

Market Indicators

	16-Nov	17-Nov	20-Nov
Mkt. T/O (S\$ mil)	1,266.1	1,266.0	1,036.0
Stock Advances	193	265	153
Stock Declines	258	176	279

Major Indices

	16-Nov	17-Nov	20-Nov
DJ Ind Avg	23,458.4	23,358.2	23,430.3
S & P 500	2,585.6	2,578.9	2,582.1
Nasdaq Comp	6,793.3	6,782.8	6,790.7
Hang Seng	29,018.8	29,199.0	29,260.3

STI Index 3,386.59 (+0.12%)

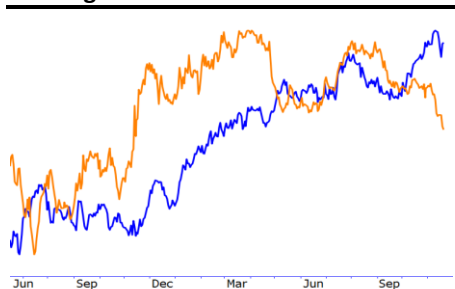


Source: Bloomberg

Commodities

	Current Price	% Chge from Close
Gold (SPOT) US\$ / oz	1,279.05	-0.96%
Oil (NYMEX CWT1) US\$ / bbl	56.35	-0.58%
Baltic Dry Index	1371	0.73%

Exchange Rates



USD : SGD 1.3571 / MYR : SGD 3.0632

Source: Bloomberg

Interest Rates

3-mth Sibor	1.127%
SGS (10 yr)	2.070%

KGI Securities Research Team

Market Colour

We maintain our view that equity markets may trade range-bound going into the quiet year-end period, with any pullbacks an opportunity for investors to accumulate. The investment environment remains favourable going into 2018 as global growth is accelerating and corporate earnings have surprised on the upside.

Results Update

➤ **Accordia Golf Trust (AGT SP; BUY; TP: S\$0.780):** DPU impacted by repayment of membership deposits - Page 2

News

KGI China/HK weekly: As risk appetites decrease toward the end of the year, we don't think high-valuation mid- and small-cap stocks will attract investors. We recommend investors buy on dips and avoid frequent short-term trading. We recommend engaging mid- and large-cap shares with promising earnings guidance for 2018. We prefer semiconductor, alternative energy, 5G/optical communication, iPhone X plays, and makers of components in short supply (OLED, memory, passive components, silicon wafers, LED, and sapphire glass).

Tencent: China's biggest social network and gaming firm Tencent Holdings, which last week reported forecast-beating quarterly results, is close to making Malaysia the first foreign country to roll out its WeChat ecosystem, an executive told Reuters. Tencent has made a "breakthrough" in gaining an e-payment license in Malaysia for local transactions, and plans a launch early next year, senior vice president SY Lau said in an interview. The move pits Tencent against rival Alibaba Group as they scramble for new growth opportunities outside China. "Malaysia is actually quite large in the sense that we have 20 million WeChat users, huge potential, and the market is quite warm towards internet products from China," Mr Lau said. Southeast Asia, home to more than 600 million people and some of the world's fastest-growing economies, has been a key battleground for China's tech titans fighting for deals.

WeChat Pay and Alibaba's Alipay, which dominate China's digital payment market, have sought to expand their global footprint, although that push has so far been limited to payment services for Chinese outbound tourists. They can scan-and-pay for purchases in 34 countries or regions via Alipay and 13 via WeChat Pay, according to the companies. **Tencent makes up the highest weighting of 5.6% on the iShares MSCI Emerging Markets ETF and may continue to benefit from inflows into emerging market funds.**

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

Commentaries From The Trading Desk

8/11	A narrative of a stock entering its 'blow-off' phase
6/11	DBS firing well, however will old exposures haunt it?
27/10	Tapering announced, but no tantrum by stocks! Or is this simply a premature assumption?

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.

Accordia Golf Trust

(AGT SP/ACCO.SI)

BUY - Maintain

Price as of 20 Nov 2017	0.70
12M target price (S\$)	0.78
Previous target price (S\$)	0.80
Upside (%)	11.8

Trading data

Mkt Cap (S\$m) / (US\$m)	769 / 568
Issued Shares (m)	1,099
Ave Daily Traded (3-Month) Vol / Val	1.7m / \$1.2m
52 week lo / hi	\$0.62 / \$0.78
Free Float	71.1%

Major Shareholders

Goldman Sachs	15.0%
Daiwa Securities	6.9%

Previous Recommendations

Date	Rating	Share Price (S\$)	Target Price (S\$)
16-Aug-17	BUY	0.720	0.800
29-May-17	BUY	0.750	0.800
17-Apr-17	BUY	0.730	0.800
16-Feb-17	BUY	0.710	0.800

AGT SP (1yr) VS STI


Source: Bloomberg

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See the last page for important disclosures.

