

Singapore Daily Newsletter

MARKET SHAPING NEWS

UPDATE. [LHN](#) reported solid 3Q23 operating metrics with stable rental rates and improving occupancy for its Collwo projects. Meanwhile, its facilities management, carpark and energy subsidiaries continue to secure new contracts. We remain positive on LHN's prospects and maintain BUY with a 12-month TP of SGD0.54. Re-rating catalysts include: 1) further value-unlocking divestments; 2) potential special dividends; and 3) successful upgrade to the SGX mainboard from its current listing on Catalist.

POSITIVE. [Noel Gifts International](#) has entered into a collective sale agreement in relation to a proposed collective sale of Noel Building at 50 Playfair Road. The group owns 10 units in the building under its property investment business segment. The units are located on the third, fifth, sixth and seventh storeys. Its gifts segment will be wholly unaffected by the sale of the units. The group intends to continue engaging in the properties segment business even upon the sale of the units. Upon completion, it will use the sale proceeds for future opportunistic acquisitions and investments, as well as to fund its general working capital requirements.

NEUTRAL. [SIA Engineering](#) has incorporated a wholly-owned subsidiary, Base Maintenance Malaysia (BMM), in Malaysia. According to the group, BMM has been set up for the purpose of carrying out aircraft Maintenance, Repair and Overhaul (MRO) and such other services and operations as may be necessary for or incidental to carrying out the aforementioned MRO services. Its issued and paid-up capital is RM100.

NEUTRAL. [Keppel Corp](#) is seeking shareholders' approval to change its name to "Keppel Ltd" to better reflect its new brand identity as one company, rather than a conglomerate of diverse parts. Notably, the group is reorganising itself into three "horizontally integrated" platforms for fund management, investment and operations. For decades, Keppel has been run as a conglomerate, with various business units having their distinct identify or listing status. This latest restructuring signals a fundamental shift in how Keppel organises itself to operate itself in a nimbler manner and harness technology to grow at speed and scale. At the upcoming EGM (to be held on Oct 18), shareholders will also be asked to give the go-ahead for the group to distribute units of Keppel REIT in specie as part of a bigger dividend package they stand to receive.

UPCOMING EVENTS

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
06/10/2023	FX Reserves	Economics
13/10/2023	GDP Growth Rate	Economics

Source: Bloomberg

Equity Indices	Last Close	Δ (abs)	Δ (%)
Dow Jones	33,619	-388	-1.1%
S&P500	4,274	-64	-1.5%
Nasdaq	13,064	-208	-1.6%
Nikkei 225	32,315	-364	-1.1%
HSI	17,467	-262	-1.5%
SH Comp	3,102	-13	-0.4%
Kospi	2,463	-33	-1.3%
TWSE	16,276	-176	-1.1%
STI	3,215	0	0.0%
KLCI	1,446	2	0.1%
JKSE	6,924	-75	-1.1%
SET	1,494	-13	-0.9%

FX Movers	Last Close	Δ (abs)	Δ (%)
USDSGD	1.3689	0.0026	0.2%
GBPSGD	1.6644	-0.0041	-0.2%
EURSGD	1.4473	-0.0001	0.0%
CHFSGD	1.4949	-0.0034	-0.2%
AUDSGD	0.8757	-0.0020	-0.2%
NZDSGD	0.8139	-0.0014	-0.2%
JPYSGD	0.9184	0.0007	0.1%
SGDMYR	3.4303	-0.0006	0.0%

Yields	Last Close	Δ (pts)	Δ (%)
US10Y	4.54	0.00	0.0%
SG10Y	3.44	0.02	0.5%
SIBOR3M	4.06	0.00	0.0%

Commodities	Last Close	Δ (pts)	Δ (%)
Brent Crude	94.0	0.7	0.7%
WTI	90.4	0.7	0.8%
Gold	1,901	-15	-0.8%

Crypto	Last Close	Δ (pts)	Δ (%)
Bitcoin/USD	26,148	-141	-0.5%
ETH/USD	1,587	0	0.0%

Source: Bloomberg

TOP EQUITY IDEAS



UMS Holdings - [Brighter prospects; U/G to BUY](#)

UMS' key customer AMAT raised its 4Q23 revenue and profit guidance which should benefit UMS as AMAT's inventory levels should be depleted at a faster rate, increasing the chances of a rebound in components orders in FY24E. UMS also renewed its integrated system contract until end-2025 and received an in-principle three year agreement with a new customer. Given better prospects, we upgrade UMS to BUY from HOLD, based on a higher 11x FY24E P/E (from 9x), resulting in a higher TP of SGD1.44.



Grab Holdings - [Foodpanda up for grabs](#)

Delivery Hero (DHER GR, NR, CP: EUR31.19) confirmed it is in talks to sell part of Foodpanda delivery business in Southeast Asia. The discussions are still preliminary and we do not know whether the sale will go ahead. Sources cited Grab as one of the interested parties and that it could pay more than EUR1b (~SGD1.5b) for the stake. Foodpanda ranked No.2 by market share in Singapore, Malaysia and the Philippines, and No.3 in Thailand in 2022 with an estimated Southeast Asia GMV of USD3.1b.

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