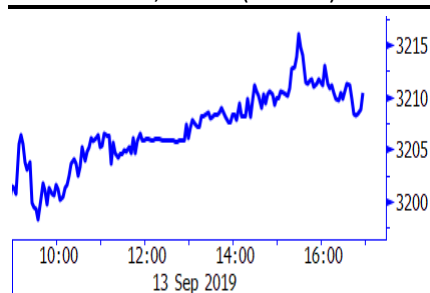


**Market Indicators**

	11-Sep	12-Sep	13-Sep
Mkt. T/O (S\$ mil)	1,392.6	988.5	926.5
Stock Advances	245	178	242
Stock Declines	155	185	137

**Major Indices**

	11-Sep	12-Sep	13-Sep
DJ Ind Avg	27,137.0	27,182.5	27,219.5
S & P 500	3,000.9	3,009.6	3,007.4
Nasdaq Comp	8,169.7	8,194.5	8,176.7
Hang Seng	27,159.1	27,087.6	27,352.7

**STI Index** 3,211.49 (+0.52%)


Source: Bloomberg

**Commodities**

	Current Price	% Chge from Close
Gold (SPOT) US\$ / oz	1,508.32	0.17%
Oil (NYMEX CWT1) US\$ / bbl	61.17	12.14%
Baltic Dry Index	2312	-0.82%

**Exchange Rates**


USD : SGD 1.3749 / MYR : SGD 3.0294

Source: Bloomberg

**Interest Rates**

3-mth Sibar	1.880%
SGS (10 yr)	1.733%

**KGI Securities Research Team**
**KGI Market Ideas**


**Gold and silver.** We have a target price of US\$1,600/oz for gold and US\$20/oz for silver by the end of 2019. Check out our video commentary [here](#).

**Oil prices.** Oil prices surged by as much as 16% in trading yesterday and settled at near four months high after an attack on Saudi Arabia's oil facilities knocked out more than 5% of the global oil supply. The outlook for oil prices is now highly uncertain and the biggest risk we see is a full-blown US-Iran conflict. Growing tensions in the region is another headwind to an already slowing global economy. However, after the initial move surge in oil prices and oil-related companies, we would prefer to accumulate companies with more solid fundamentals. **Our top pick in the sector is CSE Global (CSE SP) for its attractive valuations, solid balance sheet, stable recurring free cash flows and above-industry 5.9% dividend yield. We have an OUTPERFORM recommendation and target price of S\$0.64.**

**Technology.** We upgraded **Frencken** to **OUTPERFORM** last week as its share price offered a good entry point, with an improved inventory level among top EMS players as a basis for a recovery of earnings in the technology supply chain. Toward the downstream of the global technology sector, and after six quarters of inventory adjustment, the top six EMS players had managed to lower inventory days to 44 at the end of 2Q19, only 0.4 standard deviation (SD) higher than the average level of 42. Our Taiwan analysts also notes that inventory for semiconductor players who are focused on automotive and GPU-related products had improved significantly by end-2Q19, with inventory days falling to 0.8 SD higher than the average.

Thus, with many new smartphones to be launched in 2H19, accelerated build-up of 5G base stations, warmed up data centre demand, an auto market leaving the trough and Intel's (US) CPU shortage being resolved, we believe there is a good chance the tech sector earnings will bottom out in 3Q19, and for a new upcycle to begin.

**Company Update**

- **Precious Metals: Gold and Silver Shine - Page 3**
- **CSE Global (CSE SP; OUTPERFORM; S\$ 0.64):** Earnings boost from US\$25mn acquisition - Page 5
- **Frencken Group (FRKN SP; OUTPERFORM; TP: S\$ 0.810):** Opportunity to accumulate on the back of new upcycle - Page 6

