

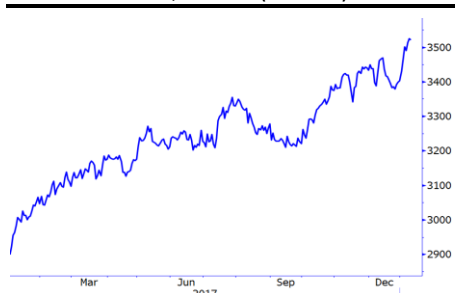
Market Indicators

	8-Jan	9-Jan	10-Jan
Mkt. T/O (\$\$ mil)	925.1	1,197.6	1,099.6
Stock Advances	263	234	201
Stock Declines	165	215	257

Major Indices

	8-Jan	9-Jan	10-Jan
DJ Ind Avg	25,283.0	25,385.8	25,369.1
S & P 500	2,747.7	2,751.3	2,748.2
Nasdaq Comp	7,157.4	7,163.6	7,153.6
Hang Seng	30,899.5	31,011.4	31,073.7

STI Index 3,520.45 (-0.12%)

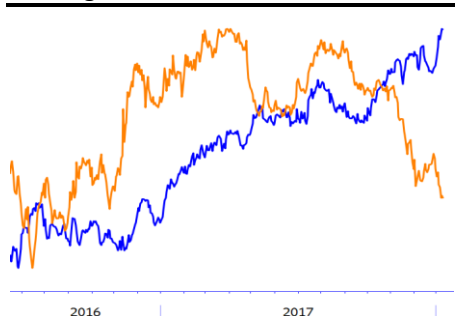


Source: Bloomberg

Commodities

	Current Price	% Chge from Close
Gold (SPOT) US\$ / oz	1,318.86	0.36%
Oil (NYMEX CWT1) US\$ / bbl	63.45	0.00%
Baltic Dry Index	1395	0.72%

Exchange Rates



Source: Bloomberg

Interest Rates

3-mth Sibor	1.379%
SGS (10 yr)	2.114%

Market Colour

Major US indices pared off some of their gains and logged the first decline for the year – S&P 500 (-0.1%) Dow Jones (-0.1%) Nasdaq (-0.1%). This came amid rising uncertainty within the US bond market following news report that China may potentially slow/halt its purchases of US Treasuries. Ten-year US yields rose to as high as 2.595% overnight, its highest levels since 2014, before settling at 2.557%.

In Singapore markets, the STI etched up a slight gain of 0.1%, and was mainly led by ComfortDelGro (+1.0%), ThaiBev (+0.5%), OCBC (+0.4%), SPH (+0.4%), Wilmar International (+0.3%) and Keppel Corp (+0.3%).

Note

➤ **Hong Kong Exchanges & Clearing Limited (388 HK; Not Rated):** Exciting times ahead with gradual liberalisation of the Chinese markets - Page 2

News

LHN: LHN's Hong Kong unit LHN Parking HK Limited had secured a two-year contract - from Jan 4, 2018 - for the lease of the carpark in basement two of Carnarvon Plaza in Tsim Sha Tsui, Kowloon. In addition, LHN secured a three year contract to license 10 carparks from the Jurong Town Corporation (JTC) with a total capacity of 4,802 lots. With these new contracts, LHN now manages 54 carparks in Singapore (52) and Hong Kong (2). **The share price has gained about 45% since December 2017.**

SGX: 2017 trading volume in currency futures rose to nearly 10m contracts, a jump of 59% YoY. Much of the trading growth came in the second half of the year, driven by a flurry of trading in both Indian rupee (INR) futures and the offshore renminbi (CNH) market. Additionally, futures trading against the greenback nearly quadrupled YoY in both contracts volume and notional value, to 1.9m contracts worth US\$190b. **SGX currently offers a 4% dividend yield and has a consensus fair value estimate of S\$8.07, implying an upside of 5.8%.**

OUE Lippo Healthcare: Is raising S\$78.8m through a private placement of some 562.5m new ordinary shares to trading company Itochu Corp. This placement comes as Itochu seeks to diversify into Asia's expanding healthcare market. With its extensive network in Asia, Itochu will be a key partner for OUE Lippo Healthcare as it embarks on its growth path to become a leading healthcare company in Asia. **OUE Lippo Healthcare currently trades at S\$0.14 and 2.5x P/B. The group remains loss-making, although quarterly losses have narrowed to S\$4m in 3Q17 from S\$11-35m in the prior three quarters.**

