

Singapore Daily Newsletter

MARKET SHAPING NEWS

RESULTS. **Grand Banks Yachts'** 1Q FY24 NPAT surged 158% YoY to SGD2.8m on the back of higher revenue growth of 38.5% to SGD31m as the group ramped up boat building activities at its manufacturing yard in Pasir Gudang, Malaysia. GPM also expanded by 5.9ppt to 32.6% due to internal efficiency improvements with revamped workflow and scheduling to increase its man-hours to meet higher sales. In 1Q FY24, Grand Banks recorded five new built-to-order boat sales, underpinned by its net order book of SGD148.8m (-6.6% QoQ) as at end-Sep 2023. Looking ahead, the group maintains a cautiously optimistic outlook as it continues to witness strong attendance at recent boat shows. Despite rising global uncertainty and softer short-term demand, it aims to sustain a healthy sales volume, while accelerating its manufacturing activities to shorten delivery times. Combined with the planned expansion of its Pasir Gudang yard, management expects production capacity to increase, coupled with improved capabilities which will allow the group to build bigger, and more energy-efficient boats to meet customer demand.

POSITIVE. **LHN Group** has received the approval in-principle from SGX for the proposed transfer to the Mainboard. The approval is subject to compliance with SGX's listing requirements and approval from LHN's shareholders. The group will be seeking its shareholders' approval at an EGM. Management believes that a Mainboard listing would provide LHN a wider platform and greater opportunities for future fund raising. It will also give the group access to a larger and more diverse investor market (including institutional & overseas based investors) that will enable it to better tap into capital markets to meet its funding requirements if there are any accretive business/JV opportunities.

NEUTRAL. **Sembcorp Industries** (SCI) has received a conditional approval by EMA to import 1.2GW of renewable electricity from Vietnam to Singapore. The offshore wind farms could commence operations as soon as 2033, subject to the receipt of relevant approvals. Sembcorp Utilities and Petrovietnam Technical Services Corporation (PTSC) will be embarking on the project proposal development and working towards obtaining the Conditional Licence and import permit from EMA, and export permit from the Government of Vietnam. Separately, Sembcorp Utilities, has also signed a joint development study with Indonesian-state-owned utility company PT PLN (Persero) to explore the feasibility of green hydrogen production in Indonesia for export to Singapore. The facility could potentially produce up to 100,000 tonnes of green hydrogen p.a in Indonesia using locally sourced renewable energy, which will be exported via subsea pipeline to Singapore.

UPCOMING EVENTS

26/10/2023	UOB	Earnings Result
26/10/2023	Wiltmar	Earnings Result
26/10/2023	CICT	Earnings Result
27/10/2023	CapitaLand Ascendas REIT	Earnings Result
27/10/2023	CapitaLand China Trust	Earnings Result
27/10/2023	CDL Hospitality Trusts	Earnings Result
27/10/2023	Shirhill Global REIT	Earnings Result

Source: Bloomberg

Equity Indices	Last Close	Δ (abs)	Δ (%)
Dow Jones	33,141	205	0.6%
S&P500	4,248	31	0.7%
Nasdaq	13,140	122	0.9%
Nikkei 225	31,062	63	0.2%
HSI	16,992	-181	-1.1%
SH Comp	2,962	23	0.8%
Kospi	2,384	26	1.1%
TWSE	16,310	58	0.4%
STI	3,084	31	1.0%
KLCI	1,436	-2	-0.2%
JKSE	6,807	65	1.0%
SET	1,391	-8	-0.6%

FX Movers	Last Close	Δ (abs)	Δ (%)
USDSGD	1.3685	0.0017	0.1%
GBPSGD	1.6642	-0.0099	-0.6%
EURSGD	1.4493	-0.0090	-0.6%
CHFSGD	1.5322	-0.0016	-0.1%
AUDSGD	0.8697	0.0037	0.4%
NZDSGD	0.7998	0.0008	0.1%
JPYSGD	0.9129	0.0000	0.0%
SGDMYR	3.5022	0.0112	0.3%

Yields	Last Close	Δ (pts)	Δ (%)
US10Y	4.82	-0.03	-0.6%
SG10Y	3.37	-0.05	-1.6%
SIBOR3M	4.06	0.00	0.0%

Commodities	Last Close	Δ (pts)	Δ (%)
Brent Crude	88.1	-1.8	-2.0%
WTI	83.7	-1.8	-2.0%
Gold	1,971	-2	-0.1%

Crypto	Last Close	Δ (pts)	Δ (%)
Bitcoin/USD	33,651	2,114	6.7%
ETH/USD	1,772	63	3.7%

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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