**Recent In depth Regional Reports**

13/9	<b>SG</b> Precious Metals: Gold and Silver Shine
13/9	<b>TH</b> Bangkok Chain Hospital (BCH TB; Outperform; TP: Bt 22.50): Good buying opportunity
12/9	<b>TW</b> Asia Cement (1102 TT; Outperform; TP: NT\$ 54.00): Gearing up for peak season
12/9	<b>TW</b> MediaTek (2454 TT; Outperform; TP: NT\$ 480.00): 5G shipments to result in upside surprise
12/9	<b>TW</b> THSRC (2633 TT; Not Rated): Business growing at a steady pace
12/9	<b>CN/HK</b> Economy: Social financing growth YoY turned positive again; liquidity shows marginal looseness
11/9	<b>TH</b> Media Sector (Neutral): Advertising in August 2019 remained flat YoY
11/9	<b>TH</b> Central Pattana (CPN TB; Outperform; TP: Bt 78.00): Site visit to Central Village
11/9	<b>TW</b> IT Hardware (Neutral): Apple showcases new iPhone, Apple Watch, iPad & service content
11/9	<b>TW</b> SDI (2351 TT; Outperform; NT\$ 78.00): Promising outlook on new auto products
11/9	<b>TW</b> Gourmet Master (2723 TT; Outperform; NT\$ 236.00): China business improves for third straight month
11/9	<b>HK</b> Food & Beverage: Industry trends & landscape (Neutral)
11/9	<b>HK</b> Healthcare: Kingworld – Continues to optimize product portfolio
11/9	<b>CN/HK</b> Handset Optics: Positive impact of multi-camera largely priced in
11/9	<b>TH</b> Hotel Sector (Neutral): Stuck in the middle
11/9	<b>TH</b> Central Plaza Hotel (CENTEL TB; Neutral; TP: Bt 38.00): A glass half empty
11/9	<b>TH</b> Minor International (MINT TB; Outperform; TP: Bt 49.00): From “Minor” to “Major”
11/9	<b>TH</b> The Erawan Group (ERW TB; Neutral; TP: Bt 6.30): Recovery expectations priced-in
10/9	<b>SG</b> CSE Global (CSE SP; OUTPERFORM; S\$ 0.64): Earnings boost from US\$25mn acquisition
10/9	<b>SG</b> Frencken Group (FRKN SP; OUTPERFORM; TP: S\$ 0.810): Opportunity to accumulate on the back of new upcycle
10/9	<b>TW</b> Financial Sector (Neutral): Business momentum for insurers & brokerages in 2H19F
10/9	<b>TW</b> Wiyynn (6669 TT; Outperform; NT\$ 500.00): Weak 3Q19F sales, but gross margin to beat
10/9	<b>CN/HK</b> Stock Liquidity Monitor: Weekly data – Stock incentive & shareholding changes involving major shareholders
10/9	<b>CN/HK</b> Economy: Industrial sector faces worsening deflation; corporate earnings will see inflection point in 4Q19F
10/9	<b>TH</b> Commodities Update: Higher OPEC crude production
10/9	<b>TH</b> Sahakol Equipment (SQ TB; Outperform; TP: Bt 3.80): Here comes the rain again
9/9	<b>TW</b> Accton (2345 TT; Outperform; TP: NT\$ 184.00): Stellar August sales, with more margin upside ahead
9/9	<b>CH/HK</b> A-share Weekly: Fundamentals & liquidity to improve on RRR cut; A-shares to keep rising with modest fluctuations this week
9/9	<b>CN/HK</b> Economy: RRR cut to hasten liquidity improvement & fundamentals recovery amid accelerating interest rate marketization
9/9	<b>TH</b> Airports of Thailand (AOT TB; Outperform; TP: Bt 86.00): Remain positive for longer-term outlook
9/9	<b>TH</b> MK Restaurant Group (M TB; Neutral; TP: Bt 78.00): Long-awaited M&A has materialized
6/9	<b>SG</b> Our August Archive: KGI Securities August 2019 Monthly Recap
6/9	<b>TW</b> Lululemon Supply Chain: Lululemon 2Q19 earnings beat consensus
6/9	<b>TW</b> SCI Pharmtech (4119 TT; Not Rated): Positive long-term outlook intact
6/9	<b>HK</b> Best Pacific (2111 HK; Outperform; TP: HK\$ 3.10): Overseas expansion on track to grow revenue in 2019-21F
6/9	<b>HK</b> Wisdom Education (6068 HK; Outperform; TP: HK\$ 5.60): Student enrollment data in line with expectations

*For full reports, please contact Research Department at 6202 1190 or [sgp.researchcom@kgi.com](mailto:sgp.researchcom@kgi.com)*

# Precious Metals

## Gold and Silver Shine

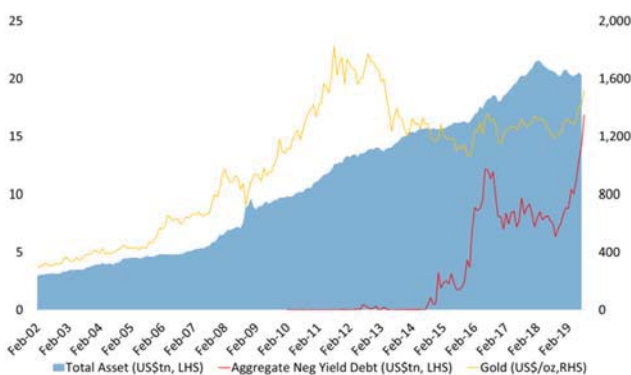
KGI Research Team / 65 6202 1194 / sgp.researchcom@kgi.com

- Negative yielding debt has reached US\$17tn as of August 2019, raising concerns on global economic growth and inflation prospects.
- Gold performs well during recessionary periods, returning an average of 12.1%.
- Silver is catching up to the gold run, given that the gold/silver ratio has recently peaked.
- We expect gold and silver to reach US\$1,600/oz and US\$20/oz by the end of 2019.

**Increasing global debt with negative yield amid the expansion of central banks' balance sheet.** One key market concern is the falling yield of debt, specifically for major economies such as Germany, France and Japan, where their 2-year and 10-year bond yields are negative. The rising bond prices (falling yields) are driven by the risk-off sentiment and expectations of a renewed rate cut cycle. Since the last recession in 2008, central banks have conducted quantitative easing, resulting mainly in asset inflation. Taking the combined balance sheet of the major central banks (Fed, PBOC, ECB, BOJ, and SNB) as a proxy of the overall money supply, the total asset value jumped by 314% to US\$20tn in 11 years (equivalent to 11% p.a.).

