

Market Strategy

Improving Growth, Expanding Opportunity

- Singapore's macroeconomic outlook remains favourable; we have raised our 2025 GDP forecast.** We maintain that any pullback in the STI, similar to that seen during the first fortnight of October, offers a buying opportunity, with attractive prospects in REITs and high-yield plays amid falling rates. We expect a sustained rally in small-mid (SMID) caps, driven by the Monetary Authority of Singapore's (MAS) policy initiatives, which should boost liquidity and support value-unlocking opportunities. With market earnings set to grow >7% pa (2026-2027) and Singapore offering one of Asia's highest dividend yields, declining rates, a firmer SGD, and easing US-China trade tensions could boost sentiment on Singapore equities.
- Macro outlook remains constructive.** We raised our 2025 GDP forecast to 3.0% (from 2.0%), supported by resilience in services and a rebound in electronics, though momentum is expected to ease as external demand softens amid tariff risks and a high 4Q24 base. The recent non-oil domestic exports (NODX) surprise is likely temporary, with renewed US-China trade frictions posing downside risks. We estimate 2025 GDP growth at 2.6%. Inflation continues to trend lower, and the MAS is expected to maintain policy settings through 1H26.
- We expect the rate-cut cycle to continue** with a 25bps federal funds rate (FFR) cut in Dec 2025, followed by 50bps in 2026, with a risk of an earlier Oct 2025 move this week. Lower rates and a positive growth environment favour a rotation from banks to Singapore REIT (S-REITs), where falling funding costs and improving DPU visibility support re-rating potential. We remain positive on REITs, backed by attractive valuations and policy tailwinds from the MAS' policy initiatives and the iEdge Singapore Next 50 indices, which have a high concentration of S-REITs. Preferred subsectors: Industrial > Office > Retail > Overseas > Hospitality. Banks are trading mainly as yield instruments until growth visibility improves.
- Earnings momentum should strengthen in 2026-2027**, with consensus STI profit growth of 7.5% in 2026 and 7.2% in 2027, led by industrials, telecommunications, and real estate. Our key investment themes are: i) Building exposure to REITs to gain from the rate cuts; ii) seeking high-yield plays outside REITs; iii) targeting MAS' SGD5bn Equity Market Development Programme (EQDP) and SMID-cap beneficiaries; iv) identifying value-unlocking opportunities on the back of the MAS' "Value Unlock" policies; and v) maintaining a defensive tilt in sectors like consumer staples, transport, healthcare, and telecommunications.
- Raising our STI year-end target.** We raise our end-2025 STI target to 4,690 (from 4,300), based on 13.5x 2026F P/E, as Singapore's stable fundamentals and policy visibility continue to anchor returns.

Stocks Covered 44
 Rating (Buy/Neutral/Sell): 28 / 15 / 1
 Last 12m Earnings Revision Trend: Neutral

OVERWEIGHT Consumer, Industrials, Manufacturing & Technology, Real Estate, REIT (Industrial, Office, & Overseas), Transport

NEUTRAL Financials, Food Products, Healthcare REITs (Hospitality, & Retail), Telecommunications

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Sector preferred picks

Sector	Rating	Preferred picks
Consumer	OW	DFI, FEH, SSG, THBEV
Financials	N	DBS
Food products	N	FR
Healthcare	N	RFMD
Industrials	OW	STE
Mfg. & Tech.	OW	FRKN, VMS
Real estate	OW	CENT
REITs (Hospitality)	N	-
REITs (Industrial)	OW	AAREIT, EREIT, CLAR
REITs (Office)	OW	SUN
REITs (Overseas)	OW	SERT, PRIME
REITs (Retail)	N	CICT, SGREIT
SMID Cap		CSE, FEH, FRKN, MPM
Telecom	N	ST
Transport	OW	CD

Source: RHB

Company Name	Rating	Target	% Upside (Downside)	P/E (x) Dec-26F	P/B (x) Dec-26F	ROAE (%) Dec-26F	Yield (%) Dec-26F
AIMS APAC REIT	Buy	SGD1.52	10.0	8.6	1.1	12.8	7.3
CapitalLand Ascendas REIT	Buy	SGD3.20	11.2	15.7	1.2	8.1	5.5
CapitalLand Integrated Commercial Trust	Buy	SGD2.44	1.2	18.0	1.1	6.2	5.0
Centurion Corp	Buy	SGD1.85	26.7	15.2	1.0	6.4	2.7
ComfortDelGro	Buy	SGD1.75	18.2	11.1	1.1	10.4	6.3
DBS	Buy	SGD57.10	6.6	13.7	2.0	15.2	5.0
DFI Retail Group	Buy	USD4.05	15.8	17.3	6.8	43.3	3.4
ESR-REIT	Buy	SGD3.15	9.8	11.4	1.1	8.3	7.7
Singtel	Buy	SGD4.90	13.2	21.9	2.7	12.6	4.6
ST Engineering	Buy	SGD9.10	6.0	27.9	7.5	28.1	2.2

Source: Company data, RHB

Singapore Market Outlook

Macro remains constructive with some downside risks

2025 GDP growth revised higher to 3.0%, but growth momentum to wane in 4Q25

Singapore's GDP expanded by 2.9% YoY (+1.3% QoQ SA) in 3Q25, easing from an upwardly revised 4.5% YoY in 2Q25. The outcome was broadly in line with RHB's estimate (+2.8% YoY) and exceeded Bloomberg's consensus forecast (+2.0% YoY, +0.6% QoQ SA). Although this marked the slowest pace of growth since 3Q23, the economy remained on a firm trajectory, expanding by 3.9% cumulatively between 1Q25 and 3Q25.

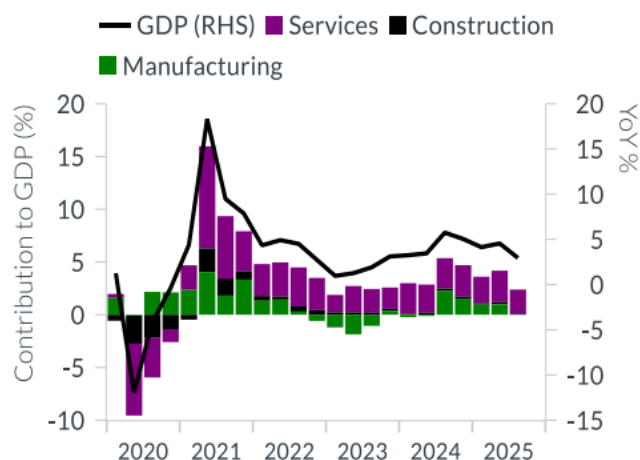
Reflecting the stronger-than-expected performance in the third quarter, we have raised Singapore's 2025 full-year GDP growth forecast to 3.0% (from 2.0%). The revision captures the resilience in services activity and a partial rebound in electronics exports, both of which contributed to the mid-year strength.

However, we expect overall growth to moderate in 4Q25, as external demand softens amid US tariff measures, ongoing US-China trade tensions, and continued weakness in the manufacturing sector. Sector-specific tariffs on pharmaceuticals and semiconductors, together with a payback effect from front-loaded exports in 1H25, are also likely to weigh on trade-related output.

With the 10% baseline tariff on Singapore's exports unchanged and inventories starting to normalise, trade momentum is expected to weaken in 2H25. The high base of comparison from 4Q24 will further dampen headline growth in the final quarter.

Taking these factors together, we project GDP growth to average at c.2.5% in 2H25, moderating from the stronger 4.3% YoY expansion in 1H25. Overall, the Singapore economy appears to be transitioning towards a softer growth phase, with domestic demand providing partial support as external conditions turn less favourable heading into the year-end.

Figure 1: 3Q25 GDP growth has moderated primarily due to the weakness in manufacturing growth



Source: RHB Economics & Market Strategy

Figure 2: RHB SG GDP-LEI suggests growth momentum will slow into 4Q25



Source: RHB Economics & Market Strategy

Positive NODX surprise for Sep 2025 may be short-lived

Singapore's NODX rose by 6.9% YoY (+13.0% MoM SA) in Sep 2025, a sharp upside surprise against Bloomberg's consensus forecast of -2.1% YoY. The improvement was largely driven by a strong rebound in electronics exports, while non-electronics exports inched up 0.4% YoY. Despite the encouraging print, we maintain 2025 NODX growth forecast at 2.0%, which lies within the official forecast range of 1-3%.

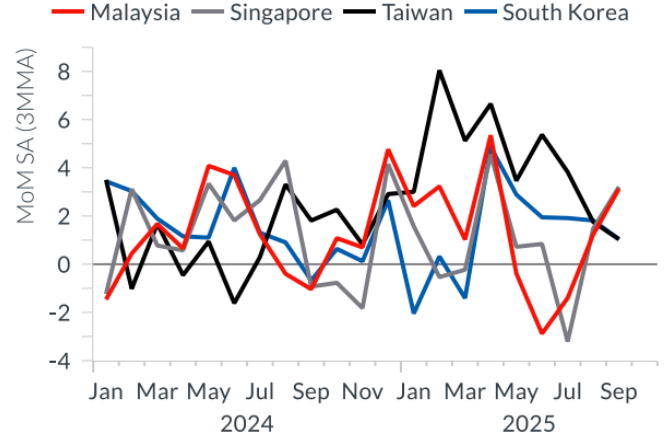
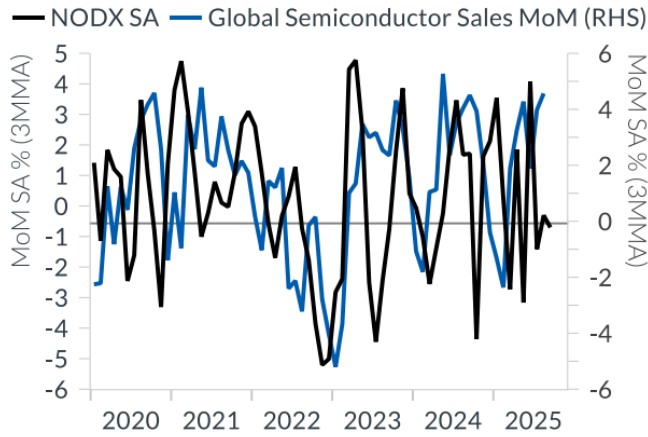
However, we view the latest export strength as temporary, with the sustainability of this rebound in question amid heightened external risks. Recent US-China trade tensions have resurfaced as a key concern and could weigh on Singapore's trade outlook into 4Q25 and 2026. Given the potential for further escalation, we see a downside bias to Singapore's full-year NODX growth, which could ease towards 1.0% if headwinds intensify.

