

Singapore Daily Newsletter

MARKET SHAPING NEWS

POSITIVE. GHY's indirect associated company, Beijing Changxin Film & Media, has entered into two cooperation agreements to invest in a series of Jay Chou's Carnival World Tour concerts in China that were held in Aug 2023 and that will be held in Sep 2023. According to management, the reopening has brought on new opportunities arising from the pent-up demand for concerts and live entertainment in China. Anchored by its two core businesses of TV Program and Film Production and Concert Production, the group is expecting its business operations to further normalise in FY23.

NEUTRAL. Olam Group has categorically denied the allegations involving its operations in Nigeria, which was said to be involved in a "mega economic fraud" of over USD50b, according to Daily Nigerian and Prime Business Africa. Olam's cumulative turnover in Nigeria for FY15-FY22 stood at USD14b in total (includes all export, import and domestic sales). For the same period, Olam Nigeria's capital importations stood at USD2.4b in total. The group stressed that there are no "fictitious Nigerian directors" in Olam Nigeria as all its local subsidiaries are formed for a proper corporate purpose and are audited by Ernst & Young Global's member firm in Nigeria. Regarding the case in the Ivory Coast, after detailed audit and reconciliation, a sum of USD5.29m inclusive of transaction costs and tax adjustments was finally assessed and paid in 2021, and not the amount of USD262.7m referred to in the articles. Meanwhile, Olam Nigeria has responded to the various requests for information by the authorities and that it will cooperate with further requests. There is an audit committee review underway with more details to follow after completion.

NEUTRAL. Rex's 91.65% subsidiary, Lime Petroleum, updated that oil production in Aug from the Brage Field in Norway, net to LPA, amounted to 5,600 barrels of oil equivalent per day (boepd). At the Yme Field, production in August, net to LPA, was 2,126 boepd. Only oil is sold from the Yme Field as the produced gas is being used for production operations and re-injected into the reservoirs for improved oil recovery. Both field and Yme production are higher than that in Jul but there were some production loss due to certain operations hiccup.

NEUTRAL. Straits Trading has launched two new fractionalised property investment products for members of its shareholders' club. The first is a condominium unit in Duchess Residences, a 999-year leasehold development located at 108 Duchess Avenue, with a minimum amount of SGD200k. The second underlying property is a freehold GCB located at 8A Cable Road, with a minimum investment of SGD500k. Preference shareholders may receive dividends, which will be paid on a semi-annual basis. At the end of the expected investment period of 5 years, the preference shareholders may enjoy returns which reflect a share in the potential appreciation in value of the underlying property via a special payout.

UPCOMING EVENTS

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	34,664	87	0.3%
S&P500	4,487	30	0.7%
Nasdaq	13,918	156	1.1%
Nikkei 225	32,468	-139	-0.4%
HSI	18,096	-106	-0.6%
SH Comp	3,143	26	0.8%
Kospi	2,557	9	0.4%
TWSE	16,433	-143	-0.9%
STI	3,218	11	0.3%
KLCI	1,455	0	0.0%
JKSE	6,963	39	0.6%
SET	1,541	-6	-0.4%

FX Movers	Last Close	Δ (abs)	Δ (%)
USDSGD	1.3606	-0.0051	-0.4%
GBPUSD	1.7019	-0.0005	0.0%
EURUSD	1.4626	0.0015	0.1%
CHFUSD	1.5272	-0.0017	-0.1%
AUDUSD	0.8749	0.0042	0.5%
NZDUSD	0.8053	0.0020	0.2%
JPYUSD	0.9281	0.0043	0.5%
SGDMYR	3.4340	0.0047	0.1%

Yields	Last Close	Δ (pts)	Δ (%)
US10Y	4.29	0.02	0.6%
SG10Y	3.24	0.04	1.1%
SIBOR3M	4.06	0.00	0.0%

Commodities	Last Close	Δ (pts)	Δ (%)
Brent Crude	90.6	0.0	0.0%
WTI	87.3	-0.2	-0.3%
Gold	1,922	3	0.2%

Crypto	Last Close	Δ (pts)	Δ (%)
Bitcoin/USD	25,087	-731	-2.8%
ETH/USD	1,541	-77	-4.8%

Source: Bloomberg

TOP EQUITY IDEAS



ASEAN Banks - [The leaves of Autumn](#) | D/G NEUTRAL

ASEAN banks are entering late-cycle growth with operating profit expansion set to decelerate. China's re-opening boost has been tepid so far, adding further hurdles for growth in the near term. On the other hand, asset quality remains resilient, while balance sheets, provisioning cover and liquidity are strong. We downgrade outlook to NEUTRAL. Preference for ID and TH banks given potential government pump priming. Preferred picks: BBL, KTB, BMRI, BCCA, DBS, CIMB, TCB.



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 FY24 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.

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