Comparatively, the aggregate amount of negative-yielding debt was insignificant until August 2014 when the volume began to accelerate. The total value of negative-yielding debt jumped sharply from US\$6.4tn in September 2018 to US\$17tn in August 2019, implying a 164% YoY growth. This at least tells us that global capital has been pursuing risk-free or less risky returns amid the slowdown of the global economy and on concerns over the trade tensions between China and the US. Gold, widely accepted as a safe-haven asset, outperformed most asset classes with a decent YTD return of 16%. Given the expectation of more rate cuts from the US Fed this year and Fed funds rate possibly heading towards zero for this cycle, we could expect a weakening of the US Dollar. Hence, given all the points mentioned above, we are of the view that gold price has more room to rise.

Figure 1: Total assets of the five major central banks and total negative yield debt



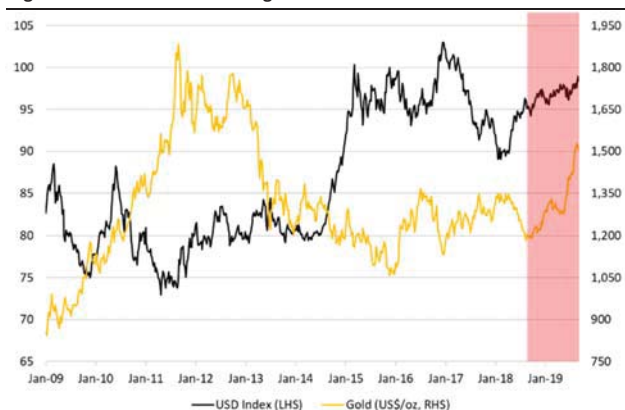
Source: Bloomberg, KGI Research

Figure 2: Return by asset class

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD
US HY Bond	-25%	16%	3%	-1%	4%	-1%	-4%	-10%	7%	1%	-7%	11%
US IG Bond	-3%	2%	4%	5%	6%	-6%	5%	-5%	3%	4%	-7%	14%
US MBS	3%	1%	0%	2%	0%	-3%	5%	-1%	-1%	0%	-2%	5%
EM Bond	-7%	9%	5%	2%	12%	-12%	1%	-4%	4%	5%	-10%	13%
US Large cap	-38%	22%	11%	0%	13%	29%	11%	0%	9%	20%	-6%	20%
US Small cap	-37%	38%	26%	-4%	16%	36%	6%	-5%	18%	16%	-11%	18%
EM Equity	-50%	66%	15%	-20%	17%	-6%	-6%	-18%	9%	35%	-17%	7%
Gold	5%	24%	29%	10%	7%	-28%	-2%	-11%	8%	13%	-2%	16%
Gold mines	-26%	36%	33%	-16%	-10%	-54%	-13%	-25%	52%	11%	-9%	30%
Silver	-24%	48%	82%	-11%	9%	-36%	-20%	-12%	15%	6%	-9%	16%
Silver mines	N/A	N/A	N/A	-22%	7%	-51%	-17%	-33%	73%	2%	-23%	18%

Source: Bloomberg, KGI Research

Figure 3: Correlation between gold and US Dollar



Source: Bloomberg, KGI Research

**Gold performs well during recessionary periods.** In retrospect, gold delivered a good average return of 12.1% over the past 10 recessions dating back to 1954. Comparatively, the S&P 500 suffered from a 2.4% loss during the same periods. Furthermore, gold tends to outperform during the turn of the Fed fund rate hike/cut cycle (2008, 2016, 2019 YTD). We believe this is because a directional change of interest rates translates into more market volatility, resulting in the influx from risk-averse funds.

Figure 4: Gold performance during recession periods

Begin	End	Gold	Silver	S&P 500
Nov-07	Jun-09	18.2%	-2.9%	-37.9%
Mar-01	Nov-01	3.3%	-5.4%	-8.2%
Jul-90	Mar-91	-0.5%	-21.8%	4.4%
Jul-81	Nov-82	3.3%	12.9%	6.8%
Jan-80	Jul-80	12.4%	-59.2%	15.6%
Oct-73	Apr-75	77.1%	50.9%	-23.7%
Nov-69	Nov-70	6.6%	-12.4%	-7.0%
Mar-60	Feb-61	-0.1%	0.0%	14.6%
Jul-57	Apr-58	0.4%	-1.9%	-9.3%
Jun-53	May-54	0.6%	0.0%	20.5%
<b>Average Return</b>		<b>12.1%</b>	<b>-4.0%</b>	<b>-2.4%</b>

Source: Bloomberg, KGI Research

**Silver is catching up to gold.** Gold prices broke the resistance of US\$1,360/oz in June and reached a 6-year high of above US\$1,500/oz in August. Historically, gold and silver are positively correlated. However, the recent bullish uptrend of gold led to the Gold/Silver ratio surging to the high of above 90 in July, which indicates that silver’s performance has been lagging. The 10-year average (from 2009 to 2019) of the ratio is 68. Although the two metal prices have recently corrected, the ratio has still stayed between 1 standard deviation (S.D.) and 2 S.D. Therefore, we expect silver prices to catch up the gold bull run with the ratio between gold and silver reverting to mean.

