

Singapore Daily Newsletter

MARKET SHAPING NEWS

Singapore Economics: [Will MAS Blink Amid a Stagnating Economy?](#) We expect the MAS to remain focused on inflation and maintain the prevailing rate of S\$NEER appreciation at the mid-October meeting. But with growth stagnating, inflation easing from their highs and 3Q GDP growth forecasted at a weak +0.1% - we cannot rule out the MAS surprising with a “slight” easing and reducing the slope of the appreciation bias. We would ascribe a 20% probability to the MAS surprising with a “slight” easing move.

UPDATE. [Raffles Medical](#) is acquiring a majority interest in American International Hospital in Ho Chi Minh City for up to USD45.6m, to be funded by internal resources. The consideration took into account the valuation of the hospital asset by Savills Vietnam in Jul 2023. This follows a strategic partnership agreement it entered with My My Trading Services Company. Meanwhile, RFMD extended its contract to provide medical services at Connect@Changi as a TCF/CTF until Feb 2025. Keep BUY and a DCF-based TP of SGD1.65.

POSITIVE. [CapitaLand Investment Limited](#) (CLI) and its REITs/business trusts have achieved top sustainability recognition in the 2023 GRESB Real Estate Assessment. CLI and [CapitaLand Integrated Commercial Trust](#) (CICT) maintained the highest 5-star rating, placing them in the top 20% of the benchmark globally. For the first time, [CapitaLand China Trust](#) (CLCT) received a 5-star rating. [CapitaLand Ascendas REIT](#) (CLAR), [CapitaLand Ascott Trust](#) (CLAS) and [CapitaLand India Trust](#) (CLINT) received a 4-star rating. CLAS also retained the top position in the hotel category for the third consecutive year. CLI, CICT, CLCT, CLAR, CLAS and CLINT were awarded an ‘A’ for public disclosure. With CLI’s, CICT’s and CLAS’ ratings on GRESB 2023, they will obtain interest rate savings from their existing sustainability-linked loans. As at end-Jun 2023, CLI and its listed REITs and business trusts have partnered with 19 financial institutions to secure a total of SGD14b in sustainable finance. The interest rate savings from the sustainability-linked loans will be reinvested to fund its decarbonisation initiatives and innovations.

NEUTRAL. [Seatrium’s](#) wholly-owned subsidiary, Estaleiro Jurong Aracruz (EJA), has refinanced an existing facility due in Dec 2023 with a USD500m facility from Standard Chartered Bank (Singapore). The new facility includes a sustainability-linked conversion option that’s aligned with sustainability-linked loan principles. This will help the group in achieving its ESG targets over time through adjustments to the loan characteristics upon conversion. Seatrium is working towards achieving 40% of its net order book from renewables and cleaner/green solutions, and reducing its greenhouse gas emissions by 40% by 2030.

UPCOMING EVENTS

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	33,130	127	0.4%
S&P500	4,264	34	0.8%
Nasdaq	13,236	177	1.4%
Nikkei 225	30,527	-711	-2.3%
HSI	17,196	-135	-0.8%
SH Comp	3,110	0	0.0%
Kospi	2,406	-59	-2.4%
TWSE	16,273	-181	-1.1%
STI	3,147	-45	-1.4%
KLCI	1,416	-4	-0.3%
JKSE	6,887	-54	-0.8%
SET	1,451	4	0.3%

FX Movers	Last Close	Δ (abs)	Δ (%)
USDSGD	1.3721	-0.0010	-0.1%
GBPSGD	1.6650	0.0066	0.4%
EURSGD	1.4412	0.0040	0.3%
CHFSGD	1.4958	0.0049	0.3%
AUDSGD	0.8679	0.0025	0.3%
NZDSGD	0.8113	-0.0001	0.0%
JPYSGD	0.9201	-0.0013	-0.1%
SGDMYR	3.4476	0.0093	0.3%

Yields	Last Close	Δ (pts)	Δ (%)
US10Y	4.73	-0.06	-1.3%
SG10Y	3.50	0.11	3.4%
SIBOR3M	4.06	0.00	0.0%

Commodities	Last Close	Δ (pts)	Δ (%)
Brent Crude	85.8	-5.1	-5.6%
WTI	84.2	-5.0	-5.6%
Gold	1,821	-2	-0.1%

Crypto	Last Close	Δ (pts)	Δ (%)
Bitcoin/USD	27,660	263	1.0%
ETH/USD	1,642	-15	-0.9%

Source: Bloomberg

TOP EQUITY IDEAS



Dyna-Mac - [Secures SGD88m of new contracts](#)

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.



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.

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