

Singapore Daily Newsletter

MARKET SHAPING NEWS

RESULTS. [Suntec REIT](#) reported 3Q DPU of SGD1.793c, +3.1% QoQ, -14% YoY. 9MYTD DPU of 5.269c fell 23.6% YoY and was 76.6% of our FY est. Top-line growth was anchored by the convention business. However, higher interest and operating expenses moderated distribution. Singapore occupancy was steady while reversions strengthened for office and retail. Divestment continues albeit at a slow pace. With continued risk of lower asset values and higher funding cost, we maintain HOLD and lower our DDM-based TP to SGD1.15.

POSITIVE. [Fortress Minerals'](#) subsidiary, Fortress Resources (FR), has entered into two new nine-month offtake agreements with an unnamed independent third-party domestic steel mill in Malaysia. The two agreements will run at the same time. Under the deals, FR has agreed to deliver about 150,000 wet metric tonnes and 90,000 tonnes per agreement (+/- 20% at the option of FR) to the domestic steel mill from 1 Oct 2023 to 30 Jun 2024. The agreements will provide a steady source of recurrent income and cash flow to the group during the period and further strengthen its financial position.

NEUTRAL. [Sembcorp Industries](#) (SCI), IHI Corporation (IHI) and GE Vernova's Gas Power business have signed a non-binding MOU to jointly explore the potential retrofitting of the group's Sakra power plant in Singapore with ammonia-firing capabilities. This is an extension of an earlier MOU between SCI and IHI in 2022 to explore decarbonisation pathways for the power and industrial sector, in particular ammonia direct combustion systems. The project will potentially assist SCI to generate low-carbon energy from its existing power plant assets and support Singapore's efforts to diversify its energy sources and decarbonise the power sector.

NEUTRAL. [Centurion](#) has entered into a strategic partnership with Abu Dhabi's largest end-to-end staff accommodation owner & solutions provider, KEZAD Communities, to explore collaboration in the business of providing accommodation for employees/students in the Middle East region. The MOU forges closer collaboration between Centurion & KEZAD Communities to pursue strategic opportunities in the accommodation business amid rising demand for staff accommodation in the Middle East. Both parties will develop and operate staff accommodations solutions addressing local regulatory requirements and international ethical standards. The move underscores Centurion's interest in expanding its geographical presence to viable accommodation markets in the Middle East.

NEGATIVE. [Stamford Land](#) expects to report a net loss in the 1HFY24, mainly due to the FV loss on the group's investment property in London. The profit warning is based on a preliminary assessment of its unaudited consolidated management accounts for the six-month period. The group will release its results for the 1HFY24 by 10 Nov.

UPCOMING EVENTS

25/10/2023	Frasers Centrepoint Trust	Earnings Result
25/10/2023	iFAST	Earnings Result
25/10/2023	Far East Hospitality Trust	Earnings Result
26/10/2023	UOB	Earnings Result
26/10/2023	Wilmar	Earnings Result
26/10/2023	CICT	Earnings Result
27/10/2023	CapitaLand Ascendas REIT	Earnings Result

Source: Bloomberg

Equity Indices	Last Close	Δ (abs)	Δ (%)
Dow Jones	32,936	-191	-0.6%
S&P500	4,217	-7	-0.2%
Nasdaq	13,018	35	0.3%
Nikkei 225	31,000	-260	-0.8%
HSI	17,172	0	0.0%
SH Comp	2,939	-44	-1.5%
Kospi	2,357	-18	-0.8%
TWSE	16,251	-189	-1.2%
STI	3,053	-23	-0.8%
KLCI	1,438	-3	-0.2%
JKSE	6,742	-107	-1.6%
SET	1,399	0	0.0%

FX Movers	Last Close	Δ (abs)	Δ (%)
USDSGD	1.3668	-0.0057	-0.4%
GBPSGD	1.6741	0.0048	0.3%
EURSGD	1.4583	0.0045	0.3%
CHFSGD	1.5338	-0.0040	-0.3%
AUDSGD	0.8660	-0.0005	-0.1%
NZDSGD	0.7990	-0.0008	-0.1%
JPYSGD	0.9129	-0.0028	-0.3%
SGDMYR	3.4910	0.0161	0.5%

Yields	Last Close	Δ (pts)	Δ (%)
US10Y	4.85	-0.06	-1.3%
SG10Y	3.42	0.04	1.1%
SIBOR3M	4.06	0.00	0.0%

Commodities	Last Close	Δ (pts)	Δ (%)
Brent Crude	89.8	-2.3	-2.5%
WTI	85.5	-3.3	-3.7%
Gold	1,973	-9	-0.4%

Crypto	Last Close	Δ (pts)	Δ (%)
Bitcoin/USD	31,538	1,677	5.6%
ETH/USD	1,709	68	4.2%

Source: Bloomberg

TOP EQUITY IDEAS



Keppel REIT - [High funding cost offsets steady operations](#)

KREIT's 9M23 distributable income (DI) of SGD163.6m fell 1.1% YoY and achieved 74% of our full-year forecast. 3Q23 DI fell 0.5% YoY but rose 1.5% QoQ. Occupancy rose on the back of healthy leasing momentum and continued positive rent reversions. However, higher borrowing cost led to the decline in distribution. Management remains focused on proactive portfolio and capital management. We lower DPU and our DDM-based TP by 5% to SGD1.00, but maintain BUY due to reasonable valuation.



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.

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