

Market Indicators

| | 11-Jan | 12-Jan | 15-Jan |
|--------------------|--------|---------|---------|
| Mkt. T/O (S\$ mil) | 993.1 | 1,189.3 | 1,030.0 |
| Stock Advances | 188 | 285 | 209 |
| Stock Declines | 251 | 177 | 239 |

Major Indices

| | 11-Jan | 12-Jan | 15-Jan |
|-------------|----------|----------|----------|
| DJ Ind Avg | 25,574.7 | 25,803.2 | Closed |
| S & P 500 | 2,767.6 | 2,786.2 | Closed |
| Nasdaq Comp | 7,211.8 | 7,261.1 | Closed |
| Hang Seng | 31,120.4 | 31,412.5 | 31,338.9 |

STI Index 3,536.41 (+0.45%)



Source: Bloomberg

Commodities

| | Current Price | % Chge from Close |
|-----------------------------|---------------|-------------------|
| Gold (SPOT) US\$ / oz | 1,341.41 | 0.03% |
| Oil (NYMEX CWT1) US\$ / bbl | 64.72 | 0.65% |
| Baltic Dry Index | 1279 | -1.84% |

Exchange Rates



Source: Bloomberg

Interest Rates

| | |
|-------------|--------|
| 3-mth Sibor | 1.332% |
| SGS (10 yr) | 2.050% |

KGI Securities Research Team

Market Colour

We expect equity markets to take a breather after the stellar run-up in the first two weeks of the year, where major global benchmarks have gained between 4% to 5% year-to-date. Earnings season has started with SPH shares gaining 3% in yesterday trading after it reported a better-than-expected 1Q18 results. There has also been notable movements in the currency markets, with the euro rising to fresh 3-year highs after the ECB's minutes suggested that the central bank may take a more hawkish stance on its monetary policy.

News

CNMC: The company is planning to seek a dual listing on the main board of the HK exchange, saying that the proposed listing will increase the firm's market visibility and help it to be more exposed to a wider range of private and institutional clients. CNMC has appointed Alliance Capital Partners as its sponsor for the proposed listing. Preparatory works are still ongoing and no application for the listing has been made yet. **Its share price rose 11% in yesterday trading after the announcement and currently trades at 2.2 P/B and 10x historical P/E. Net profits fell almost 90% YoY in 9M17 due to lower ore grades but may improve in 2018 due to the start of the group's third gold-ore processing plant that may optimise overall gold output.**

JEP Holdings: An unrelated third party has been in talks with the executive directors of the company over a possible deal to acquire at least a 15% stake. **The stock remains of the most actively traded counters on Monday and has gained 75% in the last 5 trading days. It is currently trading at >200x T12M P/E and 1.9x P/B.**

Halcyon Agri: Signed a conditional sale and purchase agreement to acquire PT Sumber Djantin and PT Sumber Alam for S\$105m. The acquisition will add four standard Indonesian Rubber (SIR) factories with an annual capacity of 132,000 tonnes to the company's operations. As a result, Halcyon Agri will operate a total of 19 factories in Indonesia with a total annual processing capacity in Indonesia of 877,000 tonnes, making the group the single largest producer of SIR globally.

Recent In-depth Regional Reports

| | |
|------|---|
| 15/1 | TH Industrial Estate Sector: The bell of investment tolls |
| 15/1 | TH AMATA Corporation PCL (AMATA TB; Outperform; TP: Bt 31.50): Sky's the limit |
| 15/1 | TH TICON Industrial Connection PCL (TICON TB; Outperform; TP: Bt 19.30): Attention please |
| 15/1 | TH Tisco Financial Grp (TISCO TB; Under Review; TP: Under Review): 4Q17 earnings review: Healthy organic growth |
| 15/1 | TH WHA Corporation PCL (WHA TB; Outperform; TP: Bt 4.60): Fully-armed |
| 12/1 | TW Kaulin (1531 TT; Outperform; TP: NT\$36.00): Robust earnings growth for 2018F |
| 12/1 | TW Sunonwealth (2421 TT; Outperform; TP: NT\$63.00): Product mix to negatively impact 4Q17 gross margin; 2018 non-IT business expansion intact |
| 12/1 | CN/HK Stock Liquidity Monitor: Weekly data – Stock incentive & employee shareholding plans |
| 12/1 | CN/HK Economy: Fundamentals recovered in December despite weak import & export YoY growth |
| 12/1 | CN/HK China Insight: Industrial sewing machinery demand up on automation & smart manufacturing |

