Singapore market monitor

A fifth quarter of growth

Q/e Mar-2018 building on the 2017 rebound

The q/e Mar-2018 period ended with aggregate core profit of our coverage posting 10% YoY growth driven largely by topline growth of c7%. Around 69% of stocks reported in line, 23% missed while 8% beat our expectations. In our recent report *‘SG got its groove back’, 11 May 2018*, we indicated both macro and company fundamentals in Singapore remain sound with market trailing P/E valuations at an undemanding 15% and 12% discount to their respective 5Y / 10Y mean. We maintain our preference for cyclical sectors.

Consistent core profit growth not seen in years

Q/e Mar-2018 represented a fifth successive quarter of core profit growth, a consistency not witnessed in the three years prior to this recovery. Post various forecast revisions, our core profit growth estimates for 2018/2019/2020 are c16%/10%/9%, at around 1-2ppt lower than the levels we estimated mid-way through the reporting season. We also note that growth was not as broad based across sectors as we would have liked emanating mainly from financials, industrials and consumer & agri while TMT, property and healthcare profits saw YoY declines. We expect property developers’ profits to rebound in the coming quarters with higher recognition of project launches. Meanwhile the stand-out results disappointments versus Street/MKE expectations was in the tech sector.

+VE banks, developers, industrials, consumer & gaming and tech

Our sector preferences and stock picks for 2018 as highlighted in the above mentioned report earlier this month remain unchanged. The six broader macro and industry trends that influence our sector preferences are rising interest rates, the rebound in Singapore home prices, a recovery in consumer confidence helped by a broadening economic growth base, ASEAN e-commerce growth, the rise in regional travel boosted by low cost carriers and a growing middle-class and the tech capex upcycle (although stocks in the tech sector suffer some risk of very high growth expectations as indicated by this results season). We remain positive on cyclical sectors and suggest overweighting financials, property developers, industrials (selectively), consumer and tech. Almost all our top stock pick ideas are from these sectors.

Key risks are rates, currency, policy and trade issues

Company specific factors aside, our market view and profit growth outlook for 2018 and 2019 are predicated on the economy delivering on our growth expectations (MKE Singapore GDP growth forecast for 2018/2019 is 3.5%/2.7%) with no material variations to our baseline macro assumptions for benign interest rate hikes, a moderate appreciation in SGD vs USD, a relatively accommodative policy environment and no major disruption in global trade trends.

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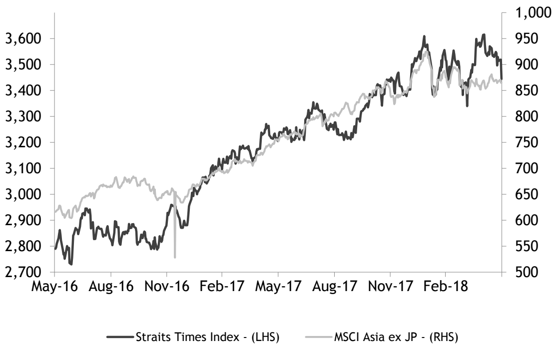
Country Index vs MSCI



Top stock picks for Singapore

Stock*	BBG Code	Price LC	TP LC
City Devp.	CIT SP	11.33	14.20
Genting SG	GENS SP	1.25	1.46
SATS	SATS SP	5.28	6.15
SingPost	SPOST SP	1.35	1.50
ST Eng.	STE SP	3.44	4.15
UOB	UOB SP	28.36	32.88
UOL Group	UOL SP	8.21	10.85
Venture	VMS SP	20.65	28.83
SMIDs			
HMI	HMI SP	0.64	0.80
Sheng Siong	SSG SP	0.99	1.20

Source: Maybank Kim Eng (All prices as of 30 May 2018 close)
**Stocks are MKE rated BUY*

Suggested sector weightings

Overweight	Neutral	Underweight
Financials	Agri	Office REITs
Developers	Healthcare	Retail REITs
Industrials	Ind. REITs	TMT
Cons. & Gaming		
Technology		

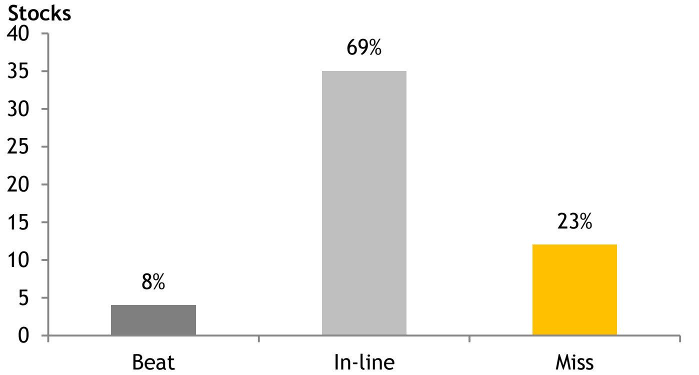
Source: Maybank Kim Eng

Q/e Mar-2018 building on the 2017 rebound

Highlights of the quarter:

