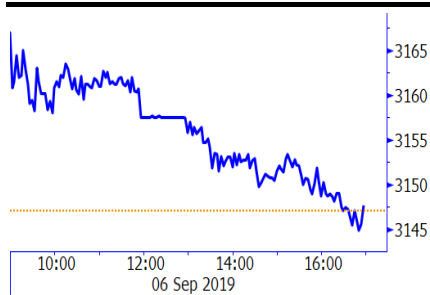


Market Indicators

	4-Sep	5-Sep	6-Sep
Mkt. T/O (S\$ mil)	1,268.9	993.3	994.6
Stock Advances	279	193	209
Stock Declines	158	187	157

Major Indices

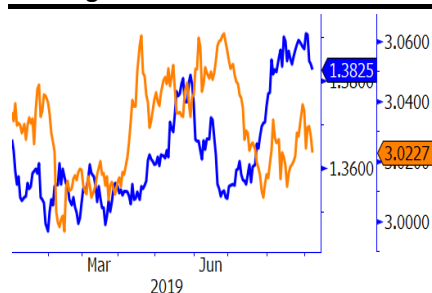
	4-Sep	5-Sep	6-Sep
DJ Ind Avg	26,355.5	26,728.2	26,797.5
S & P 500	2,937.8	2,976.0	2,978.7
Nasdaq Comp	7,976.9	8,116.8	8,103.1
Hang Seng	26,523.2	26,515.5	26,690.8

STI Index 3,144.48 (-0.08%)


Source: Bloomberg

Commodities

	Current % Chge from Price	Close
Gold (SPOT) US\$ / oz	1,506.45	-0.11%
Oil (NYMEX CWT1) US\$ / bbl	56.86	1.08%
Baltic Dry Index	2462	-1.48%

Exchange Rates


USD : SGD 1.3814 / MYR : SGD 3.0252

Source: Bloomberg

Interest Rates

3-mth Sibor	1.879%
SGS (10 yr)	1.687%

KGI Securities Research Team
KGI Market Ideas

Gold and silver. US August non-farm payroll data remained relatively positive but ISM manufacturing PMI fell below 50 for the first time since September 2016. US economy is still healthy but shows signs of slowing down. Last week, gold traded at a high above US\$1,550/oz, last reached in April 2013 while silver hit a high of US\$19.5/oz, last reached in September 2016. Meanwhile, the gold/silver ratio (10-year average: 68) hovered between 80 and 90. Silver is catching up with gold at the moment. The market expects another 25bps cut for the Fed funds rate later this month, which could weaken the US dollar and push gold and silver prices higher. **We believe gold and silver will reach US\$1,600/oz and US\$20/oz respectively by the end of 2019.**

CSE Global (CSE SP): CSE announced on 2nd September that it had acquired US-based electric equipment maker Volta, LLC (Volta) for a total amount of US\$25mn (S\$35mn), payable in cash and subject to closing adjustments for working capital. The acquisition is EPS-accretive for CSE, with all funding from internal resources and bank borrowings; Volta had net profit before tax of US\$5mn (S\$7mn) for 2018 and US\$6mn (S\$8mn) for 6M 2019. Had the acquisition been completed on 31 December 2017, Volta would have added S\$4.1mn to CSE's 2018 net profit of S\$20.1mn, or a 20% increase. **We maintain our OVERWEIGHT recommendation and target price of S\$0.58.**