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 FY16 (%) | Div Yield FY17 (%) |
|--|-----------------------|------------------|-------------------|------------------|----------------------|-------------------------|--------------------|--------------------|
| FINANCIALS | | | | | | | | |
| DBS SP | DBS | 26.54 | 67,880 | 0.8% | 6.8% | 0.3% | 2.5% | 2.8% |
| OCBC SP | OCBC | 13.08 | 54,745 | 0.7% | 5.6% | 0.7% | 2.8% | 3.1% |
| UOB SP | UOB | 28.10 | 46,732 | 0.8% | 6.2% | 3.1% | 2.6% | 2.8% |
| SGX SP | SGX | 7.57 | 8,108 | 0.3% | 1.7% | (0.3%) | 4.0% | 4.3% |
| PROPERTIES | | | | | | | | |
| AREIT SP | Ascendas REIT | 2.75 | 7,941 | (1.4%) | 1.1% | (1.8%) | 5.8% | 6.0% |
| CAPL SP | CapitaLand | 3.77 | 16,012 | (0.3%) | 6.8% | 1.3% | 2.7% | 2.8% |
| CCT SP | CapitaLand Comm Trust | 1.93 | 6,964 | (2.5%) | 0.0% | (3.0%) | 4.6% | 4.6% |
| CT SP | CapitaLand Mall Trust | 2.05 | 7,270 | (0.5%) | (3.8%) | (2.4%) | 5.4% | 5.4% |
| CIT SP | City Development | 13.36 | 12,148 | 2.5% | 7.0% | 3.2% | 1.2% | 1.1% |
| HKL SP | Hongkong Land USD | 7.13 | 22,164 | 0.6% | 1.3% | (1.2%) | 2.8% | 2.9% |
| UOL SP | UOL | 9.34 | 7,863 | 0.6% | 5.3% | 0.8% | 1.6% | 1.6% |
| TELECOMMUNICATIONS | | | | | | | | |
| ST SP | SingTel | 3.60 | 58,785 | 0.0% | 0.8% | (0.8%) | 5.8% | 5.1% |
| STH SP | StarHub | 2.92 | 5,049 | (0.3%) | 2.5% | 0.7% | 5.5% | 5.3% |
| CONSUMER SERVICES AND GOODS | | | | | | | | |
| JCNC SP | Jardine C&C | 40.00 | 15,809 | (0.7%) | (1.6%) | (2.3%) | 2.7% | 2.8% |
| JM SP | Jardine Matheson USD | 62.21 | 59,692 | 0.1% | 2.4% | 2.2% | 2.6% | 2.6% |
| GENS SP | Genting Singapore | 1.30 | 15,651 | (0.8%) | (0.8%) | (3.0%) | 2.3% | 2.4% |
| SPH SP | SPH | 2.71 | 4,332 | 3.0% | 2.3% | (1.5%) | 5.1% | 4.9% |
| THBEV SP | ThaiBev | 0.94 | 23,478 | 0.0% | 1.6% | 2.2% | 3.1% | 3.3% |
| VMS SP | Venture Corp | 22.75 | 6,480 | 0.4% | 11.1% | 6.1% | 2.8% | 2.9% |
| TRANSPORT | | | | | | | | |
| SIA SP | Singapore Airlines | 11.07 | 13,091 | 0.1% | 3.7% | 2.0% | 2.4% | 2.1% |
| CD SP | ComfortDelGro | 2.00 | 4,327 | (1.5%) | 1.0% | (2.4%) | 5.2% | 5.3% |
| COMMODITIES | | | | | | | | |
| GGR SP | Golden Agri | 0.39 | 4,967 | 2.6% | 5.4% | 2.6% | 1.7% | 2.0% |
| WIL SP | Wilmar | 3.19 | 20,179 | 0.9% | 3.2% | (0.9%) | 2.2% | 2.7% |
| OFFSHORE & MARINE/INDUSTRIALS | | | | | | | | |
| KEP SP | Keppel Corp | 8.12 | 14,724 | 1.6% | 10.5% | 4.1% | 2.7% | 3.0% |
| SCI SP | Sembcorp Industries | 3.23 | 5,764 | 1.9% | 6.6% | 2.9% | 2.4% | 3.0% |
| YZJSGD SP | Yangzijiang SGD | 1.59 | 6,310 | (0.6%) | 8.2% | 5.3% | 3.0% | 2.9% |
| SATS SP | SATS | 5.78 | 6,469 | 2.5% | 11.2% | 6.1% | 3.0% | 3.2% |
| SIE SP | SIA Engineering | 3.20 | 3,579 | 0.0% | 2.2% | (0.3%) | 4.2% | 4.4% |
| STE SP | ST Engineering | 3.32 | 10,344 | 0.0% | 1.8% | (0.9%) | 4.5% | 4.7% |
| HPHT SP | HPH Trust USD | 0.42 | 4,834 | 1.2% | 1.2% | 0.0% | 6.2% | 6.4% |

