

Singapore Daily Newsletter

MARKET SHAPING NEWS

POSITIVE. ISOTeam has received an operator permit from the CAAS for its autonomous AI-driven façade painting drone to take flight. This is now being developed together with its partners Nippon Paint and Acclivis Technologies & Solutions. Expected to be launched by end of 2024, the painting drone has also been awarded the Enterprise Development Grant from Enterprise Singapore, which will support part of the actual qualifying cost of all qualifying items of expenditures and help to defray expenses incurred for its development. According to management, the drone will greatly reduce the set-up time and labour costs usually associated with erecting gondolas and other heavy equipment before painting can begin. The group also expects the drones to enhance its ability to secure five-year cyclical public sector repainting projects as well as the mandatory requirement for buildings that are over 13m tall and more than 20 years of age to be inspected every seven years under the Periodic Facade Inspection regime.

POSITIVE. Global Invacom has signed a multi-year contract for the supply of its XRE ODU platform (XRE) with Eutelsat Communications (Eutelsat), one of the world's largest satellite communications companies. The new platform is based on the Skyware XRE 3-Watt transceiver, which begins production in 4Q23. In fact, the XRE is the latest addition to its Global Skyware's XR Transceiver family; a modem agnostic family which includes the recently launched Skyware XRJ platform, the industry's first Ka band transceiver platform with a linear power range power from 5 to 25 Watts.

NEUTRAL. mm2 Asia's concert arm, mmLive, has signed a subscription agreement with Unipact HK for exchangeable bonds valued at HKD19m. The bonds issued by Unipact may be exchanged by mmLive for HKD19m and into 5% equity interest in Unipact. The partnership, which will eventually make mmLive a shareholder in Unipact over time, means both parties will have access to the most comprehensive artiste line-up and market coverage spanning Singapore, Malaysia, Hong Kong, Taipei, China and Southeast Asia. Working together with Unipact, mm2 would soon be participating in another Asian concert powerhouse team, in order to create multi-leg, multi-territory show opportunities.

NEUTRAL. GSH Corporation updated that the sale of its office units in Cecil Street will not proceed. The group had received a notice from the buyer's solicitors that it was unable to complete the purchase of the property. GSH earlier said that it would be selling its nine strata office units on the 28th floor of 20 Cecil Street for SGD38.8m. As a result, the sale and purchase agreement (SPA) entered into was terminated and the 10% deposit of the SGD38.8m was forfeited by the purchaser. The deposit will be recognised as "other income" in the group's income statement for the current financial year.

UPCOMING EVENTS

Date	Event	Category
14/09/2023	Unemployment Rate	Economics
15/09/2023	NODX	Economics
15/09/2023	Balance of Trade	Economics
22/09/2023	Inflation Rate	Economics
26/09/2023	Industrial Production	Economics
29/09/2023	Bank Lending	Economics
29/09/2023	PPI	Economics

Source: Bloomberg

Equity Indices	Last Close	Δ (abs)	Δ (%)
Dow Jones	34,443	-199	-0.6%
S&P500	4,465	-31	-0.7%
Nasdaq	13,872	-148	-1.1%
Nikkei 225	33,241	204	0.6%
HSI	18,450	-7	0.0%
SH Comp	3,158	4	0.1%
Kospi	2,563	-19	-0.7%
TWSE	16,738	-53	-0.3%
STI	3,223	-4	-0.1%
KLCI	1,461	6	0.4%
JKSE	6,996	4	0.1%
SET	1,549	1	0.1%

FX Movers	Last Close	Δ (abs)	Δ (%)
USDSGD	1.3636	0.0023	0.2%
GBPSGD	1.7055	-0.0050	-0.3%
EURSGD	1.4628	0.0033	0.2%
CHFSGD	1.5304	0.0000	0.0%
AUDSGD	0.8702	0.0019	0.2%
NZDSGD	0.8008	-0.0002	-0.0%
JPYSGD	0.9236	0.0021	0.2%
SGDMYR	3.4334	0.0063	0.2%

Yields	Last Close	Δ (pts)	Δ (%)
US10Y	4.28	0.02	0.5%
SG10Y	3.20	0.03	1.1%
SIBOR3M	4.06	0.00	0.0%

Commodities	Last Close	Δ (pts)	Δ (%)
Brent Crude	90.6	0.6	0.6%
WTI	87.5	0.9	1.0%
Gold	1,917	-10	-0.5%

Crypto	Last Close	Δ (pts)	Δ (%)
Bitcoin/USD	25,670	-36	-0.1%
ETH/USD	1,628	-1	-0.1%

Source: Bloomberg

TOP EQUITY IDEAS



Food Empire - [More positive after Vietnam factory visit](#)

We visited FEH's Vietnam operations on 29-30 Aug'23 and came away with a more positive outlook for FEH. We forecast FEH's sales in Vietnam to grow by around 13-15% in FY23 and new products are slated to be launched in FY24E. FEH has the third-largest market share of 3-in-1 ice coffee after Nestle and a local brand G7. Overall, we expect FEH's margins to gradually improve after it hikes prices to offset the depreciation of the Russian Ruble. Maintain BUY and TP of SGD1.36, based on 11x FY23E P/E.



Frasers Centrepoint Trust - [Shrinking to grow](#)

FCT announced divestment of Changi City Point for SGD338m, approx. 4% above valuation and implying 4.31% exit yield based on FY22 net property income. FCT will use the proceeds to repay loans with higher interest rates, strengthen its financial base and position for further portfolio reconstitution. We view the deal favourably as FCT's portfolio attributes and debt metrics will improve following the divestment. Maintain BUY.

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