

Market Indicators

	19-Jul	20-Jul	23-Jul
Mkt. T/O (S\$ mil)	955.9	995.4	947.8
Stock Advances	229	243	195
Stock Declines	162	143	198

Major Indices

	19-Jul	20-Jul	23-Jul
DJ Ind Avg	25,064.5	25,058.1	25,044.3
S & P 500	2,804.5	2,801.8	2,807.0
Nasdaq Comp	7,825.3	7,820.2	7,841.9
Hang Seng	28,010.9	28,224.5	28,256.1

STI Index 3,293.71 (-0.12%)

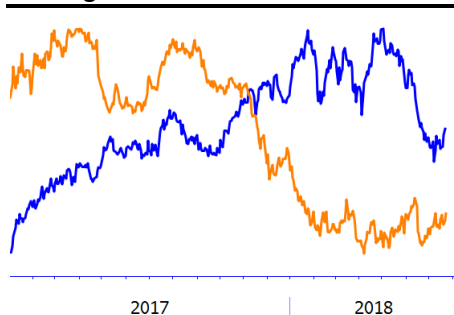


Source: Bloomberg

Commodities

	Current Price	% Chge from Close
Gold (SPOT) US\$ / oz	1,223.69	-0.39%
Oil (NYMEX CWT1) US\$ / bbl	67.85	-0.88%
Baltic Dry Index	1689	1.93%

Exchange Rates



USD : SGD 1.3662 / MYR : SGD 2.9769

Source: Bloomberg

Interest Rates

3-mth Sibor	1.629%
SGS (10 yr)	2.417%

KGI Market Ideas

Over the next twelve months, our strategy is to sell into strength and build up a defensive portfolio. Among names in this theme that we like are SingTel, ST Engineering, ComfortDelGro, REITS (Frasers Centrepoint Trust, Keppel DC REIT, Manulife US REIT, Mapletree Industrial Trust) and Hospitals (Raffles Medical Group).

SingTel: SingTel has recovered well from its low of \$3.02 and continues to be part of our defensive portfolio component. Firm has a well-diversified portfolio with ~50% of pre-tax profits coming from regional associates. Dividend yields continue to look attractive at 5.4% and consensus expects earnings to rebound by FY20F, driven by potential earnings recovery of Bharti. As a tactical trade, we recommend investors who bought the stock at \$3.02 to lock in profits as the stock is facing resistance around \$3.28. For dividend investors, we continue to recommend a buy due to its attractive dividend yield.

Raffles Medical Group (RMG): RMG announced on 16 July 2018 that it had launched Raffles Shield, a Medisave-approved Integrated Shield Plan (IP). The entry of RMG will make it the seventh IP provider to enter the industry, joining other providers such as AIA, Aviva, Income and Prudential. We believe its current share price is attractive to accumulate as part of a defensive portfolio, as valuations are undemanding and downside limited. Although start-up costs from the opening of its Chongqing and Shanghai hospitals are expected to weigh on earnings in 2019 and 2020, we think that this is necessary for the group to build a solid and sustainable foundation for long-term growth when both its China hospitals are operational by 2020. RMG is due to report its 2Q18 results on 6 August 2018.

Mapletree Industrial Trust (MINT): Comprises of 99 properties (88 SG, 14 US data centers; acquired in 2017). The REIT has an overall occupancy of ~90%, WALE of 3.8 years and a gearing of 33% (of which 85% is hedged). DPU for FY18 of 11.75 SG cents (+3.2% YoY), in-line with consensus; driven by contribution from the build-to-suit property as well as its 40% stake in the 14 US data centers. The REIT offers a FY2019F dividend yield of 6.3% and, in our view, is an attractive addition to our defensive stock picks. MINT continues to focus in Singapore while exploring higher growth areas i.e. established data center markets. Worldwide data is projected to increase 10x by 2025 and mobile connectivity to reach 75% of the world population by 2025 (according to IDC). Additionally, the REIT is also seeking Asset Enhancement Initiatives (AEI) to unlock value in their existing properties. Downside risk to the REIT mainly revolves around rising interest rates. Although expectations of four rate hikes in 2018 should have already been priced in, a faster than expected rate hike could potentially impact the REIT in the near term. On the industrial side, supply pressures still potentially dampened demand due to global trade concerns could make it difficult to raise rents and occupancy, and both are expected to remain broadly flat in 1Q.