DPU impacted by repayment of membership deposits

Event

Better-than-expected operational performance impacted by huge one-off repayment of membership deposits. 1H18 net profit grew 13% YoY but DPU declined 33% YoY to 1.65 SG cents from 2.45 SG cents in the prior year period. The decline in DPU was due to a large repayment of membership deposits at two of its golf courses, which was a legacy issue when AGT acquired them. As part of a court-approved bankruptcy agreement for many of these golf courses prior to their acquisition by AGT, membership deposits were locked in for 10 years before they could be returned. On a positive note, FY18 marks the biggest lot of membership deposits where the lock-up period will end.

Impact

FY18 and FY19 DPU shaded lower by 10-17%. Taking into account higher repayment of membership fees, we lower our DPU estimates to 4.9 and 5.4 SG cents for FY18 and FY19, implying a still-attractive 6.9% and 7.5% dividend yield.

Japan's economic recovery and potential contribution from tourism in the next three years. Japan's GDP increased by an annualised 1.4% in 3Q17, its seventh consecutive quarter and the longest economic expansion since 2001. In the next 2-3 years, Japan's tourism industry and economy may get an additional uplift from the two of the three biggest sporting events in the world to be held in the country – the Rugby World Cup 2019 (the first time to be held in Asia) and the Tokyo 2020 Olympics. We believe the inclusion of golf in the Olympics may attract younger players, which could benefit AGT.

Valuation & Action

We maintain our BUY recommendation on AGT as 1) 7.0 - 8.0% dividend yield remains attractive and 2) we believe there is still significant upside to our forecasts as we have not factored growth from any DPU-accretive acquisitions. AGT offers one of the highest yield among its business trust/SREITs peers, with a spread of 200-300 bps over SREITs and 400 bps over JREITs.

Risks

Forex risk as earnings are mostly in JPY while distributions are in SGD. Macroeconomic environment and adverse weather conditions also affect performance of its golf courses.

Financials & Key Operating Statistics

YE Mar JPY bn	2016	2017	2018F	2019F	2020F
Revenue	53.2	51.9	51.0	50.8	50.5
PATMI	6.5	4.0	5.3	5.3	5.3
Core PATMI	6.5	5.5	5.3	5.3	5.3
Core EPS (JPY)	0.6	0.5	0.5	0.5	0.5
Core EPS grth (%)	151.6	-15.6	-3.1	-0.5	-0.5
DPS (SG Cents)	6.6	6.0	4.9	5.3	5.9
Div Yield (%)	9.5	8.6	7.0	7.6	8.4
Net Margin (%)	12.3	7.7	10.4	10.4	10.4
Loan-to-Value (%)	27.9	27.9	27.7	27.9	28.0
ROE (%)	7.9	5.0	6.6	6.5	6.5

