

Singapore Daily Newsletter

MARKET SHAPING NEWS

UPDATE. Indonesia's Ministry of Trade is reportedly planning to announce the country's new online trade regulations, which may include laws to inhibit social media companies like TikTok from facilitating direct e-commerce payments on their platforms. TikTok Shop in Indonesia has been under regulatory scrutiny in recent months and [Sea Ltd](#) would be the biggest beneficiary. We think Indonesia's decision may influence regulators in other countries as they assess TikTok's growing e-commerce capabilities.

POSITIVE. Honeywell and Asia Pacific Aircraft Component Services (APACS), a subsidiary of [SIA Engineering](#) (SIAE) and JV with SR Technics, reaffirmed their long-term partnership with additional Honeywell licences awarded to APACS. These licenses enable APACS to perform repair activities on Honeywell's Air Data Inertial Reference Unit (ADIRU) and Pre-Cooler Control Valve (PCCV) products, and to explore associated material supply opportunities. The first license encompasses a 10-year programme, allowing APACS to perform repairs on Honeywell ADIRU products for Airbus aircraft. This complements the license granted to APACS last year for Honeywell ADIRU products for Boeing aircraft. The second license is a seven year repair and material supply programme, which enables APACS to perform repair activities for Honeywell PCCV products utilised on Boeing 737 aircraft. In addition, these programs also enable both parties to explore marketing and sales opportunities for spare parts across various aircraft types.

NEUTRAL. The exit offer for [Healthway Medical](#) has been declared unconditional after shareholders holding 50.47% of the shares in the company accepted the offer. [OUE Healthcare](#) had earlier made a conditional exit offer of 4.8 cents per share in all the shares of Healthway Medical. Should the offer go through, Healthway Medical will be delisted from the SGX-ST. The offer will close at 5.30pm on 12 Oct.

NEUTRAL. [ARA US Hospitality Trust](#) updated that it has completed the sale of Hyatt Place Oklahoma City Airport for USD8m. Separately, it has refinanced the US\$270.8m loan facilities (comprises a USD244.3m three-year term loan facility, a USD8.5m four-year term loan facility and a USD8m letter of credit facility), which all mature in 2024. Under the new agreement, the term loan facilities will be extended into a USD198.5m three-year loan facility and a USD51m term loan facility that will mature in Sep 2026 and Sep 2027 respectively. A new USD30m three-year revolving credit facility that will mature in Sep 2026 has also been granted to the REIT managers. However, the REIT will have to make a prepayment if ARA Asset Management ceases to own at least 51% of the shares in the REIT managers without the consent of the majority lenders.

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	33,550	-69	-0.2%
S&P500	4,275	1	0.0%
Nasdaq	13,093	29	0.2%
Nikkei 225	32,372	57	0.2%
HSI	17,612	145	0.8%
SH Comp	3,107	5	0.2%
Kospi	2,465	2	0.1%
TWSE	16,310	34	0.2%
STI	3,200	-15	-0.5%
KLCI	1,440	-5	-0.4%
JKSE	6,938	14	0.2%
SET	1,497	3	0.2%

FX Movers	Last Close	Δ (abs)	Δ (%)
USDSGD	1.3726	0.0037	0.3%
GBPSGD	1.6658	0.0014	0.1%
EURSGD	1.4417	-0.0056	-0.4%
CHFSGD	1.4899	-0.0050	-0.3%
AUDSGD	0.8720	-0.0037	-0.4%
NZDSGD	0.8130	-0.0009	-0.1%
JPYSGD	0.9173	-0.0011	-0.1%
SGDMYR	3.4368	0.0065	0.2%

Yields	Last Close	Δ (pts)	Δ (%)
US10Y	4.61	0.07	1.6%
SG10Y	3.41	-0.03	-0.8%
SIBOR3M	4.06	0.00	0.0%

Commodities	Last Close	Δ (pts)	Δ (%)
Brent Crude	96.6	2.6	2.8%
WTI	93.7	3.3	3.6%
Gold	1,875	-26	-1.3%

Crypto	Last Close	Δ (pts)	Δ (%)
Bitcoin/USD	26,239	91	0.3%
ETH/USD	1,594	7	0.5%

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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