KGI Securities Research Team

Recent In depth Regional Reports

23/7	TH Economic: June export value rose 8.2% YoY
23/7	TH Hana Microelectronics PCL (HANA TB; Neutral TP: Bt 37.00): 2Q18 earnings preview: Enjoying the global trend
23/7	TH Kasikornbank (KBANK TB; Outperform; TP: Bt 250.00): Out of the woods
23/7	TH Kiatnakin Bank (KKP TB; Neutral; TP: Bt 72.00): 2Q18 earnings review: Accelerated growth momentum
23/7	TH Krung Thai Bank (KTB TB; Under Review; TP: Bt 19.00): 2Q18 earnings review: Non NII growth surprise
23/7	TH Robinson Department Store (ROBINS TB; Outperform; TP: Bt 85.00): Second Robinson in Chonburi
23/7	TW MSI (2377 TT; Not Rated): New GPU to debut in 2H18F, after some delay
20/7	TW Win Semiconductors (3105 TT; Underperform; TP: NT\$130.00): Structural risks to lead to derating
20/7	CN/HK Stock Liquidity Monitor: Weekly data – Unlocked non-tradable shares & shareholding changes involving major shareholders

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	26.00	66,638	(1.0%)	8.6%	0.5%	4.5%	4.7%
OCBC SP	OCBC	11.22	47,023	(0.8%)	(8.1%)	0.7%	3.8%	4.1%
UOB SP	UOB	26.25	43,799	(0.7%)	1.4%	0.8%	4.4%	4.7%
SGX SP	SGX	7.48	8,004	(0.1%)	1.8%	0.5%	4.0%	4.3%
PROPERTIES								
AREIT SP	Ascendas REIT	2.73	8,000	0.0%	3.4%	1.1%	6.0%	6.2%
CAPL SP	CapitaLand	3.22	13,433	0.9%	(5.8%)	5.6%	3.7%	3.8%
CCT SP	CapitaLand Comm Trust	1.77	6,625	1.1%	(4.3%)	2.3%	5.0%	5.1%
CT SP	CapitaLand Mall Trust	2.19	7,771	1.4%	5.7%	1.9%	5.0%	5.2%
CIT SP	City Development	10.16	9,239	1.0%	(17.7%)	5.4%	1.7%	1.7%
HKL SP	Hongkong Land USD	7.20	23,117	(0.6%)	4.4%	(0.7%)	2.9%	3.0%
UOL SP	UOL	7.09	5,974	0.1%	(18.5%)	4.4%	2.4%	2.4%
TELECOMMUNICATIONS								
ST SP	SingTel	3.33	54,376	0.6%	(6.7%)	2.1%	5.4%	5.5%
STH SP	StarHub	1.70	2,942	0.0%	(38.2%)	(1.7%)	9.2%	7.8%
CONSUMER SERVICES AND GOODS								
JCNC SP	Jardine C&C	33.28	13,153	(0.1%)	(15.9%)	3.8%	3.6%	3.9%
JM SP	Jardine Matheson USD	66.15	66,468	0.1%	11.0%	2.3%	2.5%	2.8%
JS SP	Jardine Strategic Holding	40.19	60,758	0.4%	2.1%	5.5%	0.8%	0.9%
GENS SP	Genting Singapore	1.28	15,418	0.0%	(0.6%)	2.4%	2.7%	2.9%
SPH SP	SPH	2.89	4,619	0.7%	11.5%	4.3%	4.8%	4.7%
THBEV SP	ThaiBev	0.75	18,833	(1.3%)	(16.0%)	3.4%	2.9%	3.2%
VMS SP	Venture Corp	18.25	5,249	12.0%	(8.3%)	10.9%	3.7%	3.8%
TRANSPORT								
SIA SP	Singapore Airlines	10.72	12,677	0.1%	0.5%	3.3%	3.8%	3.8%
CD SP	ComfortDelGro	2.32	5,023	(0.9%)	20.4%	(1.3%)	4.6%	4.9%
COMMODITIES								
GGR SP	Golden Agri	0.29	3,629	3.6%	(22.7%)	5.6%	2.4%	2.4%
WIL SP	Wilmar	3.07	19,422	1.0%	1.5%	2.0%	3.4%	3.6%
OFFSHORE & MARINE/INDUSTRIALS								
KEP SP	Keppel Corp	7.01	12,708	(1.1%)	(3.0%)	5.4%	4.0%	3.9%
SCI SP	Sembcorp Industries	2.64	4,717	(1.9%)	(12.3%)	1.9%	2.9%	3.6%
YZJSGD SP	Yangzijiang SGD	0.87	3,413	0.6%	(38.7%)	(1.7%)	4.5%	4.5%
SATS SP	SATS	5.15	5,752	(0.4%)	(1.0%)	1.8%	3.7%	3.8%
STE SP	ST Engineering	3.39	10,574	0.0%	7.0%	0.6%	4.5%	4.7%
HPHT SP	HPH Trust USD	0.28	3,269	0.0%	(31.0%)	(1.8%)	9.3%	9.4%