Source: Company Data, KGI Research

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	23.82	60,156	(0.4%)	39.8%	(3.2%)	2.8%	3.1%
OCBC SP	OCBC	11.63	48,218	(0.3%)	33.4%	(2.8%)	3.2%	3.4%
UOB SP	UOB	24.98	41,340	(0.1%)	25.6%	(2.0%)	2.9%	3.1%
SGX SP	SGX	7.50	8,044	(0.4%)	8.9%	(2.8%)	4.0%	4.3%
PROPERTIES								
AREIT SP	Ascendas REIT	2.64	7,647	0.8%	24.1%	0.0%	6.0%	6.2%
CAPL SP	CapitaLand	3.54	15,035	0.3%	20.4%	(1.4%)	2.9%	3.0%
CCT SP	CapitaLand Comm Trust	1.91	6,567	(0.5%)	34.0%	(0.8%)	4.8%	4.8%
CT SP	CapitaLand Mall Trust	2.06	7,235	0.0%	14.4%	0.5%	5.4%	5.4%
CIT SP	City Development	12.07	10,857	0.9%	46.3%	(1.6%)	1.3%	1.3%
GLP SP	Global Logistic	3.32	15,595	(0.3%)	53.7%	0.0%	1.8%	2.0%
HKL SP	Hongkong Land USD	7.12	22,818	(0.4%)	16.0%	(2.3%)	2.8%	2.9%
UOL SP	UOL	8.62	7,271	0.5%	47.3%	(1.8%)	1.7%	1.7%
TELECOMMUNICATIONS								
ST SP	SingTel	3.68	59,928	(0.5%)	3.3%	(2.4%)	5.7%	5.0%
STH SP	StarHub	2.82	4,893	0.0%	7.1%	0.0%	5.7%	5.5%
CONSUMER SERVICES AND GOODS								
JCNC SP	Jardine C&C	39.26	15,434	0.1%	(3.1%)	(0.1%)	2.8%	3.0%
JM SP	Jardine Matheson USD	65.25	64,110	(0.2%)	20.6%	(0.9%)	2.5%	2.6%
GENS SP	Genting Singapore	1.34	15,994	0.0%	50.9%	0.8%	2.3%	2.3%
SPH SP	SPH	2.71	4,348	(1.1%)	(21.6%)	1.1%	5.1%	5.0%
THBEV SP	ThaiBev	0.95	23,603	(1.1%)	13.7%	(2.1%)	3.1%	3.3%
TRANSPORT								
SIA SP	Singapore Airlines	10.68	12,689	0.4%	12.1%	(0.9%)	2.4%	2.3%
CD SP	ComfortDelGro	2.03	4,456	(1.4%)	(13.0%)	2.5%	5.1%	5.2%
COMMODITIES								
GGR SP	Golden Agri	0.39	4,903	0.0%	(8.9%)	(4.9%)	1.8%	2.5%
WIL SP	Wilmar	3.16	20,114	(1.2%)	(9.5%)	(4.8%)	2.3%	2.9%
OFFSHORE & MARINE/INDUSTRIALS								
KEP SP	Keppel Corp	7.39	13,415	0.8%	31.7%	(2.6%)	2.9%	3.3%
SCI SP	Sembcorp Industries	3.05	5,425	(0.7%)	9.5%	(4.7%)	2.6%	3.2%
YZJSGD SP	Yangzijiang SGD	1.70	6,747	(0.6%)	115.5%	8.6%	2.8%	2.7%
SATS SP	SATS	5.15	5,742	3.4%	8.1%	8.9%	3.4%	3.6%
SIE SP	SIA Engineering	3.21	3,624	0.3%	0.9%	0.9%	4.1%	4.3%
STE SP	ST Engineering	3.31	10,157	(1.2%)	5.0%	(3.3%)	4.5%	4.8%
HPHT SP	HPH Trust USD	0.42	5,022	0.0%	5.9%	0.0%	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: 30 November 2017

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 (%)
SUN SP	Suntec REIT	1.95	5,199	(0.5%)	24.8%	0.3%	5.1%	5.0%
MCT SP	Mapletree Commercial	1.56	4,491	0.0%	18.5%	(0.3%)	5.7%	5.7%
VMS SP	Venture Corp	21.00	5,972	0.2%	121.0%	(3.1%)	3.0%	3.0%
SIE SP	SIA Engineering	3.21	3,624	0.3%	0.9%	0.9%	4.1%	4.3%
KREIT SP	Keppel REIT	1.19	4,003	0.0%	22.9%	0.4%	5.0%	5.0%