Three factors underpin our cautious stance. First, uncertainty remains over the legality of the White House's global tariff policy, pending a US Supreme Court hearing on 5 Nov. Although some US lawmakers have voiced disapproval, the policy direction remains unclear. Second,

the risk of an escalation in US-China trade frictions persists, particularly after China's recent move to impose export restrictions on rare earths and related products. Third, the outlook for sector-specific tariffs, especially on pharmaceutical exports to the US, remains unresolved, as Singapore-based pharmaceutical producers continue to seek clarity on potential exemptions tied to planned or ongoing US facility expansions.

Figure 3: NODX growth will be supported by an overall surge in global semiconductor demand...

Figure 4: ... whereby E&E exports by key exporting economies have seen an acceleration in momentum



Source: RHB Economics & Market Strategy

Source: RHB Economics & Market Strategy

In summary, while the September NODX figures provided a short-term lift, structural trade uncertainties and policy-driven risks could cap Singapore's export growth into 2026. Any material deterioration in external demand conditions may in turn weigh on overall GDP growth, underscoring the vulnerability of Singapore's small and open economy to global trade developments.

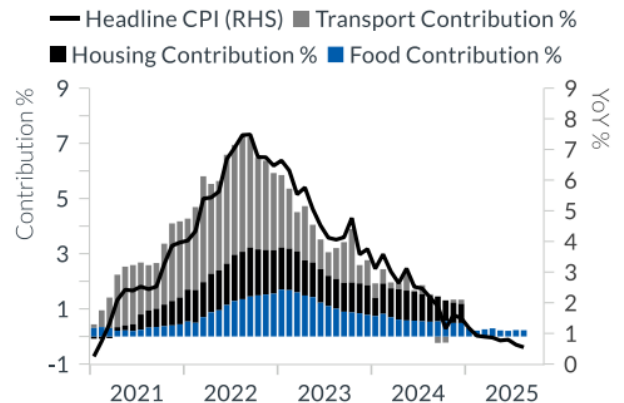
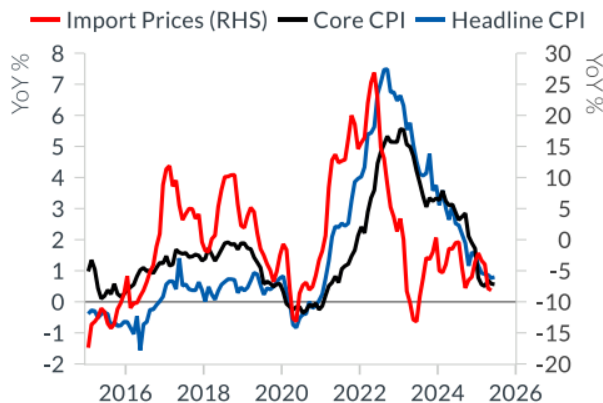
Inflation to continue easing

Singapore's headline CPI eased to 0.5% YoY in Aug 2025, down from 0.6% in July and slightly below Bloomberg's forecast of 0.6% YoY. Core inflation moderated further to 0.3% YoY from 0.5% in July. RHB maintains its full-year forecasts at 1.2% (headline) and 0.9% (core), though we see downside risks, with headline inflation potentially averaging 0.9% and core 0.8% for 2025. Both measures are expected to decelerate further towards the year-end, reflecting: i) Subdued demand-pull pressures amid slower growth, ii) volatile global commodity prices, and iii) lower electricity and gas tariffs.

The MAS is expected to keep policy settings unchanged through 1H26, following two earlier easings in January and April. The decision reflects confidence in the economy's resilience despite moderating growth. The latest MPC statement highlighted: i) Stronger-than-expected growth with a positive output gap persisting through 2025 before narrowing in 2026, and ii) core inflation is likely to bottom out soon and rise gradually in 2026, suggesting policy stability in the near term.

Figure 5: Headline and core prices continue to ease into August...

Figure 6: ...dragged by a fall in retail prices, accommodation, and services

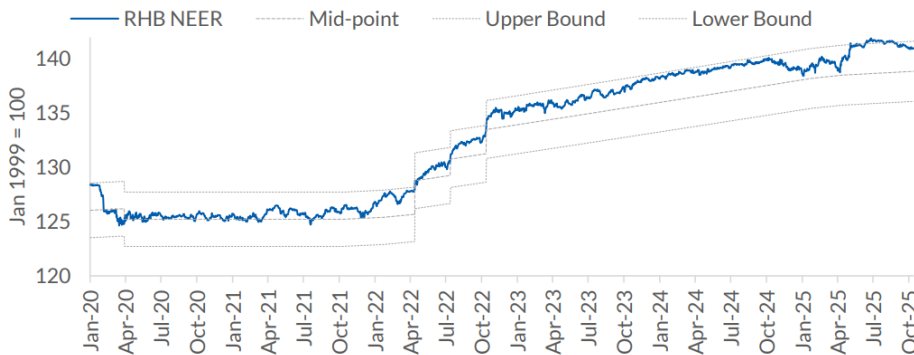


Source: RHB Economics & Market Strategy

Source: RHB Economics & Market Strategy

MAS now expects core inflation of 0.5% in 2025, at the lower end of its 0.5-1.5% forecast range, and 0.5-1.5% for 2026. Headline inflation is projected at 0.5-1.0% in 2025 and 0.5-1.5% in 2026. We project the SGD nominal effective exchange rate (S\$NEER) to maintain a +0.5% appreciation slope within a $\pm 2.0\%$ band, consistent with MAS' stable policy stance into mid-2026.

Figure 7: S\$NEER is at 1.5% above the mid-point, suggesting limited upside bias for the NEER



Source: RHB Economics & Market Strategy

FFR in focus: One rate cut in 2025 and two more in 2026

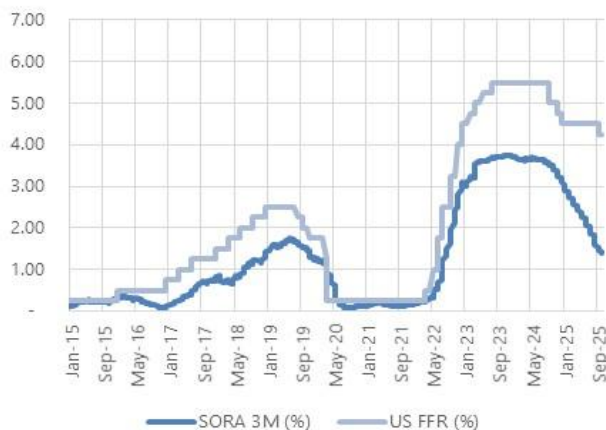
Interest rates are on a decline

We project the 3-month Singapore Overnight Rate Average (SORA) to decline to 0.85% in 2025, before easing further to 0.68% in 2026. The base case assumes a 25bps cut in the US FFR in Dec 2025, followed by an additional 50bps reduction in 2026, implying a cumulative 75bps easing over the period.

That said, we now see heightened risk of an earlier 25bps cut in October, given the dovish tone of the latest Federal Open Market Committee (FOMC) minutes, which noted that “most participants judged it likely appropriate to ease policy further over the remainder of this year.” Officials highlighted rising downside risks to the labour market and upside risks to inflation, though they emphasised that longer-term inflation expectations remain well anchored. The US Federal Reserve no longer characterises labour market conditions as “solid”, instead stressing the need for a balanced approach to achieving full employment and price stability.

Based on the [analysis](#) undertaken by RHB’s Economics Team, movements in the FFR typically lead changes in SORA by around one month, indicating that the expected US rate cuts will likely translate into a corresponding downward adjustment in domestic short-term rates over the next year.

Figure 8: 3-month SORA and US FFR



Source: Bloomberg

Figure 9: RHB SORA forecasts

	SORA 1M	SORA 3M	SORA 6M
4Q25	0.72	0.85	1.10
1Q26	0.70	0.72	0.79
2Q26	0.67	0.70	0.71
3Q26	0.67	0.69	0.70
4Q26	0.66	0.68	0.69

Source: RHB Economics & Market Strategy

SORA outlook makes a case for rotation into REITs from banks

OVERWEIGHT on REITs; recommend a balanced portfolio. The declining interest rate outlook sets the stage for a meaningful re-rating of S-REITs. This easing trajectory should reduce funding costs, improve debt servicing metrics, and provide scope for a recovery in DPU growth across the sector.

Beyond rates, S-REITs are supported by a resilient domestic economy and strong SGD liquidity, which have underpinned improving fund flows and investor sentiment. The sector’s valuations remain compelling, trading close to book value and offering c.5.7% yields, while alternative yield options remain limited. A stable SGD continues to attract global capital seeking yield and safety, reinforcing the sector’s appeal as a defensive yet income-generating asset class.

Policy initiatives are adding momentum. Under the SGD5bn EQDP, funds are fully eligible to invest in S-REITs, including small- and mid-cap names. Meanwhile, the newly launched iEdge Singapore Next 50 Indices, which include 15 S-REIT constituents, should enhance visibility and liquidity for mid-tier counters. In addition, Singapore’s comparatively lower tariff exposure positions its property market as a modest beneficiary of trade realignments, potentially attracting firms to expand their physical footprint locally.

