

Market Indicators

	8-Nov	9-Nov	10-Nov
Mkt. T/O (S\$ mil)	1,303.8	1,441.3	1,305.0
Stock Advances	196	162	204
Stock Declines	251	285	242

Major Indices

	8-Nov	9-Nov	10-Nov
DJ Ind Avg	23,563.4	23,461.9	23,422.2
S & P 500	2,594.4	2,584.6	2,582.3
Nasdaq Comp	6,789.1	6,750.1	6,750.9
Hang Seng	28,907.6	29,136.6	29,120.9

STI Index 3,420.10 (-0.11%)

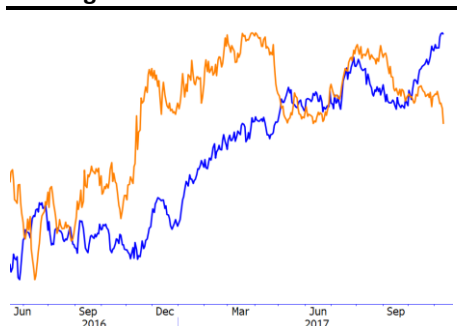


Source: Bloomberg

Commodities

	Current Price	% Chge from Close
Gold (SPOT) US\$ / oz	1,275.19	-0.66%
Oil (NYMEX CWT1) US\$ / bbl	56.92	-0.37%
Baltic Dry Index	1464	-1.15%

Exchange Rates



Source: Bloomberg

Interest Rates

3-mth Sibor	1.126%
SGS (10 yr)	2.142%

KGI Securities Research Team

Market Colour

Singapore equity funds have received about S\$2.7bn in 10 straight months of inflows, leading the STI to post a 29-month high of 3424 points last week. The index has risen by about 17% year-to-date and was bolstered by the REIT and banking sector. Other outperforming sectors including industrials, property and information technology also helped to add colour to the Singapore economy.

Initiation Report

➤ **Cityneon Holdings Limited (CITN SP; BUY; TP: S\$1.380):** Conquering the world; one country at a time - Page 2

News

Asian Pay TV: 3Q17 earnings grew 6.5% YoY to S\$84.5m from S\$79.3m. DPU of 1.625 Singapore cents remained unchanged from a year ago. According to APTT, the focus in 2017 will remain on driving growth in cash flows through up-selling and cross-selling of services across TBC's (Taiwan Broadband Communications group) subscriber base. **We have a fair value of S\$0.60 on APTT and will give an update after our meeting with management. It currently offers an attractive 10% dividend yield over the next three years.**

Jardine C&C: Announced intention to acquire 5.5% stake in Vietnam Dairy Products Joint Stock Company (Vinamilk) for US\$616.6m (S\$838.6m). The acquisition, which will increase the group's exposure to the Vietnamese economy, will be funded via internal resources and external borrowings. **Consensus has a fair value of S\$45, implying a 15% upside.**

HRnetGroup: 3Q17 posted profits of S\$10.7m which was 20% YoY on a drop in minority interests and growth in the flexible staffing business. Revenue increased 7% YoY to S\$97.5m as the flexible staffing business improved in Singapore. The group said that it expects to announce a series of new projects in the foreseeable future amid an ongoing focus on merger and acquisition opportunities. **Consensus has a fair value of S\$1.02, implying a 17% upside. Given its strong balance sheet (~S\$280m net cash), earnings-accretive acquisitions may provide a short-term rerating catalyst.**

ComfortDelGro: Net profit takes a hit from private-hire rivals. 3Q17 net profit fell 8.2% YoY to S\$80.1m, on the back of fierce competition from private-hire rivals. **Consensus has a fair value of S\$2.3, implying a 16% upside. Potential short-term upside catalyst may be driven by the partnership with Uber. Its share price may be supported at current levels by its 5.3/5.5/5.6% dividend yield for FY17-19F.**

Business Times / Bloomberg / Straits Times / The Edge Markets / SGX

Commentaries From The Trading Desk

8/11	A narrative of a stock entering its 'blow-off' phase
6/11	DBS firing well, however will old exposures haunt it?
27/10	Tapering announced, but no tantrum by stocks! Or is this simply a premature assumption?

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.