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 FY16 (%) | Div Yield FY17 (%) |
|----------|----------------------|------------------|-------------------|------------------|----------------------|-------------------------|--------------------|--------------------|
| VMS SP | Venture Corp | 22.75 | 6,480 | 0.4% | 11.1% | 6.1% | 2.8% | 2.9% |
| SUN SP | Suntec REIT | 2.17 | 5,756 | (3.6%) | 0.9% | (0.5%) | 4.6% | 4.6% |
| MCT SP | Mapletree Commercial | 1.65 | 4,750 | (0.6%) | 1.9% | (1.2%) | 5.4% | 5.4% |
| KREIT SP | Keppel REIT | 1.28 | 4,315 | (0.8%) | 1.6% | 0.0% | 4.7% | 4.7% |
| SMM SP | Semcorp Marine | 1.91 | 3,988 | 2.1% | 3.8% | 4.4% | 1.0% | 1.2% |

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 15 Jan 18 | Yield (%) |
|-------------------------|------------------|--------|--------------------|------------------|------------|-----------|-----------------------|-----------|
| JB Foods Ltd | 13-Nov-17 | 3Q17 | SGD 0.0200 | 24-Jan-18 | 26-Jan-18 | 1-Mar-18 | SGD 0.580 | 3.4 |
| PNE Industries Ltd | 27-Nov-17 | FY17 | SGD 0.0300 | 25-Jan-18 | 29-Jan-18 | 12-Feb-18 | SGD 1.130 | 2.7 |
| Fraser and Neave | 8-Nov-17 | FY17 | SGD 0.03000 | 31-Jan-18 | 2-Feb-18 | 14-Feb-18 | SGD 2.580 | 1.2 |
| Fraser's Centrepoint | 10-Nov-17 | FY17 | SGD 0.06200 | 31-Jan-18 | 2-Feb-18 | 14-Feb-18 | SGD 2.190 | 2.8 |
| Goodland Group Ltd | 29-Nov-17 | FY17 | SGD 0.00300 | 31-Jan-18 | 2-Feb-18 | 9-Feb-18 | SGD 0.260 | 1.2 |
| Duty Free Int'l | 10-Jan-18 | 3Q18 | SGD 0.0100 | 6-Feb-18 | 8-Feb-18 | 6-Mar-18 | SGD 0.265 | 3.8 |
| Keong Hong Holdings Ltd | 28-Nov-17 | FY17 | SGD 0.0175 | 7-Feb-18 | 9-Feb-18 | 1-Mar-18 | SGD 0.615 | 2.8 |
| Thai Beverage PCL | 23-Nov-17 | FY17 | Baht 0.4700 | 8-Feb-18 | 12-Feb-18 | 28-Feb-18 | SGD 0.935 | 2.1 |