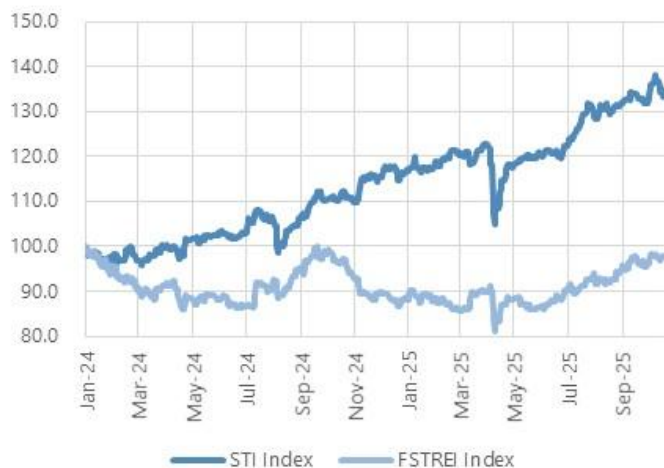
We maintain a constructive sector view, preferring Industrial > Office > Retail > Overseas > Hospitality. Industrial REITs offer the strongest income resilience and growth prospects, while office assets appear undervalued after recent corrections. We recommend a balanced portfolio comprising around 70% Singapore-centric large caps for yield stability and 30% alpha exposure to select small- to mid-cap S-REITs poised to benefit from increased liquidity and narrowing valuation gaps.

Banks are yield instruments until earnings growth gets cemented. We maintain a NEUTRAL stance on the Singapore banking sector. While valuations remain reasonable, the sector is likely to trade as a yield instrument until earnings growth is firmly re-established. We expect a weaker 2H25 due to seasonal factors and softer external demand, followed by a modest rebound of 4% YoY in 2026, reversing the 6% contraction in 2025F.

The anticipated 2026 recovery should be underpinned by stronger non-interest income, led by improving wealth management activity and stable asset quality. However, NIMs are expected to remain under pressure, with a further 5bps compression in 2026F, while loan growth is projected at a moderate 4%, limiting upside to overall earnings momentum.

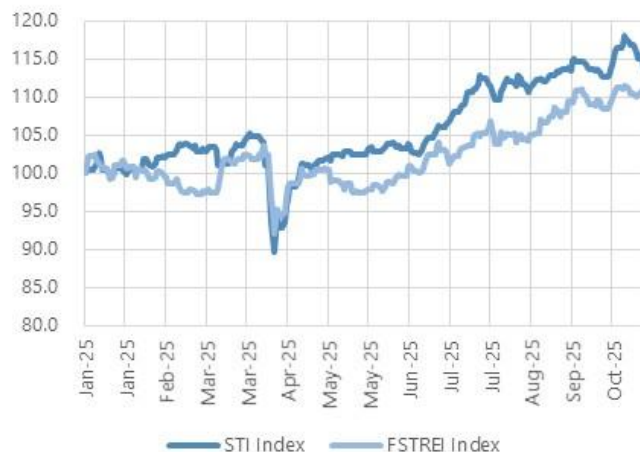
Sector dividend yields of c.5.2% remain respectable, but the yield spread over 10-year Singapore Government Securities (SGS) bonds has narrowed, reflecting reduced valuation buffer. Investors are also expected to monitor capital return plans, as some banks complete special dividend distributions in FY25F, leading to normalised payout ratios in FY26F. Within the sector, we prefer DBS, given its pre-announced capital return strategy, robust balance sheet, and stronger capital management visibility, which offer relative defensiveness amid a softening rate environment.

Figure 10: FSTREI Index has significantly underperformed the STI Index since the start of 2024...



Note: Data as of 16 Oct 2025
Source: Bloomberg

Figure 11: ...however the performance has closely mirrored the STI Index in 2025



Note: Data as of 16 Oct 2025
Source: Bloomberg

Strong market earnings growth in 2026 and 2027

Amid rising macroeconomic uncertainty, 2025 profit estimates for most STI sectors have been revised lower over the past 3-6 months. The telecommunications sector stands out as the only major segment to see earnings upgrades during this period. Despite the downward revisions to 2026 forecasts, 2026 profit growth expectations have strengthened, reflecting a lower base and improving medium-term visibility.

According to Bloomberg consensus estimates, STI earnings are now projected to grow by 7.5% in 2026 and by 7.2% in 2027, marking a notable improvement in the outlook. Industrials, telecommunications, and real estate are expected to see their profit contributions to the index expand, while the financial sector, primarily the banks, will see its relative share decline, as earnings growth in the other sectors outpaces that of financials.

Figure 12: CY25 consensus SGD net profit estimate changes (%) in the last three months by sector, based on market constituents

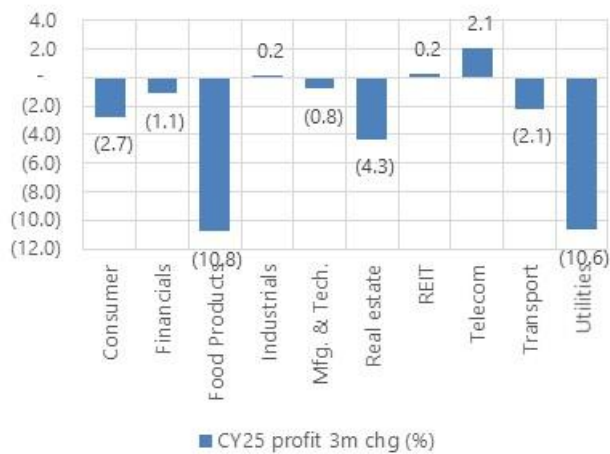
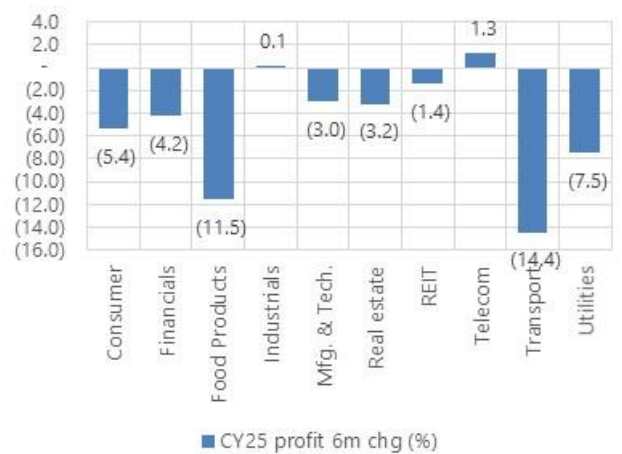


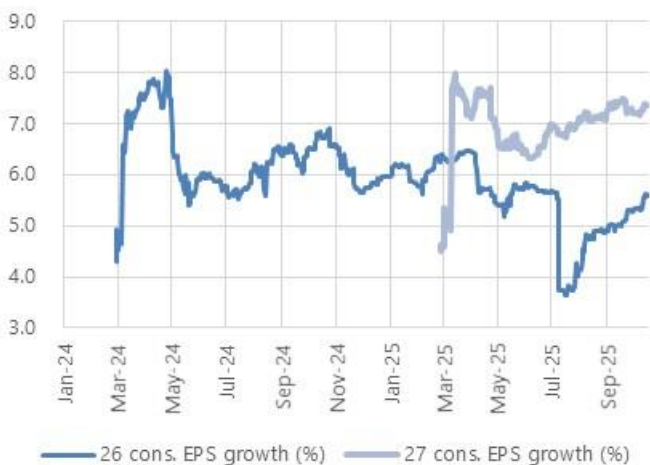
Figure 13: CY25 consensus SGD net profit estimate changes (%) in the last six months by sector, based on market constituents



Note: Data as of 16 Oct 2025
Source: Bloomberg

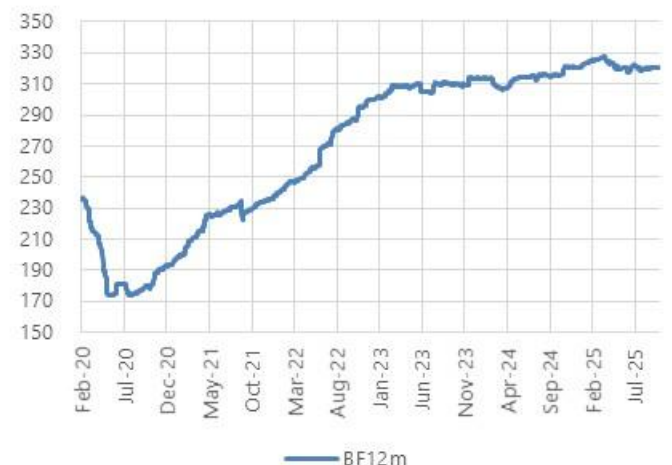
Note: Data as of 16 Oct 2025
Source: Bloomberg

Figure 14: 2026 and 2027 EPS growth estimates for the STI based on Bloomberg consensus



Note: Data as of 16 Oct 2025
Source: Bloomberg

Figure 15: Blended forward EPS for the STI based on Bloomberg consensus



Note: Data as of 16 Oct 2025
Source: Bloomberg

Figure 16: Sector profit growth based on STI constituents

Sector growth	CY25 (%)	CY26 (%)	CY27 (%)
Consumer	13.4	2.6	4.7
Financials	(5.3)	2.6	5.1
Food Products	7.3	14.9	8.2
Industrials	10.7	14.2	12.9
Mfg. & Tech.	(4.8)	4.5	6.2
Real estate	39.7	11.9	19.0
REIT	8.5	6.8	4.2
Telecom	18.5	37.6	11.7
Transport	(53.5)	0.5	0.4
Utilities	1.8	5.2	4.6

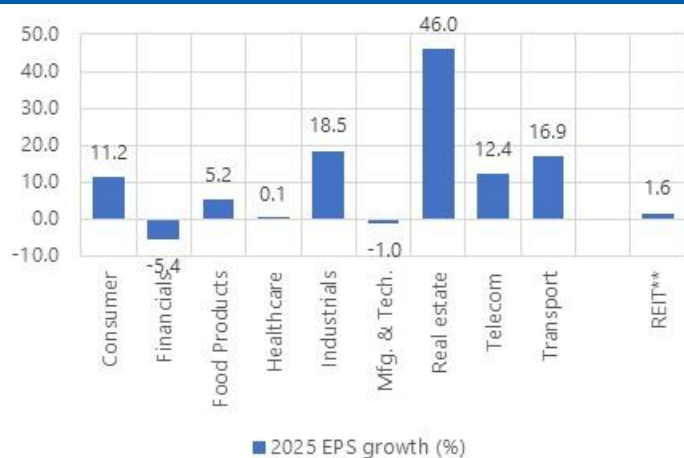
Note: Data as of 16 Oct 2025
Source: Bloomberg