Figure 5: Gold/Silver ratio



Source: Bloomberg, KGI Research

**Assumptions and Forecasts.** As of August 2019, the Fed funds rate stayed at 2%-2.25%. We expect this latest round of the rate cut cycle to once again bring rates back to the zero level (0 - 0.25%). Assuming that gold prices should increase US\$50/oz for every 25bps cut in the Fed funds rate, we can expect gold prices to reach the all-time high of US\$1,900/oz

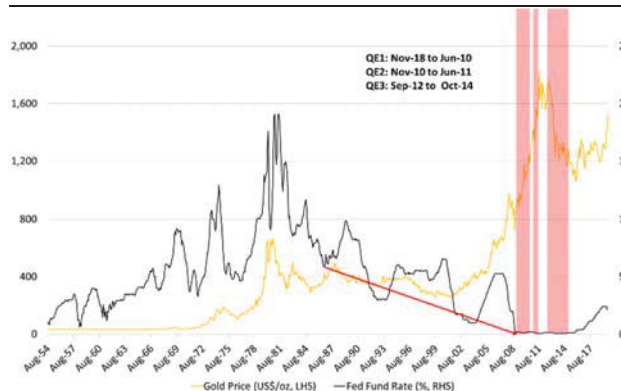
again. There will be another 50bps cut this year based on market consensus. Accordingly, gold is expected to hit US\$1,600 by the end of 2019. For silver, we expect it to trade above US\$20/oz by December 2019.

Figure 6: Correlation between gold and silver



Source: Bloomberg, KGI Research

Figure 7: Gold performance amid rate hike/cut cycle



Source: Bloomberg, KGI Research

**Products to trade.** There are four channels that investors can gain exposure to gold or silver in the list below.

Product types	Remarks
<b>Physical gold or silver bullion</b>	Subject to the premium charges on the spot price by bullion shops
<b>ETF: SPDR® Gold Shares (GLD), iShares Silver (SLV)</b>	Track performance of spot gold or silver price; Subject to ETF management fees
<b>Mining ETF: VanEck Vectors Gold Miners ETF (GDX), VanEck Vectors Junior Gold Miners (GDXJ), Global X Silver Miners (SIL), PureFunds ISE Junior Silver (SILJ)</b>	Track performance of a pool of gold or silver mining stocks; Subject to ETF management fees
<b>Mining stocks</b>	Company performance and mineral reserves magnify the profits and losses; Equity attribution could weaken the correlation to the price of the underlying minerals

# CSE Global

(CSE SP/CSES.SI)

## Earnings boost from US\$25mn acquisition

Joel Ng / 65 6202 1192 / joel.ng@kgi.com

- CSE acquired US-based Volta, LLC (Volta) for US\$25mn (S\$35mn) on 2<sup>nd</sup> September.
- The acquisition is EPS-accretive, boosting CSE's 2018 EPS by around 20%.
- Maintain OUTPERFORM. CSE's valuations are attractive, trading at 11/8/7x 2019/20/21F EPS. We expect downside risks to be mitigated by its above-industry 5.9% dividend yield.

### Financials & Key Operating Statistics

YE Dec (S\$ m)	2017	2018	2019F	2020F	2021F
Revenue	362.4	376.8	424.4	525.6	551.9
PATMI	-45.1	20.1	23.0	32.6	37.0
Core PATMI	-3.5	18.6	22.5	32.1	36.5
Core EPS	-0.7	3.6	4.4	6.2	7.1
Core EPS grth (%)	-117.1	-629.5	21.2	42.3	14.0
Core P/E (x)	-69.1	13.0	10.8	7.6	6.6
DPS (SGCents)	2.8	2.8	2.8	2.8	2.8
Div Yield (%)	5.9	5.9	5.9	5.9	5.9
Net Margin (%)	-12.5	5.3	5.4	6.2	6.7
Gearing (%)	-8.8	-22.0	22.7	23.8	13.1
Price / Book (x)	1.4	1.4	1.3	1.2	1.1
ROE (%)	-25.7	11.7	12.7	16.3	16.7

Source: Company Data, KGI Research

**S\$35mn acquisition.** CSE will be paying a total of US\$25mn (S\$35mn) in cash for Volta, subject to any closing adjustments for working capital. The acquisition is fully funded using internal resources and bank borrowings, and hence is earnings accretive. Volta would have added S\$4.1mn, or a 20% increase, to CSE's 2018 profits but would reduce its NTA by 18% to S\$0.23, down from S\$0.28 prior to the acquisition. Following the acquisition, we adjust our 2019/20/21F EPS higher by between 2% and 7%.

**Volta.** Volta is a US-based company that develops, designs, manufactures, and services custom-engineered electrical equipment centers (EEC). The acquisition is expected to complement CSE's US operations and create opportunities to strengthen the group's position in the midstream oil and gas market.

**Diversified order wins.** CSE won S\$87.5mn and S\$106.3mn of new orders in 1Q19 and 2Q19, bringing its net order book to S\$188.1mn as at the end of 2Q19. 69% of CSE's outstanding orders are in the Asia-Pacific, and the remainder from the Americas and Europe/Middle East/Africa.

Infrastructure-related projects contributed 70% of the outstanding orders and this segment has been increasing at a much stronger pace relative to its Oil & Gas business. However, with the addition of Volta to its US business, the mix may once again return to 2016's levels of 40% for Oil & Gas and 55% for Infrastructure. CSE's infrastructure will focus on Singapore government projects, energy solutions and radio business in Australia. CSE had won S\$193.8mn of new orders in 1H19, making up 48% of our full-year forecast for 2019.

