

Singapore Daily Newsletter

MARKET SHAPING NEWS

POSITIVE. City Developments (CDL) has enlarged its Private Rented Sector (PRS) portfolio in Japan by investing in 25 freehold residential assets for JPY35b (or SGD321.9 m). These properties comprise a total of 836 units (including four retail units) and mark CDL's largest PRS transaction in Japan. The interests in the properties were purchased from affiliates of BGO, a leading global real estate investment manager. With an average age of less than two years and strong locational attributes, the portfolio enjoys an average committed occupancy rate of around 97% and stable rental income. This investment marks CDL's first foray into Tokyo's rental housing sector, following its successful PRS ventures in Osaka and Yokohama. The group's first PRS project in Japan, Horie Lux in Osaka, was acquired in 2019. Management believes there is a strong investment potential due to the recovery of economic activities and rising demand for rental accommodation in Tokyo. Post completion, the group's Japan PRS portfolio now consists of 38 projects comprising more than 2,100 units with a total asset value of greater than JPY70b.

POSITIVE. APAC Realty has entered into a ERA Master franchise agreement with Queensland 888. Under the agreement, the group has granted Queensland 888 exclusive rights to operate or grant memberships for the operation of ERA member broker offices in Queensland, Australia. The agreement is for an initial term of 15 years commencing from 1 Sep 2023, and may be renewed for a further 15 years subject to the fulfilment of certain conditions. Queensland888 will operate its business as "ERA Queensland". It will have an initial team of 17 agents across three offices in Brisbane. The business will be headquartered in Brisbane and led by Alex Caraco, CEO of ERA Queensland. It will focus on off-plan projects, high-end prestige properties, general residential, property management and the sale and leasing of commercial properties. This is part of the group's strategic regional growth plans following its Laos franchise signing in Mar 2023.

NEUTRAL. Embraer has signed a Non-Binding MoU with SIAEP, a subsidiary of **SIA Engineering** (SIAE), that will explore further partnership to include maintenance, repair and overhaul (MRO) services for Embraer's E-Jets E2 family of aircraft. SIAEP has been an authorised service center in Asia-Pacific for Embraer's first-generation E-Jets since 2017.

NEUTRAL. Thai Beverage has incorporated SpiritsCo Limited, a new, wholly-owned subsidiary in Hong Kong. SpiritsCo has an initial issued share capital of HKD300,000, consisting of 300,000 shares. It is incorporated as an investment holding company. The investment was funded through internally generated funds, and is not expected to have any material impact on the group's EPS and NTA for the current financial year.

UPCOMING EVENTS

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
16/10/2023	Keppel DC REIT	Earnings Result
17/10/2023	Keppel REIT	Earnings Result

Source: Bloomberg

Equity Indices	Last Close	Δ (abs)	Δ (%)
Dow Jones	33,666	116	0.3%
S&P500	4,300	25	0.6%
Nasdaq	13,201	108	0.8%
Nikkei 225	31,873	-499	-1.5%
HSI	17,373	-239	-1.4%
SH Comp	3,110	3	0.1%
Kospi	2,465	0	0.0%
TWSE	16,354	43	0.3%
STI	3,207	7	0.2%
KLCI	1,440	0	0.0%
JKSE	6,938	0	0.0%
SET	1,482	-15	-1.0%

FX Movers	Last Close	Δ (abs)	Δ (%)
USDSGD	1.3658	-0.0068	-0.5%
GBPSGD	1.6668	0.0010	0.1%
EURSGD	1.4432	0.0015	0.1%
CHFSGD	1.4928	0.0029	0.2%
AUDSGD	0.8778	0.0058	0.7%
NZDSGD	0.8143	0.0013	0.2%
JPYSGD	0.9147	-0.0026	-0.3%
SGDMYR	3.4332	-0.0036	-0.1%

Yields	Last Close	Δ (pts)	Δ (%)
US10Y	4.57	-0.03	-0.7%
SG10Y	3.45	0.04	1.2%
SIBOR3M	4.06	0.00	0.0%

Commodities	Last Close	Δ (pts)	Δ (%)
Brent Crude	95.4	-1.2	-1.2%
WTI	91.7	-2.0	-2.1%
Gold	1,865	-10	-0.5%

Crypto	Last Close	Δ (pts)	Δ (%)
Bitcoin/USD	27,089	851	3.2%
ETH/USD	1,656	63	3.9%

Source: Bloomberg

TOP EQUITY IDEAS



Sea Ltd - [Beneficiary if Indonesia bans TikTok Shop](#)

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.



LHN Ltd - [Strong momentum](#)

LHN reported solid 3Q23 operating metrics with stable rental rates and improving occupancy for its Collwoow 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. 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.

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