Figure 17: Sector profit contribution based on STI constituents

Sector contribution	CY25 (%)	CY26 (%)	CY27 (%)
Consumer	4.7	4.5	4.4
Financials	54.5	52.0	51.0
Food Products	3.7	4.0	4.0
Industrials	12.4	13.2	13.9
Mfg. & Tech.	0.5	0.5	0.5
Real estate	4.8	5.0	5.5
REIT	7.1	7.1	6.9
Telecom	6.5	8.3	8.6
Transport	3.3	3.1	2.9
Utilities	2.3	2.3	2.2

Note: Data as of 16 Oct 2025
Source: Bloomberg

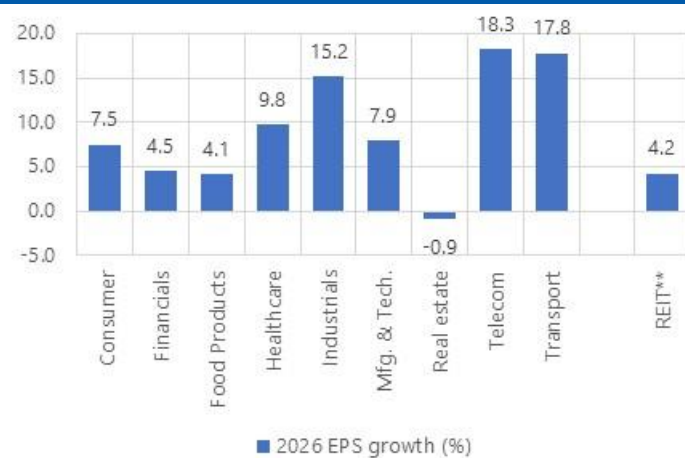
Figure 18: 2025F market cap-weighted sector EPS growth for RHB's coverage universe



Note: Data as of 27 Oct 2025

Note 2: Data for the REITs sector represents DPS growth and excludes data for US REITs
Source: RHB

Figure 19: 2026F market cap-weighted sector EPS growth for RHB's coverage universe



Note: Data as of 27 Oct 2025

Note 2: Data for the REITs sector represents DPS growth and excludes data for US REITs
Source: RHB

For our coverage universe, excluding the S-REITs sector, we forecast a 1.2% market cap-weighted YoY EPS growth in 2025F (a downgrade from the earlier estimate of 1.6%). Market cap-weighted YoY EPS growth for 2026F – excluding the REITs sector – stands at 6.7% (an upgrade from the earlier estimate of 5.88%). We expect the REITs under our coverage (excluding the US REITs) to deliver 1.6% DPU growth in 2025 (earlier estimate: 1.3%) and 4.2% DPU growth in 2026 (earlier estimate: 4.2%).

Singapore: Investment Strategy

Theme 1: Continue building exposure in S-REITs

We remain OVERWEIGHT on S-REITs, based on the US Fed's easing bias, our expectation of a 25bps rate cut in Dec 2025 and a further 50bps in 2026, alongside the risk of an earlier Oct 2025 cut. This, we believe, sets the stage for a sector re-rating. Lower funding costs and improving DPU visibility enhance total-return prospects, while valuations remain attractive, with the sector trading near book value, offering 5.7% 2026F yield, and continuing to draw capital inflows amid limited yield alternatives. Policy and liquidity tailwinds, including the SGD5bn EQDP, new index inclusions, and steady SGD liquidity, should further support visibility and narrow valuation gaps. We prefer Industrial > Office > Retail > Overseas > Hospitality, with CapitaLand Ascendas REIT (CLAR), CapitaLand Integrated Commercial Trust (CICT), Frasers Centrepoint Trust (FCT), Suntec REIT (SUN), and AIMS APAC REIT (AAREIT) as our Top Picks.

Figure 20: Singapore - valuation comparison (I) for preferred REITs across subsectors

Company name	M Cap		TP	Upside (%)	1FY year	P/E (x)		EPSG (%)		Div. Yld (%)		DPSG (%)	
	(USDm)	Rating				1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY
AIMS APAC REIT	870	Buy	1.52	10.0	Mar-26	8.5	8.6	147.7	-2.1	7.2	7.4	3.5	3.2
CapitaLand Ascendas REIT	10,241	Buy	3.20	11.2	Dec-25	16.6	15.7	3.4	6.2	5.3	5.5	-0.3	4.5
CICT	14,147	Buy	2.44	1.2	Dec-25	17.9	18.0	0.9	-0.7	4.7	5.0	4.5	5.5
ESR REIT	1,780	Buy	3.15	9.8	Dec-25	31.9	11.4	na	180.4	7.6	7.7	2.6	1.9
Frasers Centrepoint	3,805	Buy	2.70	10.9	Sep-25	23.0	18.2	-10.4	26.4	5.1	5.2	2.6	2.2
Prime US REIT	286	Buy	0.23	15.6	Dec-25	12.6	6.0	155.9	112.0	1.2	6.6	-17.6	448.3
Starhill Global REIT	1,044	Buy	0.60	2.9	Jun-26	11.7	11.8	0.7	-0.7	6.3	6.4	0.3	0.3
Stoneweg European Stapled Trust	995	Buy	1.90	24.0	Dec-25	10.0	9.8	130.6	2.3	8.6	8.9	-6.4	2.8
Suntec REIT	3,110	Buy	1.60	16.9	Dec-25	14.4	12.8	104.4	13.2	4.8	5.0	6.7	4.0

Note: Prices are as at 27 Oct 2025. EPSG = EPS Growth, DPSG = DPS Growth
Source: Bloomberg, RHB

Figure 21: Singapore - valuation comparison (II) and returns for preferred REITs across subsectors

Company name	M Cap		TP	Upside (%)	1FY year	P/BV (x)		ROE (%)		ND/E (x)		Returns	
	(USDm)	Rating				1FY	2FY	1FY	2FY	1FY	2FY	1M	YTD
AIMS APAC REIT	870	Buy	1.52	10.0	Mar-26	1.1	1.1	13.1	12.7	0.7	0.7	2.2	10.4
CapitaLand Ascendas REIT	10,241	Buy	3.20	11.2	Dec-25	1.2	1.2	7.4	8.1	0.6	0.6	4.0	12.1
CICT	14,147	Buy	2.44	1.2	Dec-25	1.1	1.1	6.2	6.2	0.6	0.6	6.6	24.9
ESR Reit	1,780	Buy	3.15	9.8	Dec-25	1.0	1.1	2.6	8.3	1.0	1.1	2.9	12.5
Frasers Centrepoint	3,805	Buy	2.70	10.9	Sep-25	1.0	1.1	4.6	5.9	0.5	0.5	3.8	15.2
Prime US REIT	286	Buy	0.23	15.6	Dec-25	0.4	0.3	2.8	5.8	0.9	0.8	-0.5	16.4
Starhill Global REIT	1,044	Buy	0.60	2.9	Jun-26	0.8	0.8	6.9	6.7	0.6	0.5	3.5	17.0
Stoneweg European Stapled Trust	995	Buy	1.90	24.0	Dec-25	0.7	0.7	7.5	7.6	0.8	0.8	1.3	-3.2
Suntec REIT	3,110	Buy	1.60	16.9	Dec-25	0.7	0.7	4.6	5.2	0.6	0.6	5.4	17.1

Note: Prices are as at 27 Oct 2025, ND/E = Net debt/Equity
Source: Bloomberg, RHB

Theme 2: Stocks offering high dividend yields (ex S-REITs)

The Singapore market continues to provide amongst the region's highest forward dividend yields of 5.1% (as of 16 Oct), coupled with a relatively stable currency. As the market cap-weighted sector yield for S-REITs under our coverage is 5.7% for 2026F, we screened our coverage universe to hunt for high-yield options outside of REITs, based on the following criteria: i) The stock has a dividend yield of at least 5.1%; ii) RHB's stock rating is a BUY or – at worst – NEUTRAL; and iii) the company is expected to see a rise in earnings and/or dividends.

Figure 22: Singapore – valuation comparison (I) for non-REIT yield plays

Company name	M Cap		TP	Upside (%)	1FY year	P/E (x)		EPSG (%)		Div. Yld (%)		DPSG (%)	
	(USDm)	Rating				1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY
Bumitama Agri	1,927	Neutral	1.10	-23.6	Dec-25	12.4	12.3	20.9	0.7	4.8	4.8	11.7	0.9
ComfortDelGro	2,474	Buy	1.75	18.2	Dec-25	13.0	11.1	16.9	17.8	5.8	6.3	9.6	9.9
StarHub	1,541	Neutral	1.06	-8.6	Dec-25	19.2	16.3	-25.3	18.1	6.0	7.8	12.9	28.6
Thai Beverage	9,598	Buy	0.65	30.5	Sep-25	10.7	10.5	7.3	2.6	5.3	5.5	7.3	2.6

Note: Prices are as at 27 Oct 2025. EPSG = EPS Growth, DPSG = DPS Growth
Source: Bloomberg, RHB

Figure 23: Singapore – valuation comparison (II) and returns for non-REIT yield plays

Company name	M Cap		TP	Upside (%)	1FY year	P/BV (x)		ROE (%)		ND/E (x)		Returns	
	(USDm)	Rating				1FY	2FY	1FY	2FY	1FY	2FY	1M	YTD
Bumitama Agri	1,927	Neutral	1.10	-23.6	Dec-25	2.1	2.0	17.5	16.5	0.1	0.0	27.4	64.6
ComfortDelGro	2,474	Buy	1.75	18.2	Dec-25	1.2	1.1	9.2	10.4	0.2	0.1	1.4	0.0
StarHub	1,541	Neutral	1.06	-8.6	Dec-25	3.4	3.6	17.4	21.5	1.2	1.2	3.6	-4.1
Thai Beverage	9,598	Buy	0.65	30.5	Sep-25	1.9	1.8	18.7	17.7	1.0	0.9	7.6	-9.2

Note: Prices are as at 27 Oct 2025, ND/E = Net debt/Equity
Source: Bloomberg, RHB

Theme 3: EQDP screen and our bottom-up small-cap picks

EQDP beneficiaries. Policy-led initiatives are set to deepen market liquidity and broaden investor participation in Singapore equities. The MAS has deployed an initial SGD1.1bn under the EQDP across select managers to seed funds investing in Singapore-listed securities, including IPOs and secondary offerings. Among them, Fullerton Fund Management has launched the Fullerton Singapore Value-Up Fund, the first retail fund under the scheme. With a 20-40 stock portfolio, the fund aims to extend investor exposure beyond blue-chip names and channel flows towards quality mid-cap counters.