Recent In-depth Regional Reports

10/1	SG Hong Kong Exchanges & Clearing (388 HK; Not Rated): Exciting times ahead with gradual liberalisation of the Chinese markets
10/1	TH Power Sector (Neutral): Earnings growth to normalize
9/1	TW FDC International Hotels (2748 TT; Outperform; TP: NT\$98.00): 4Q17F results to beat; 1Q18F outlook promising
9/1	TW Parade Technologies (4966 TT; Outperform; TP: NT\$700.00): Slow season provides good entry point
9/1	CN/HK Stock Liquidity Monitor: Weekly data – Unlocked non-tradable shares & shareholding changes involving major shareholders

For full reports, please contact Research Department at 6202 1190 or sgp.researchcom@kgi.com

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NOTE

Security & Commodity Exchanges • Hong Kong

Hong Kong Exchanges & Clearing Ltd (388 HK/0388.HK)

Not Rated

Price as of 10 Jan 2018	271.80
12M target price (HKD)	-
Previous target price (HKD)	-
Upside (%)	-

Trading data

Market Cap (HKDm)	336,980.2
Issued Shares (m)	1,239.8
Ave Daily Traded (3-Month) Vol / Val	8.8m / \$2,060.5m
52 week lo / hi (HKD)	\$183.60 / \$275.00
Free Float	94.5%

Major Shareholders

Hong Kong SAR	5.4%
JP Morgan Chase & Co	4.3%

388 HK (1yr) VS HSI Index



Source: Bloomberg

Exciting times ahead with gradual liberalisation of the Chinese markets

Event

388.HK's stellar performance in 2017 was underpinned by the MSCI A-share inclusion and the launch of Bond Connect. The liberalisation of China's capital account would be a game changer for 388.HK as it is the conduit between foreign investors and the Chinese economy. As China advances its efforts to liberalise its capital account, the prospects for growth look promising.

Impact

Making headway with liberalisation efforts with Stock Connect, Qianhai Mercantile Exchange (QME), Bond Connect and next, ETF Connect. In FY17, trading volumes in Stock Connect rose significantly with Northbound turnover increasing 193.9% YoY to reach RMB2,266b and Southbound turnover increasing 170.2% YoY to reach RMB2,259b. With ETF Connect and Shanghai–London Stock Connect to be launched later this year, the increase in trading volumes are likely to spur growth going forward as institutional funds flow into the Chinese stock and bond market. Now that China has been included in the MSCI equity indices, ETFs that track the various MSCI indices, with weightings to China A-shares, are likely to drive trading volumes on 388.HK.

New trading rules aimed at spurring trading volumes. The key changes include the potential reduction/removal of a 10 basis point stamp duty, simplified rules for using collateral across multiple positions and rebates to market makers. The effect of these changes, which are subject to the approval from the securities regulator or government, should give revenue growth and additional boost.

Listing of Alibaba and Saudi Aramco will be a major upside catalyst. Saudi Aramco is expected to raise US\$100b (largest in history) for 5% of its equity. It is currently still in negotiations with various stock exchanges, including 388.HK. On a separate note, Alibaba also expressed that it would consider listing in Hong Kong in light of 388.HK's preparation to allow dual-class share listings. These two massive IPOs would provide the companies access to investors closer to China and would boost 388.HK's revenues through (1) listing fees and (2) trading commissions, post IPO.

Risks

Mainly regulatory risks in China.

Financials & Key Operating Statistics

YE Dec (HKD m)	2015A	2016A	2017A	2018F	2019F
Revenue	12,233.0	10,398.0	12,893.0	14,492.8	15,946.5
Operating Income	9,364.0	6,897.0	8,617.0	9,771.0	11,034.0
Net Income	7,956.0	5,769.0	7,263.9	8,448.0	9,565.1
EPS (Cents)	6.7	5.0	5.9	6.9	7.7
EPS growth (%)	51.3	(25.3)	24.7	15.4	12.9
P/E (x)	29.8	38.8	45.8	39.7	35.1
DPS (Cents)	6.0	4.5	5.4	6.2	7.0
Div Yield (%)	2.6	2.8	2.0	2.3	2.6
Gross Margin (%)	91.3	99.5	85.9	86.6	90.5
Net Margin (%)	65.0	55.5	56.3	58.3	60.0
ROE (%)	34.0	20.2	21.8	23.9	25.9

Source: Company Data, Bloomberg Estimates

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See the last page for important disclosures.