### OUTPERFORM - Maintain

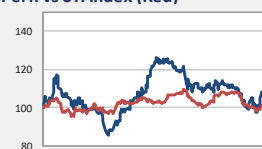
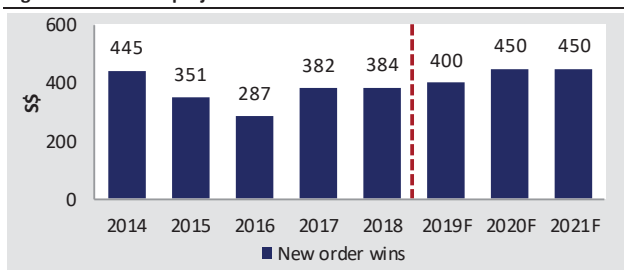
Price as of 9 Sep 19 (SGD)	0.47	<b>Performance (Absolute)</b>	
12M TP (\$)	0.64	1 Month (%)	9.9
Previous TP (\$)	0.58	3 Month (%)	-0.3
Upside, incl div (%)	42%	12 Month (%)	15.8
<b>Trading data</b>		<b>Perf. vs STI Index (Red)</b>	
Mkt Cap (\$mn)	239		
Issued Shares (mn)	508		
Vol - 3M Daily avg (mn)	0.6		
Val - 3M Daily avg (\$mn)	0.3		
Free Float (%)	71.5%		
<b>Major Shareholders</b>		<b>Previous Recommendations</b>	
Serba Dinamik	25.0%	21-May-19	OP \$0.58
Fidelity Mg't & Research	10.1%	4-Mar-19	OP \$0.58
		16-Jan-19	OP \$0.57

Figure 1: Outstanding orders by industry segments

	1Q	2Q	3Q	4Q	1Q	2Q
Order wins (S\$m)	2018	2018	2018	2018	2019	2019
Oil & Gas	60.3	60.4	54.2	45.8	52.7	49.7
Infrastructure	83.5	82.9	79.7	132.1	126.5	131.1
Mining & Mineral	4.8	5.4	2.6	3.1	2.9	7.3
Total	148.6	148.7	136.5	181.0	182.1	188.1

Source: Company data, KGI Research

Figure 2: Order win projections



Source: Company data, KGI Research

**Valuation & Action:** CSE is currently trading at 11/8/7x 2019/20/21F EPS, which is attractive in our view given its solid balance sheet, asset light model and stable recurring free cash flows. We thus maintain our **OVERWEIGHT** recommendation and believe that average EPS growth of around 16% p.a. over the next 3 years is achievable on the back of improving industry dynamics. Management has guided that it will maintain the 2.75 SG cents dividend in FY19 - the same as in the last four years - implying an above-industry yield of 5.9%.

**Risks:** Margin pressure due to competition and lower-than-expected new order wins. Foreign exchange risks due to its exposure to USD, AUD and EUR.



CHINA  
DEVELOPMENT  
FINANCIAL

# Frencken Group Limited

(FRKN SP/FREN.SI)

## Opportunity to accumulate on the back of new upcycle

Joel Ng / 65 6202 1192 / joel.ng@kgi.com

- Frencken's share price has fallen 10% since our last update. The discount to peers has once again widened to 20-30% and we now believe risk-reward dynamics are favourable.
- Furthermore, our Technology-supply chain analysts in Taiwan are calling for a bottom in earnings for the global electronics manufacturing services (EMS) companies in 3Q19.
- We upgrade Frencken to OUTPERFORM as its share price now offers a good entry point, with an improved inventory level among top EMS players as the basis for a recovery of earnings in the technology supply chain.
- A highly possible catalyst: we believe Frencken is an attractive takeover target for a larger company given its diverse client and product base.

### Financials & Key Operating Statistics

YE Dec (\$Sm)	2017	2018	2019F	2020F	2021F
Revenue	515.1	625.8	657.1	683.4	710.7
PATMI	33.1	30.0	33.5	33.0	35.3
Core PATMI	23.0	33.9	33.5	33.0	35.3
Core EPS	5.6	8.3	8.2	8.1	8.6
Core EPS grth (%)	44.5	47.7	-1.2	-1.5	6.9
Core P/E (x)	11.9	8.1	8.2	8.3	7.8
DPS (SGCents)	2.4	2.1	2.6	2.6	2.6
Div Yield (%)	3.6	3.2	3.9	3.9	3.9
Net Margin (%)	6.4	4.8	5.1	4.8	5.0
Gearing (%)	-1.8	0.6	-15.4	-21.7	-28.0
Price / Book (x)	1.1	1.0	0.9	0.8	0.8
ROE (%)	13.3	11.2	10.6	9.8	9.7

Source: Company Data, KGI Research

**Flat 3Q19 expected but look further.** Frencken had a good start to the first half of the year, with 2Q19 PATMI surging 59% YoY to a record quarterly high of S\$11.1mn. For the upcoming 3Q19 quarter, we expect overall sales to be flat QoQ, with slight downside risks to its automotive and analytical segments.

**EMS inventory adjustment ending.** Toward the downstream of the global tech sector, and after six quarters of inventory adjustment, the top six EMS players had managed to lower inventory days to 44 at the end of 2Q19, only 0.4 standard deviation (SD) higher than the average level of 42. Inventory days below the average by one SD typically indicates smooth inventory digestion; if higher than average by one SD, this usually means severe high inventory. The current inventory adjustment was set off by poor smartphone demand and the US and China trade war.