Complementing this, the SGX iEdge Singapore Next 50 Indices, which track the next tier of large-cap companies below the top 30, are expected to enhance market visibility and facilitate passive fund participation. With free-float market-cap and liquidity-weighted variants, these indices are likely to attract incremental flows into small- and mid-cap equities, helping narrow valuation gaps and broaden market depth. We also see scope for ETF listings based on these benchmarks, which would further amplify passive inflows and support valuation convergence across the mid-cap segment.

The MAS is expected to announce additional manager appointments in the coming months, further extending the EQDP's reach and market impact.

To capitalise on these structural tailwinds, we have refreshed our screen for high-quality SMID-cap names using the following criteria: i) Exclusion of STI constituents, ii) market capitalisation between SGD300m and SGD3bn, iii) minimum free float of 20%, iv) average daily trading volume (ADTV) of at least USD1m over the past 20 sessions, and v) positive trading momentum, defined as the 20-day ADTV exceeding the 3-month average.

The updated results are presented in the table below. For comparison, we have also highlighted stocks that meet the first four quantitative filters but currently exhibit weaker trading momentum, where the 20-day ADTV has fallen below the 3-month average.

Figure 24: Singapore – our updated EQDP screen (sorted by 20D over 3M)

BBG ticker	Name	M Cap (USDm)	Free float (%)	ADTV USDm (5d)	ADTV USDm (20d)	ADTV USDm (3m)	5D over 20D	20D over 3M
CNMC SP	CNMC Goldmine	366	66.1	11.3	11.2	5.8	1.0	92.5
AEM SP	AEM Holdings	416	80.6	7.0	12.0	6.6	(42.2)	83.1
SIE SP	SIA Engineering	2,905	22.2	2.3	5.9	3.4	(61.5)	75.1
FEH SP	Food Empire Holdings	917	41.7	2.3	4.1	2.6	(43.1)	56.1
DCREIT SP	Digital Core REIT	626	67.6	1.7	2.4	1.6	(29.9)	44.3
SERT SP	Stoneweg Europe Stapled Trust	981	100.0	0.9	1.0	0.7	(7.9)	43.5
GERL SP	Geo Energy Resources	520	47.7	2.9	4.8	3.7	(39.7)	32.0
LREIT SP	Lendlease Global Commercial REIT	1,225	71.4	6.0	5.7	4.5	5.4	27.6
AAREIT SP	AIMS APAC REIT	858	69.9	2.1	2.1	1.7	(2.7)	21.9
YZJFH SP	Yangzijiang Financial Holding	2,797	88.6	13.3	15.8	13.5	(16.3)	17.2
EREIT SP	ESR-REIT	1,751	100.0	1.4	3.1	2.7	(56.1)	13.4
GGR SP	Golden Agri-Resources	2,694	51.5	3.3	4.1	3.6	(19.3)	13.3
OLG SP	Olam Group	2,811	31.2	1.2	1.7	1.6	(31.2)	9.9
BOCS SP	Boustead Singapore	671	55.5	1.6	1.4	1.3	19.4	8.4
NANO SP	Nanofilm Technologies	328	47.9	2.0	1.8	1.7	10.7	5.2
FRKN SP	Frencken Group	469	74.9	5.3	5.9	5.8	(10.3)	3.1
CENT SP	Centurion Corp	909	26.3	2.3	3.2	3.1	(28.0)	3.0
CLCT SP	CapitaLand China Trust	1,062	58.9	1.2	1.5	1.5	(17.3)	2.8
RSTON SP	Riverstone Holdings Ltd	928	39.4	4.3	3.3	3.2	32.7	1.0
NETLINK SP	Netlink NBN Trust	2,905	75.1	3.8	3.8	3.8	(0.4)	0.8
PREIT SP	Parkway Life REIT	2,087	66.9	1.7	2.9	3.0	(41.6)	(2.6)
SUN SP	Suntec REIT	2,978	57.5	5.3	7.1	7.4	(26.1)	(4.0)
KIT SP	Keppel Infrastructure Trust	2,163	81.8	2.6	2.5	2.6	3.6	(5.2)
SSG SP	Sheng Siong Group	2,486	47.2	4.2	3.9	4.2	5.8	(5.7)
HPAR SP	Haw Par Corp	2,526	55.9	1.4	1.5	1.7	(3.1)	(12.8)
CSE SP	CSE Global	375	81.8	3.4	3.0	3.5	15.3	(15.1)
FR SP	First Resources	2,047	26.9	3.2	2.9	3.4	12.4	(15.6)
YLLG SP	Yanlord Land Group	1,022	32.2	2.0	2.5	3.0	(18.6)	(17.3)
CLINT SP	Capitaland India Trust	1,224	94.4	1.9	1.8	2.2	6.7	(18.5)
HLA SP	Hong Leong Asia	1,451	23.3	3.0	2.7	3.4	9.8	(20.3)
RFMD SP	Raffles Medical Group	1,413	43.8	1.0	1.0	1.3	(6.3)	(21.5)
PROP SP	Propnex	1,298	21.7	3.6	2.6	3.3	36.8	(22.0)
NTTDCR SP	NTT DC REIT	1,082	74.9	4.4	5.0	6.5	(12.8)	(22.4)
UMSH SP	UMS Integration	730	85.8	5.1	5.6	7.3	(8.6)	(23.9)
CLAS SP	CapitaLand Ascott Trust	2,749	75.0	4.8	5.1	6.9	(6.1)	(26.2)
WHUR SP	Wee Hur Holdings	483	46.1	2.7	2.9	4.2	(7.9)	(30.8)
UOBK SP	UOB-Kay Hian Holdings	1,761	44.4	0.9	1.2	1.9	(30.3)	(32.8)
CD SP	ComfortDelGro Corp	2,461	100.0	10.4	11.6	17.4	(10.4)	(33.4)
SPOST SP	Singapore Post	704	100.0	3.3	3.3	5.5	(1.6)	(39.5)
IFAST SP	iFAST Corp	2,069	67.4	9.1	8.5	15.2	7.1	(44.0)

Note: Prices are as at 16 Oct 2025

Note 2: Blue highlights are stocks have seen a positive trading momentum, defined as the 20-day ADTV exceeding the 3-month average.

Source: Bloomberg, RHB

Of this list, the following stocks are under RHB's coverage: AAREIT, CENT, ComfortDelGro (CD), CSE Global (CSE), ESR-REIT (ESR), First Resources (FR), Food Empire (FEH), Frencken Group (FRKN), Golden Agri-Resources (GGR), Raffles Medical (RFMD), Riverstone (RSTON), Sheng Siong (SSG), Stoneweg Europe Stapled Trust (SERT), and SUN.

Figure 25: Singapore – valuation comparison (I) for preferred EDQP and SMID-cap exposure

Company name	M Cap (USDm)	Rating	TP	Upside (%)	1FY year	P/E (x)		EPSG (%)		Div. Yld (%)		DPSG (%)	
						1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY
AIMS APAC REIT	870	Buy	1.52	10.0	Mar-26	8.5	8.6	147.7	-2.1	7.2	7.4	3.5	3.2
Centurion Corp	947	Buy	1.85	26.7	Dec-25	10.3	15.2	7.3	-32.1	2.7	2.7	33.3	0.0
ComfortDelGro	2,474	Buy	1.75	18.2	Dec-25	13.0	11.1	16.9	17.8	5.8	6.3	9.6	9.9
CSE Global	455	Buy	0.86	5.5	Dec-25	16.5	15.1	-4.4	9.4	3.0	3.3	2.7	9.4
ESR Reit	1,780	Buy	3.15	9.8	Dec-25	31.9	11.4	na	180.4	7.6	7.7	2.6	1.9
First Resources	2,259	Buy	2.10	11.4	Dec-25	7.9	8.3	27.7	-5.1	4.9	4.6	23.6	-5.1
Food Empire	1,007	Buy	2.95	23.5	Dec-25	17.7	14.9	8.5	19.0	3.6	4.1	46.5	14.1
Frencken Group	531	Buy	1.68	4.1	Dec-25	16.0	14.6	15.8	9.2	1.6	1.9	14.5	15.7
Golden Agri	2,691	Neutral	0.28	1.8	Dec-25	8.1	8.7	20.8	-7.0	1.9	1.8	-14.0	-7.0
Raffles Medical	1,426	Neutral	1.10	10.0	Dec-25	28.4	24.9	12.6	13.9	2.4	2.5	4.1	5.3
Riverstone	1,001	Buy	0.85	-2.7	Dec-25	17.8	17.1	-17.7	3.9	4.5	4.7	-47.9	3.9
Sheng Siong	2,657	Buy	2.41	5.0	Dec-25	22.9	19.6	9.3	16.9	3.1	3.6	9.3	16.9
Stoneweg European Stapled Trust	995	Buy	1.90	24.0	Dec-25	10.0	9.8	130.6	2.3	8.6	8.9	-6.4	2.8
Suntec REIT	3,110	Buy	1.60	16.9	Dec-25	14.4	12.8	104.4	13.2	4.8	5.0	6.7	4.0

Note: Prices are as at 27 Oct 2025. EPSG = EPS Growth, DPSG = DPS Growth

Source: Bloomberg, RHB

Figure 26: Singapore – valuation comparison (II) and returns for preferred EDQP and SMID-cap exposure