Cityneon Holdings Limited

(CITN SP/CNHL.SI)

BUY

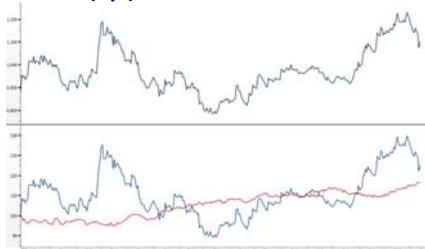
Price as of 10 Nov 2017	1.095
12M target price (S\$)	1.380
Previous target price (S\$)	na
Upside, incl. div (%)	26.0

Trading data

Mkt Cap (S\$m) / (US\$m)	268 / 197
Issued Shares (m)	245
Ave Daily Traded (3-Month) Vol / Val	2.0m / \$2.1m
52 week lo / hi	\$0.77 / \$1.26
Free Float	29.5%

Major Shareholders

Lucrum 1 Investment	69.0%
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CITN SP (1yr) VS STI


Source: Bloomberg

Nicholas Siew
65 6202 1193
nicholas.siew@kgi.com

See the last page for important disclosures.

Conquering the world; one country at a time

Event

We believe that the strategic move to focus on its Intellectual Property (IP) rights segment would bode well for Cityneon in the foreseeable future. With growth plans to expand its geographical reach and acquire additional IP rights moving forward, we see significant growth potential in Cityneon's operations and a potential boost in EPS of 136/37/39% in FY17/18/19F.

Impact

Bringing the blockbuster experience to the world. Its wholly-owned subsidiary Victory Hill Exhibitions (VHE) currently owns three exclusive IP rights and licences to showcase Marvel Avengers S.T.A.T.I.O.N., Hasbro Transformers Autobot Alliance and Jurassic World: The Exhibition using cutting-edge technologies. Capitalising on the loyal fan base of these movie franchises, VHE earns lucrative high-margin licensing fees and royalties from its exhibition operators. It recently announced its debut in Chongqing, China and Moscow, Russia, as well as its plans to add Australia to its itinerary.

Potential to dominate the playing field with scalable, low-risk business model.

While VHE's operation is highly mobile, it bears minimal operating risk as this is borne by their strong network of operating partners. We like the fact that fixed licensing fees make up the bulk of its revenues, and are resilient against uncertain visitorship. The majority of its expenses is attributed to one-off costs in the production of exhibition sets. These contribute to 80 – 85% operating margins.

Strengthening track record could potentially accelerate 4th IP acquisition.

VHE has come a long way since its first exhibition. Today, it has a total of 5 operational exhibition sets and has held many successful exhibitions in various locations globally. With a strong track record in this business, as well as an extensive network of international operating partners, VHE has gained credibility in its ability to successfully scale its business.

Valuation & Action

We initiate coverage on Cityneon with a BUY recommendation in view of its growth potential and high margin, low-risk business. We assign a target price of S\$1.38 to Cityneon, based on a conservative FY18F P/E of 15.1x.

Risks

Renewal of IP rights.

Financials & Key Operating Statistics

YE Dec SGD mn	2015	2016	2017F	2018F	2019F
Revenue	96.5	96.8	115.7	131.7	153.2
PATMI	0.9	6.7	16.4	22.4	31.1
Core PATMI	0.9	6.7	16.4	22.4	31.1
Core EPS (SGD cents)	0.7	2.8	6.7	9.1	12.7
Core EPS grth (%)	(73.5)	302.6	136.4	36.7	39.1
Core P/E (x)	155.7	38.7	16.4	12.0	8.6
DPS (SGD cents)	0.0	0.0	0.0	0.0	0.0
Div Yield (%)	0.0	0.0	0.0	0.0	0.0
Net Margin (%)	0.9	6.9	14.2	17.0	20.3
Gearing (%)	14.2	26.3	24.0	20.0	16.3
Price / Book (x)	2.7	3.7	3.1	2.5	1.9
ROE (%)	2.3	11.2	21.1	23.1	25.2