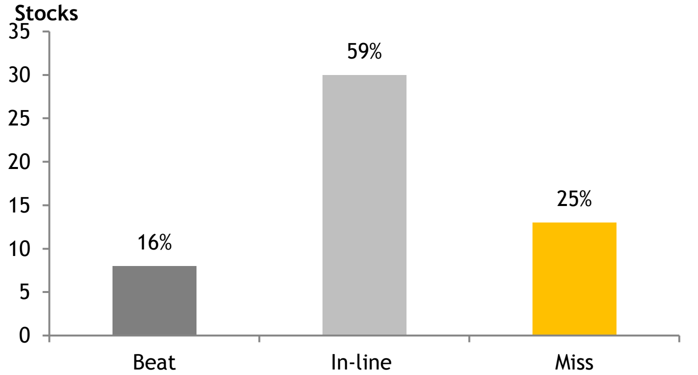
- Q/e Mar-2018 aggregate revenue, EBITDA and core profit for MKE Singapore coverage (c70% of index capitalisation) grew 7% YoY, 3% and 10% respectively.
- The top five YoY core profit growth stocks were Singapore Air, Bukit Sembawang, Singapore Medical Group, Health Management International and Genting Singapore while the bottom five were Singapore Post, Centurion Properties, GuocoLand, IHH, Best World and First Resources.
- EBITDA margin ex-Property and financials stood at 27.5% for the quarter, down from the 29.3% a year ago but up sequentially from the 26.9% in q/e Dec-2017.
- Around 69% of results were in line, 23% missed and 8% beat our expectations. In comparison, the ratio of met/missed/beat versus Street expectations was 59%/25%/16%. We had more forecast downgrades than upgrades mostly in TMT and property sectors although the adjustments for the latter are largely to do with asset acquisition or divestment transactions in the various REITs. We had one rating downgrade (HIP SP from BUY to HOLD) and one upgrade (MCT SP from SELL to HOLD).
- The 10% core profit growth was driven by a narrow set of sectors – financials accounted for the lion's share followed by industrials and consumer & agri. TMT, healthcare and property sectors saw small core profit declines.

