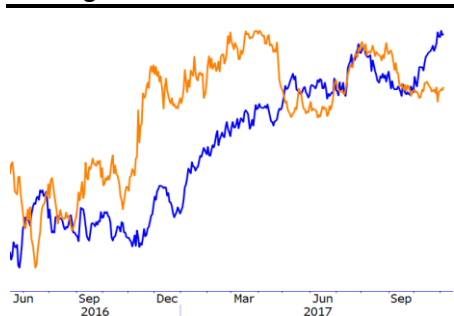


Source: Bloomberg

Commodities

	Current Price	% Chge from Close
Gold (SPOT) US\$ / oz	1,270.03	-0.46%
Oil (NYMEX CWT1) US\$ / bbl	55.83	1.75%
Baltic Dry Index	1476	-0.40%

Exchange Rates



Source: Bloomberg

Interest Rates

3-mth Sibor	1.126%
SGS (10 yr)	2.135%

KGI Securities Research Team

Market Colour

Asia share rally since 2016 driven by tech leaders

TSMC (2330 TT, NT\$241.0, N), Samsung (KR), and Tencent (HK) are the stocks with the largest market cap in Taiwan, Korea, and Hong Kong, respectively. Since 2016, their contribution to corresponding markets' market cap growth is 30%, 43%, and 43%, indicating the Asian stock market rallies are essentially rallies of market-cap leaders. Since 2016, TSMC's market cap as a share of Taiex market cap has risen from 15% to the current 20%. Samsung's share in KOSPI has risen from 15% to 23%, and Tencent's in HSI from 11% to 18%, implying the re-rating of market-cap leaders is key to the bull market in Asia.

Tech hype & ETF popularity explains market-cap leader rally

TSMC has, since 2016, seen PE rise from 12x to the current 18x. Samsung has risen from 10x to 12x, and Tencent from 43x to 52x. These three large-cap stocks have rallied simultaneously, we believe due to hype around tech stocks. TSMC and Samsung have attracted a consistent in-flow of global funds due to the iPhone replacement boom. And TSMC and Tencent are both engaged in the long-term theme of AI. Another catalyst is recent-year popularity of ETFs, whose share of global stock market value has risen from 1.2% to 5.2%. With the ETF market growing, funds are forced to engage market-cap leaders.

Valuation & Action

The rally of Asian equities since 2016 is essentially a re-rating of respective market cap leaders. Hype around tech stocks and ETF popularity are likely catalysts. Aside from ETFs strengthening bullish or worsening bearish markets, we think the re-rating will peak on a priced-in tech hype.

iPhone X sales will be an important indicator for the near and mid-term, while AI contribution will be a long-term barometer. iPhone X will enjoy strong sales for at least six months upon launch and AI's contribution to the semiconductor sector will emerge from 2019, supporting the Taiex's bull trend in the near and mid term.

But in the shorter term, we are cautious about profit-taking triggered by the iPhone X launch and over-optimism on AI contribution. We maintain our forecast of a Taiex level of 10,100 points before the end of 2017. But for 2018, we forecast over 11,000 points (P/B of 1.8x). We are upbeat on sectors with clear mid-term and long-term trends in iPhone X, data center, EV and robotics/ industrial automation.

Commentaries From The Trading Desk

23/10	Hang Seng is having a "Minsky Moment" while the SET may be going through a "Blumont Impact"
4/10	This is why the Stock Market's rally may be about to end
21/9	3 stories that may come in-play along with Oil price latest move

Note: The comments and views in this section are those of the Trading Desk team and do not necessarily coincide with the views of the Fundamental Equities Research team.

