

## Market Indicators

	15-Dec	18-Dec	19-Dec
Mkt. T/O (S\$ mil)	1,273.5	1,011.2	957.3
Stock Advances	173	229	175
Stock Declines	209	195	222

## Major Indices

	15-Dec	18-Dec	19-Dec
DJ Ind Avg	24,651.7	24,792.2	24,754.8
S & P 500	2,675.8	2,690.2	2,681.5
Nasdaq Comp	6,936.6	6,994.8	6,963.9
Hang Seng	28,848.1	29,050.4	29,253.7

**STI Index** 3,404.47 (-0.30%)



Source: Bloomberg

## Commodities

	Current Price	% Chge from Close
Gold (SPOT) US\$ / oz	1,261.98	-0.22%
Oil (NYMEX CWT1) US\$ / bbl	57.71	0.38%
Baltic Dry Index	1588	-1.91%

## Exchange Rates



USD : SGD 1.3473 / MYR : SGD 3.0262

Source: Bloomberg

## Interest Rates

3-mth Sibor	1.212%
SGS (10 yr)	1.966%

KGI Securities Research Team

## Market Colour

Equity markets look set to take a breather going into the final two weeks of 2017. US stocks closed slightly lower overnight as the final passage of the comprehensive tax-reform bill was delayed to Wednesday. In local markets, trading was concentrated in situational plays including Rowsley, ASTI Holdings and Thai Beverage.

## News

**CapitaLand:** A wholly-owned subsidiary has entered into a conditional agreement with an unrelated party to acquire a commercial site in Wujiaochang decentralised business district, Shanghai, for 838 million yuan (about S\$171 million). The site is next to CapitaLand's Innov Center, an operational office with ancillary retail that was acquired in June 2017. To date, Innov Center is about 40% leased in six months since the acquisition. On a completed basis, the total investment for the new office, including land cost, will be about 1.3 billion yuan. Upon completion of the acquisition, CapitaLand's portfolio of commercial assets under management in Shanghai will be enlarged to over 1.4 million square metres in GFA across 19 properties.

**Singapore equity market:** Singapore's STI is on track for its highest annual price gain since 2012, gaining more than 18% year-to-date. This compares to the 19.7% gain in 2012. This year's STI price performance has been stronger than the long-term average annualised gain, which dating back to the end of 1985 is 6.2% p.a. This does not include the STI dividend yield, which has averaged 3.5% since 1999. The STI maintains one of the region's highest dividend yields, with 2017 year-to-date distributions boosting the STI's total return to 22.2%. This compares to year-to-date total returns of 14.7% for the FTSE All World Index and 13.7% for the MSCI World Index in Singapore dollar terms.

In 2017, the STI was led by the performances of Yangzijiang Shipbuilding, Global Logistic Properties, Genting Singapore, City Developments and DBS Group Holdings. These five stocks all represented cyclical sectors and the five stocks averaged total returns of 58.5%.

For investors who are keen to take a more cautious view given the stretched valuations in certain sectors, perhaps a look at STI components that have lagged the main benchmark may offer attractive buying opportunities. Among those we believe whose downside risks are limited at this time are ComfortDelGro, SPH, ST Engineering and SingTel. All these stocks are currently trading near their 52-week lows and offer an attractive 4.0 – 5.0% dividend yield.

Business Times / Bloomberg / Straits Times / The Edge Markets / SGX

## Commentaries From The Trading Desk

6/12	<a href="#">Spiking SIBOR could play a dampener on high flying property names</a>
4/12	<a href="#">What Tencent giveth, Tencent can also take back!</a>
8/11	<a href="#">A narrative of a stock entering its 'blow-off' phase</a>

Note: The comments and views in this section are those of the Trading Desk team and do not necessarily coincide with the views of the Fundamental Equities Research team.