Company name	M Cap (USDm)	Rating	TP	Upside (%)	1FY year	P/BV (x)		ROE (%)		ND/E (x)		Returns	
						1FY	2FY	1FY	2FY	1FY	2FY	1M	YTD
AIMS APAC REIT	870	Buy	1.52	10.0	Mar-26	1.1	1.1	13.1	12.7	0.7	0.7	2.2	10.4
Centurion Corp	947	Buy	1.85	26.7	Dec-25	1.0	1.0	9.9	6.4	0.0	0.0	-1.4	52.1
ComfortDelGro	2,474	Buy	1.75	18.2	Dec-25	1.2	1.1	9.2	10.4	0.2	0.1	1.4	0.0
CSE Global	455	Buy	0.86	5.5	Dec-25	2.1	1.9	13.2	13.4	0.2	0.1	14.8	96.4
ESR Reit	1,780	Buy	3.15	9.8	Dec-25	1.0	1.1	2.6	8.3	1.0	1.1	2.9	12.5
First Resources	2,259	Buy	2.10	11.4	Dec-25	1.5	1.4	20.0	17.3	0.0	-0.1	14.5	26.8
Food Empire	1,007	Buy	2.95	23.5	Dec-25	3.0	2.8	11.3	19.5	-0.3	-0.2	-4.0	141.4
Frencken Group	531	Buy	1.68	4.1	Dec-25	1.5	1.4	9.6	9.7	-0.2	-0.3	15.0	42.5
Golden Agri	2,691	Neutral	0.28	1.8	Dec-25	0.5	0.5	20.8	19.3	0.3	0.2	-6.8	3.8
Raffles Medical	1,426	Neutral	1.10	10.0	Dec-25	1.8	1.8	6.5	7.2	-0.2	-0.3	1.5	17.6
Riverstone	1,001	Buy	0.85	-2.7	Dec-25	2.6	2.5	14.8	14.9	-0.4	-0.4	20.7	-19.7
Sheng Siong	2,657	Buy	2.41	5.0	Dec-25	5.8	5.3	26.7	28.3	-0.7	-0.8	10.1	39.6
Stoneweg European Stapled Trust	995	Buy	1.90	24.0	Dec-25	0.7	0.7	7.5	7.6	0.8	0.8	1.3	-3.2
Suntec REIT	3,110	Buy	1.60	16.9	Dec-25	0.7	0.7	4.6	5.2	0.6	0.6	5.4	17.1

Note: Prices are as at 27 Oct 2025, ND/E = Net debt/Equity

Source: Bloomberg, RHB

Our preferred small-cap picks. We have refreshed our SMID-cap screen to identify high-quality small-cap names best positioned to benefit from renewed investor interest and structural fund inflows.

Figure 27: Singapore – valuation comparison (I) for preferred small-cap exposure

Company name	M Cap (USDm)	Rating	TP	Upside (%)	1FY year	P/E (x)		EPSG (%)		Div. Yld (%)		DPSG (%)	
						1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY
AIMS APAC REIT	870	Buy	1.52	10.0	Mar-26	8.5	8.6	147.7	-2.1	7.2	7.4	3.5	3.2
Centurion Corp	947	Buy	1.85	26.7	Dec-25	10.3	15.2	7.3	-32.1	2.7	2.7	33.3	0.0
CSE Global	455	Buy	0.86	5.5	Dec-25	16.5	15.1	-4.4	9.4	3.0	3.3	2.7	9.4
Frencken Group	531	Buy	1.68	4.1	Dec-25	16.0	14.6	15.8	9.2	1.6	1.9	14.5	15.7
Stoneweg European Stapled Trust	995	Buy	1.90	24.0	Dec-25	10.0	9.8	130.6	2.3	8.6	8.9	-6.4	2.8

Note: Prices are as at 27 Oct 2025. EPSG = EPS Growth, DPSG = DPS Growth

Source: Bloomberg, RHB

Figure 28: Singapore – valuation comparison (II) and returns for preferred small-cap exposure

Company name	M Cap (USDm)	Rating	TP	Upside (%)	1FY year	P/BV (x)		ROE (%)		ND/E (x)		Returns	
						1FY	2FY	1FY	2FY	1FY	2FY	1M	YTD
AIMS APAC REIT	870	Buy	1.52	10.0	Mar-26	1.1	1.1	13.1	12.7	0.7	0.7	2.2	10.4
Centurion Corp	947	Buy	1.85	26.7	Dec-25	1.0	1.0	9.9	6.4	0.0	0.0	-1.4	52.1
CSE Global	455	Buy	0.86	5.5	Dec-25	2.1	1.9	13.2	13.4	0.2	0.1	14.8	96.4
Frencken Group	531	Buy	1.68	4.1	Dec-25	1.5	1.4	9.6	9.7	-0.2	-0.3	15.0	42.5
Stoneweg European Stapled Trust	995	Buy	1.90	24.0	Dec-25	0.7	0.7	7.5	7.6	0.8	0.8	1.3	-3.2

Note: Prices are as at 27 Oct 2025, ND/E = Net debt/Equity

Source: Bloomberg, RHB

Theme 4: Upcoming “value-up” related initiatives

Although the regulators are expected to announce a detailed set of measures to help Singapore companies unlock shareholder value later this year, Chee Hong Tat, Minister for National Development and Deputy Chairman of the MAS, [outlined on 12 Sep 2025](#) three key elements that will underpin this effort.

First, strengthening capabilities begins with developing strategic excellence among corporate leaders – extending beyond financial management to include capital optimisation, investor engagement, and long-term value creation. Boards and management must prioritise shareholder value through strategic planning, operational transformation, and effective investor communication.

Second, effective communication is essential. Companies must not only deliver results but also articulate their vision and growth story clearly to investors and stakeholders. Consistent and transparent communication builds trust, while proactive investor relations and media engagement enhance visibility. Regulators are reviewing disclosure frameworks to enable more meaningful forward-looking guidance, and the SGX is expanding initiatives – such as research coverage, investor roadshows, and media platforms – to help smaller firms improve their market presence.

Finally, fostering communities is critical to sustaining transformation. Stronger networks among directors, management teams, and investors can facilitate peer learning and the exchange of best practices. Initiatives such as the SID Chairpersons Guild and new SGX indices tracking companies beyond the STI will strengthen leadership connectivity, recognise excellence, and broaden market participation, creating a virtuous cycle of capability, communication, and collaboration that drives long-term shareholder value.

Within our coverage universe, we identify CD and RFMD as potential value-unlocking opportunities. CD's low valuation multiples appear disconnected from its solid earnings delivery and growth outlook, while RFMD could see balance sheet optimisation and higher dividend payouts should no major acquisitions materialise in the near term.

Figure 29: Singapore – valuation comparison (I) for stocks that have value-unlocking potential

Company name	M Cap		TP	Upside (%)	1FY year	P/E (x)		EPSG (%)		Div. Yld (%)		DPSG (%)	
	(USDm)	Rating				1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY
ComfortDelGro	2,474	Buy	1.75	18.2	Dec-25	13.0	11.1	16.9	17.8	5.8	6.3	9.6	9.9
Raffles Medical	1,426	Neutral	1.10	10.0	Dec-25	28.4	24.9	12.6	13.9	2.4	2.5	4.1	5.3

Note: Prices are as at 27 Oct 2025. EPSG = EPS Growth, DPSG = DPS Growth

Source: Bloomberg, RHB

Figure 30: Singapore – valuation comparison (II) and returns for stocks that have value-unlocking potential

Company name	M Cap		TP	Upside (%)	1FY year	P/BV (x)		ROE (%)		ND/E (x)		Returns	
	(USDm)	Rating				1FY	2FY	1FY	2FY	1FY	2FY	1M	YTD
ComfortDelGro	2,474	Buy	1.75	18.2	Dec-25	1.2	1.1	9.2	10.4	0.2	0.1	1.4	0.0
Raffles Medical	1,426	Neutral	1.10	10.0	Dec-25	1.8	1.8	6.5	7.2	-0.2	-0.3	1.5	17.6

Note: Prices are as at 27 Oct 2025, ND/E = Net debt/Equity

Source: Bloomberg, RHB

Theme 5: Defensive opportunities to cover for the macroeconomic uncertainty

While the outlook for export-heavy sectors remains clouded by global trade policy uncertainty and sector-specific tariff risks, the domestic economy enjoys several stabilising factors – a supportive fiscal policy backdrop, monetary policy flexibility, subdued inflation, and strong sovereign fundamentals. Investors are encouraged to focus on high-quality, low-volatility names in structurally resilient sectors. As the Government prepares to implement market reforms and potential stimulus, we see upside for selected domestic-facing equities. Defensive positioning with selective exposure to long-term structural winners remains the prudent strategy amid prevailing volatility.

We maintain our defensive investment stance and recommend that investors focus on companies with stable cash flows, non-cyclical demand, and high visibility of earnings. Specifically, we continue to favour consumer staples, land transport, healthcare, telecommunications, and domestic REITs with exposure to industrial assets. These sectors provide essential services, are less exposed to global supply chain shocks, and are well positioned to weather macroeconomic volatility.

Figure 31: Singapore – valuation comparison (I) for defensive opportunities

Company name	M Cap (USDm)	Rating	TP	Upside (%)	1FY year	P/E (x)		EPSG (%)		Div. Yld (%)		DPSG (%)	
						1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY
CapitaLand Ascendas REIT	10,241	Buy	3.20	11.2	Dec-25	16.6	15.7	3.4	6.2	5.3	5.5	-0.3	4.5
CICT	14,147	Buy	2.44	1.2	Dec-25	17.9	18.0	0.9	-0.7	4.7	5.0	4.5	5.5
ComfortDelGro	2,474	Buy	1.75	18.2	Dec-25	13.0	11.1	16.9	17.8	5.8	6.3	9.6	9.9
Frasers Centrepoint	3,805	Buy	2.70	10.9	Sep-25	23.0	18.2	-10.4	26.4	5.1	5.2	2.6	2.2
Raffles Medical	1,426	Neutral	1.10	10.0	Dec-25	28.4	24.9	12.6	13.9	2.4	2.5	4.1	5.3
Sheng Siong	2,657	Buy	2.41	5.0	Dec-25	22.9	19.6	9.3	16.9	3.1	3.6	9.3	16.9
SingTel	55,166	Buy	4.90	13.2	Mar-26	25.1	21.0	15.6	19.1	4.5	4.6	14.7	2.6
ST Engineering	20,640	Buy	9.10	6.0	Dec-25	32.1	27.9	18.7	15.0	2.0	2.2	5.3	11.8

Note: Prices are as at 27 Oct 2025. EPSG = EPS Growth, DPSG = DPS Growth

Source: Bloomberg, RHB

Figure 32: Singapore – valuation comparison (II) and returns for defensive opportunities

