

Singapore Daily Newsletter

MARKET SHAPING NEWS

POSITIVE. Martin Lechner, an independent director of **First REIT's** manager, has acquired 796,900 units in the REIT at 21 cents each. He was appointed as a director of the REIT in January 2018. Lechner had paid a total of SGD167,349 when he bought the units via the market on 18 Sep. Following the acquisition, Lechner now has a total of 5.80m units (or 0.28% stake) in the trust. At current level, First REIT is trading at 0.7x P/B and attractive yield of 11%.

NEUTRAL. **SGX's CEO** Loh Boon Chye, has been elected the new chairman of the World Federation of Exchanges (WFE). He will serve a 2-year term with the global industry association. He is among seven newly-elected board directors at the WFE. The appointments were announced at the WFE's 62nd general assembly held in London. Established in 1961, the WFE is the global industry association for exchanges and clearing houses. Headquartered in London, it represents over 250 market infrastructure providers, including standalone central counterparty clearing houses that are not part of exchange groups.

NEUTRAL. **Casa Holdings** announced that its JV company, VMD Development, which was jointly incorporated by its wholly owned subsidiary, Casa Property Holdings together with VMD, has disposed three pieces of vacant land for a consideration of RM32.7m (SGD9.5m). The purchaser is Mohm Chemical, a Malaysia-based company that is in the business of manufacturing and dealing of chemical products, sealants and special adhesive products. The three parcels of land are located in Johor, Malaysia. The three industrial lands have areas measuring about 3.97 hectares, 2.62 hectares and 1.99 hectares respectively. Casa will receive gross proceeds of RM16.3m, representing 50% of the consideration. The group intends to utilise the proceeds for strategic investments, funding operation, funding the expansion of its product range, building new brands and entering new markets.

NEUTRAL. **NIO** has priced USD1b worth of six-year and seven-year convertible senior notes with an initial conversion premium of 30%. The USD500m notes due 15 Oct 2029 will pay an annual interest rate of 3.875%, while the USD500m notes due 15 Oct 2030 bear a 4.625% coupon. Nio may call the notes for early redemption after four years in the case of the 2029 notes, and after five years for the 2030 notes. Convertible holders may put the notes back to the company for early redemption in 2027 for the six-year notes, and in 2028 for the seven-year notes. Nio will use part of the offering's net proceeds to buy and cancel about USD500m of existing convertible debt. That comprises USD256m of Nio's zero-coupon convertible notes due 2026 and USD244m of the company's 0.5% convertibles due 2027. Remaining proceeds will be used to strengthen its balance sheet position and for general corporate purposes.

UPCOMING EVENTS

25/09/2023	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
03/10/2023	Manufacturing PMI	Economics
05/10/2023	Retail Sales	Economics

Source: Bloomberg

Equity Indices	Last Close	Δ (abs)	Δ (%)
Dow Jones	34,441	-77	-0.2%
S&P500	4,402	-42	-0.9%
Nasdaq	13,469	-209	-1.5%
Nikkei 225	33,024	-219	-0.7%
HSI	17,886	-112	-0.6%
SH Comp	3,109	-16	-0.5%
Kospi	2,560	1	0.0%
TWSE	16,535	-102	-0.6%
STI	3,242	1	0.0%
KLCI	1,452	-6	-0.4%
JKSE	7,012	31	0.4%
SET	1,508	-15	-1.0%

FX Movers	Last Close	Δ (abs)	Δ (%)
USDSGD	1.3653	0.0005	0.0%
GBPSGD	1.6854	-0.0059	-0.3%
EURSGD	1.4556	-0.0019	-0.1%
CHFSGD	1.5194	-0.0009	-0.1%
AUDSGD	0.8802	-0.0006	-0.1%
NZDSGD	0.8095	-0.0006	-0.1%
JPYSGD	0.9204	-0.0027	-0.3%
SGDMYR	3.4367	-0.0089	-0.3%

Yields	Last Close	Δ (pts)	Δ (%)
US10Y	4.41	0.05	1.1%
SG10Y	3.35	0.03	1.0%
SIBOR3M	4.06	0.00	0.0%

Commodities	Last Close	Δ (pts)	Δ (%)
Brent Crude	93.5	-0.8	-0.9%
WTI	90.3	-0.9	-1.0%
Gold	1,930	-1	-0.1%

Crypto	Last Close	Δ (pts)	Δ (%)
Bitcoin/USD	27,095	-97	-0.4%
ETH/USD	1,625	-18	-1.1%

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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