Singapore Market Monitor

Policy potholes surface

And just like that - it's raining again!

After a few quarters of broadly improving operating dynamics across most sectors, the market has been hit by one of the key wild-card risk factors that we highlighted earlier, ie, sooner- and greater-than-expected tightening measures for the property market. We downgrade our sector weighting for developers and revise our top-picks list by removing developers with a concentration in Singapore's residential market and who have premium valuations.

It felt like a sucker punch

With a buoyant en-bloc market and c9.1% increase in home prices in the past year, we believed (as did the street, in our view) that some tightening measures were likely in 2019. So not only is the timing of the new measures early in the recovery cycle a surprise, but also the degree. This begs the question whether regulators now foresee greater economic uncertainly and headwinds from global macro and trade war-related factors versus a few months ago. The new measures are designed to temper investment demand (est. at around half of total) with higher ABSD requirements and LTV limits for buyers. But, on the flipside, it should also moderate future supply shocks by cooling new unit creation through the introduction of a new non-remittable ABSD for developers. The near-term impact on the sector should be threefold: 1) lower margins as developers are likely to cut prices to clear stock; 2) a slower new launch pipeline; and 3) lower P/RNAV multiples that the market will attribute to the stocks in light of lower growth prospects. See report *Singapore Property: Let the Dust Settle; D/G to NEUTRAL, July 6, 2018*, for further details.

Trim developer weighting; some tail risk to banks

While some developer stock valuations appear undemanding post the c13% YTD sell-off, we believe the overhang on the growth outlook and risk of further measures will weigh heavily on the sector's performance through 2H18. Hence we lower our sector weighing from Overweight to Neutral, and lift our weighting for Telecoms & Media from Underweight to Neutral as the de-rating appears to have largely priced in the fourth-operator risk. While we maintain an Overweight on financials, there could be some tail risk from new housing loan growth slowdown – our sensitivity analysis for a flat YoY housing loan book for 2018 (vs forecast 7.5-9.9%) would result in an EPS impact of 2.0-2.3% to our existing FY18 forecasts (OCBC the most, DBS the least).

SG valuations still reasonable, but catalysts waning

FSSTI valuations are undemanding with 12M trailing P/E at 10.2x vs 10-year average of 12.4x but the new tightening measures are now likely to contribute to prolonging the current market weakness as opposed to our earlier expectation of a modest performance recovery in 2H18. That said, we note that SG is still fairly attractive on ASEAN relative valuations.

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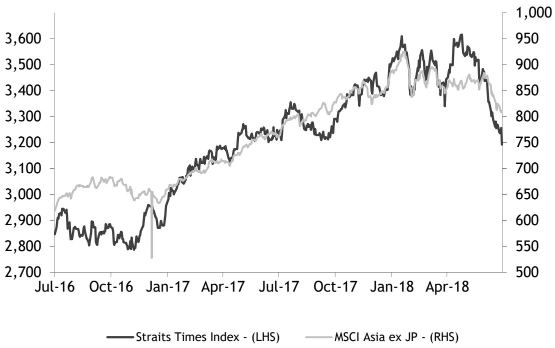
Country Index vs MSCI



Top BUYs for Singapore

Stock	BBG Code	Price LC	TP LC
CapitaLand.	CAPL SP	2.99	3.80
Genting SG	GENS SP	1.17	1.46
SATS	SATS SP	5.03	6.15
SingPost	SPOST SP	1.27	1.50
ST Eng.	STE SP	3.24	4.15
UOB	UOB SP	26.26	32.88
StarHub	STH SP	1.69	1.96
Venture	VMS SP	16.50	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 6 July 2018 close)

Sector weightings

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

Source: Maybank Kim Eng

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Taking the fizz out of the property market

Three new tightening measures:

Singapore's regulators introduced three new tightening measures late last week. To curb the rise in residential prices from investment activity, the government announced increases in Additional Buyers Stamp Duty (ABSD) rates for the purchase of a second property as well as higher Loan to Value (LTV) levels required for housing loans. Furthermore, it introduced a new ABSD for developers buying residential property to cool the elevated levels of en-bloc and new project activity in the market to mitigate the risks of a potential supply shock a few years down the road.