Source: Company Data, KGI Research

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	24.01	61,409	(1.2%)	42.7%	4.5%	2.7%	3.0%
OCBC SP	OCBC	11.75	49,226	(0.8%)	36.2%	(0.5%)	3.2%	3.4%
UOB SP	UOB	25.24	41,972	(0.6%)	27.5%	1.9%	2.9%	3.0%
SGX SP	SGX	7.67	8,216	(0.8%)	11.2%	(0.3%)	4.0%	4.2%
PROPERTIES								
AREIT SP	Ascendas REIT	2.64	7,618	(0.4%)	23.7%	(1.5%)	6.1%	6.2%
CAPL SP	CapitaLand	3.58	15,205	(0.3%)	21.8%	(3.0%)	2.8%	3.0%
CCT SP	CapitaLand Comm Trust	1.83	6,585	(0.5%)	34.4%	1.7%	4.8%	4.8%
CT SP	CapitaLand Mall Trust	2.03	7,199	0.0%	13.8%	0.0%	5.4%	5.4%
CIT SP	City Development	12.20	11,093	0.5%	49.5%	(3.9%)	1.3%	1.2%
GLP SP	Global Logistic	3.32	15,595	0.0%	53.7%	(0.3%)	1.8%	2.0%
HKL SP	Hongkong Land USD	7.37	23,595	0.7%	19.5%	(0.7%)	2.7%	2.8%
UOL SP	UOL	8.75	7,363	(0.6%)	49.1%	(2.2%)	1.7%	1.7%
TELECOMMUNICATIONS								
ST SP	SingTel	3.78	61,724	0.5%	6.4%	0.3%	5.5%	4.8%
STH SP	StarHub	2.84	4,911	0.4%	7.5%	5.9%	5.6%	5.5%
CONSUMER SERVICES AND GOODS								
JCNC SP	Jardine C&C	39.21	15,497	0.3%	(2.7%)	0.3%	2.8%	2.9%
JM SP	Jardine Matheson USD	67.00	66,206	2.0%	24.1%	3.6%	2.4%	2.5%
GENS SP	Genting Singapore	1.34	16,114	1.5%	52.0%	9.4%	2.2%	2.3%
SPH SP	SPH	2.70	4,316	0.4%	(22.2%)	1.5%	5.1%	5.0%
THBEV SP	ThaiBev	0.96	23,980	(0.5%)	15.5%	(0.5%)	3.1%	3.2%
TRANSPORT								
SIA SP	Singapore Airlines	10.83	12,807	0.0%	13.2%	5.4%	2.3%	2.2%
CD SP	ComfortDelGro	2.00	4,327	(0.5%)	(15.6%)	(2.0%)	5.3%	5.5%
COMMODITIES								
GGR SP	Golden Agri	0.40	5,094	(1.2%)	(5.3%)	2.6%	1.7%	2.4%
WIL SP	Wilmar	3.31	20,936	(0.9%)	(5.8%)	(2.4%)	2.3%	2.8%
OFFSHORE & MARINE/INDUSTRIALS								
KEP SP	Keppel Corp	7.53	13,651	(0.9%)	34.1%	(0.9%)	2.7%	3.2%
SCI SP	Sembcorp Industries	3.18	5,675	(0.6%)	14.2%	(3.6%)	2.5%	3.1%
YZJSGD SP	Yangzijiang SGD	1.64	6,509	4.8%	107.9%	4.5%	2.8%	2.7%
SATS SP	SATS	5.01	5,607	6.4%	5.6%	5.0%	3.5%	3.7%
SIE SP	SIA Engineering	3.29	3,679	1.2%	1.2%	0.9%	4.0%	4.3%
STE SP	ST Engineering	3.37	10,501	0.0%	8.6%	(2.9%)	4.4%	4.6%
HPHT SP	HPH Trust USD	0.42	4,978	(1.2%)	4.6%	(2.3%)	6.3%	6.5%