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 (%)
FINANCIALS								
DBS SP	DBS	26.56	67,931	0.2%	6.9%	2.6%	2.5%	2.8%
OCBC SP	OCBC	12.86	53,828	(0.4%)	3.8%	1.3%	2.9%	3.1%
UOB SP	UOB	27.68	46,033	(0.4%)	4.7%	2.9%	2.7%	2.9%
SGX SP	SGX	7.63	8,173	0.1%	2.6%	1.7%	4.0%	4.2%
PROPERTIES								
AREIT SP	Ascendas REIT	2.78	8,028	0.0%	2.2%	1.5%	5.8%	6.0%
CAPL SP	CapitaLand	3.77	16,012	(0.3%)	6.8%	4.4%	2.7%	2.8%
CCT SP	CapitaLand Comm Trust	2.00	7,216	1.0%	3.6%	0.5%	4.4%	4.4%
CT SP	CapitaLand Mall Trust	2.10	7,447	0.0%	(1.4%)	(0.9%)	5.2%	5.2%
CIT SP	City Development	12.99	11,812	1.5%	4.0%	1.2%	1.2%	1.2%
HKL SP	Hongkong Land USD	7.12	22,362	(0.6%)	1.1%	0.6%	2.8%	2.9%
UOL SP	UOL	9.34	7,862	0.6%	5.3%	2.9%	1.6%	1.6%
TELECOMMUNICATIONS								
ST SP	SingTel	3.62	59,112	(0.3%)	1.4%	0.8%	5.7%	5.0%
STH SP	StarHub	2.92	5,049	1.0%	2.5%	0.7%	5.5%	5.3%
CONSUMER SERVICES AND GOODS								
JCNC SP	Jardine C&C	40.65	16,066	(0.8%)	(0.0%)	(0.7%)	2.7%	2.8%
JM SP	Jardine Matheson USD	61.00	59,138	(2.0%)	0.4%	0.3%	2.6%	2.7%
GENS SP	Genting Singapore	1.33	16,012	(0.7%)	1.5%	(0.7%)	2.3%	2.3%
SPH SP	SPH	2.68	4,284	(1.5%)	1.1%	(3.6%)	5.1%	5.0%
THBEV SP	ThaiBev	0.93	23,352	1.1%	1.1%	1.6%	3.2%	3.4%
VMS SP	Venture Corp	22.48	6,400	4.2%	9.8%	1.8%	2.9%	2.9%
TRANSPORT								
SIA SP	Singapore Airlines	10.91	12,901	(0.5%)	2.2%	2.0%	2.4%	2.2%
CD SP	ComfortDelGro	1.99	4,305	(0.5%)	0.5%	(1.5%)	5.2%	5.3%
COMMODITIES								
GGR SP	Golden Agri	0.39	4,903	0.0%	4.1%	1.3%	1.7%	2.1%
WIL SP	Wilmar	3.20	20,242	(0.3%)	3.6%	1.3%	2.3%	2.8%
OFFSHORE & MARINE/INDUSTRIALS								
KEP SP	Keppel Corp	7.92	14,361	0.9%	7.8%	3.3%	2.7%	3.1%
SCI SP	Sembcorp Industries	3.18	5,675	0.6%	5.0%	1.6%	2.4%	3.1%
YZJSGD SP	Yangzijiang SGD	1.56	6,191	(1.3%)	6.1%	2.6%	3.0%	2.9%
SATS SP	SATS	5.48	6,133	0.4%	5.4%	3.4%	3.2%	3.4%
SIE SP	SIA Engineering	3.20	3,579	0.0%	2.2%	0.9%	4.2%	4.4%
STE SP	ST Engineering	3.32	10,344	(0.6%)	1.8%	0.9%	4.5%	4.7%
HPHT SP	HPH Trust USD	0.42	4,884	0.0%	1.2%	1.2%	6.2%	6.4%

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	22.48	6,400	4.2%	9.8%	1.8%	2.9%	2.9%
SUN SP	Suntec REIT	2.21	5,862	0.5%	2.8%	3.3%	4.5%	4.5%
MCT SP	Mapletree Commercial	1.67	4,808	(0.6%)	3.1%	0.0%	5.3%	5.3%
KREIT SP	Keppel REIT	1.28	4,315	(0.8%)	1.6%	0.8%	4.7%	4.7%
SMM SP	Semcorp Marine	1.87	3,904	1.6%	1.6%	0.0%	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 10 Jan 18	Yield (%)
Miyoshi Ltd	27-Oct-17	FY17	SGD	0.0040	10-Jan-18	12-Jan-18	19-Jan-18	SGD 0.076	5.3
SPH REIT	5-Jan-18	1H18	SGD	0.0134	11-Jan-18	15-Jan-18	14-Feb-18	SGD 1.080	1.2
Advanced Holdings Ltd	10-Nov-17	3Q17	SGD	0.04900	12-Jan-18	16-Jan-18	7-Feb-18	SGD 0.340	14.4
HC Surgical Specialists Ltd	9-Jan-18	2Q18	SGD	0.0110	15-Jan-18	17-Jan-18	30-Jan-18	SGD 0.730	1.5
JB Foods Ltd	13-Nov-17	3Q17	SGD	0.0200	24-Jan-18	26-Jan-18	1-Mar-18	SGD 0.570	3.5
PNE Industries Ltd	27-Nov-17	FY17	SGD	0.0300	25-Jan-18	29-Jan-18	12-Feb-18	SGD 1.120	2.7
Fraser and Neave	8-Nov-17	FY17	SGD	0.03000	31-Jan-18	2-Feb-18	14-Feb-18	SGD 2.590	1.2
Frasers Centrepoint	10-Nov-17	FY17	SGD	0.06200	31-Jan-18	2-Feb-18	14-Feb-18	SGD 2.180	2.8
Thai Beverage PCL	23-Nov-17	FY17	Baht	0.4700	8-Feb-18	12-Feb-18	28-Feb-18	SGD 0.930	2.1