**Auto, GPU and other semiconductor also nearing end of inventory adjustment.** Our Taiwan analysts notes that inventory for semiconductor players who are focused on automotive and GPU-related products had improved significantly by end-2Q19, with inventory days falling to 0.8 SD higher than the average.

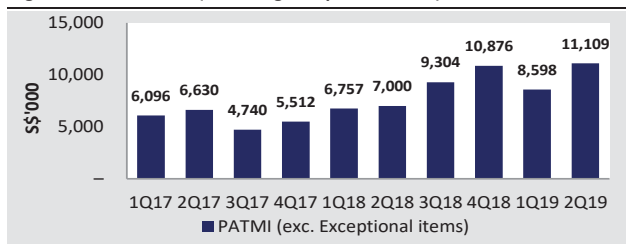
Thus, with many new smartphones to be launched in 2H19, accelerated build-up of 5G base stations, warmed up data

### OUTPERFORM - Upgrade

Price as of 10 Sep 19 (SGD)	0.67	<b>Performance (Absolute)</b>	
12M TP (\$)	0.81	1 Month (%)	1.5
Previous TP (\$)	0.81	3 Month (%)	9.2
Upside (%)	20.3	12 Month (%)	64.9
<b>Trading data</b>		<b>Perf. vs STI Index (Red)</b>	
Mkt Cap (\$mn)	284		
Issued Shares (mn)	424		
Vol - 3M Daily avg (mn)	2.0		
Val - 3M Daily avg (\$mn)	1.4		
Free Float (%)	62.0%		
<b>Major Shareholders</b>		<b>Previous Recommendations</b>	
Gooi Soon Chai	23.4%	22-Aug-19	N \$0.67
		13-May-19	OP \$0.67
		12-Mar-19	OP \$0.67

centre demand, an auto market leaving the trough and Intel's (US) CPU shortage being resolved, we believe there is a good chance the tech sector earnings will bottom out in 3Q19, and for a new upcycle to begin. There are already positive signals such as cryptocurrencies stabilising and AMD potentially taking more server market share from Intel with its second generation EPYC, which could cause GPU chip makers to see normal peak seasonality in 2H19.

Figure 1: PATMI trend (excluding exceptional items)



Source: Company data, KGI Research

**Valuation & Action:** We upgrade our recommendation to OUTPERFORM and maintain our fair value of S\$0.81, based on 10x FY20F earnings (in line with its peer average). Its decent 4% dividend yield, while slightly lower than its peers, may be more sustainable given the group's diversified operations. As a bonus, we believe Frencken is an attractive takeover target for a larger company given the group's diverse client and product base, which would be the key catalyst for its share price.

**Risks:** Frencken's main business segments are cyclical in nature. A spending slowdown in its key business segments, namely semiconductor, automotive and analytical machines may impact margins and new orders. However, its track record has shown revenue resilience which may be due to the well-diversified mix of its business.

**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 (%)
<b>FINANCIALS</b>								
DBS SP	DBS	25.56	65,296	0.7%	12.8%	3.2%	4.8%	4.8%
OCBC SP	OCBC	11.10	47,925	0.8%	2.8%	2.3%	4.5%	4.5%
UOB SP	UOB	26.41	44,058	0.0%	12.8%	3.6%	4.7%	4.7%
SGX SP	SGX	8.54	9,146	0.8%	21.8%	1.1%	3.7%	3.7%
<b>PROPERTIES</b>								
HKL SP	Hongkong Land USD	5.75	18,571	0.5%	(5.8%)	0.9%	3.9%	3.9%
CAPL SP	CapitaLand	3.63	18,286	0.8%	20.7%	2.0%	3.4%	3.4%
CT SP	CapitaLand Mall Trust	2.62	9,664	(0.4%)	19.4%	(1.9%)	4.6%	4.6%
AREIT SP	Ascendas REIT	3.14	9,774	0.6%	25.5%	0.0%	5.1%	5.1%
CIT SP	City Development	9.84	8,924	0.4%	23.9%	1.9%	2.0%	2.0%
CCT SP	CapitaLand Comm Trust	2.10	8,096	(0.5%)	25.7%	(3.2%)	4.2%	4.2%
UOL SP	UOL	7.56	6,375	0.4%	25.0%	1.1%	2.4%	2.4%
<b>TELECOMMUNICATIONS</b>								
ST SP	SingTel	3.21	52,417	0.0%	13.1%	0.3%	5.6%	5.6%
<b>CONSUMER SERVICES AND GOODS</b>								
JM SP	Jardine Matheson USD	56.14	56,824	1.3%	(17.1%)	5.3%	3.1%	3.1%
JS SP	Jardine Strategic Holdings	32.60	49,586	1.2%	(10.3%)	3.5%	1.1%	1.1%
DFI SP	Dairy Farm International	7.03	13,054	0.6%	(20.1%)	2.3%	3.0%	3.0%
THBEV SP	ThaiBev	0.91	22,853	0.6%	52.5%	2.2%	2.5%	2.5%
JCNC SP	Jardine C&C	32.15	12,707	0.2%	(5.8%)	5.1%	4.0%	4.0%
GENS SP	Genting Singapore	0.90	10,852	0.6%	(4.2%)	1.7%	4.1%	4.1%
VMS SP	Venture Corp	16.04	4,625	1.8%	20.6%	4.0%	4.5%	4.5%
SPH SP	SPH	2.05	3,269	(1.4%)	(10.8%)	3.5%	6.0%	6.0%
<b>TRANSPORT</b>								
SIA SP	Singapore Airlines	9.25	10,962	0.5%	0.5%	2.5%	3.7%	3.7%
CD SP	ComfortDelGro	2.48	5,371	1.2%	20.2%	(1.6%)	4.4%	4.4%
<b>COMMODITIES</b>								
WIL SP	Wilmar	3.86	24,450	0.0%	27.2%	0.0%	2.7%	2.7%
GGR SP	Golden Agri	0.28	3,502	0.0%	14.5%	3.8%	2.0%	2.0%
<b>OFFSHORE &amp; MARINE/INDUSTRIALS</b>								
KEP SP	Keppel Corp	6.22	11,298	0.8%	8.9%	4.4%	3.8%	3.8%
STE SP	ST Engineering	3.92	12,225	0.5%	16.7%	(1.5%)	3.9%	3.9%
SATS SP	SATS	4.87	5,446	0.0%	7.3%	(0.2%)	3.8%	3.8%
YZJSGD SP	Yangzijiang SGD	1.12	4,392	0.9%	(7.3%)	14.3%	4.2%	4.2%
SCI SP	Sembcorp Industries	2.23	3,986	1.8%	(10.8%)	4.7%	2.5%	2.5%
HPHT SP	HPH Trust USD	0.16	1,913	0.0%	(29.4%)	2.6%	10.0%	10.0%