**STI Components and Key Metrics**

Ticker	Company Name	Last Price (Lcl)	Market Cap (SGDm)	1 Day Change (%)	Total Return YTD (%)	Total Return 1 Week (%)	Div Yield FY16 (%)	Div Yield FY17 (%)
<b>FINANCIALS</b>								
DBS SP	DBS	24.71	63,199	(0.1%)	46.9%	(1.9%)	2.7%	3.0%
OCBC SP	OCBC	12.25	51,294	(0.7%)	42.0%	(2.4%)	3.0%	3.3%
UOB SP	UOB	26.02	43,272	0.0%	31.5%	(2.3%)	2.8%	3.0%
SGX SP	SGX	7.43	7,958	(0.3%)	7.7%	(2.6%)	4.1%	4.4%
<b>PROPERTIES</b>								
AREIT SP	Ascendas REIT	2.69	7,768	0.0%	26.0%	(0.4%)	5.9%	6.1%
CAPL SP	CapitaLand	3.51	14,907	(0.3%)	19.4%	0.6%	2.9%	3.0%
CCT SP	CapitaLand Comm Trust	1.93	6,964	1.6%	42.1%	0.5%	4.6%	4.6%
CT SP	CapitaLand Mall Trust	2.15	7,625	0.0%	20.6%	2.4%	5.1%	5.1%
CIT SP	City Development	12.37	11,248	0.9%	51.6%	0.5%	1.2%	1.2%
GLP SP	Global Logistic	3.36	15,783	0.0%	55.5%	0.0%	1.8%	1.9%
HKL SP	Hongkong Land USD	7.16	22,693	(1.0%)	16.1%	(1.5%)	2.8%	2.9%
UOL SP	UOL	8.85	7,449	1.7%	50.8%	2.4%	1.7%	1.7%
<b>TELECOMMUNICATIONS</b>								
ST SP	SingTel	3.61	58,948	(0.8%)	4.4%	(2.2%)	5.8%	5.0%
STH SP	StarHub	2.88	4,980	1.1%	9.0%	(3.0%)	5.6%	5.4%
<b>CONSUMER SERVICES AND GOODS</b>								
JCNC SP	Jardine C&C	40.98	16,197	0.4%	1.7%	(0.1%)	2.7%	2.8%
JM SP	Jardine Matheson USD	61.93	60,588	(1.1%)	14.7%	(1.9%)	2.6%	2.7%
GENS SP	Genting Singapore	1.34	16,114	0.8%	52.0%	0.0%	2.2%	2.3%
SPH SP	SPH	2.61	4,172	1.6%	(22.2%)	0.0%	5.3%	5.2%
THBEV SP	ThaiBev	0.95	23,855	(2.1%)	14.9%	(0.5%)	3.1%	3.4%
<b>TRANSPORT</b>								
SIA SP	Singapore Airlines	10.65	12,594	1.5%	12.3%	0.6%	2.5%	2.3%
CD SP	ComfortDelGro	1.91	4,132	0.5%	(19.4%)	(5.4%)	5.4%	5.5%
<b>COMMODITIES</b>								
GGR SP	Golden Agri	0.38	4,776	(1.3%)	(9.6%)	1.4%	1.8%	2.5%
WIL SP	Wilmar	3.10	19,608	0.0%	(11.8%)	(0.3%)	2.4%	2.9%
<b>OFFSHORE &amp; MARINE/INDUSTRIALS</b>								
KEP SP	Keppel Corp	7.50	13,600	(0.3%)	33.5%	(3.1%)	2.8%	3.3%
SCI SP	Sembcorp Industries	3.02	5,389	(0.3%)	8.4%	(1.3%)	2.5%	3.2%
YZJSGD SP	Yangzijiang SGD	1.49	5,914	(0.7%)	88.9%	(0.7%)	3.1%	3.1%
SATS SP	SATS	5.26	5,887	0.2%	12.2%	0.2%	3.3%	3.5%
SIE SP	SIA Engineering	3.10	3,467	0.0%	(3.5%)	(0.6%)	4.3%	4.5%
STE SP	ST Engineering	3.17	9,877	(0.9%)	2.1%	(2.2%)	4.7%	4.9%
HPHT SP	HPH Trust USD	0.41	4,753	0.0%	0.9%	0.0%	6.4%	6.7%