Latest Rights Issue Announcement

| Company | Particulars | Ex-Date | Book Close | Rights Trading Period | |
|------------------------------|---|-----------|------------|-----------------------|------------------|
| | | | | From | To |
| Asia-Pacific Strategic Invts | 2 Rts Shares @ S\$0.003 for each Rights Share for every 1 existing share held, 1 free detachable warrant (exercise price S\$0.003) for every 1 Rts Share subscribed | 3-Jan-18 | 5-Jan-18 | 10-Jan-18 | 18-Jan-18 |
| BM Mobility | 2 Wrts @ S\$0.0033 for each Wrt (exercise price S\$0.010) for every 1 existing ord share held | 17-Jan-18 | 19-Jan-18 | | |

Source: SGX Announcement

Asia-Pacific Strategic Invts: Expected date for commencement of trading of warrants: Friday, 2 February 2018

Latest Listing Issue Announcement

| Company | Particulars | Ex-Date | Book Close | Payable / Crediting Date | Listing Date |
|---------|---|-----------------|------------|--------------------------|--------------|
| Hyflux | Entitled shareholders will receive 1 Hyfluxshop Hldgs Pte Ltd share for every 10 Hyflux shares held | 5-Feb-18 | 7-Feb-18 | | |

Source: SGX Announcement

| Company | Offer Price | Closing Date | Offeror |
|-------------------------------|-----------------|--------------------------|--|
| Cogent Holdings Ltd | SGD 1.02 Cash | 5.30 p.m. on 19 Jan 2018 | COSCO Shipping Int'l (Singapore) Co., Ltd. |
| Rotary Engineering | SGD 0.460 Cash | 5.30 p.m. on 24 Jan 2018 | OROCHEM PTE. LTD. |
| TMC Education Corporation Ltd | SGD 0.0675 Cash | 5.30 p.m. on 30 Jan 2018 | JK Global Assets Pte. Ltd. |

Source: SGX Announcement

Appendix 2: Financial Calendar

| Monday | Tuesday | Wednesday | Thursday | Friday |
|---|--|--|--|--|
| 15-Jan | 16-Jan | 17-Jan | 18-Jan | 19-Jan |
| | | Q4: ESR-REIT / First REIT / Soilbuild Business Space REIT | Q4: Cache Logistics Trust | Q2: Spore Exchange |
| 22-Jan | 23-Jan | 24-Jan | 25-Jan | 26-Jan |
| Q1: Frasers Commercial Trust Q3: Mapletree Logistics Trust Q4: Keppel DC REIT / Keppel Infrastructure Trust | SG (Dec 2017): CPI Overall index and sub-indices Q1: Frasers Centrepoint Trust Q3: Mapletree Industrial Trust Q4: Fortune REIT / Keppel REIT / M1 | Q1: Frasers Hospitality Trust Q3: Mapletree Commercial Trust Q4: CapitaLand Mall Trust / Keppel Telecoms & Tpt | SG (4Q17): Industrial Properties Q1: Frasers Logistics & Industrial Trust Q3: Ascendas REIT / Mapletree Greater China Commercial Trust Q4: CapitaLand Commercial Trust / Keppel Corp / Sabana Shari'ah Compliant Industrial REIT | SG (Dec 2017): Index of Industrial Production Unemployment Rate & Employment SG (4Q17): Private Residential, Retail and Office Properties Q4: Ascott Residence Trust / AGV Grp (Release on Sun, 28-Jan) / Parkway Life REIT / Tuan Sing / Viva Industrial Trust *Q4: CDL Hospitality Trusts |
| 29-Jan | 30-Jan | 31-Jan | 1-Feb-18 | 2-Feb |
| | | *Q4: Lonza Grp AG | | |
| 5-Feb | 6-Feb | 7-Feb | 8-Feb | 9-Feb |
| Q4: Utd Overseas Insurance | Q4: Manulife US REIT | | Q4: DBS Grp Hldgs (Before mkt open) | Q4: Challenger Technologies |
| 12-Feb | 13-Feb | 14-Feb | 15-Feb | 16-Feb |
| | Q3: Accordia Golf Trust Q4: Great Eastern Hldgs / Lippo Malls Indonesia Retail Trust *Q4: ComfortDelGro Corp | Q1: TT Int'l Interim Results for FY2018: MSM Int'l Q4: OCBC & UOB (Before mkt open) / StarHub *Q4: Utd Overseas Australia | *Q1: No Signboards Hldgs | |

* Tentative

Source: Bloomberg

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