Overall this will be negative for developer stock prices in the near term; disproportionately more so from valuation de-rating and sentiment overhang factors than estimated downward adjustments to profit forecasts for FY18E-20E.

Post our forecast and target price adjustments on 6 July 2018 we downgraded four developers i.e. City Developments, GuocoLand, Bukit Sembawang and Oxley Holdings, to HOLD from BUY. Meanwhile, our BUYs for the other three, UOL, Capitaland and Hobee, are unchanged.

Property developer ratings changes:

Key changes

BBG Ticker	Rating Old		Rating New	TP (SGD) Old		TP (SGD) New	Change
UOL	BUY	➡	BUY	10.85	⬇	8.95	*(18)*
CAPL	BUY	➡	BUY	4.10	⬇	3.80	*(7)*
HOBEE	BUY	➡	BUY	3.30	⬇	3.05	*(8)*
CIT	BUY	⬇	HOLD	14.20	⬇	10.40	*(27)*
GUOL	BUY	⬇	HOLD	3.00	⬇	2.00	*(33)*
BS	BUY	⬇	HOLD	8.55	⬇	5.10	*(40)*
OHL	BUY	⬇	HOLD	0.56	⬇	0.34	*(39)*

Source: Bloomberg, Maybank Kim Eng

(Changes to ratings and TP on 6 July 2018)

Fig 1: Adjustments to Additional Buyers Stamp Duty rates for Singapore residential property

	Rates on or before 5 July 2018	Rates on or after 6 July 2018
SG citizens buying first residential property	0%	0% (No Change)
SG citizens buying second residential property	7%	12% (Revised)
SG citizens buying third and subsequent residential property	10%	15% (Revised)
SG Permanent Residents buying first residential property	5%	5% (No Change)
SG Permanent Residents buying second and subsequent residential property	10%	15% (Revised)
Foreigners buying any residential property	15%	20% (Revised)
Entities buying any residential property	15%	25% (Revised, subject to conditions); Plus additional 5% for developers (New, non-remittable)*

Source: Ministry of Finance, Singapore

Fig 2: Revised LTV limits on housing loans granted by financial institutions

	1st Housing Loan	2nd Housing Loan	From 3rd Housing Loan
Individual Borrowers			
LTV Limit	**Existing Rules** 80%; or 60% if the loan tenure is more than 30 years* or extends past age 65	**Existing Rules** 50%; or 30% if the loan tenure is more than 30 years* or extends past age 65	**Existing Rules** 40%; or 20% if the loan tenure is more than 30 years* or extends past age 65
	Revised Rules 75%; or 55% if the loan tenure is more than 30 years* or extends past age 65	**Revised Rules** 45%; or 25% if the loan tenure is more than 30 years* or extends past age 65	**Revised Rules** 35%; or 15% if the loan tenure is more than 30 years* or extends past age 65
Minimum Cash Down Payment		**No change to existing rules**	
	5%; or 10% if the loan tenure is more than 30 years* or extends past age 65	25%	25%
Non-Individual Borrowers			
LTV Limit		**Existing Rule** 20%	
		Revised Rule 15%	

Source: Ministry of Finance, Singapore(25 years, where the property purchased is a HDB flat)*

Housing loan growth – the other tail risk

From a market-earnings-outlook standpoint, apart from the direct impact of potentially lower profits from the developers due to the new tightening measures, we expect the loan growth outlook for FY18E-20E would also be affected from a slowdown in housing loans. Our current FY18 forecasts assume housing loans account for c23-28% of total loans and advances for the three banks. While we have not adjusted our profit estimates for banks, our sensitivity analysis assuming housing loans have zero growth in FY18 (vs our assumption of 7.5-9.9%) reported net profit for banks would drop c2-2.3% from our base-case estimates.