Fig 1: Q/e Mar-2018 vs. MKE expectations



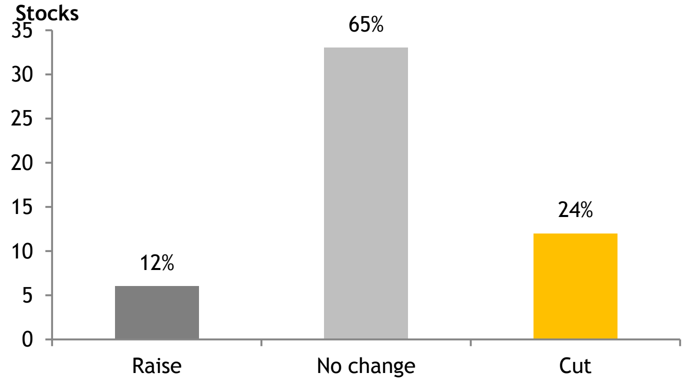
Source: Maybank Kim Eng

Fig 2: Q/e Mar-2018 vs. Bloomberg consensus



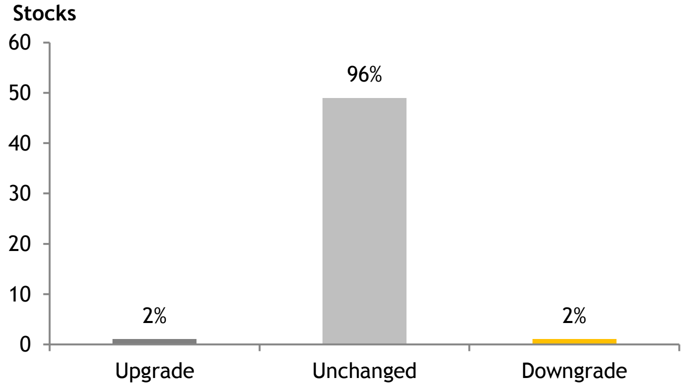
Source: Bloomberg, Maybank Kim Eng

Fig 3: MKE forecast changes post q/e Mar-2018



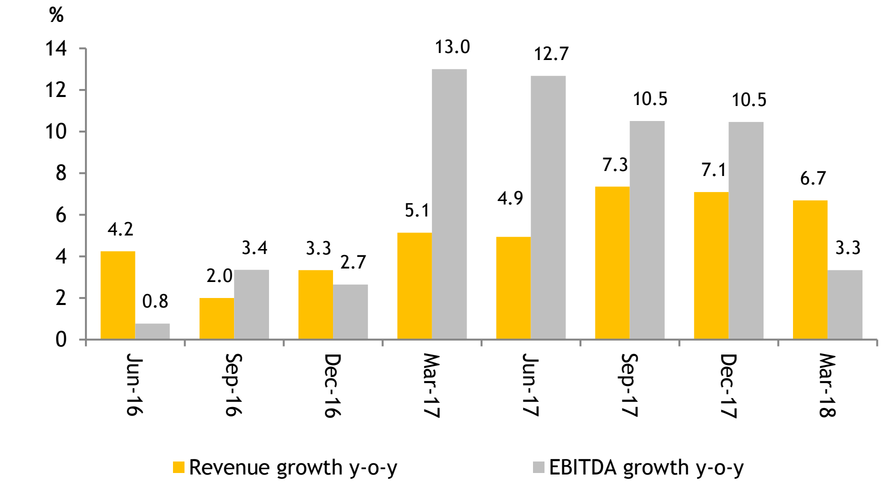
Source: Maybank Kim Eng

Fig 4: MKE rating changes post q/e Mar-2018



Source: Maybank Kim Eng

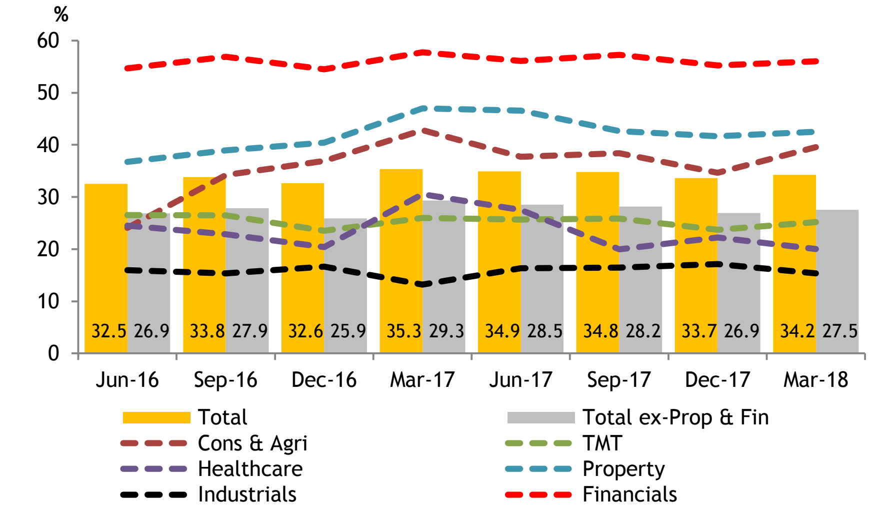
Fig 5: MKE coverage quarterly revenue & EBITDA growth



Source: Companies, Maybank Kim Eng

Revenue growth holding at mid-high single digit levels although EBITDA growth has slowed from high-base effects of last year and, in part, inflationary pressure of labour costs (expiry of Government Wage Credit scheme) and rising energy prices

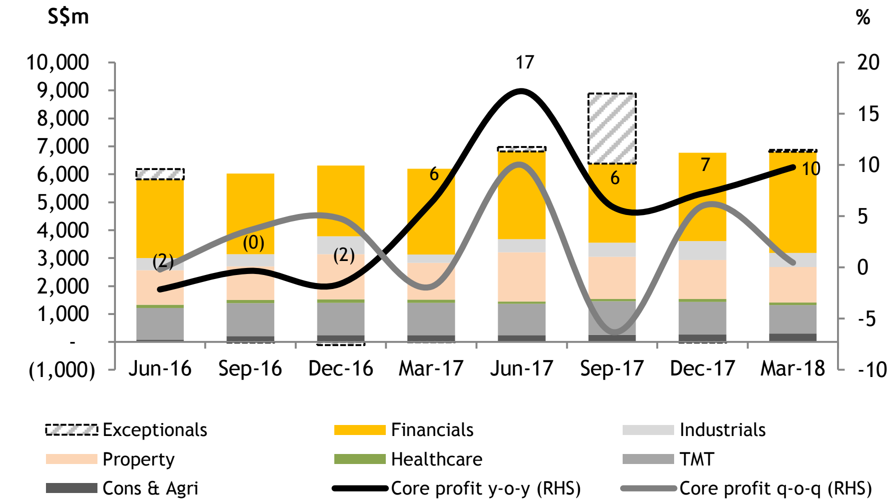
Fig 6: MKE coverage quarterly EBITDA margin



Source: Companies, Maybank Kim Eng

Margins ex-property & financials down YoY from rising labour and energy costs as well as expansion undertaken by various companies over the past 2-3 quarters that involve some gestation period to ramp-up

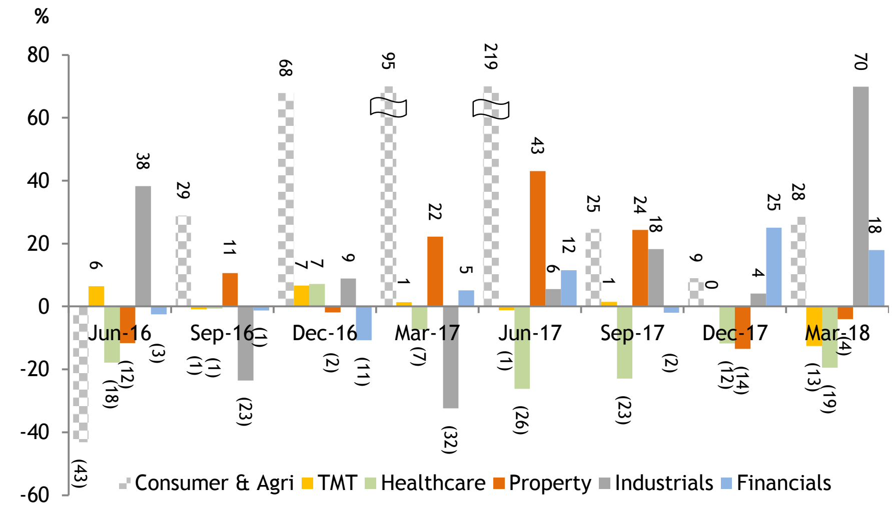
Fig 7: MKE coverage quarterly core profit and growth