Latest Rights Issue Announcement

Company	Particulars	Ex-Date	Book Close	Rights Trading Period	
				From	To
Asia-Pacific Strategic Invts	2 Rts Shares @ S\$0.003 for each Rights Share for every 1 existing share held, 1 free detachable warrant (exercise price S\$0.003) for every 1 Rts Share subscribed	3-Jan-18	5-Jan-18	10-Jan-18	18-Jan-18
BM Mobility	2 Wrts @ S\$0.0033 for each Wrt (exercise price S\$0.010) for every 1 existing ord share held	17-Jan-18	19-Jan-18		

Source: SGX Announcement

Asia-Pacific Strategic Invts: Expected date for commencement of trading of warrants: Friday, 2 February 2018

Latest Listing Issue Announcement

Company	Particulars	Ex-Date	Book Close	Payable / Crediting Date	Listing Date
Hyflux	Entitled shareholders will receive 1 Hyfluxshop Hldgs Pte Ltd share for every 10 Hyflux shares held	5-Feb-18	7-Feb-18		
Pan-Utd Corp	Entitlements of Xinghua shares on the basis of 1 Xinghua share for every share held	5-Jan-18	9-Jan-18	-	-

Source: SGX Announcement

Company	Offer Price		Closing Date	Offeror
Cogent Holdings Ltd	SGD 1.02	Cash	5.30 p.m. on 19 Jan 2018	COSCO Shipping Int'l (Singapore) Co., Ltd.
Global Logistic Properties Ltd	SGD 3.38	Cash	5.00 p.m. on 9 Jan 2018	Nesta Investment Hldgs Ltd
Rotary Engineering	SGD 0.460	Cash	5.30 p.m. on 24 Jan 2018	OROCHEM PTE. LTD.
TMC Education Corporation Ltd	SGD 0.0675	Cash	5.30 p.m. on 30 Jan 2018	JK Global Assets Pte. Ltd.

Source: SGX Announcement

Appendix 2: Financial Calendar

Monday		Tuesday		Wednesday		Thursday		Friday	
	8-Jan		9-Jan		10-Jan		11-Jan		12-Jan Q1: Spore Press Hldgs Q4: Qian Hu Corp
	15-Jan		16-Jan	Q4: ESR-REIT / First REIT / Soilbuild Business Space REIT	17-Jan	Q4: Cache Logistics Trust	18-Jan		19-Jan Q2: Spore Exchange
Q3: Mapletree Logistics Trust Q4: Frasers Commercial Trust / Keppel DC REIT / Keppel Infrastructure Trust	22-Jan	SG (Dec 2017): CPI Overall index and sub-indices Q1: Frasers Centrepoint Trust Q3: Mapletree Industrial Trust Q4: Keppel REIT / M1	23-Jan	Q1: Frasers Hospitality Trust Q3: Mapletree Commercial Trust Q4: CapitaLand Mall Trust / Keppel Telecoms & Tpt	24-Jan	SG (4Q17): Industrial Properties Q3: Mapletree Greater China Commercial Trust Q4: Keppel Corp	25-Jan	SG (Dec 2017): Index of Industrial Production Unemployment Rate & Employment SG (4Q17): Private Residential, Retail and Office Properties Q4: AGV Grp (Release on Sun, 28-Jan) *Q4: CDL Hospitality Trusts	26-Jan
	29-Jan		30-Jan		31-Jan	1-Feb-18			2-Feb
Q4: Utd Overseas Insurance	5-Feb	Q4: Manulife US REIT	6-Feb		7-Feb	Q4: DBS Grp Hldgs (Before mkt open)	8-Feb		9-Feb

* Tentative

Source: Bloomberg

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