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 FY16 (%)	Div Yield FY17 (%)
FINANCIALS								
DBS SP	DBS	22.97	58,749	(0.1%)	36.5%	1.3%	2.9%	3.1%
OCBC SP	OCBC	11.81	49,475	0.1%	36.9%	0.1%	3.1%	3.3%
UOB SP	UOB	24.77	41,188	(0.1%)	25.2%	(0.9%)	2.9%	3.0%
SGX SP	SGX	7.69	8,237	0.5%	11.5%	0.7%	3.9%	4.2%
PROPERTIES								
AREIT SP	Ascendas REIT	2.67	7,734	0.4%	25.5%	1.1%	6.0%	6.1%
CAPL SP	CapitaLand	3.69	15,672	0.5%	25.5%	(0.8%)	2.8%	2.9%
CCT SP	CapitaLand Comm Trust	1.80	6,477	2.6%	32.2%	6.8%	4.9%	4.9%
CT SP	CapitaLand Mall Trust	2.02	7,199	1.0%	13.8%	1.0%	5.4%	5.4%
CIT SP	City Development	12.69	11,539	(0.8%)	55.5%	(1.6%)	1.2%	1.2%
GLP SP	Global Logistic	3.33	15,642	0.0%	54.1%	0.3%	1.8%	2.0%
HKL SP	Hongkong Land USD	7.42	23,776	0.1%	20.4%	1.0%	2.7%	2.8%
UOL SP	UOL	8.95	7,531	(1.1%)	52.6%	0.0%	1.7%	1.7%
TELECOMMUNICATIONS								
ST SP	SingTel	3.77	61,561	0.5%	6.2%	(0.5%)	5.3%	4.9%
STH SP	StarHub	2.72	4,703	3.0%	1.5%	1.5%	5.9%	5.7%
CONSUMER SERVICES AND GOODS								
JCNC SP	Jardine C&C	39.09	15,450	0.2%	(3.0%)	(1.7%)	2.8%	3.0%
JM SP	Jardine Matheson USD	64.66	63,950	1.6%	19.8%	(0.7%)	2.4%	2.5%
GENS SP	Genting Singapore	1.23	14,731	(0.4%)	39.0%	(1.6%)	2.4%	2.5%
SPH SP	SPH	2.66	4,252	(0.7%)	(23.3%)	(1.8%)	5.2%	5.1%
THBEV SP	ThaiBev	0.96	24,106	(1.0%)	16.1%	(2.0%)	3.1%	3.2%
TRANSPORT								
SIA SP	Singapore Airlines	10.28	12,156	0.3%	7.4%	(0.1%)	2.4%	2.3%
CD SP	ComfortDelGro	2.04	4,413	(0.5%)	(13.9%)	1.0%	5.1%	5.3%
COMMODITIES								
GGR SP	Golden Agri	0.39	4,967	0.0%	(7.7%)	0.0%	1.7%	2.4%
WIL SP	Wilmar	3.39	21,442	0.0%	(3.6%)	0.6%	2.2%	2.8%
OFFSHORE & MARINE/INDUSTRIALS								
KEP SP	Keppel Corp	7.60	13,778	(0.8%)	35.3%	1.9%	2.7%	3.1%
SCI SP	Sembcorp Industries	3.30	5,889	(2.4%)	18.5%	0.0%	2.4%	3.0%
YZJSGD SP	Yangzijiang SGD	1.57	6,231	(0.9%)	99.0%	2.3%	2.9%	2.8%
SATS SP	SATS	4.77	5,339	0.8%	0.5%	2.4%	3.6%	3.9%
SIE SP	SIA Engineering	3.26	3,646	0.0%	0.2%	(0.3%)	4.0%	4.3%
STE SP	ST Engineering	3.47	10,812	(0.3%)	11.8%	(1.1%)	4.3%	4.5%
HPHT SP	HPH Trust USD	0.43	5,101	(1.1%)	7.1%	(3.4%)	6.1%	6.3%

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

STI Reserve List (by market cap) - STI next review date: 30 November 2017

Ticker	Company Name	Last Price (Lcl)	Market Cap (SGDm)	1 Day Change (%)	Total Return YTD (%)	Total Return 1 Week (%)	Div Yield FY16 (%)	Div Yield FY17 (%)
SUN SP	Suntec REIT	1.96	5,186	1.0%	25.1%	2.6%	5.1%	5.0%
MCT SP	Mapletree Commercial	1.57	4,518	0.6%	19.2%	1.8%	5.7%	5.7%
VMS SP	Venture Corp	19.30	5,486	0.1%	103.1%	4.2%	2.8%	2.8%
SIE SP	SIA Engineering	3.26	3,646	0.0%	0.2%	(0.3%)	4.0%	4.3%
KREIT SP	Keppel REIT	1.18	3,986	0.9%	22.4%	0.9%	5.1%	5.1%