Fig 3: Housing loans in SG banks' portfolio

	1Q18 YoY growth	FY18E growth outlook	FY18E housing loan book	% of FY18E Loans & Advances
DBS	13.7	8.8	79.7	22.7
OCBC	8.4	9.9	70.9	27.5
UOB	7.3	7.0	70.5	27.6

Source: Maybank Kim Eng

We believe the actual impact could be slightly higher as working capital loans for the construction and general manufacturing sector (for property related products) for instance would also likely be affected. That said the unknown wild cards lie in the competitive behaviour of the banks and whether they try and offset slower housing loan growth through pricing adjustments in a rising interest rate environment.

Market growth forecast cut 130-140bps for FY18/FY19?

The profit growth outlook of our coverage universe post various revisions to developers' forecasts have dropped by 130-240bps to 17% and 9.4% for FY1 and FY2 respectively (note that consensus forecasts for FSSTI recurring profit growth stand at 17.7%/8.6% for 2018/2019).

Valuations moderate, but catalysts waning

The FSSTI has performed poorly this year, down 6% YTD, weighed down by recent ASEAN and Emerging Markets jitters, concerns of a tech sector de-rating and risks of the trade war escalating. Index valuations looking quite undemanding with 12M trailing P/E of 10.2x vs the 10-year average of 12.4x. But the latest property tightening effectively kills one of the catalysts that we were initially looking for to drive a moderate recovery in the latter part of the year (which is now likely to contribute to prolonging the current weakness in the market).

However, in an ASEAN context we believe the market is still relatively attractive in the current macro environment given its characteristics of a geographically diversified profit base (40%+ of profits derived from overseas markets), a stable currency, low gearing and fairly resilient dividend yield.

Fig 4: 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	10.2	11.2	12.7	11.7	9.7	17.7	8.6	4.1	4.3	9.9	10.2	1.1	0.3
Malaysia	FBMKLCI	17.2	17.2	15.9	14.8	10.6	0.9	9.4	3.4	3.6	10.8	10.9	1.6	0.8
Thailand	SET	16.3	17.6	14.9	13.5	9.7	9.2	10.3	3.8	3.5	13.8	12.3	1.8	1.2
Indonesia	JCI	19.8	21.2	14.5	12.9	17.2	37.4	12.1	2.4	2.7	17.9	18.2	2.2	0.7
Philippines	PCOMP	18.3	22.1	16.5	14.7	7.5	14.0	12.2	1.9	1.7	11.6	11.7	1.9	1.4
Vietnam	VNINDEX	17.4	18.1	16.4	13.4	23.0	6.6	22.3	1.6	1.6	19.0	19.9	1.8	2.4

Source: Bloomberg, Maybank Kim Eng

Sector outlook and preferences

We have made two changes to our sector outlook – we are now Neutral on developers (from Overweight) and Telecoms & Media (from Underweight). We upgraded our sector view on telecoms largely on the back of stock price declines of the three existing operators (Singtel, StarHub and M1) by 13-34% in the past year, which we believe has now adequately factored in new-entrant risks of the fourth operator.

Other sector weight recommendations are unchanged – we suggest overweighting financials, industrials (selectively), consumer & gaming and tech, and underweighting office REITs and retail REITs.

Fig 5: Our Singapore sector weightings

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

Source: Maybank Kim Eng

Fig 6: 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% but there could be modest downside to this from housing loans slowdown, 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	Balance sheets of most developers have significant capacity to reinvest for growth after the SG market digests the new tightening measures. Some developers very diversified outside SG and real impact to earnings from recent policy measures will be small	Home price recover of the past three quarters stymied by policy intervention – this could be an overhang on stocks for next 3-4 quarters. 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 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 although stock prices now seem to be adequately factoring in the risks	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

We have made two changes to our top 10 stock ideas in the Singapore market as highlighted in our report *A Fifth Quarter of Growth, 31 May 2018*. We have replaced City Developments with CapitaLand as our top large-cap property developer pick given its small exposure to the Singapore residential market and attractive relative valuations. We have also removed UOL and replaced it with StarHub, a recent upgrade driven by the c34% price decline over the past year, which we estimate more than adequately factors in the long-term profit erosion expected with a new entrant into the market from end-2018.