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 FY18 (%)	Div Yield FY19 (%)
SUN SP	Suntec REIT	1.88	5,008	0.0%	(10.4%)	3.9%	5.3%	5.3%
MCT SP	Mapletree Commercial	1.62	4,675	0.6%	2.8%	1.2%	5.6%	5.7%
KREIT SP	Keppel REIT	1.18	4,021	0.9%	(3.0%)	4.8%	5.0%	5.0%
SMM SP	Semcorp Marine	1.83	3,821	(6.6%)	(0.1%)	(6.2%)	1.0%	1.2%

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

Source: Bloomberg

Appendix 1: Corporate Action

Latest Dividend Entitlements Annoucer

Company	Results Ann Date	Period	DPS	Ex-Date	Book Close	Payable	Share Price 23 Jul 18	Yield (%)
CapitaLand Commercial Trust	19-Jul-18	2Q18	SGD 0.00790	25-Jul-18	27-Jul-18	29-Aug-18	SGD 1.750	0.5
Keppel Corp	20-Jul-18	2Q18	SGD 0.1000	25-Jul-18	27-Jul-18	7-Aug-18	SGD 7.090	1.4
Keppel Corp - Special	20-Jul-18	2Q18	SGD 0.0500	25-Jul-18	27-Jul-18	7-Aug-18	SGD 7.090	0.7
Keppel-KBS US REIT	17-Jul-18	2Q18	USD 0.0382	25-Jul-18	27-Jul-18	25-Sep-18	USD 0.880	4.3
CapitaLand Mall Trust	20-Jul-18	2Q18	SGD 0.02810	26-Jul-18	30-Jul-18	29-Aug-18	SGD 2.160	1.3
Singapore Telecoms	17-May-18	FY18	SGD 0.1070	26-Jul-18	30-Jul-18	13-Aug-18	SGD 3.310	3.2
Valuetronics Hldgs	25-May-18	FY18	HKD 0.1500	27-Jul-18	31-Jul-18	13-Aug-18	SGD 0.705	2.6
Valuetronics Hldgs - Special	25-May-18	FY18	HKD 0.0500	27-Jul-18	31-Jul-18	13-Aug-18	SGD 0.705	0.9