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	1.6%	13.4%	0.0%	5.0%	5.0%
MCT SP	Mapletree Commercial Trust	2.20	6,370	1.9%	38.3%	(1.8%)	4.2%	4.2%
MLT SP	Mapletree Logistics Trust	1.59	5,788	0.6%	31.5%	1.9%	5.1%	5.1%
KREIT SP	Keppel REIT	1.25	4,246	0.0%	13.5%	0.0%	4.6%	4.6%
MIINT SP	Maple Industries Trust	2.33	4,716	1.3%	27.5%	(0.4%)	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 13 Sep 19	Yield (%)
Axcelasia Inc	13-Aug-19	2Q19	SGD 0.00200	<b>17-Sep-19</b>	18-Sep-19	7-Oct-19	-	-
MoneyMax Financial Services Ltd	13-Aug-19	2Q19	SGD 0.00500	<b>18-Sep-19</b>	19-Sep-19	30-Sep-19	SGD 0.137	-
Uni-Asia Holdings	14-Aug-19	2Q19	SGD 0.020000	<b>18-Sep-19</b>	19-Sep-19	27-Sep-19	SGD 0.735	6.3
Asian Pay Television Trust	14-Aug-19	1Q19	SGD 0.00300	<b>19-Sep-19</b>	20-Sep-19	27-Sep-19	SGD 0.171	22.5
Riverstone Hldgs	7-Aug-19	2Q19	<b>RM</b> 0.0155	<b>19-Sep-19</b>	20-Sep-19	4-Oct-19	SGD 0.980	2.3
Shangri-La Asia	21-Aug-19	1H19	<b>HKD</b> 0.0800	<b>23-Sep-19</b>	24-Sep-19	3-Oct-19	<b>HKD</b> 8.340	2.6
APAC Realty	5-Aug-19	2Q19	SGD 0.00750	<b>28-Sep-19</b>	29-Aug-19	9-Sep-19	SGD 0.525	6.2
HC Surgical Specialists Ltd	25-Jul-19	FY19	SGD 0.01200	<b>3-Oct-19</b>	4-Oct-19	16-Oct-19	SGD 0.555	3.6
Lian Beng Group Ltd	30-Jul-19	FY19	SGD 0.01250	<b>3-Oct-19</b>	4-Oct-19	14-Oct-19	SGD 0.510	4.4
UMS Holdings	14-Aug-19	2Q19	SGD 0.005000	<b>9-Oct-19</b>	10-Oct-19	25-Oct-19	SGD 0.645	6.2
STI Singapore Exchange	31-Jul-19	FY19	SGD 0.0750	<b>10-Oct-19</b>	11-Oct-19	18-Oct-19	SGD 8.540	4.4
United Overseas Australia	29-Aug-19	1H19	<b>AUD</b> 0.0050	<b>14-Oct-19</b>	15-Oct-19	6-Nov-19	SGD 0.695	3.4
UG Healthcare Corp Ltd	26-Aug-19	FY19	SGD 0.002590	<b>30-Oct-19</b>	31-Oct-19	17-Dec-19	SGD 0.165	1.4
GuocoLand	26-Aug-19	FY19	SGD 0.07000	<b>31-Oct-19</b>	1-Nov-19	21-Nov-19	SGD 2.000	3.5
Karin Technology Hldgs	28-Aug-19	FY19	<b>HKD</b> 0.0780	<b>31-Oct-19</b>	1-Nov-19	21-Nov-19	SGD 0.325	9.5
British & Malayan Holdings	26-Aug-19	FY19	SGD 0.02700	<b>1-Nov-19</b>	4-Nov-19	22-Nov-19	-	1.2
Noel Gifts Int'l	27-Aug-19	FY19	SGD 0.00100	<b>1-Nov-19</b>	5-Nov-19	14-Nov-19	SGD 0.190	5.2
Noel Gifts Int'l - Special	27-Aug-19	FY19	SGD 0.01900	<b>1-Nov-19</b>	5-Nov-19	14-Nov-19	SGD 0.190	5.2
GL	26-Aug-19	FY19	SGD 0.02200	<b>4-Nov-19</b>	5-Nov-19	26-Nov-19	SGD 0.780	2.8
Silverlake Axis	26-Aug-19	FY19	SGD 0.0070	<b>4-Nov-19</b>	5-Nov-19	15-Nov-19	SGD 0.480	4.0
Spindex Industries	26-Aug-19	FY19	SGD 0.0330	<b>4-Nov-19</b>	5-Nov-19	20-Nov-19	SGD 1.060	2.8
Micro-Mechanics Hldgs	29-Aug-19	FY19	SGD 0.0500	<b>6-Nov-19</b>	7-Nov-19	19-Nov-19	SGD 1.660	6.0
Micro-Mechanics Hldgs - Special	29-Aug-19	FY19	SGD 0.0100	<b>6-Nov-19</b>	7-Nov-19	19-Nov-19	SGD 1.660	6.0
AVI-Tech Electronics	28-Aug-19	FY19	SGD 0.01000	<b>13-Nov-19</b>	14-Nov-19	29-Nov-19	SGD 0.345	6.1
AVI-Tech Electronics - Special	28-Aug-19	FY19	SGD 0.00500	<b>13-Nov-19</b>	14-Nov-19	29-Nov-19	SGD 0.345	6.1
A-Sonic Aerospace Ltd	26-Feb-19	FY18	SGD 0.01000	<b>28-Nov-19</b>	29-Nov-19	12-Dec-19	SGD 0.205	-