Monthly Recap

➤ **Our August Archive:** KGI Securities August 2019 Monthly Recap - Page 3

Recent In depth Regional Reports

6/9	TH Mono Technology (MONO TB; Neutral; TP: Bt 1.63): Turning to profit will take time
6/9	TH Sappe (Outperform; Bt 29.50): Working out to come back as game leader
5/9	TW Strategy: Inventory adjustment ending; earnings set to pick up
5/9	TW Unizyx (3704 TT; Not Rated): China telco tender not launched yet
5/9	HK Sinosoft (1297 HK; Outperform; TP: HK\$ 2.30): Government software still the key driver
5/9	TH Advanced Info Service (ADVANC TB; Outperform; TP: Bt 258.00): Dispute settlement led to cost savings
4/9	TW Compeq (2313 TT; Outperform; TP: NT\$ 41.00): Fully loaded in 3Q19F; high-end HDI penetration higher than expected
4/9	TW TCI (8436 TT; Underperform; TP: NT\$ 258.00): Poor earnings growth on China health food industry demand uncertainty
4/9	HK China Education Sector: Shares drop on negative news flow
4/9	TH Electricity Generating (EGCO TB; Neutral; TP: Bt 330.00): Continues to seek new opportunities
3/9	TW Strategy: Worst of Sino-US tariff warfare will soon end
3/9	HK PC Partner (1263 HK; Neutral; TP: HK\$ 1.700): 2H19F rebound on Super RTX series
3/9	CN/HK Stock Liquidity Monitor: Weekly data – Stock incentive & shareholding changes involving major shareholders
3/9	TH Commodities Update: Hurricane season
3/9	TH Ratch Group (RATCH TB; Neutral; TP: Bt 76.50): Don't jump to a conclusion just yet
2/9	GLOBAL Economics: Economic recovery & rate cut bode well for stocks
2/9	TW Wistron NeWeb (6285 TT; Outperform; NT\$ 99.00): Frontrunner in 5G & automotive connectivity
2/9	CH/HK A-share Weekly: A-shares to rise on likely restart of Sino-US trade talks & bottoming out of short-term economy
2/9	TH Strategy: September model portfolio: Shifting more to cyclical plays
2/9	TH Economic: Economy expanded at slightly higher pace than previous month
30/8	GLOBAL KGI Connect: Forever 20 – Online content to drive growth
30/8	TW SDI (2351 TT; Outperform; NT\$ 78.00): Major beneficiary of powertrain electrification & ADAS
30/8	HK Cosmo Lady (2298 HK; Underperform; TP: HK\$ 1.060): 1H19 succumbed to pressure; near-term outlook negative
30/8	HK Nissin Foods (1475 HK; Outperform; HK\$ 7.53): Niche player riding on scale & margin gains
<i>For full reports, please contact Research Department at 6202 1190 or sgp.researchcom@kgi.com</i>	

IN CASE YOU MISSED IT...

1

August mainly saw increasing trade tensions between China and the U.S., with reverberations of the slowing global economy felt especially by major exporting countries. The latest economic data indicates that the slowdown is spreading from manufacturing to the services and labour markets, essentially deteriorating key economic fundamentals. On Tuesday, 3rd September, the United States' ISM Manufacturing Index dipped below 50, a level not seen since 2016.

2

We also watched China devalue its RMB above the **7.0** level against the U.S. dollar earlier this month on 5 August 2019, the currency's biggest one-day drop in decades. This could be seen as a preparatory response to the latest imposition of a **10% tariff** on the first portion (US\$112BN of 300BN) of Chinese consumer imports on Sunday, September 1st. Goods affected include electronics (i.e. televisions, smart watches), books, beverages, and most of all - clothing/textiles. The currency has since slid further, just recently hitting an 11-year low.

3

Against this backdrop, we are continuing to see strong indications of risk aversion among investors. German and Japanese bond yields have dropped below zero, while prices of gold (spot hit its six-year high at US\$1,445.18 earlier this month and has since crosses the US\$1,500 mark, closing at US\$1,519.05 on September 5th) and silver are on an upward climb, signalling a major flight to safety. Germany's economy is also believed to be on the brink of a recession, as business confidence has plunge to a seven-year low.

4

Speaking of which, the U.S. Treasury 2/10-year bond yield curve inverted this month, for the first time since **JUNE 2007**. In simple terms, consumer confidence in the short term economy is crumbling... But what is more worrying to investors is the fact that the last time this happened, the *2008 recession* followed...

BREXIT. It's still happening, October 31st - with or without a deal.

What's the "deal"? The deal is for a transition period, to allow for more time to sort out future UK-EU relations, and avoid instant disruptions. But it comes at a cost - the commitment to the possibility of a 'backstop', should no FTA be agreed upon by the end of the transition period.