Company name	M Cap (USDm)	Rating	TP	Upside (%)	1FY year	P/BV (x)		ROE (%)		ND/E (x)		Returns	
						1FY	2FY	1FY	2FY	1FY	2FY	1M	YTD
CapitaLand Ascendas REIT	10,241	Buy	3.20	11.2	Dec-25	1.2	1.2	7.4	8.1	0.6	0.6	4.0	12.1
CICT	14,147	Buy	2.44	1.2	Dec-25	1.1	1.1	6.2	6.2	0.6	0.6	6.6	24.9
ComfortDelGro	2,474	Buy	1.75	18.2	Dec-25	1.2	1.1	9.2	10.4	0.2	0.1	1.4	0.0
Frasers Centrepoint	3,805	Buy	2.70	10.9	Sep-25	1.0	1.1	4.6	5.9	0.5	0.5	3.8	15.2
Raffles Medical	1,426	Neutral	1.10	10.0	Dec-25	1.8	1.8	6.5	7.2	-0.2	-0.3	1.5	17.6
Sheng Siong	2,657	Buy	2.41	5.0	Dec-25	5.8	5.3	26.7	28.3	-0.7	-0.8	10.1	39.6
SingTel	55,166	Buy	4.90	13.2	Mar-26	2.8	2.7	11.3	13.0	0.4	0.4	1.6	40.6
ST Engineering	20,640	Buy	9.10	6.0	Dec-25	8.4	7.5	36.7	28.1	1.5	1.2	1.5	84.1

Note: Prices are as at 27 Oct 2025, ND/E = Net debt/Equity

Source: Bloomberg, RHB

Sector Outlook, Rating, And Preferred Picks

Figure 33: Sector outlooks, ratings, and preferred picks (i)

Sector	Rating	Sector outlook	Sector risks	Preferred picks
Consumer	O/W	<p>We have an OVERWEIGHT call on the consumer sector for its defensive qualities. We expect the grocery retail segment to continue delivering on earnings and dividends due to its defensive nature and earnings resilience. Earnings growth should still be supported by new stores, more robust retail sales, and corporate restructuring. The sub-sector trades at 16-18x forward P/E below its long-term average and yields an attractive 3-4% in dividends.</p> <p>The midstream segment saw mixed results, with FEH outperforming in earnings, while Thai Beverage (THBEV) missed expectations slightly. We are positive on FEH for its continued growth led by higher manufacturing capacity coming on stream, while we remain positive on THBEV on its demand recovery and attractive valuation at -2SD of its long-term mean P/E.</p>	Slower-than-expected pick-up in consumer demand, and rising input and operational costs.	Food Empire Sheng Siong DFI Retail Thai Beverage
Financial Services (Banks)	N	<p>We stay NEUTRAL on the banking sector. While we expect Singapore banks under our coverage (SG Banks) to post a weaker 2H (vs 1H) due to a combination of seasonality and softer external demand, we expect investors to largely look past the upcoming results and instead, focus on banks' guidance and outlook for 2026. At this juncture, we project 2026F sector PATMI to rebound with a growth of +4% YoY, as compared to the -6% YoY contraction in 2025F. This is expected to be underpinned by an acceleration in non-IL as better investor sentiment lifts wealth management fees, while credit cost is expected to stabilise amid stable asset quality.</p> <p>While NIM is expected to stay under pressure, we project a milder 5bps compression in 2026F vs -17bps YoY in 2025F. For now, we have not assumed a meaningful pickup in loan growth (2025F and 2026F loan growth at 4%) but with NIM pressure easing, this could be sufficient for sector NII to chalk up a slight positive growth in FY26F.</p> <p>We also expect investors to focus on updates around banks' capital return plans. With some banks expected to complete their capital return dividends in FY25F, total dividend payout should normalise in FY26F. Our FY26F sector dividend yield of c.5% does not consider any further capital return dividends. While decent, the yield spread over the 10-year government bond yield has now narrowed to +350bps (from a peak of c.+430bps).</p>	<p>The downside risks are weaker-than-expected macroeconomic conditions (which could lead to softer-than-expected loan growth and asset quality deterioration), lower-than-expected NIMs from sharper policy rate cuts, and weaker-than-expected non-IL.</p> <p>Upside risks would mainly be on the operating income side of the equation.</p>	DBS
Food Products (CPO)	N	<p>We expect 2026 to be a more balanced year fundamentally, with lower YoY CPO prices, but geopolitical risks will translate to more volatility. We make no changes to our MYR4,100/tonne and MYR4,000/tonne CPO price assumptions for 2025 and 2026 and our NEUTRAL sector call for now.</p> <p>Spot CPO prices have bounced back to current levels of MYR4,300-4,400/tonne from a low of MYR3,780/tonne in May. This was likely due to the postponement of the US-China tariff decision by 90 days which led to a recovery in soybean oil prices (and therefore CPO) on expectations that China will now have extra time to stock up US soybean, if needed. Around the same time, the Indonesian government stated that it would continue to push through with its B50 biodiesel mandate in 2026, although the starting timeline would not be in Jan 2026. This led to further strength in CPO prices.</p> <p>Our base case assumption is that B50 will not be implemented in 2026, as we believe that the food vs fuel debate would intensify should an additional 3m tonnes of PO be taken out from the market. In addition, the funding of B50 and the shortage of biodiesel capacity in Indonesia would be a stumbling block. If these are resolved, and B50 is pushed through, we would need to relook at our price forecasts.</p> <p>In the immediate term, we expect CPO prices to remain volatile, given the ever-changing geopolitical situation, while output is rising to peak levels, which would result in rising stocks and moderating prices.</p> <p>In the medium term for 2026F, we believe global supply and demand will be more balanced, as supply should improve, while demand should pick up given the more attractive relative prices. Supply of the 17 oils and fats complex is expected to improve YoY in 2026F, coming from some recovery from palm, sunflower, and rapeseed supplies, as well as continued growth from soybeans. However, stock/usage ratios for the 17 oils and fats complex are still expected to remain below the historical average of 13.6%, at 12.9% for Oct 2025/Sep 2026F, albeit up from 12.7% in 2025F. This means there is not much cushion in case of any short-term bullish supply or demand surprises, thus raising the risk for price volatility going forward.</p>	Weather and geopolitical risks.	First Resources

Source: Company data, RHB

Figure 34: Sector outlooks, ratings, and preferred picks (ii)

Sector	Rating	Sector outlook	Sector risks	Preferred picks
Healthcare	N	<p>Singapore's private healthcare is past the COVID-19 highs, but volumes are resilient – elective treatments are back, and public hospitals continue to see high patient load. The Government continues to build additional public healthcare infrastructure as Singapore's ageing population will keep supporting the long-term demand for healthcare services. The Ministry of Health's stepped-up capacity build (more beds, more polyclinics) tempers pricing power and domestic inpatient growth for private healthcare players, while Malaysia/Thailand sharpen medical-tourism competition, leaving Singapore private healthcare players to win mainly on complex, high-acuity cases. Cost inflation and labour scarcity remains a concern as well.</p> <p>We stay constructive on Raffles Medical, given its steady Singapore volumes, and with China hospitals tracking to achieve EBITDA breakeven in 2026, with a net-cash war chest for bolt-ons. Thomson Medical's Vietnam scale-up brings execution upside but near-term earnings drag; recovery should be gradual as synergies land. Sector alpha hinges on disciplined overseas execution (China/Vietnam), upgrading case mix towards tertiary work, and productivity to offset wage/consumables inflation, while domestic growth skews to ambulatory expansion and public-private collaboration, not price.</p>	Tight labour availability, high-cost inflation, loss of medical tourism to Malaysia and Thailand, and the strong SGD relative to ASEAN currencies.	Raffles Medical
Manufacturing and Technology	O/W	<p>Keep OVERWEIGHT on the sector, as we view the lowering of US tariff rates for Malaysia from 25% to 19% as positive, as the sector has significant manufacturing and export presence in Malaysia. Growth for the sector will be driven by semiconductor recovery, customer order ramp up, and new product introduction.</p> <p>Venture Corp's valuation remains attractive, trading at 16-17x forward P/E, below peers and an attractive dividend yield of c.5-6% after accounting for lower margins and revenue going forward. Frencken has minimal exposure to the US at c.10% of revenue. Valuation is also attractive with forward P/E valuation of 13-14x, trading at a discount to peers.</p>	A later-than-expected pick-up in customer demand would derail our view on the sector.	Frencken, Venture Corp
Real estate	O/W	<p>Interest in the Singapore residential sector has shown a marked improvement since 4Q24, with sales of new launches in 1H25 so far exceeding our and market expectations. This comes on the back of the commencement of interest rate cuts, resulting in a decline in the pricing of fixed-rate loan offerings, coupled with a strong economy and pent-up demand from a lack of new launches during the first three quarters of the year.</p> <p>Moving into 4Q and 2026, we expect momentum to continue with attractive new launch pipelines and sites sold under the government land sales programme – although sales volumes are expected to moderate compared to the demand surge seen in 1H. We do not see any major impact to sales from the latest cooling measure, which increases the holding period of private properties from three years to four years, as the majority (>85%) of buyers of new launches are genuine buyers, in our view. Furthermore, the ramp-up in new home supply over the last two years and volatile macro-economic conditions have reduced the allure of speculative purchases at recent new launches.</p> <p>Overall, we maintain our primary transaction volume estimate of 9,000–10,000 units for 2025. For the resale segment, we expect transaction volumes to see a 0-5% YoY increase in 2025. Residential property prices are expected to increase 1-4% in line with economic growth. Key catalysts for residential developers will be a sharper decline in interest rates and more divestments. While real estate agencies will be the primary beneficiaries of the surge in transactions, share prices have sharply run-up and current valuations are unattractive. We recommend a buy-on-dip strategy for real estate agencies while selected developers offer good long-term value.</p>	Unexpected sharp slowdown in the economy or a resurgence of inflation.	na
Rubber gloves	U/W	<p>We maintain our UNDERWEIGHT stance on the rubber products sector, as the industry remains constrained by: i) Persistent pricing competition in non-US markets, ii) a subdued demand outlook, iii) the inability of glovemakers to raise ASPs, and iv) the impact of a weakening USD.</p> <p>That said, we favour glove makers with greater exposure to non-generic products, such as cleanroom gloves, which typically command more stable ASPs (given its contractual nature) and are relatively insulated against the ongoing price war.</p> <p>We maintain our BUY call for SGX-listed Riverstone (RSTON SP, BUY, TP: SGD0.85), acknowledging limited upside but favouring its consistent c.5% dividend yield and exposure to higher-grade cleanroom products that could benefit from the global semiconductor recovery.</p>	Upside risks: Stronger USD, increase in glove ASPs, faster-than-expected capacity expansions, and lower-than-expected raw material prices.	Riverstone