Large caps picks

- **CapitaLand (CAPL SP; TP SGD3.80):** One of the most geographically diversified with a high percentage of recurring revenue amongst the Singapore developers. Very small exposure to the Singapore residential as a result of which our EPS and RNAV revisions from the July 2018 tightening measures are a mere 0.2% and 2% respectively. Trading at a steep 45% discount to RNAV after recent broad based sector sell-down.
- **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 the 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; TP6.15):** A number of medium-term growth catalysts are expected to pan out over the next 12-18 months, including the proposed JV with AirAsia (Not listed) for gateway services in Malaysia, catering for Turkish Airlines at Istanbul's new international airport and Qantas (QAN AU; AUD6.53; 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 USD192.27; 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.
- **StarHub (STH SP; TP SGD1.96):** Post a prolonged period of share price erosion and underperformance to the market and its peers, the stock is offering a respectable upside to value investors as at current levels it is implying extreme scenarios of pay TV revenues falling to zero or wireless revenues to drop another 15%, neither of which we think is likely.
- **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 7: 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	25.35	47.9	99.9	Hold	30.80	14.9	10.1	8.5	7.5	4.7	4.7		13.2	14.5	Dec
OCBC SP	11.24	34.7	55.8	Buy	14.60	11.2	9.4	8.0	7.0	3.6	3.6		13.2	13.1	Dec
UOB SP	26.26	32.5	58.5	Buy	32.88	13.1	10.1	8.5	7.5	5.0	5.3		12.4	13.4	Dec
SGX SP	7.05	5.6	10.4	Buy	8.79	21.1	19.9	18.5	18.3	4.0	4.4	(0.8)	34.2	33.7	Jun
Financials						**13.7**	**10.4**	**8.8**	**7.8**	**4.4**	**4.5**	**0.0**	**14.0**	**14.7**	
M1 SP	1.60	1.1	1.6	Hold	1.63	11.3	11.7	16.0	19.8	6.8	5.0	0.8	26.5	18.6	Dec
STH SP	1.69	2.2	9.6	Buy	1.96	11.3	13.1	14.2	17.8	9.5	5.9	2.9	77.7	64.3	Dec
ST SP	3.23	38.8	53.7	Hold	3.57	14.9	14.7	14.0	13.4	5.4	5.4	0.3	11.8	12.0	Mar