Why is PM Johnson against the deal? He is against the possibility of the backstop, and the idea of "signing away" UK's "independence" from the EU, because the backstop can also only be avoided if **BOTH** the UK and the EU agree that it's not necessary. Otherwise, the backstop is in play. The UK wants to leave the EU single market and customs union, to allow it to pursue independent trade policies with others. This, however, means that it might deviate from the EU's view on tariffs and regulatory standards – and in turn might hinder a FTA, and have the EU enforcing checks and controls at the Irish border. (i.e., the backstop.)

5

What happens in a "no deal"? There would be no time to bring in a UK-EU trade deal. The UK would leave the single market and customs union **OVERNIGHT**. WTO tariffs and border checks will apply to goods entering the EU from the UK, potentially leading to astronomical costs, traffic bottlenecks, and disrupted supply routes.

September update: The latest parliamentary votes have now opened the door for another Brexit delay. Another vote is scheduled for Wednesday, September 4th. If the vote is successful, it would force PM Johnson to seek more time from the EU, and **prevent a no deal Brexit**.

PM Johnson

- Insistent on leaving on Oct 31st
- Wants 'independence' from EU, want to leave the EU single market and customs union
- Does not want to be subject to EU's ability to enforce the backstop

EU

- Wants a transition period through to December 2020
- Insistent on having the option of a backstop should FTA talks fail, since UK will no longer be a part of the single market and customs union

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	24.76	63,252	0.5%	9.3%	0.9%	5.0%	5.0%
OCBC SP	OCBC	10.85	46,846	0.7%	0.5%	1.9%	4.6%	4.6%
UOB SP	UOB	25.50	42,539	1.0%	8.9%	2.2%	4.9%	4.9%
SGX SP	SGX	8.45	9,049	(0.6%)	20.6%	3.0%	3.8%	3.8%
PROPERTIES								
HKL SP	Hongkong Land USD	5.70	18,542	(0.9%)	(6.6%)	4.4%	4.0%	4.0%
CAPL SP	CapitaLand	3.56	17,933	1.4%	18.3%	2.6%	3.5%	3.5%
CT SP	CapitaLand Mall Trust	2.67	9,849	(1.1%)	21.7%	0.8%	4.5%	4.5%
AREIT SP	Ascendas REIT	3.14	9,774	(2.2%)	25.5%	1.9%	5.2%	5.2%
CIT SP	City Development	9.66	8,761	2.4%	21.6%	0.8%	2.0%	2.0%
CCT SP	CapitaLand Comm Trust	2.17	8,366	(0.9%)	29.9%	1.9%	4.1%	4.1%
UOL SP	UOL	7.48	6,308	0.0%	23.6%	1.8%	2.4%	2.4%
TELECOMMUNICATIONS								
ST SP	SingTel	3.20	52,253	(0.3%)	12.8%	0.9%	5.6%	5.6%
CONSUMER SERVICES AND GOODS								
JM SP	Jardine Matheson USD	53.29	54,328	(4.5%)	(21.3%)	(2.0%)	3.2%	3.2%
JS SP	Jardine Strategic Holdings	31.51	48,274	(4.7%)	(13.3%)	(0.3%)	1.1%	1.1%
DFI SP	Dairy Farm International	6.87	12,849	(1.9%)	(21.9%)	(4.1%)	3.0%	3.0%
THBEV SP	ThaiBev	0.89	22,351	(0.6%)	49.2%	(1.1%)	2.5%	2.5%
JCNC SP	Jardine C&C	30.59	12,090	(0.3%)	(10.3%)	(0.7%)	4.3%	4.3%
GENS SP	Genting Singapore	0.90	10,852	0.6%	(5.8%)	1.1%	4.1%	4.1%
VMS SP	Venture Corp	15.48	4,464	2.6%	15.9%	3.3%	4.7%	4.7%
SPH SP	SPH	1.98	3,157	1.0%	(13.9%)	(0.5%)	6.2%	6.2%
TRANSPORT								
SIA SP	Singapore Airlines	9.02	10,689	0.3%	(2.0%)	2.2%	3.8%	3.8%
CD SP	ComfortDelGro	2.52	5,458	1.2%	22.2%	2.9%	4.3%	4.3%
COMMODITIES								
WIL SP	Wilmar	3.86	24,450	0.8%	27.2%	1.3%	2.7%	2.7%
GGR SP	Golden Agri	0.27	3,375	0.0%	10.3%	0.0%	2.1%	2.1%
OFFSHORE & MARINE/INDUSTRIALS								
KEP SP	Keppel Corp	5.96	10,826	1.0%	4.3%	2.1%	4.0%	4.0%
STE SP	ST Engineering	3.98	12,413	0.5%	18.5%	1.0%	3.9%	3.9%
SATS SP	SATS	4.88	5,457	1.9%	7.5%	1.7%	3.8%	3.8%
YZJSGD SP	Yangzijiang SGD	0.98	3,843	1.6%	(18.9%)	7.7%	4.8%	4.8%
SCI SP	Sembcorp Industries	2.13	3,807	0.5%	(14.8%)	2.9%	2.6%	2.6%
HPHT SP	HPH Trust USD	0.16	1,879	(0.6%)	(31.1%)	(0.6%)	10.4%	10.4%