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 20 Nov 17	Yield (%)
SATS	9-Nov-17	2Q18	SGD	0.0600	21-Nov-17	23-Nov-17	8-Dec-17	SGD 5.150	1.2
Singapore Airlines	7-Nov-17	2Q18	SGD	0.1000	21-Nov-17	23-Nov-17	5-Dec-17	SGD 10.680	0.9
Sunright Ltd	22-Sep-17	FY17	SGD	0.0030	21-Nov-17	23-Nov-17	8-Dec-17	SGD 0.820	0.4
Valuetronics Hldgs	9-Nov-17	2Q18	HKD	0.0700	21-Nov-17	23-Nov-17	5-Dec-17	SGD 0.995	1.2
AEM Holdings Ltd	2-Nov-17	3Q17	SGD	0.03000	22-Nov-17	24-Nov-17	8-Dec-17	SGD 3.300	0.9
Boustead Singapore Ltd	14-Nov-17	2Q18	SGD	0.01000	22-Nov-17	24-Nov-17	8-Dec-17	SGD 0.890	1.1
Silverlake Axis	10-Nov-17	1Q18	SGD	0.0030	22-Nov-17	24-Nov-17	11-Dec-17	SGD 0.615	0.5
Silverlake Axis - Special	10-Nov-17	1Q18	SGD	0.0050	22-Nov-17	24-Nov-17	11-Dec-17	SGD 0.615	0.8
Bund Center Investment Ltd	13-Nov-17	3Q17	SGD	0.02000	23-Nov-17	27-Nov-17	4-Dec-17	SGD 0.780	2.6
KSH Hldgs Ltd	10-Nov-17	2Q18	SGD	0.0100	23-Nov-17	27-Nov-17	8-Dec-17	SGD 0.835	1.2
Singapore Post	14-Nov-17	2Q18	SGD	0.0050	23-Nov-17	27-Nov-17	8-Dec-17	SGD 1.300	0.4
Sysma Holdings Ltd	20-Sep-17	FY17	SGD	0.0050	23-Nov-17	27-Nov-17	7-Dec-17	SGD 0.176	2.8
Ban Leong Technologies Ltd	10-Nov-17	1H18	SGD	0.00500	28-Nov-17	30-Nov-17	11-Dec-17	SGD 0.195	2.6
Civmec Ltd	22-Aug-17	FY17	SGD	0.0070	28-Nov-17	30-Nov-17	14-Dec-17	SGD 0.545	1.3
UMS Holdings Ltd	10-Nov-17	3Q17	SGD	0.0100	28-Nov-17	30-Nov-17	15-Dec-17	SGD 1.140	0.9
Old Chang Kee Ltd	13-Nov-17	1H18	SGD	0.0150	29-Nov-17	1-Dec-17	15-Dec-17	SGD 0.760	2.0

Latest Rights Issue Announcement

Company	Particulars	Ex-Date	Book Close	Rights Trading Period	
				From	To
CFM Hldgs	6 Rights Share @ S\$0.015 for each Rights Share for every 7 existing shares held	21-Nov-17	23-Nov-17		
CWX Global	1 Rts Share @ S\$0.009 for each Rights Share for every 1 existing ord share held, 1 free detachable and transferable warrants (exercise price S\$0.015) for every 4 Rights Shares subscribed	17-Nov-17	21-Nov-17		
Maxi-Cash Financial Services Corp	1 Rts Share @ S\$0.160 for each Rts share for every 10 existing ord shares held				
Z-Obee Holdings	2 offer shares @ US\$0.16 (equivalent to approximately HK\$1.248) per offer share for every 5 consolidated shares held		27-Oct-17 at 5.00 p.m.	Delisting from SGX: 28-Nov-17	

Source: SGX Announcement

Latest Listing Issue Announcement

Company	Offer Price		Closing Date	Offeror
Indiabulls Properties Investment Trust	SGD 0.90	Cash	5.30 p.m. on 22 Nov 2017	Brenformexa Ltd
New Wave Holdings	S\$0.0130	Cash	5.30 p.m. on 30 Nov 2017	JK Global Assets Pte. Ltd.
Poh Tiong Choon Logistics	SGD 1.30	Cash	5.30 p.m. on 20 Nov 2017	Respond Logistics Pte. Ltd.

Source: SGX Announcement

Appendix 2: Financial Calendar

Monday		Tuesday		Wednesday		Thursday		Friday	
	20-Nov		21-Nov		22-Nov		23-Nov		24-Nov
IPO: RE&S Hldgs (Catalist): Close @ 12.00 noon				IPO: RE&S Hldgs (Catalist): Commence Trading @ 9.00 a.m. IPO: MindChamps PreSchool (Mainboard): Close @ 12.00 noon		SG (Oct 2017): CPI *Q3: TPV Technology		SG: 3Q17 GDP (Not later than 24 Nov) IPO: MindChamps PreSchool (Mainboard): Commence Trading @ 9.00 a.m.	
	27-Nov		28-Nov		29-Nov		30-Nov	1-Dec-17	
		*Q4: Z-Obee Hldgs				STI Review			
	4-Dec		5-Dec		6-Dec		7-Dec		8-Dec
								Q3: Cogent Hldgs	
	11-Dec		12-Dec		13-Dec		14-Dec		15-Dec
	18-Dec		19-Dec		20-Dec		21-Dec		22-Dec
				Q4: Yorkshire Hldgs					

* Tentative

Source: Bloomberg

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