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 3 Nov 17	Yield (%)
Health Mgt Int'l	24-Aug-17	FY17 RM	0.0100	6-Nov-17	8-Nov-17	17-Nov-17	SGD 0.625	0.0
Lion Asiapac Ltd	23-Aug-17	FY17	SGD 0.0050	6-Nov-17	8-Nov-17	21-Nov-17	SGD 0.540	0.9
Lum Chang Holdings Ltd	22-Aug-17	FY17	SGD 0.0120	7-Nov-17	9-Nov-17	23-Nov-17	SGD 0.410	2.9
OUE Hospitality Trust	1-Nov-17	3Q17	SGD 0.0136	7-Nov-17	9-Nov-17	1-Dec-17	SGD 0.810	1.7
Far East Hospitality Trust	2-Nov-17	3Q17	SGD 0.010300	8-Nov-17	10-Nov-17	15-Dec-17	SGD 0.710	1.5
Frasers Logistics & Industrial Trust	2-Nov-17	FY17	SGD 0.01680	8-Nov-17	10-Nov-17	19-Dec-17	SGD 1.130	1.5
StarHub	2-Nov-17	3Q17	SGD 0.0400	8-Nov-17	10-Nov-17	24-Nov-17	SGD 2.720	1.5
Lippo Malls Indonesia Retail Trust	2-Nov-17	3Q17	SGD 0.0086	9-Nov-17	13-Nov-17	29-Nov-17	SGD 0.435	2.0
Ascendas India Trust	25-Oct-17	3Q18	SGD 0.02810	13-Nov-17	15-Nov-17	27-Nov-17	SGD 1.155	2.4
AVI-Tech Electronics	16-Aug-17	FY17	SGD 0.0100	13-Nov-17	15-Nov-17	29-Nov-17	SGD 0.535	1.9
AVI-Tech Electronics - Special	16-Aug-17	FY17	SGD 0.0080	13-Nov-17	15-Nov-17	29-Nov-17	SGD 0.535	1.5
Hatten Land Ltd	16-Aug-17	FY17	SGD 0.0005	13-Nov-17	15-Nov-17	30-Nov-17	SGD 0.205	0.2
PEC	28-Aug-17	FY17	SGD 0.0200	13-Nov-17	15-Nov-17	29-Nov-17	SGD 0.680	2.9
PEC - Special	28-Aug-17	FY17	SGD 0.0050	13-Nov-17	15-Nov-17	29-Nov-17	SGD 0.680	0.7

Latest Rights Issue Announcement

Company	Particulars	Ex-Date	Book Close	its Trading Period	
				From	To
Z-Obee Holdings	2 offer shares @ US\$0.16 (equivalent to approximately HK\$1.248) per offer share for every 5 consolidated shares held		27-Oct-17 at 5.00 p.m.	Delisting from SGX:	28-Nov-17

Source: SGX Announcement

Latest Listing Issue Announcement

Company	Offer Price	Closing Date	Offeror
CWT	SGD 2.33 Cash	5.30 p.m. on 2 Nov 2017	HNA Belt and Road Invts (Spore) Pte. Ltd.
Fischer Tech - Scheme of arrangement	SGD 3.02 Cash	5.00 p.m. on 1 Nov 2017	FT Holding II Ltd
GP Batteries International	SGD 1.30 Cash	5.30 p.m. on 17 Nov 2017	GP Industries Limited
New Wave Holdings Ltd.	S\$0.0130 Cash	5.30 p.m. on 30 Nov 2017	JK Global Assets Pte. Ltd.
Poh Tiong Choon Logistics	SGD 1.30 Cash	5.30 p.m. on 20 Nov 2017	Respond Logistics Pte. Ltd.

Source: SGX Announcement

Appendix 2: Financial Calendar

Monday		Tuesday		Wednesday		Thursday		Friday	
6-Nov		7-Nov		8-Nov		9-Nov		10-Nov	
Q2: Ascendas Hospitality Trust / Vallianz Hldgs Q3: BreadTalk Grp / DBS (Before mkt open) / Genting Spore PLC		Q2: RHT Health Trust / Spore Airlines Q3: BHG Retail REIT / Hi-P Int'l / OKP Hldgs / Perennial Real Estate Hldgs IPO: Keppel KBS US REIT (Mainboard): Close @ 12.00 noon		Q3: Best World Int'l / CapitalLand / First Ship Lease Trust / Spore Technologies Engrg / Vicom		Q2: SATS / Spore Telecoms Q3: City Devpts / Ezion / Ho Bee Land / IREIT Global / KrisEnergy / Parkway Life REIT / SBS Transit / Thakral Corp / Trendlines Grp / UOL Grp / Valuetronics Hldgs IPO: Keppel KBS US REIT (Mainboard): Commence Trading @ 2.00 p.m.		Q2: Global Logistic Properties Q3: ComfortDelGro Corp / Elec & Eltek Int'l / Hiap Hoe / Hong Leong Finance / Htl Royal / IFS Capital / Mewah Int'l Inc / Vard Hldgs / World Precision Machinery (Release on Sat, 11-Nov) Q4: Frasers Centrepoint	
13-Nov		14-Nov		15-Nov		16-Nov		17-Nov	
Q2: Accordia Golf Trust / Foreland Fabrictech Hldgs Q3: Amara Hldgs / Asian Pay Television Trust / Utd Engineers / Wilmar Int'l		Q1: ASL Marine Hldgs Q2: Serrano / Shanghai Turbo Enterprise Q3: Straco Corp		Q3: Olam Int'l					
20-Nov		21-Nov		22-Nov		23-Nov		24-Nov	
						SG (Oct 2017): CPI		SG: 3Q17 GDP (Not later than 24 Nov)	
27-Nov		28-Nov		29-Nov		30-Nov		1-Dec-17	
						STI Review			

* Tentative

Source: Bloomberg

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