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

Source: Bloomberg

STI Reserve List (by market cap)

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	1.94	5,428	0.0%	13.4%	0.5%	5.0%	5.0%
MCT SP	Mapletree Commercial Trust	2.24	6,486	(1.8%)	40.8%	(1.8%)	4.1%	4.1%
MLT SP	Mapletree Logistics Trust	1.56	5,678	(1.9%)	29.0%	(0.6%)	5.2%	5.2%
KREIT SP	Keppel REIT	1.25	4,246	0.0%	13.5%	1.6%	4.6%	4.6%
MINT SP	Maple Industries Trust	2.34	4,736	(1.7%)	28.0%	1.3%	5.4%	5.4%

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

Source: Bloomberg

Appendix 1: Corporate Action

Latest Dividend Entitlements Announcement

Company	Results Ann Date	Period	DPS	Ex-Date	Book Close	Payable	Share Price 6 Sep 19	Yield (%)
QAF	8-Aug-19	2Q19	SGD 0.0100	9-Sep-19	10-Sep-19	25-Sep-19	SGD 0.735	6.8
Stamford Tyres Corp Ltd	28-Jun-19	FY19	SGD 0.01000	9-Sep-19	10-Sep-19	21-Sep-19	SGD 0.240	4.2
Dasin Retail Trust - Advanced Distribution	Between S\$ 0.0116 to S\$ 0.0137			10-Sep-19	11-Sep-19	3-Dec-19	SGD 0.860	8.2
STI Genting Singapore PLC	2-Aug-19	2Q19	SGD 0.015000	10-Sep-19	11-Sep-19	20-Sep-19	SGD 0.900	3.9
Lung Kee (Bermuda) Hldgs	28-Aug-19	1H19	HKD 0.11000	10-Sep-19	11-Sep-19	26-Sep-19	-	7.0
Vibrant Group	27-Jun-19	FY19	SGD 0.00400	10-Sep-19	11-Sep-19	20-Sep-19	SGD 0.147	-
OUE	13-Aug-19	2Q19	SGD 0.01000	11-Sep-19	12-Sep-19	26-Sep-19	SGD 1.460	8.9
Tat Seng Packaging Group Ltd	8-Aug-19	1H19	SGD 0.01000	11-Sep-19	12-Sep-19	27-Sep-19	SGD 0.510	5.9
Tan Chong Int'l	27-Aug-19	1H19	HKD 0.02000	13-Sep-19	16-Sep-19	25-Sep-19	HKD 2.280	5.3
Axcelasia Inc	13-Aug-19	2Q19	SGD 0.00200	17-Sep-19	18-Sep-19	7-Oct-19	-	-
Uni-Asia Holdings	14-Aug-19	2Q19	SGD 0.020000	18-Sep-19	19-Sep-19	27-Sep-19	SGD 0.740	6.3
Asian Pay Television Trust	14-Aug-19	1Q19	SGD 0.00300	19-Sep-19	20-Sep-19	27-Sep-19	SGD 0.171	22.5
Riverstone Hldgs	7-Aug-19	2Q19	RM 0.0155	19-Sep-19	20-Sep-19	4-Oct-19	SGD 0.940	2.4
Shangri-La Asia	21-Aug-19	1H19	HKD 0.0800	23-Sep-19	24-Sep-19	3-Oct-19	HKD 8.220	2.7
APAC Realty	5-Aug-19	2Q19	SGD 0.00750	28-Sep-19	29-Aug-19	9-Sep-19	SGD 0.505	6.4
Lian Beng Group Ltd	30-Jul-19	FY19	SGD 0.01250	3-Oct-19	4-Oct-19	14-Oct-19	SGD 0.505	4.5
