

Singapore Daily Newsletter

MARKET SHAPING NEWS

POSITIVE. **Ley Choon Group** announced that its subsidiaries, Teacly (S) and Chin Kuan Engineering and Contractors, have successfully secured contracts worth about SGD6.3m in aggregate for the supply, laying and maintenance of underground utilities pipelines. The contracts are expected to be completed within about 24 to 36 months. According to management, the latest order wins are expected to progressively contribute to the group's financial performance after the commencement of the contracts.

NEUTRAL. **SGX** and BlackRock will spearhead the creation and implementation of a comprehensive global ecosystem of climate-related market solutions with the listing of iShares MSCI Asia ex-Japan Climate Action ETF. This tracks the MSCI AC Asia ex Japan Climate Action Index, which is part of the suite of MSCI Climate Action Indexes launched in end 2022. It is the largest equity ETF launched in Singapore, with AUM of USD426m at launch. Separately, SGX is implementing a new organisational structure wef 1 Oct 2023, which includes the appointment of Michael Syn as the bourse's new president and head of its global markets division. All business lines except for indices will be under his purview in the new role. This will cover all asset classes, namely: equities, fixed income, currencies and commodities. Meanwhile, the newly formed wholesale markets and platforms division will be led by SGX's current head of fixed income, currencies and commodities, Lee Beng Hong. Overall, the move will allow SGX to achieve its twin objectives of developing its multi-asset offering and further scaling its geographical and client coverage.

NEUTRAL. **SMI Vantage** has signed an offer to rent agreement by its wholly-owned subsidiary SMI CS, allowing the company to set up its Bitcoin mining business in Malaysia's state of Sarawak, Borneo. It will fit out the facility with Bitcoin mining machines housed in containerised shells. The new machines, together with the lower cost of electricity, enables SMI Vantage to mine Bitcoin more cost-effectively. SMI Vantage will begin the process of installing the first of its two containerised mining rigs and expects to commence mining Bitcoin in 3Q23. The agreement was advised by Sovereign Systemtechnik (Sarawak), with whom a strategic partnership agreement was signed in Sept 2022 to investigate a number of new business opportunities including data centre management, F&B as well as other business areas of interest to the group.

UPCOMING EVENTS

Date	Event	Category
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
03/10/2023	URA Property Index	Economics

Source: Bloomberg

Equity Indices	Last Close	Δ (abs)	Δ (%)
Dow Jones	34,907	332	1.0%
S&P500	4,505	38	0.8%
Nasdaq	13,926	112	0.8%
Nikkei 225	33,168	462	1.4%
HSI	18,048	39	0.2%
SH Comp	3,127	3	0.1%
Kospi	2,573	38	1.5%
TWSE	16,808	226	1.4%
STI	3,250	31	1.0%
KLCI	1,450	-4	-0.3%
JKSE	6,959	24	0.3%
SET	1,545	10	0.6%

FX Movers	Last Close	Δ (abs)	Δ (%)
USDSGD	1.3635	0.0024	0.2%
GBPSGD	1.6920	-0.0080	-0.5%
EURSGD	1.4512	-0.0093	-0.6%
CHFSGD	1.5223	-0.0008	-0.1%
AUDSGD	0.8781	0.0040	0.5%
NZDSGD	0.8061	0.0006	0.1%
JPYSGD	0.9245	0.0014	0.2%
SGDMYR	3.4411	0.0032	0.1%

Yields	Last Close	Δ (pts)	Δ (%)
US10Y	4.29	0.04	0.9%
SG10Y	3.24	-0.02	-0.6%
SIBOR3M	4.06	0.00	0.0%

Commodities	Last Close	Δ (pts)	Δ (%)
Brent Crude	93.7	1.8	2.0%
WTI	90.2	1.6	1.9%
Gold	1,911	3	0.1%

Crypto	Last Close	Δ (pts)	Δ (%)
Bitcoin/USD	26,579	353	1.3%
ETH/USD	1,628	24	1.5%

Source: Bloomberg

TOP EQUITY IDEAS



Frencken Group Ltd - [Accumulate for FY24E](#)

With key customers ASML and AMAT raising their revenue forecasts, we believe it's Singapore and Malaysia factory utilisation should benefit from a recovery in FY24E, especially when ASML is shifting some of its production from Europe to Malaysia. We think Frencken's performance likely bottomed in 1Q23. We are now more confident of a stronger FY24E, and maintain BUY with a higher TP of SGD1.27 (+31%), based on 11x from 9x FY24E PE. We also raise FY24E PATMI by 8.5% on better margins.



Sea Ltd - [TikTok Shop ban threat positive for Sea](#)

TikTok Shop has been accused of unfair competition by local MSMEs through cheap imports. Indonesia is one of Shopee's largest markets and the platform has ~40% share of online sales. Regulatory action that restrains TikTok Shop should result in market-share shifts in favour of existing platforms including Shopee. Further, TikTok shop's relatively lower fee structure and aggressive investments in Indonesia have spurred SE to invest more heavily in subsidies and marketing to protect market share.

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