Source: Companies, Maybank Kim Eng

Core profit growth showed modest acceleration in the past two quarters

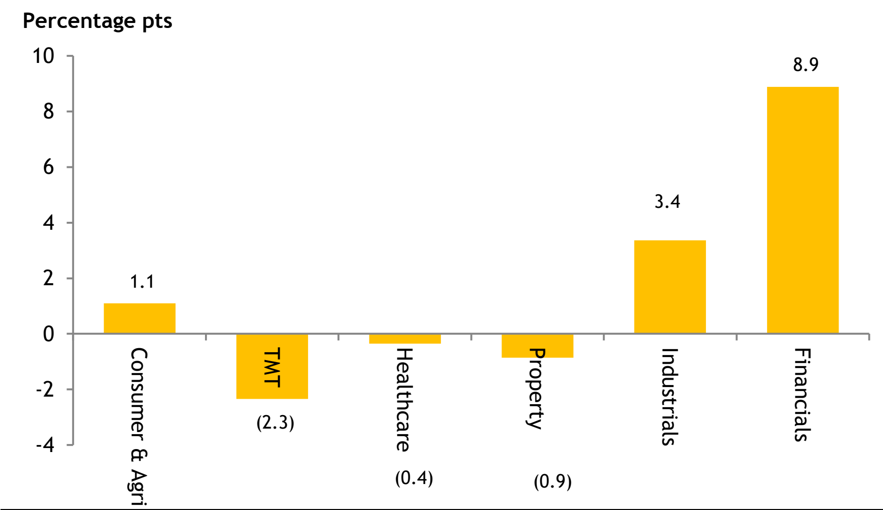
Fig 8: MKE quarterly core profit YoY growth



Source: Companies, Maybank Kim Eng

Industrials saw the strongest growth in q/e Mar-2018 from the low base effect for the prior year - SIA SP, STE SP and SIE SP drove the rebound for the sector

Fig 9: Contribution to q/e Mar-2018 core profit growth by sector



Source: Maybank Kim Eng

Proportionate contribution to overall core profit growth heavily skewed to the financials and industrial sectors

Fig 10: Summary of q/e Mar-2018 key beats, misses, rating changes

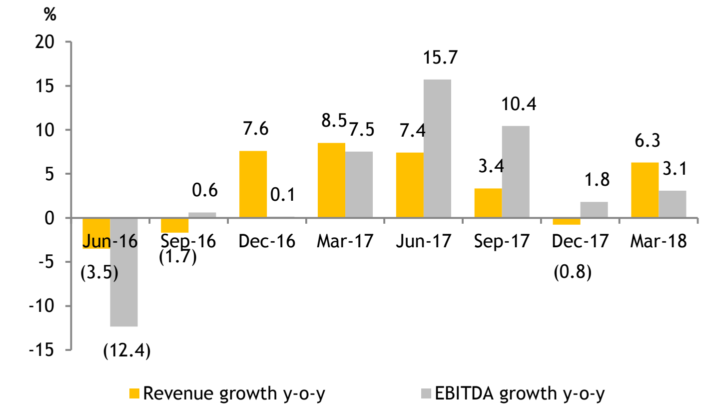
Key beats	Key misses	MKE rating upgrades	MKE rating downgrades
Vs. Consensus and/or MKE	Vs. Consensus and/or MKE	From / To	From / To
UOB	Singapore Post	Mapletree Commercial (SELL / HOLD)	HI-P (BUY / HOLD)
Genting Singapore	SATS		
Bukit Sembawang	StarHill Global		
Mapletree Commercial	Mapletree Logistics		
	IHH		
	Venture		
	Hi-P		
	Jumbo		
	Best World		

Source: Maybank Kim Eng

FSSTI ex-Jardine Group companies tracking at lower levels

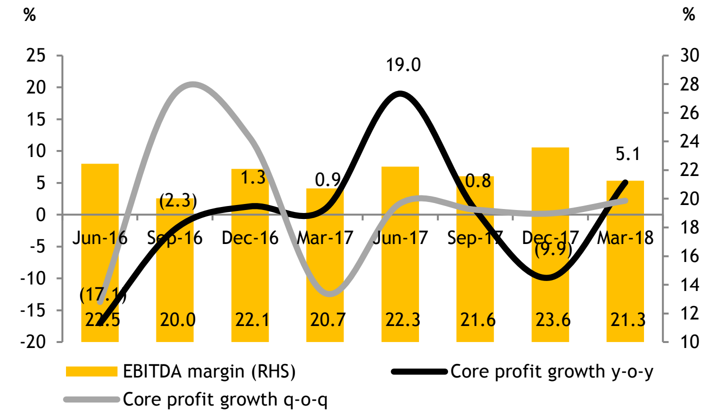
We note that for the FT Straits Times Index components basket (excluding the-Jardine Group companies as most of them report only semi-annually), revenue and EBITDA growth in the quarter closely tracked the levels of our coverage universe but core profit growth was almost half the level at 5.1%. This was mainly due to a material drop in the core profit of four stocks that we do not cover Golden Agri (GGR SP; NR) at -63% YoY, Keppel Corp (KEP SP; NR) at -52% YoY, Wilmar International (WIL SP; NR) at -36% YoY and Yangzijiang Shipbuilding (YZJSGD SP; NR) at -21% YoY.

Fig 11: FSSTI ex-Jardines' quarterly revenue & EBITDA growth



Source: Bloomberg, Maybank Kim Eng

Fig 12: FSSTI ex-Jardines' EBITDA margin & core profit growth



Source: Bloomberg, Maybank Kim Eng

MKE macroeconomic forecasts

The MKE economics team expects GDP growth to moderate into the second half of the year as the high-base effects of the strong manufacturing rebound during 2017 kick in. That said, we forecast 2018 growth to remain at a healthy level of 3.5% (vs. 3.6% in 2017) and 2.7% in 2019 *(Report: Services Boost, Raising GDP Forecast to 3.5% in 2018, 24 May 2018)*. MKE expects the electronics manufacturing and export-led growth of last year to broaden to other domestic sectors with services contributing a greater proportion of overall growth in 2018. Summary forecasts below:

Fig 13: Singapore - key macroeconomic indicators and forecasts

	2014	2015	2016	2017	2018E	2019E
Real GDP (%)	**3.9**	**2.2**	**2.4**	**3.6**	**3.5**	**2.7**
Current Account Balance (% of GDP)	19.7	18.1	19.1	18.8	19.2	19.5
Fiscal Balance (% of GDP)	0.1	-1.0	1.4	2.1	0.6	0.7
Inflation Rate (%, average)	1	-0.5	-0.5	0.6	0.9	1.5
Unemployment Rate (%)	1.9	1.9	2.2	2.1	2.1	2.0
Exchange Rate (per USD, end-period)	1.33	1.42	1.45	1.34	1.27	1.25
3M SIBOR (% p.a., end-period)	0.46	1.19	0.97	1.50	1.65	1.90

Source: CEIC, Maybank Kim Eng

FSSTI valuations, end-2018 index level scenarios

FSSTI performance YTD 2018 at around +1.2% is quite mediocre following the strong 2H17. It has been in part weighed down by the more recent ASEAN and Emerging Markets jitters, concerns over a tech sector de-rating and risks of a trade-war escalation. That said, from a valuation standpoint on trailing long-term price multiples, we believe the index holds upside headroom due to a supportive macro backdrop, good earnings growth outlook and dividend yield support of 3.8% in 2018, amongst the highest in ASEAN.

- FSSTI 12M trailing P/E of 10.9x is 15% and 12% below the respective 5 and 10-year mean multiples, while its 12M trailing P/BV of 1.19x is 11% and 5% below the respective 5 and 10 year mean.
- In an ASEAN markets context, FSSTI has the lowest prospective P/E for 2018 and 2019 of 13.7x and 12.6x with underlying consensus core profit growth outlook of around 18% and 8.6% respectively.

Fig 14: Summary valuations of ASEAN market indices

Market	Index	PE (x)				Core EPS Growth (%)			Div yield (%)		ROE (x)		PB (x)	ND/ EBITDA (x)
		Curr	2017	2018E	2019E	2017	2018E	2019E	2018E	2019E	2018E	2019E	2018E	2018E
Singapore	FSSTI	11.1	11.2	13.7	12.6	9.6	18.0	8.6	3.8	4.0	10.1	10.3	1.2	0.3
Malaysia	FBMKLCI	16.8	17.2	15.6	14.6	10.2	6.2	6.9	3.6	3.7	10.7	10.7	1.6	0.9
Thailand	SET	17.6	17.4	15.6	14.4	9.7	10.2	9.0	3.0	3.3	13.6	12.2	2.0	1.0
Indonesia	JCI	22.5	21.3	15.4	13.8	16.3	36.1	11.7	2.2	2.5	17.8	18.2	2.5	0.7
Philippines	PCOMP	19.6	22.1	17.0	15.1	9.2	14.9	12.2	1.7	1.9	11.7	11.8	3.0	1.4
Vietnam	VNINDEX	18.1	18.3	16.3	14.0	31.4	6.1	16.7	1.3	1.3	18.0	20.0	1.8	2.0

Source: Bloomberg, Maybank Kim Eng

- Our end-2018 base case index target estimate is 3,790 derived from an equal weighting of: 1) top-down estimate at +1sd 5Y trailing mean P/E of 14.1x on 2019 consensus EPS; and 2) bottom-up target 12-month based on MKE TP for covered stocks and consensus TP for non-covered stocks. Our base-case estimate holds 10% appreciation upside, and combined with 2018 dividend yield expectation of 3.8%, would provide a total return of c.14% in SGD terms.

Sector outlook and preferences

We remain positive on cyclical sectors and suggest overweighting financials, property developers, industrials (selectively), consumer and tech. Almost all our top stock pick ideas are from these sectors. We would suggest Neutral weightings for the agricommodities, healthcare and industrial REITs sectors and Underweight office REITs, retail REITs and telecoms & media.

Fig 15: Singapore sector weighting recommendations

Overweight	Neutral	Underweight
Financials	Agricommodities	Office REITs
Property developers	Healthcare	Retail REITs
Industrials	Industrial REITs	Telecoms & Media
Consumer & Gaming		
Technology		

