

# Singapore Daily Newsletter

## MARKET SHAPING NEWS

**UPDATE.** [Dyna-Mac](#) said it won several contracts worth a total of SGD88m that will be for 1Q24 to 2025. Its order book has increased to SGD630.7m and it continues to receive many enquiries from both existing and new customers. Management secured a JTC lease for a plot of land along Gul Road that could potentially expand capacity by 30-40%. It is also exploring M&A opportunities with recurring revenue. We have a positive outlook for Dyna-Mac. Maintain BUY and TP of SGD0.51, based on a target 20x FY24E P/E.

**POSITIVE.** [Sembcorp Industries](#) has signed long-term power purchase agreements (PPAs) with subsidiaries under STT GDC (ST Telemedia Global Data Centres) to power its data centres in Singapore. Under the PPAs, Sembcorp Power will supply the data centres with up to 100MW of power over a contract period of between eight to 10 years. SCI's dominant position in the gas & electricity market underpins its ability to provide long-term contract offerings to customers. These contracts further strengthen SCI's long-term contracted position in Singapore, adding on to an existing portfolio that includes the 18-year PPA with Micron and the 10-year PPA with Singtel, both announced earlier this year. This is a deliberate strategy that provides earnings stability and visibility for the group, which will be accretive to earnings commencing from FY23.

**POSITIVE.** [Keppel Corp](#) (KEP), through its real estate division, has signed an agreement to divest its 35% stake in Chengdu Taixin Real Estate Development (CTRED) to Vanke (Chengdu) Enterprise. CTRED, a JV between KEP and Vanke, which owns V City, a 16.7-ha residential project in Chengdu. Vanke will pay a cash consideration of about RMB504m for the sale shares in a single tranche payable no later than 31 Oct 2023. Over the years, KEP has recognised cumulative PAT of about SGD57m from the sales of residential units, street-front shops and other amenities at V City, prior to the divestment. The deal is expected to be completed within 4Q23, and is in line with its asset monetisation plans to unlock value that can be invested to pursue new opportunities.

**NEUTRAL.** [Singtel](#) has agreed to sell all its equity interest in its Chicago-based cyber-security arm, Trustwave, for an enterprise value of USD205m, comprising a secured note and cash. The buyer is MC2 Titanium, a growth equity fund founded by the executive leadership team of The Chertoff Group, an advisory firm. The group believes the divestment is in line with its strategic reset to refocus its business in Asia-Pacific and improve shareholder value by optimising resource allocation. Post completion, Trustwave will be reclassified as a subsidiary held for sale as at end-Sep 2023, and will be deconsolidated from the group's financials. The transaction is expected to be completed by the 4Q23, and is subject to regulatory approvals and customary closing conditions.

## UPCOMING EVENTS

Date	Event	Category
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
18/10/2023	Keppel Pacific Oak US REIT	Earnings Result
19/10/2023	Keppel Corp	Earnings Result

Source: Bloomberg

Equity Indices	Last Close	Δ (abs)	Δ (%)
Dow Jones	33,433	-74	-0.2%
S&P500	4,288	0	0.0%
Nasdaq	13,308	88	0.7%
Nikkei 225	31,760	-98	-0.3%
HSI	17,810	0	0.0%
SH Comp	3,110	0	0.0%
Kospi	2,465	0	0.0%
TWSE	16,557	204	1.2%
STI	3,209	-9	-0.3%
KLCI	1,419	-5	-0.4%
JKSE	6,961	22	0.3%
SET	1,469	-2	-0.1%

FX Movers	Last Close	Δ (abs)	Δ (%)
USDSGD	1.3730	0.0068	0.5%
GBPUSD	1.6595	-0.0076	-0.5%
EURUSD	1.4385	-0.0056	-0.4%
CHFUSD	1.4952	0.0028	0.2%
AUDUSD	0.8736	-0.0051	-0.6%
NZDUSD	0.8166	-0.0030	-0.4%
JPYUSD	0.9162	0.0016	0.2%
SGDMYR	3.4389	-0.0090	-0.3%

Yields	Last Close	Δ (pts)	Δ (%)
US10Y	4.68	0.11	2.3%
SG10Y	3.38	0.00	-0.1%
SIBOR3M	4.06	0.00	0.0%

Commodities	Last Close	Δ (pts)	Δ (%)
Brent Crude	90.7	-4.6	-4.8%
WTI	88.8	-2.0	-2.2%
Gold	1,828	-21	-1.1%

Crypto	Last Close	Δ (pts)	Δ (%)
Bitcoin/USD	27,842	727	2.7%
ETH/USD	1,666	-9	-0.5%

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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