Dividend Yield based on Bloomberg consensus. Total return includes dividends.  
Source: Bloomberg

**STI Reserve List (by market cap) - STI next review date: March 2018**

Ticker	Company Name	Last Price (Lcl)	Market Cap (SGDm)	1 Day Change (%)	Total Return YTD (%)	Total Return 1 Week (%)	Div Yield FY16 (%)	Div Yield FY17 (%)
VMS SP	Venture Corp	20.20	5,748	(0.7%)	112.6%	(2.0%)	3.1%	3.1%
SUN SP	Suntec REIT	2.19	5,809	1.9%	40.2%	4.8%	4.6%	4.5%
MCT SP	Mapletree Commercial	1.64	4,721	0.6%	24.5%	1.9%	5.4%	5.4%
KREIT SP	Keppel REIT	1.26	4,247	0.0%	30.1%	0.0%	4.8%	4.8%
SMM SP	Semcorp Marine	1.93	4,031	0.0%	41.5%	0.5%	1.0%	1.2%

Dividend Yield based on Bloomberg consensus. Total return includes dividends.  
Source: Bloomberg

**Appendix 1: Corporate Action**

Company	Results Ann Date	Period	DPS	Ex-Date	Book Close	Payable	Share Price 19 Dec 17	Yield (%)
AIMS Property Securities Fund - Cash Dividend Distribution			<b>AUD</b> 0.004926	<b>27-Dec-17</b>	29-Dec-17	16-Mar-18	SGD 1.680	0.3
Fraser and Neave	8-Nov-17	FY17	SGD 0.03000	<b>31-Jan-18</b>	2-Feb-18	14-Feb-17	SGD 2.600	1.2
Frasers Centrepoint	10-Nov-17	FY17	SGD 0.06200	<b>31-Jan-18</b>	2-Feb-18	14-Feb-18	SGD 2.090	3.0
Thai Beverage PCL	23-Nov-17	FY17	<b>Baht</b> 0.4700	<b>8-Feb-18</b>	12-Feb-18	28-Feb-18	SGD 0.950	2.0

**Latest Rights Issue Announcement**

Company	Particulars	Ex-Date	Book Close	Rights Trading Period	
				From	To
Maxi-Cash Financial Services Corp	1 Rts Share @ S\$0.160 for each Rts share for every 10 existing ord shares held	12-Dec-17	14-Dec-17	<b>19-Dec-17</b>	<b>28-Dec-17</b>

Source: SGX Announcement

**Latest Listing Issue Announcement**

Company	Offer Price	Closing Date	Offeror
Cogent Holdings Ltd	S\$1.02 Cash	5.30 p.m. on 5 Jan 2018	COSCO Shipping Int'l (Singapore) Co., Ltd.

Source: SGX Announcement

Appendix 2: Financial Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
18-Dec	19-Dec	20-Dec Q4: Yorkshire Hldgs	21-Dec	22-Dec *Q4: EMAS Offshore
25-Dec	26-Dec SG (Nov 2017): Index of Industrial Production CPI Overall index and sub-indices	27-Dec Q1: Second Chance Properties	28-Dec	29-Dec Q4: No Signboard Hldgs (Release on Sat, 30-Dec) / Triyards Hldgs
1-Jan-18	2-Jan	3-Jan	4-Jan	5-Jan *Q1: Triyards Hldgs
8-Jan	9-Jan	10-Jan	11-Jan	12-Jan
15-Jan	16-Jan	17-Jan	18-Jan SG: 4Q17 Advance GDP Estimates (Not later than 12 Jan)	19-Jan

\* Tentative

Source: Bloomberg

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