Source: Maybank Kim Eng

Fig 16: Sector summary outlook factors

Sector	Positives	Negatives
Agricommodities	Fossil fuel price strength should cushion CPO price downside. Palm oil-gasoil prices trading near parity which could boost discretionary biodiesel demand. Valuations attractive after recent de-rating	CPO price will be under pressure in the near term given seasonal peak production period from June and high CPO inventory levels
Consumer	Consumer confidence improved significantly through 2H17 with strong economic growth. Retail sales index (ex-motor) turned around in 2017 at +1.8% from the -2.6% prior year decline; YTD 2018 growth indicators encouraging	Competitive intensity in retail and F&B remains high with on-line channels continuing to disrupt specific segments for the former. Ongoing overseas expansion for most of the companies holds execution risk
Gaming	Positive read through from better Macau VIP performance for Singapore VIP volumes. Recovering MYR/SGD exchange could be positive for mass market share gain for Resorts World Sentosa	Competition from the region remains stiff and new casinos (e.g. Cambodia) may divert VIP business, albeit temporarily. Broader recovery in mass market, more meaningful for margins, still to be seen
Financials	Expected system loan growth of c9-10%, NIM expansion from higher lending yields and NII growth driven by a fast growing wealth management sector in Asia Pacific	Risk of rate increases being on a much steeper path than expected could de-rail loan growth expectations. Higher credit costs if the credit cycle changes
Healthcare	Secular industry growth from a number of factors like ageing demographics and higher healthcare spend from a growing middle-class in the region. Underleveraged balance sheets allowing for M&A	Rich valuations relative to 3Y history. High level of competition in Singapore. Execution and market risk from greenfield hospital expansion in new geographies and M&A
Industrials	Global passenger traffic and fleet growth fuelling a recovery in aviation services. Increasing penetration of retail e-commerce in APAC driving smart warehousing and logistics demand. The worst is probably over for provisions and write-downs in the O&M sector	Legacy airlines face overcapacity issues and heavy reliance on long haul. Maintenance cycles are longer for the new generation longer range aircraft. O&M order growth likely to struggle from overcapacity issues in the near term regardless of oil price rise
Property Developers	Singapore home prices in early stages of recovery and balance sheets of most developers have significant capacity to reinvest for growth in the market rebound	Occupier market gradually recovering but still weak. High land prices to likely weigh on developer margins and profitability of new projects
Industrial REITs	Industrial sector demand-supply fundamentals improving evidenced by rising occupancies and stable/positive rental reversions. Acquisitions / consolidation a potential theme with the larger REITs having clear mandates and substantial debt headroom	Sharper than expected rise in interest rates will negatively impact earnings (0.4-5% downside to FY19-20 DPUs on further 50bps increase over base-case assumptions)
Office REITs	On a recovery path with the market nearing the tail end of a supply glut; rents have only just started to pick up in 3Q17. But valuations are not compelling with yields and spreads over governments bond yields at historically low levels and sector P/BV at 0.95x	Flat to slightly negative reversions likely in the near term as market rents are currently hovering around the same levels as expiring rents
Retail REITs	Cyclical macro factors of improvements in consumer sentiment and the job market and growth in GDP and tourism are positive. Near term demand from new-to-market international brands, discount retailers and F&B should be firm	The structural threat from growing e-commerce weighing on requirements for retail space is the single largest negative facing the sector
Telecoms	Enterprise and government sector driven growth has been a bright spot in an otherwise uninspiring growth outlook, weighed by rising competition in consumer wireless	Risk of an exacerbation in consumer wireless competition exists with new entrant TPG yet to enter the market in late 2018. M1 most exposed to a potential tariff war
Technology	Attractive secular growth prospects for the EMS companies from a combination of new and existing customers and involvement in early growth stage products	Stock prices for most companies have done extremely well in the past 18 months and growth expectations are high, which leaves room for market disappointment / de-rating in the near term. Customers have reportedly turned more cautious on volumes amid the risks of a US-China trade war

Source: Maybank Kim Eng

Our top 10 stock ideas

Most of our top stock picks below lie in our suggested Overweight sectors as discussed earlier.

Large caps picks

- **City Developments (CIT SP; TP SGD14.20):** Most liquid proxy to the rebound in Singapore's property market; Well-positioned to capture a home-price rebound with three projects due for launch in 2018.
- **Genting Singapore (GENS SP; TP SGD1.46):** We expect the Macau VIP market recovery to spill over to Singapore. The high-margin mass market is still weak but should see improvements in coming quarters with a rebound in Singapore consumer confidence. Share price trading at -1sd to 12-month forward EV/EBITDA mean is at levels last seen during its foreign exchange losses and receivables impairment period a few years ago and unjustified, in our view.
- **SATS (SATS SP; TP 6.15):** A number of medium-term growth catalysts are expected to pan out over the next 12-18 months, including the proposed JV with AirAsia (AIRA MK; CMP MYR3.16; BUY; TP MYR3.75) for gateway services in Malaysia, catering for Turkish Airlines at Istanbul's new international airport, Qantas (QAN AU; AUD5.57; NR) moving its connecting hub for UK flights back to Singapore.
- **Singapore Post (SPOST SP; TP SGD1.50):** While latest results disappointment was mainly to do with the implementation of revised terminal dues. International mail volume continues to grow well through its partnership with Alibaba (BABA US, HOLD, CMP USD197.98; TP USD190). In our view, SPOST is one of the best placed logistics companies in ASEAN to benefit from the rapid growth in e-commerce.
- **ST Engineering (STE SP; TP SGD4.15):** After three years of lackluster growth from tough market conditions and restructuring costs, growth catalysts are falling in place. The aviation services landscape has improved markedly and recent acquisitions hold strong growth potential.
- **UOB (UOB SP; TP SGD32.88):** Sensitive to re-pricing intervals on higher rates, pricing discipline and benign credit conditions. Highest CET1 capital of 14.9% among peers means that there will be scope for meaningful dividend upside amid continued earnings momentum to reward shareholders. Dividend yields of >4% should lend support to share price. Trading at ~1.2x P/BV, cheaper than 1.3-1.5x for peers.
- **UOL (UOL SP; TP SGD10.85):** Most concentrated large-cap proxy to Singapore's property market (c.80% of valuation). Potential for value unlocking in the medium term with restructuring of holdings.
- **Venture Corp. (VMS SP; TP SGD28.83):** Venture should continue to be a beneficiary of multifaceted growth drivers in the form of: i) deeper penetration into existing customers; ii) new customer wins; and iii) an improved mix of products with greater R&D and design content.