UMS Holdings	14-Aug-19	2Q19	SGD 0.005000	9-Oct-19	10-Oct-19	25-Oct-19	SGD 0.620	6.5
STI Singapore Exchange	31-Jul-19	FY19	SGD 0.0750	10-Oct-19	11-Oct-19	18-Oct-19	SGD 8.450	4.4
United Overseas Australia	29-Aug-19	1H19	AUD 0.0050	14-Oct-19	15-Oct-19	6-Nov-19	SGD 0.695	3.4
GuocoLand	26-Aug-19	FY19	SGD 0.07000	31-Oct-19	1-Nov-19	21-Nov-19	SGD 2.010	3.5
Karin Technology Hldgs	28-Aug-19	FY19	HKD 0.0780	31-Oct-19	1-Nov-19	21-Nov-19	SGD 0.320	9.6
British & Malayan Holdings	26-Aug-19	FY19	SGD 0.02700	1-Nov-19	4-Nov-19	22-Nov-19	-	1.2
Noel Gifts Int'l	27-Aug-19	FY19	SGD 0.00100	1-Nov-19	5-Nov-19	14-Nov-19	SGD 0.190	5.1
Noel Gifts Int'l - Special	27-Aug-19	FY19	SGD 0.01900	1-Nov-19	5-Nov-19	14-Nov-19	SGD 0.190	5.1
GL	26-Aug-19	FY19	SGD 0.02200	4-Nov-19	5-Nov-19	26-Nov-19	SGD 0.770	2.9
Silverlake Axis	26-Aug-19	FY19	SGD 0.0070	4-Nov-19	5-Nov-19	15-Nov-19	SGD 0.445	4.3
Spindex Industries	26-Aug-19	FY19	SGD 0.0330	4-Nov-19	5-Nov-19	20-Nov-19	SGD 0.955	3.1
Micro-Mechanics Hldgs	29-Aug-19	FY19	SGD 0.0500	6-Nov-19	7-Nov-19	19-Nov-19	SGD 1.610	6.2
Micro-Mechanics Hldgs - Special	29-Aug-19	FY19	SGD 0.0100	6-Nov-19	7-Nov-19	19-Nov-19	SGD 1.610	6.2
AVI-Tech Electronics	28-Aug-19	FY19	SGD 0.01000	13-Nov-19	14-Nov-19	29-Nov-19	SGD 0.310	6.8
AVI-Tech Electronics - Special	28-Aug-19	FY19	SGD 0.00500	13-Nov-19	14-Nov-19	29-Nov-19	SGD 0.310	6.8
A-Sonic Aerospace Ltd	26-Feb-19	FY18	SGD 0.01000	28-Nov-19	29-Nov-19	12-Dec-19	SGD 0.200	-

Source: SGX Announcement / Bloomberg

Latest Rights Issue Announcement

Company	Offer Price	Closing Date	Offeror
Delong Hldgs Ltd	SGD 7.00 Cash	5.30 p.m. on 10 Sep 2019	Best Grace Holdings Pte. Ltd.
Hupsteel Ltd	SGD 1.20 Cash	5.30 p.m. on 13 Sep 2019	Hercules Pte. Ltd.

Source: SGX Announcement

Appendix 2: Financial Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
9-Sep	10-Sep	11-Sep	12-Sep	13-Sep
16-Sep	17-Sep	18-Sep	19-Sep	20-Sep
23-Sep	24-Sep	25-Sep	26-Sep	27-Sep
30-Sep	1-Oct	2-Oct	3-Oct	4-Oct
7-Oct	8-Oct	9-Oct	10-Oct *Q4 SPH REIT	11-Oct

* Tentative

Source: Bloomberg

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