Source: SGX Announcement / Bloomberg

## Latest Listing Issue Announcement

Company	Offer Price	Closing Date	Offeror
<b>Delong Hldgs Ltd</b>	SGD 7.00 Cash	5.30 p.m. on 10 Sep 2019	Best Grace Holdings Pte. Ltd.
<b>Hupsteel Ltd</b>	SGD 1.20 Cash	5.30 p.m. on 13 Sep 2019	Hercules Pte. Ltd.
<b>PS Grp Hldgs Ltd</b>	SGD 0.118 Cash	5.30 p.m. on 8 Oct 2019	PS Investment Pte. Ltd.

Source: SGX Announcement



**Appendix 2: Financial Calendar**

Monday	Tuesday	Wednesday	Thursday	Friday
16-Sep	17-Sep	18-Sep	19-Sep	20-Sep
23-Sep SG (Aug 2019) CPI <i>For General Households</i>	24-Sep	25-Sep	26-Sep SG (Aug 2019) Index of Industrial Production	27-Sep
30-Sep SG 2Q19 Int'l Investment Position <i>(Not later than 30 Sep)</i>	1-Oct-2019	2-Oct	3-Oct	4-Oct
7-Oct	8-Oct	9-Oct	10-Oct *Q4 SPH REIT	11-Oct
14-Oct SG 3Q19 Advance GDP Estimates <i>(Not later than 14 Oct)</i>	15-Oct	16-Oct *Q3 Qian Hu Corp	17-Oct	18-Oct

\* Tentative

Source: Bloomberg

---

**Disclaimer** This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities. This report is prepared for general circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. You should independently evaluate particular investments and consult an independent financial adviser before dealing in any securities mentioned in this report.

This report is confidential. This report may not be published, circulated, reproduced or distributed and/or redistributed in whole or in part by any recipient of this report to any other person without the prior written consent of KGI Securities. This report is not intended for distribution and/or redistribution, publication to or use by any person in any jurisdiction outside Singapore or any other jurisdiction as KGI Securities may determine in its absolute discretion, where the distribution, publication or use of this report would be contrary to applicable law or would subject KGI Securities and its connected persons (as defined in the Financial Advisers Act, Chapter 110 of Singapore) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report ("Information") has been obtained or derived from sources believed by KGI Securities to be reliable. However, KGI Securities makes no representation as to the accuracy or completeness of such sources or the Information and KGI Securities accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. KGI Securities and its connected persons may have issued other reports expressing views different from the Information and all views expressed in all reports of KGI Securities and its connected persons are subject to change without notice. KGI Securities reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) KGI Securities, its connected persons and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report; (2) KGI Securities, its connected persons and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto; and (3) the officers, employees and representatives of KGI Securities may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the "Subject Business".)

However, as of the date of this report, neither KGI Securities nor its representative(s) who produced this report (each a "research analyst"), has any proprietary position or material interest in, and KGI Securities does not make any market in, the securities which are recommended in this report.

Each research analyst of KGI Securities who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report; (2) the report was produced independently by him/her; (3) he/she does not carry out, whether for himself/herself or on behalf of KGI Securities or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report; and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. However, the compensation received by each such research analyst is based upon various factors, including KGI Securities's total revenues, a portion of which are generated from KGI Securities's business of dealing in securities.

Copyright 2019. KGI Securities (Singapore) Pte. Ltd. All rights reserved.