SMIDs (sub USD2b market cap) picks

- **Health Management International (HMI SP; TP SGD0.80):** Unique independent operating model and top market share for medical tourists differentiate it from peers. More than doubling of capacity for Johor hospital and potential acquisition could further lift growth.
- **Sheng Siong Group (SSG SP; TP SGD1.20):** Beneficiary of further improvements in consumer spending and winning market share from convenience stores and traditional market grocers. A potential surge in new stores in 2018 should also continue to drive growth.

Singapore stock coverage

Fig 17: Valuation summary

BBG	Price	Mcap	3M ADV	Rec	TP				P/E (x)		DY (%)	ND/E (x)		ROE (%)	FYE
Code	LC	USDb	USDm		LC	Act	FY1	FY2	FY3	FY1	FY2	FY1	FY1	FY2	
DBS SP	28.23	54.0	108.2	Hold	30.80	16.6	11.3	9.4	8.3	4.3	4.3		13.2	14.5	Dec
OCBC SP	12.60	39.4	57.8	Buy	14.60	12.6	10.5	9.0	7.9	3.2	3.2		13.2	13.1	Dec
UOB SP	28.36	35.4	58.5	Buy	32.88	14.2	10.9	9.1	8.1	4.6	4.9		12.4	13.4	Dec
SGX SP	7.25	5.8	11.2	Buy	8.79	22.8	20.4	19.0	18.8	3.9	4.2	(0.8)	34.2	33.7	Jun
Financials						**15.1**	**11.4**	**9.6**	**8.6**	**4.0**	**4.1**	**0.0**	**13.9**	**14.6**	
M1 SP	1.72	1.2	1.5	Hold	1.63	12.1	12.6	17.2	21.2	6.3	4.7	0.8	26.5	18.6	Dec
STH SP	2.00	2.6	6.4	Hold	2.27	13.4	14.9	15.9	19.4	8.0	8.0	2.1	78.5	91.3	Dec
ST SP	3.28	39.9	57.7	Hold	3.57	15.1	15.0	14.3	13.6	5.3	5.3	0.3	11.8	12.0	Mar
MM2 SP	0.49	0.4	0.5	Buy	0.56	26.3	23.1	18.0	14.3	0.0	0.0	0.6	11.8	14.0	Mar
Telecoms & Media						**15.0**	**15.0**	**14.5**	**14.2**	**5.5**	**5.4**	**0.4**	**16.1**	**16.8**	
HIP SP	1.31	0.9	4.2	Hold	1.45	8.8	11.4	10.6	10.2	3.1	3.1	(0.2)	15.8	15.2	Dec
VALUE SP	0.78	0.2	2.8	Buy	1.15	10.9	9.4	8.9	7.8	6.0	6.2	(0.6)	19.3	18.8	Mar
VMS SP	20.65	4.4	44.9	Buy	28.83	16.4	14.1	12.0	10.5	3.1	3.4	(0.4)	17.7	18.5	Dec
Technology						**15.0**	**13.4**	**11.6**	**10.3**	**3.3**	**3.5**	**-0.3**	**17.5**	**18.0**	
BS SP	6.11	1.2	0.7	Buy	8.55	47.2	28.7	9.8	9.1	2.9	2.9	(0.1)	12.9	12.7	Mar
CAPL SP	3.48	11.1	22.9	Buy	4.10	10.6	11.3	14.1	13.6	3.7	4.0	0.5	4.4	3.4	Dec
CENT SP	0.47	0.3	0.1	Hold	0.50	8.8	11.3	9.9	9.1	5.4	5.4	1.3	7.1	7.7	Dec
CIT SP	11.33	7.7	15.0	Buy	14.20	22.4	16.3	15.1	16.7	1.6	1.6	0.1	5.4	5.5	Dec
GUOL SP	2.13	1.9	0.8	Buy	3.00	6.5	7.1	9.7	10.0	3.3	3.8	1.1	8.8	6.6	Jun
HOBEE SP	2.44	1.3	0.2	Buy	3.30	6.5	11.7	11.6	17.8	3.3	3.3	0.4	4.3	4.3	Dec
UOL SP	8.21	5.2	9.0	Buy	10.85	19.3	17.1	14.6	16.5	2.1	2.1	0.2	4.2	4.7	Dec
Property developers						**16.4**	**14.1**	**13.9**	**14.7**	**2.8**	**2.9**	**0.4**	**5.3**	**4.9**	
AAREIT SP	1.39	0.7	1.0	Buy	1.50	13.1	14.9	14.0	14.0	7.1	7.6	0.3	7.2	7.5	Mar
AREIT SP	2.64	5.8	16.6	Buy	3.05	15.6	15.3	15.0	14.7	6.5	6.6	0.3	6.5	6.3	Mar
CACHE SP	0.80	0.6	0.9	Buy	0.95	34.6	11.7	11.4	10.9	7.9	8.2	0.4	6.8	6.7	Dec
MINT SP	1.96	2.8	6.5	Buy	2.25	12.0	15.0	14.5	14.3	6.8	7.0	0.3	8.2	8.2	Mar
MLT SP	1.26	2.9	6.9	Hold	1.25	17.7	15.6	15.2	14.7	6.1	6.3	0.4	6.2	6.0	Mar
VIT SP	0.88	0.6	0.4	Hold	0.96	15.9	12.9	13.7	12.9	8.0	8.2	0.4	8.3	7.6	Dec
Industrial REITs						**16.1**	**15.0**	**14.7**	**14.3**	**6.6**	**6.8**	**0.4**	**6.9**	**6.8**	
CCT SP	1.70	4.7	14.9	Hold	1.82	16.8	20.5	20.0	19.8	5.2	5.4	0.4	5.0	5.2	Dec
KREIT SP	1.19	3.0	3.5	Hold	1.19	33.1	29.0	26.4	23.8	5.2	5.4	0.4	4.5	4.7	Dec
SUN SP	1.76	3.5	8.9	Hold	1.94	27.1	25.5	24.8	23.5	5.8	5.8	0.4	4.7	4.8	Dec
Office REITs						**24.4**	**24.3**	**23.2**	**22.0**	**5.4**	**5.5**	**0.4**	**4.8**	**4.9**	

