

Singapore Daily Newsletter

MARKET SHAPING NEWS

IPO. **Sheffield Green**, which provides human resource services along the renewable energy value chain will be offering 24m shares for its IPO. Of which, 20.4m shares are for placement while the remaining 3.6m are for the public offering. The group expects to issue its IPO shares at SGD0.25 each, raising some SGD6m in gross proceeds. The net proceeds will be used to expand its business coverage and geographical presence in locations where there are significant renewable energy-related activities. It also intends to use the monies to expand into complementary offerings, new product lines and other technical services. The offering will close at 12pm on 26 Oct.

POSITIVE. **Food Empire** is currently exploring a proposal to seek a dual primary listing of its shares on the Main Board of the Stock Exchange of Hong Kong (SEHK). A dual primary listing may potentially benefit the group in terms of better access to two equity markets in Singapore and Hong Kong, as well as providing it with a more diverse investor/shareholder base and additional sources of fundraising. As at 16 Oct 2023, FEH said that preparatory works are still ongoing and no application has been made to the SEHK for the listing of its shares.

POSITIVE. **Kim Heng** has secured a shipbuilding contract of about TWD249.5m (or SGD10.6m) by TIPC Marine (TIPM), a subsidiary of state-owned company Taiwan International Ports Corporation (TIPC), which operates and manages a fleet of marine assets. Under the contract, the company will provide design, engineering and newbuild of a self-propelled split hopper barge. The contract is scheduled to commence in the 4Q23 and is expected to be completed by the 1Q25.

NEUTRAL. **SIA** saw robust demand for air travel in Sep 2023 even as it approaches the end of the summer season in the Northern hemisphere. Passenger traffic grew 24.8% YoY, outpacing capacity expansion of 23.7%. Consequently, the group's passenger load factor increased 0.7ppt YoY to reach 87.7%, with SIA and Scoot posting monthly PLFs of 87.6% and 88.1% respectively. Both airlines carried a combined total of 2.9m passengers during the month, up 36% YoY. Meanwhile, Cargo operations posted a load factor of 57.1%, or +0.7ppt YoY. Cargo loads rose by 6.1% YoY, which was higher than the capacity expansion of 4.6% on the back of increased bellyhold capacity from passenger services

NEUTRAL. **Keppel Corp's** real estate unit has completed the divestment of its 100% stake of Greenfield Development to Spring Blossom Ventures. Greenfield Development holds 100% of the shares in Straits Greenfield Limited (SGL), which has the right to build and operate Sedona Hotel Yangon, a five-star hotel in Yangon, Myanmar. The cash consideration from the divestment is around USD57.4m (or 1.3x P/NAV) and is subject to completion adjustments. Overall, the divestment is in line with Keppel's asset monetisation plans to unlock value that can be invested to pursue new opportunities.

UPCOMING EVENTS

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
20/10/2023	Suntec REIT	Earnings Result
24/10/2023	Mapletree Logistics Trust	Earnings Result
25/10/2023	Frasers Centrepoint Trust	Earnings Result

Source: Bloomberg

Equity Indices	Last Close	Δ (abs)	Δ (%)
Dow Jones	33,985	314	0.9%
S&P500	4,374	46	1.1%
Nasdaq	13,568	161	1.2%
Nikkei 225	31,659	-657	-2.0%
HSI	17,640	-173	-1.0%
SH Comp	3,074	-14	-0.5%
Kospi	2,436	-20	-0.8%
TWSE	16,652	-130	-0.8%
STI	3,164	-22	-0.7%
KLCI	1,439	-5	-0.4%
JKSE	6,896	-30	-0.4%
SET	1,427	-24	-1.6%

FX Movers	Last Close	Δ (abs)	Δ (%)
USDSGD	1.3676	-0.0018	-0.1%
GBPSGD	1.6709	0.0078	0.5%
EURSGD	1.4443	0.0056	0.4%
CHFSGD	1.5194	0.0021	0.1%
AUDSGD	0.8674	0.0054	0.6%
NZDSGD	0.8108	0.0046	0.6%
JPYSGD	0.9147	-0.0007	-0.1%
SGDMYR	3.4590	0.0051	0.1%

Yields	Last Close	Δ (pts)	Δ (%)
US10Y	4.71	0.09	2.0%
SG10Y	3.32	0.01	0.4%
SIBOR3M	4.06	0.00	0.0%

Commodities	Last Close	Δ (pts)	Δ (%)
Brent Crude	89.7	-1.2	-1.4%
WTI	86.7	-1.0	-1.2%
Gold	1,920	-13	-0.7%

Crypto	Last Close	Δ (pts)	Δ (%)
Bitcoin/USD	28,405	1,199	4.4%
ETH/USD	1,588	24	1.5%

Source: Bloomberg

TOP EQUITY IDEAS



Singapore Banks - [3Q23: What to expect](#)

UOB is set to report 3Q23 on 26 Oct, DBS 06 Nov and OCBC 10 Nov. We expect slowing NII. NIMs should be supportive, but could be partly offset by weak loans. Fees are unlikely to provide much growth. While asset quality should remain benign, we expect increasingly cautious guidance. On the other hand, dividend guidance is likely to keep to an optimistic tone. UOB could marginally surprise on the upside.



Singapore REITs - [Waiting for Godot](#)

Repricing of debts and FX-translation losses are likely to outweigh operational resilience across most sub-sectors leading to lower distribution. Low-base effects caused by the pandemic are dissipating, which sets up for tougher comps for 3Q/2H. Reversions will be positive as Covid-era rents are marked to market. Any weakness in SGD may bring some relief but may also weigh on flows. Volatile yield curve and uneven recovery keep our preference for liquid, large caps. Top Picks - CICT, MLT.

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