MM2 SP	0.44	0.4	0.3	Buy	0.57	26.3	16.7	12.4	10.6	0.0	0.0	0.7	13.1	10.1	Mar
Telecoms & Media						**14.7**	**14.6**	**14.1**	**13.8**	**5.6**	**5.4**	**0.5**	**15.5**	**14.8**	
HIP SP	1.15	0.8	3.5	Hold	1.45	7.7	10.0	9.3	9.0	3.5	3.5	(0.2)	15.8	15.2	Dec
VALUE SP	0.61	0.2	2.2	Buy	1.15	10.9	6.9	6.1	5.3	7.9	9.1	(0.6)	18.8	19.7	Mar
VMS SP	16.50	3.5	53.7	Buy	28.83	13.1	11.2	9.5	8.4	3.9	4.2	(0.4)	17.7	18.6	Dec
Technology						**12.1**	**10.8**	**9.4**	**8.4**	**4.0**	**4.3**	**-0.3**	**17.5**	**18.0**	
BS SP	5.31	1.0	0.6	Hold	5.10	47.2	9.4	8.8	8.7	3.4	6.2	0.1	12.0	11.9	Mar
CAPL SP	2.99	9.4	24.1	Buy	3.80	9.1	9.7	12.4	12.0	4.3	4.7	0.5	4.4	3.4	Dec
CENT SP	0.43	0.3	0.1	Hold	0.50	8.1	10.5	9.1	8.4	5.8	5.8	1.3	7.1	7.7	Dec
CIT SP	9.46	6.3	17.0	Hold	10.40	18.7	13.8	13.3	15.7	1.9	1.9	0.1	5.3	5.3	Dec
GUOL SP	1.83	1.6	0.7	Hold	2.00	5.6	6.2	8.7	9.9	3.8	4.4	0.9	7.7	5.6	Jun
HOBEE SP	2.30	1.2	0.2	Buy	3.05	6.1	10.6	10.0	14.5	3.5	3.5	0.7	4.5	4.6	Dec
OHL SP	0.35	1.0	0.9	Hold	0.34	-	6.9	7.7	7.0	3.2	3.2	2.8	13.5	12.6	Jun
UOL SP	6.70	4.2	9.8	Buy	8.95	15.7	14.5	12.7	14.8	2.6	2.6	0.1	2.6	2.9	Dec
Property developers						**13.4**	**11.23**	**11.9**	**13.0**	**3.3**	**3.6**	**0.5**	**5.3**	**4.8**	
AAREIT SP	1.37	0.7	0.7	Buy	1.50	14.7	13.8	13.8	13.8	7.7	7.7	0.3	7.5	7.5	Mar
AREIT SP	2.67	5.8	15.3	Buy	3.05	15.8	15.4	15.2	14.9	6.4	6.6	0.3	6.5	6.3	Mar
CACHE SP	0.76	0.6	0.9	Buy	0.95	32.8	11.1	10.8	10.3	8.3	8.6	0.4	6.8	6.7	Dec
MINT SP	1.97	2.7	5.1	Buy	2.25	12.0	15.2	14.6	14.0	6.6	6.9	0.3	8.5	8.3	Mar
MLT SP	1.25	3.0	6.2	Hold	1.25	17.6	15.6	15.2	14.7	6.1	6.2	0.4	6.2	5.9	Mar
VIT SP	0.87	0.6	0.4	Hold	0.96	15.8	12.8	13.6	12.8	8.0	8.3	0.4	8.3	7.6	Dec
Industrial REITs						**16.1**	**15.0**	**14.7**	**14.3**	**6.6**	**6.8**	**0.4**	**7.0**	**6.8**	
CCT SP	1.70	4.7	14.0	Hold	1.80	16.8	27.9	20.2	20.0	5.2	5.3	0.4	5.0	5.1	Dec
KREIT SP	1.10	2.8	4.2	Hold	1.19	30.6	26.8	24.4	22.0	5.6	5.8	0.4	4.5	4.7	Dec
SUN SP	1.75	3.4	10.5	Hold	1.94	26.9	25.4	24.6	23.3	5.8	5.8	0.4	4.7	4.8	Dec
Office REITs						**23.5**	**26.8**	**22.7**	**21.6**	**5.5**	**5.6**	**0.4**	**4.8**	**4.9**	

