

Singapore Daily Newsletter

MARKET SHAPING NEWS

POSITIVE. **ISOTeam** has raised its dividend policy to distribute an annual payout of at least 25% of its NPAT for FY24 and at least 30% of NPAT for FY25, excluding non-recurring, one-off and exceptional items. But this is still subject to the group's cash & retained earnings, actual/projected financial position, capex requirements, future expansion, investment plans, as well as other relevant factors. This development signals the resumption of dividend payments following a four-year hiatus due to the Covid-19 situation. The group's order book is now at a 10-year high of almost SGD200m comprising fresh projects with reasonably good margins.

POSITIVE. **Oxley Holdings** has entered into an agreement with Alliance Bank Malaysia for the sale of its Grade A office tower together with 4 adjoining parcels of retail units at Oxley Towers KLCC for around RM406m (SGD118m). The 24 floors of strata-titled office run from level 6 to level 29 and has a GFA of 315,711 sf, while the four parcels of retail units across the ground and first floors have a net floor area of 9,569 sf. Oxley Towers KLCC is located next to KLCC and consists of three skyscrapers sitting atop a two-storey retail podium. The integrated development consists of a signature office, retail spaces, two luxury hotels and two upscale residences.

NEUTRAL. **Cromwell European REIT** has completed the divestment of Viale Europa 95 for EUR94m. The sale consideration is 13.1% above the property's purchase price of EUR83.1m on 30 Nov 2017. The divestment is consistent with its stated strategy of targeted asset sales, reducing exposure to the office and 'other' sectors and focusing more on the logistics/light industrial asset class. The deal will also lower the REIT's portfolio weighting to Italy from 21.1% to 17.8% based on its valuations as at end-Jun. The total proforma rent collected from the Italian government will drop to 4.0% from 8.5% as a proportion of total headline rent. On a pro forma basis, the REIT would have seen a negative DPU accretion of 2.7% or 16.73 Euro cents. That said, the manager believes that the decline will only be short term until the REIT completes the new projects and they become income-producing again.

NEUTRAL. **AsiaPhos** plans to acquire a Taiwan-based business Global Resources SP (Taiwan) for USD3.5m, and will be launching a fund-raising exercise to pay for this deal. The seller is Global Resources England, which is a subsidiary of Solar Plus (HK). The target owns 76.59% of Helio Energy Two Corporation, a Taiwan-based solar assets owner and operator whose primary business activities are those of renewable energy development and solar asset management. The proposed deal is part of AsiaPhos' diversification and expansion plans into a more long-term and sustainable business area.

UPCOMING EVENTS

Date	Event	Category
13/10/2023	GDP Growth Rate	Economics
16/10/2023	Aztech	Earnings Result
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
18/10/2023	Sabana REIT	Earnings Result
19/10/2023	Keppel Corp	Earnings Result

Source: Bloomberg

Equity Indices	Last Close	Δ (abs)	Δ (%)
Dow Jones	33,605	197	0.6%
S&P500	4,336	27	0.6%
Nasdaq	13,484	53	0.4%
Nikkei 225	30,995	0	0.0%
HSI	17,517	31	0.2%
SH Comp	3,097	-14	-0.4%
Kospi	2,409	0	0.0%
TWSE	16,521	0	0.0%
STI	3,167	-8	-0.2%
KLCI	1,417	0	0.0%
JKSE	6,891	3	0.0%
SET	1,432	-7	-0.5%

FX Movers	Last Close	Δ (abs)	Δ (%)
USDSGD	1.3653	0.0002	0.0%
GBPSGD	1.6709	0.0009	0.1%
EURSGD	1.4427	-0.0023	-0.2%
CHFSGD	1.5058	0.0056	0.4%
AUDSGD	0.8753	0.0036	0.4%
NZDSGD	0.8224	0.0047	0.6%
JPYSGD	0.9194	0.0052	0.6%
SGDMYR	3.4556	0.0075	0.2%

Yields	Last Close	Δ (pts)	Δ (%)
US10Y	4.80	0.00	0.0%
SG10Y	3.42	-0.03	-1.0%
SIBOR3M	4.06	0.00	0.0%

Commodities	Last Close	Δ (pts)	Δ (%)
Brent Crude	88.2	3.6	4.2%
WTI	86.4	3.6	4.3%
Gold	1,861	28	1.5%

Crypto	Last Close	Δ (pts)	Δ (%)
Bitcoin/USD	27,576	-347	-1.2%
ETH/USD	1,577	-60	-3.7%

Source: Bloomberg

TOP EQUITY IDEAS



Raffles Medical - [Seeking new growth drivers](#)

RFMD 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.



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.

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