Source: Factset, Maybank Kim Eng

Fig 18: Valuation summary (cont'd)

BBG	Price	Mcap	3M ADV	Rec	TP	P/E (x)				DY (%)		ND/E (x)	ROE (%)		FYE
Code	LC	USDb	USDm		LC	Act	FY1	FY2	FY3	FY1	FY2	FY1	FY1	FY2	
CT SP	2.10	5.6	15.4	Hold	2.15	18.8	18.5	18.8	17.0	5.4	5.3	0.3	6.3	6.3	Dec
FCT SP	2.22	1.5	1.8	Buy	2.55	18.5	17.5	16.9	16.3	5.4	5.7	0.3	5.2	5.1	Sep
MCT SP	1.58	3.4	6.0	Hold	1.50	17.8	17.9	17.8	17.8	5.7	5.8	0.3	5.5	5.4	Mar
SPHREIT SP	1.00	1.9	0.8	Hold	1.00	18.1	17.9	17.9	17.8	5.6	5.6	0.3	5.7	5.6	Aug
SGREIT SP	0.69	1.1	1.4	Sell	0.60	14.5	15.4	15.4	15.5	6.7	6.7	0.4	5.4	5.2	Jun
Retail REITs						**18.1**	**17.9**	**17.9**	**17.1**	**5.6**	**5.6**	**0.3**	**5.8**	**5.7**	
CD SP	2.41	3.9	13.9	Buy	2.65	17.3	17.3	16.3	16.1	4.3	4.6	(0.2)	9.6	9.9	Dec
SATS SP	5.28	4.4	5.9	Buy	6.15	24.9	21.6	18.0	15.9	3.7	4.2	(0.1)	16.0	18.1	Mar
SIE SP	3.26	2.7	1.1	Hold	3.50	22.3	19.5	17.9	16.4	5.2	5.2	(0.4)	12.4	13.4	Mar
SIA SP	11.55	10.3	11.0	Hold	10.95	22.2	22.4	19.3	na	2.9	3.5	0.3	4.1	4.6	Mar
SPOST SP	1.35	2.3	5.3	Buy	1.50	33.8	23.7	21.1	17.5	3.0	3.3	(0.0)	8.8	9.7	Mar
STE SP	3.44	8.0	12.1	Buy	4.15	20.4	19.0	16.4	14.8	4.7	5.2	0.1	21.9	24.4	Dec
Industrials & Transport						**22.4**	**20.7**	**18.0**	**15.8**	**3.9**	**4.3**	**0.0**	**12.0**	**13.2**	
BEST SP	1.25	0.5	6.4	Buy	1.56	12.4	11.3	9.0	7.6	3.5	4.5	(0.5)	37.6	36.7	Dec
GENS SP	1.25	11.3	30.8	Buy	1.46	23.1	20.2	19.2	18.1	2.8	2.8	(0.4)	9.6	9.7	Dec
SSG SP	0.99	1.1	3.8	Buy	1.20	22.0	20.6	19.4	18.0	3.4	3.6	(0.3)	24.8	24.5	Dec
JUMBO SP	0.53	0.3	0.1	Buy	0.65	22.8	26.3	21.0	18.7	2.7	3.2	(0.8)	18.5	21.4	Sep
Consumer & Gaming						**22.6**	**20.0**	**18.9**	**17.7**	**2.9**	**2.9**	**-0.4**	**12.1**	**12.2**	
HMI SP	0.64	0.4	0.1	Buy	0.80	51.2	26.2	24.2	20.5	1.1	1.1	0.7	24.4	22.1	Jun
IHH SP	2.00	12.3	0.4	Buy	2.36	80.2	54.5	46.7	38.0	0.5	0.5	0.0	4.0	4.5	Dec
RFMD SP	1.06	1.4	1.8	Hold	1.13	27.2	29.4	35.3	36.6	2.4	2.5	0.3	8.7	7.3	Dec
RSTON SP	0.98	0.5	0.1	Buy	1.22	16.7	14.4	12.8	11.4	2.8	3.1	(0.2)	20.7	20.4	Dec
SMG SP	0.49	0.2	0.2	Buy	0.70	25.5	18.7	16.2	14.3	0.0	0.0	(0.1)	9.3	9.7	Dec
Healthcare						**71.5**	**49.5**	**43.5**	**36.2**	**0.8**	**0.8**	**0.1**	**5.7**	**5.9**	
BAL SP	0.71	0.9	0.2	Buy	0.99	11.0	10.0	8.7	7.5	3.0	3.5	0.4	15.4	15.8	Dec
FR SP	1.64	1.9	1.1	Buy	2.20	14.1	12.5	11.2	10.0	2.4	2.7	0.1	13.7	13.6	Dec
Commodities						**13.1**	**11.7**	**10.4**	**9.2**	**2.6**	**2.9**	**0.2**	**14.2**	**14.3**	
Overall						**19.4**	**16.2**	**14.6**	**13.5**	**4.1**	**4.2**	**0.1**	**11.9**	**12.4**	

Source: Factset, Maybank Kim Eng

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