Source: Maybank Kim Eng, FactSet

Fig 8: 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	2.08	5.4	15.3	Hold	2.15	18.8	18.5	18.8	17.0	5.5	5.4	0.3	6.3	6.3	Dec
FCT SP	2.21	1.5	1.5	Buy	2.55	18.4	17.4	16.9	16.3	5.4	5.7	0.3	5.2	5.1	Sep
MCT SP	1.59	3.4	5.5	Hold	1.50	17.8	17.9	17.8	17.8	5.7	5.7	0.3	5.5	5.4	Mar
SPHREIT SP	1.00	1.9	0.7	Hold	1.00	18.1	17.9	17.9	17.8	5.6	5.6	0.3	5.7	5.6	Aug
SASSR SP	0.67	0.6	0.3	Buy	0.90	18.1	17.9	17.9	17.8	8.1	9.3	1.3	5.1	6.7	Dec
SGREIT SP	0.66	1.1	1.3	Sell	0.60	14.5	15.4	15.4	15.5	7.0	7.0	0.4	5.4	5.2	Jun
Retail REITs						**18.1**	**17.9**	**17.9**	**17.1**	**5.8**	**5.8**	**0.4**	**5.8**	**5.8**	
CD SP	2.29	3.7	16.7	Buy	2.65	16.5	16.5	15.5	15.3	4.5	4.8	(0.2)	9.6	9.9	Dec
SATS SP	5.03	4.2	6.4	Buy	6.15	23.7	20.6	17.1	15.2	3.9	4.4	(0.1)	16.0	18.1	Mar
SIE SP	3.11	2.6	1.4	Hold	3.50	21.3	18.6	17.1	16.4	5.5	5.5	(0.4)	12.4	13.4	Mar
SIA SP	10.17	9.0	11.7	Hold	10.95	19.6	19.7	16.9	na	3.3	4.0	0.3	4.1	4.6	Mar
SPOST SP	1.27	2.1	4.5	Buy	1.50	31.8	22.3	19.8	16.5	3.1	3.5	(0.0)	8.8	9.7	Mar
STE SP	3.24	7.4	11.0	Buy	4.15	19.2	17.9	15.4	14.0	5.0	5.5	0.1	21.9	24.4	Dec
Industrials & Transport						**20.7**	**19.1**	**16.6**	**15.8**	**4.2**	**4.7**	**0.0**	**12.2**	**13.4**	
BEST SP	1.24	0.5	4.2	Buy	1.56	12.3	11.2	8.9	7.5	3.5	4.5	(0.5)	37.6	36.7	Dec
GENS SP	1.17	10.4	29.7	Buy	1.46	21.7	18.9	18.0	17.0	3.0	3.0	(0.4)	9.6	9.7	Dec
SSG SP	1.06	1.2	4.1	Buy	1.20	23.6	22.1	20.8	19.3	3.2	3.4	(0.3)	24.8	24.5	Dec
JAP SP	0.63	0.9	0.8	Buy	0.86	-	9.6	8.1	7.3	1.5	1.5	1.8	16.3	16.5	Dec
JUMBO SP	0.52	0.2	0.1	Buy	0.65	22.6	26.0	20.8	18.6	2.7	3.3	(0.8)	18.5	21.4	Sep
Consumer & Gaming						**20.1**	**18.4**	**17.3**	**16.2**	**2.9**	**3.0**	**-0.3**	**12.6**	**12.7**	
HMI SP	0.60	0.4	0.1	Buy	0.80	48.0	24.6	22.7	19.2	1.1	1.1	0.7	24.4	22.1	Jun
IHH SP	2.01	12.2	0.5	Buy	2.36	80.6	54.7	47.0	38.2	0.5	0.5	0.0	4.0	4.5	Dec
RFMD SP	0.99	1.3	1.5	Hold	1.13	25.3	27.4	32.8	34.0	2.5	2.7	0.3	8.7	7.3	Dec
RSTON SP	1.02	0.6	0.1	Buy	1.22	17.4	15.0	13.4	11.9	2.7	3.0	(0.2)	20.7	20.4	Dec
SMG SP	0.45	0.2	0.1	Buy	0.70	23.4	17.1	14.8	13.1	0.0	0.0	(0.1)	9.3	9.7	Dec
UGHC SP	0.23	0.0	0.0	Sell	0.21	17.7	13.5	10.5	9.2	0.9	1.3	0.4	8.4	9.7	Jun
Healthcare						**71.7**	**49.5**	**43.4**	**36.0**	**0.8**	**0.8**	**0.1**	**5.6**	**5.9**	
BAL SP	0.65	0.8	0.2	Buy	0.98	10.1	9.3	8.3	6.8	3.2	3.6	0.4	13.4	13.3	Dec
FR SP	1.56	1.8	1.0	Buy	2.00	13.5	13.1	10.4	9.0	2.4	2.9	0.1	13.1	14.6	Dec
Commodities						**12.4**	**11.9**	**9.8**	**8.3**	**2.6**	**3.1**	**0.2**	**13.2**	**14.2**	
Overall *						**18.4**	**15.5**	**14.0**	**13.0**	**4.4**	**4.5**	**0.1**	**11.8**	**12.1**	
Overall ex-IHH) *						**15.6**	**13.8**	**12.6**	**11.9**	**4.6**	**4.7**	**0.1**	**12.1**	**12.4**	

Source: Maybank Kim Eng, FactSet (Excluding REITS for aggregate net gearing)

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