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	1.93	5,106	(1.0%)	23.2%	(1.5%)	5.2%	5.1%
MCT SP	Mapletree Commercial	1.57	4,506	0.0%	18.9%	(0.3%)	5.7%	5.7%
VMS SP	Venture Corp	21.95	6,239	3.6%	131.0%	13.7%	2.7%	2.8%
SIE SP	SIA Engineering	3.29	3,679	1.2%	1.2%	0.9%	4.0%	4.3%
KREIT SP	Keppel REIT	1.18	3,969	(0.4%)	21.9%	(0.4%)	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 10 Nov 17	Yield (%)
Ascendas India Trust	25-Oct-17	3Q18	SGD 0.02810	13-Nov-17	15-Nov-17	27-Nov-17	SGD 1.160	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 0.198	0.3
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
EC World REIT	8-Nov-17	3Q17	SGD 0.0144	14-Nov-17	16-Nov-17	28-Dec-17	SGD 0.780	1.8
Parkway Life Real Estate Invst Trust	9-Nov-17	3Q17	SGD 0.0337	15-Nov-17	17-Nov-17	8-Dec-17	SGD 2.890	1.2
SIA Engrg Co	3-Nov-17	2Q18	SGD 0.0400	15-Nov-17	17-Nov-17	28-Nov-17	SGD 3.290	1.2
Thakral Corp Ltd	9-Nov-17	3Q17	SGD 0.0300	15-Nov-17	17-Nov-17	27-Nov-17	SGD 0.585	5.1
Datapulse Technology Ltd	21-Sep-17	FY17	SGD 0.0050	20-Nov-17	22-Nov-17	1-Dec-17	SGD 0.360	1.4
Hi-P International Ltd	6-Nov-17	3Q17	SGD 0.0200	20-Nov-17	22-Nov-17	4-Dec-17	SGD 1.915	1.0
Japan Foods	7-Nov-17	1H18	SGD 0.0080	20-Nov-17	22-Nov-17	8-Dec-17	SGD 0.420	1.9
SATS	9-Nov-17	2Q18	SGD 0.0600	21-Nov-17	23-Nov-17	8-Dec-17	SGD 5.010	1.2
Singapore Airlines	7-Nov-17	2Q18	SGD 0.1000	21-Nov-17	23-Nov-17	5-Dec-17	SGD 10.830	0.9
Sunright Ltd	22-Sep-17	FY17	SGD 0.0030	21-Nov-17	23-Nov-17	8-Dec-17	SGD 0.800	0.4
Valuetronics Hldgs	9-Nov-17	2Q18	HKD 0.0700	21-Nov-17	23-Nov-17	5-Dec-17	SGD 1.010	1.2
AEM Holdings Ltd	2-Nov-17	3Q17	SGD 0.03000	22-Nov-17	24-Nov-17	8-Dec-17	SGD 3.380	0.9
Sysma Holdings Ltd	20-Sep-17	FY17	SGD 0.0050	23-Nov-17	27-Nov-17	7-Dec-17	SGD 0.173	2.9
Civmec Ltd	22-Aug-17	FY17	SGD 0.0070	28-Nov-17	30-Nov-17	14-Dec-17	SGD 0.540	1.3

Company	Particulars	Ex-Date	Book Close	Rights 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
Fischer Tech - Scheme of arrangement	SGD 3.02 Cash	5.00 p.m. on 1 Nov 2017	FT Holding II Ltd
		Expected Payment Date: 13 Nov 2017	
GP Batteries International	SGD 1.30 Cash	5.30 p.m. on 17 Nov 2017	GP Industries Limited
Indiabulls Properties Investment Trust	SGD 0.90 Cash	5.30 p.m. on 22 Nov 2017	Brenformexa Ltd
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
<p>13-Nov</p> <p>Q1: Health Mgt Int'l</p> <p>Q2: Accordia Golf Trust / Foreland Fabrictech Hldgs</p> <p>Q3: Amara Hldgs / Asian Pay Television Trust / China Everbright Water / China Sunshin Chemical Hldgs / Sinarmas Land / Spore Reinsurance / Utd Engineers / Wilmar Int'l</p>	<p>14-Nov</p> <p>Q1: ASL Marine Hldgs</p> <p>Q2: RHT Health Trust / Serrano / Shanghai Turbo Enterprise / Spore Post / Tat Hong Hldgs</p> <p>Q3: Fuxing China Grp / TeleChoice Int'l</p>	<p>15-Nov</p> <p>Q1: EMS Energy</p> <p>Q3: Olam Int'l</p>	<p>16-Nov</p>	<p>17-Nov</p>
<p>20-Nov</p>	<p>21-Nov</p>	<p>22-Nov</p>	<p>23-Nov</p> <p>SG (Oct 2017): CPI</p>	<p>24-Nov</p> <p>SG: 3Q17 GDP (Not later than 24 Nov)</p>
<p>27-Nov</p>	<p>28-Nov</p>	<p>29-Nov</p>	<p>30-Nov</p> <p>STI Review</p>	<p>1-Dec-17</p>
<p>4-Dec</p>	<p>5-Dec</p>	<p>6-Dec</p>	<p>7-Dec</p>	<p>8-Dec</p> <p>Q3: Cogent Hldgs</p>
<p>11-Dec</p>	<p>12-Dec</p>	<p>13-Dec</p>	<p>14-Dec</p>	<p>15-Dec</p>

* Tentative

Source: Bloomberg

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