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		
Frasers Logistics & Industrial Trust	1 new unit @ S\$0.967 per new unit for 10 existing units in Frasers Logistics & Industrial Trust (FLT)	16-May-18	18-May-18		
Ocean Sky Int'l	1 Rights Share @ S\$0.062 per Rights Share for every 2 existing shares held and 1 warrant (exercise price S\$0.068) for every 1 Rights Share subscribed	10-Jul-18	12-Jul-18	17-Jul-18	25-Jul-18

Source: SGX Announcement

Latest Bonus & Listing Issue Announcement

Company	Particulars	Ex-Date	Book Close	Payable / Crediting Date	Listing Date
Willas-Array Elec (Hldgs)	1 Bonus share for every 10 existing ord share	7-Aug-18	10-Aug-18		

Source: SGX Announcement

Company	Offer Price	Closing Date	Offeror
Vard Hldgs	SGD 0.25 Cash	5.30 p.m. on 7 Aug 2018	Fincantieri Oil & Gas S.p.A.

Source: SGX Announcement

Appendix 2: Financial Calendar

Monday		Tuesday		Wednesday		Thursday		Friday	
	23-Jul		24-Jul		25-Jul		26-Jul		27-Jul
Q1: Mapletree Logistics Trust Q2: Hutchison Port Holdings Trust		Q1: Mapletree Industrial Trust / Yoma Strategic Hldgs Q2: Ascott Residence Trust Q3: Frasers Centrepoint Trust		Q1: Ascendas India Trust Q2: Suntec REIT / Tuan Sing Hldgs Q3: Frasers Commercial Trust *Q2: Lonza Grp AG		Q1: AIMS AMP Capital Industrial REIT / Mapletree Commercial Trust / Spore Airlines Q2: Dairy Farm Int'l Hldgs / Hongkong Land Hldgs / Mandarin Oriental Int'l / Parkway Life REIT Q3: Frasers Hospitality Trust		Q2: CapitaLand Retail China Trust / CDL Hospitality Trusts / Fortune REIT / iFast Corp (Release on Sat, 28-Jul) / Jardine Matheson Hldgs / Jardine Strategy Hldgs / M1 / OUE Hospitality Trust / UIC Q4: Starhill Global REIT *Q2: Indofood Agri Resources (Release on Sat, 28-Jul) *Q4: Spore Exchange	
	30-Jul		31-Jul	1-Aug-18			2-Aug		3-Aug
Q1: Ascendas REIT / Mapletree North Asia Commercial Trust		Q2: Cache Logistics Trust / Far East Hospitality Trust / Roxy-Pacific Hldgs *Q1: Eurotronic Grp		Q2: China Aviation Oil Spore Corp / Great Eastern Hldgs Q3: Frasers Logistics & Industrial Trust		Q1: Ascendas Hospitality Trust Q2: DBS Grp Hldgs (Before mkt open) / Hi-P Int'l / Lippo Malls Indonesia Retail Trust / OUE Commercial REIT / Thakral Corp		Q2: Genting Spore / UOB (Before mkt open) *Q2: Sembcorp Industries / Utd Overseas Australia / Venture Corp	
	6-Aug		7-Aug		8-Aug		9-Aug		10-Aug
Q2: Asian Pay Television Trust / Manulife US REIT / OCBC (Before mkt open) / Raffles Medical		Q2: Best World Int'l		Q2: Amara Hldgs / City Devpts *Q1: Meghmani Organics				Q2: Ho Bee Land *Q2: ComfortDelGro	
	13-Aug		14-Aug		15-Aug		16-Aug		17-Aug
Q2: Accordia Golf Trust / AP Oil Int'l / Emerging Towns & Cities Spore / LHT *Q2: First Resources									
	20-Aug		21-Aug		22-Aug		23-Aug		24-Aug
							*Q2: Far East Grp		

* Tentative

Source: Bloomberg

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