Source: Company data, RHB

Figure 35: Sector outlooks, ratings, and preferred picks (iii)

Sector	Rating	Sector outlook	Sector risks	Preferred picks
S-REITs (Hospitality)	N	<p>Visitor arrivals (YTD-8M25) are up by a marginal 3% YoY to 11.6m and are still 10% below pre-pandemic levels. The growth in visitor arrivals has been on a slightly easing trend since late last year. This could be attributed to a strong SGD, lack of large-scale events (compared to last year), and a slight easing in spending power in 1H. Additionally, corporate business travel has taken a slight hit on the back of economic uncertainty from tariff policies.</p> <p>However, with global economic conditions settling in, we think the outlook for 2026 is brighter, and this could be further augmented by the return of key biennial events such as the Singapore Air Show next year, which could further provide demand impetus. Other key demand drivers include the Disney Cruise Line, which is set to sail from Dec 2025 onwards. It also has to be noted that visitor arrivals are still 10% below pre-pandemic levels – providing room for recovery in the coming years. We expect visitor arrivals for 2025 to grow YoY but at a more modest 2-5% or between 16.5-17m. Our estimates are below the Singapore Tourism Board's official estimate of 17-18.5m for the year.</p> <p>Even before the trade war uncertainties, hoteliers have been cautious in their forward guidance, citing higher supply and last-minute bookings. Hotel room supply has also increased by more than 5% in the last 18 months, and is starting to pressure rates and occupancy. Overall, we expect hotel revenue per available room (RevPAR) to be more flattish at -2% to +2% this year, with flattish occupancy levels.</p>	Economic slowdown and continued SGD appreciation, making it less competitive than neighbouring destinations	N/A
S-REITs (Industrial)	O/W	<p>Singapore's manufacturing PMI rose 50.1 in September after a few months of contraction, indicating that the initial pessimism on the US tariffs are wearing off. Prior to March, Singapore's PMI was on an expansion trend for 20 months. The PMI growth has been well supported by the lynchpin electronics sector, which has been driving optimism for industrial REITs. Mirroring this, in the industrial sector, demand broadly remains in expansion mode across segments, barring some pockets of weakness. However, the effect of potential tariffs, and the impact on the industrial sector will only become clearer as we move further into 2H. Singapore, currently being in the region's lowest tariff tier of 10%, will likely see a less severe direct impact to businesses from tariffs, although there will likely be secondary impacts from the overall trade slowdown and re-exports demand.</p> <p>Broadly, most of the industrial S-REITs continue to post stronger operational metrics, with a firm outlook for most of the sector. The logistics segment in Singapore and overseas (except China) continues to be the bright spot, with healthy rental rate growth and continued demand for high-specification logistics facilities.</p> <p>Industrial sector occupancy and rents have been on an uptrend over the last two years. For 2025, we expect the occupancy to be maintained at the high 80s despite slightly higher incoming supply, and with industrial rents to increase by 1-3%. With sharp rent growth seen over the last few years from an upward market shift, REIT managers are guiding for more moderation in rent growth ahead, with the gap between overall passing and market rents narrowing. Multi-user factories and high-tech industrial spaces have also been performing strongly amid a favourable demand-supply situation. The only sector that is seeing some weakness of late is the Singapore business park space, which has been impacted by higher supply, work-from-home trends, a shift in demand to lower-cost locations, and rationalisation of technology sector demand. This has impacted business park occupancy, particularly at micro-markets, ie Changi Business Park in Singapore's eastern region and Jurong in the west, where overall occupancy rates have been stubbornly low – in the 50-80% range. Recent discussions with REIT managers, however, point to some stabilisation and improvement in demand in these regions. Additionally, the authorities are now seen as more open to changes of use and the repurposing of some of these spaces, considering the evolving market conditions.</p> <p>Overall, we continue to see the industrial sector as a relatively defensive play, offering earnings stability and stable asset value. Among the sub-sectors, we still like logistics, data centres, and flatted factories, which continue to benefit from the shift in market dynamics brought about by supply chain shifts and Singapore's smart nation initiatives.</p>	Sharp slowdown in trade volumes and economic growth. Rising cost pressures for businesses, making Singapore less competitive in the region and globally.	AIMS REIT, APAC REIT, ESR-REIT, CapitaLand Ascendas REIT

Source: Company data, RHB

Figure 36: Sector outlooks, ratings, and preferred picks (iv)

Sector	Rating	Sector outlook	Sector risks	Preferred picks
S-REITs (Office)	O/W	<p>Singapore's office sector so far remains a major outlier across global markets, with healthy overall CBD occupancy levels (c.95%) and continued rent growth. This is because the country has witnessed a much stronger return to physical offices at c.80%, well above many other developed markets (such as the US and Australia).</p> <p>Based on Colliers data, Core CBD Premium and Grade A rents grew by 0.3% QoQ, reaching SGD11.71 per sq ft. Rents were driven by continued momentum in rental growth among premium buildings. Net absorption picked up to around 464k sq ft from 128k sq ft in the previous quarter. Knight Frank noted that large-space office movement has been limited, with activity mainly limited to smaller-space users. While the majority of office occupiers stayed put at existing premises, there was a wave of corporate relocations during the quarter, driven by flight-to-quality moves. This resulted in some reshuffling of office space in several buildings in both the CBD and fringe areas.</p> <p>With Singapore's GDP recently being revised slightly higher, we believe the outlook for high-quality office demand will remain relatively resilient. This, coupled with very limited core CBD office supply over the next three years post the recent completion of Keppel South Central, should help mitigate any potential demand weakness from the tariff impact.</p> <p>We expect overall office vacancy to be at 5-6% by end-2025, slightly lower than our previous 6-7% expectation, factoring in improving economic conditions. Grade-A office rents are expected to be in the 0% to 3% range (previously -2% to +2%) but rental reversions for landlords are expected to remain positive in mid-to-high single digits as market rents have risen over the last three years.</p>	Sharp slowdown in economy and unanticipated major downsizing or tenant exits.	Suntec REIT
REITs (Overseas)	O/W	<p>The softening of inflation data in the Eurozone has increased the prospects of more aggressive rate cuts by the European Central Bank and Bank of England. In addition, many European countries – in particular Germany – have introduced huge fiscal stimulus spending on sectors, ie infrastructure and defence, to restart the economy and growth, which is positive for real-estate demand. While the implementation of US President Donald Trump's tariff policies is likely to slow down growth, it could also accelerate intra-regional trade and cooperation within Europe, resulting in higher demand for sectors like logistics. We also observed a bottoming out in asset values, with stable-to-slight positive increases in valuations seen for most of such assets. With more rate cuts on the cards and an improving economic outlook, this could spark a revival for some of the overseas S-REITs that have been more severely and directly impacted by the effects of higher interest rates when compared to their Singapore peers.</p> <p>The outlook for US office REITs has brightened with office demand starting to pick up on the back of better return-to-office and flight to quality trends. Tariff impact so far has been muted on economy. While financing market conditions have slightly improved, it remains challenging. Capital market and transaction activities in the US commercial market have been making a comeback, indicating that a potential bottom is in sight. The recent cut in the interest rate by c.25bps in September, along with expectations of two more cuts by the end of the year are positive for sector. Overall, we see potential for US office REITs' trading discounts to NAV to continue to narrow if the US economy continues to perform strongly.</p>	Faltering economy and potential resurgence of inflation.	Stoneweg European REIT, Prime US REIT

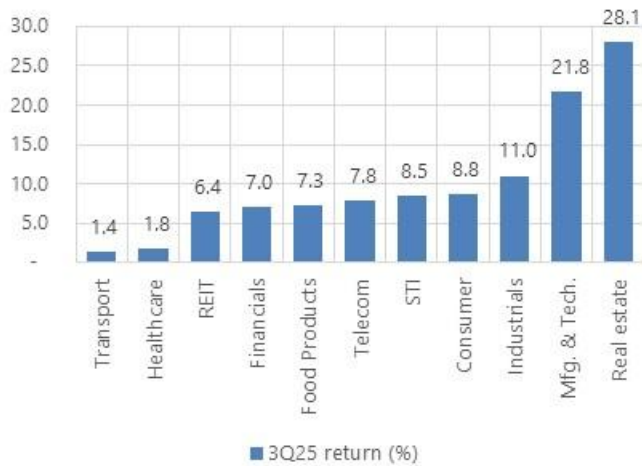
Source: Company data, RHB

Figure 37: Sector outlooks, ratings, and preferred picks (v)

Sector	Rating	Sector outlook	Sector risks	Preferred picks
S-REITs (Retail)	N	<p>Singapore retail sales growth has been on a moderating trend since 1Q24. Retail sales in Singapore climbed by 5.2% YoY in August, accelerating from a downwardly revised 4.6% YoY increase in July. Excluding motor vehicles, retail sales grew 4.6% YoY, expanding from a 3.9% YoY rise in the previous month.</p> <p>The RHB Economics team expects Singapore's retail sales growth to strengthen in 4Q25, despite the modest performance recorded YTD. Our full-year projection for 2025 remains at 2.5%. It sees three factors supporting the cautiously optimistic view into 4Q25: i) Higher tourism arrivals due to festive and year-end holidays, ii) government support measures, and iii) relatively healthy online sales. A potential risk to the team's constructive view is a domestic slowdown in 2H25, as easing yet uncertain global trade tensions continue to dampen external demand. Weaker household spending and softer tourism-related activity could emerge amid rising uncertainty. A moderating labour market, led by slower hiring in trade-related sectors, may further weigh on overall economic momentum.</p> <p>Downtown and Orchard Road mall sales growth have started to ease due to last year's high-base effect and slightly lower visitor spending. Suburban malls, on the other hand, have remained largely resilient – tracking the growth of the broader market. Key challenges for the sector remain higher operational costs for tenants as a result of manpower constraints and elevated inflation, which have had an uneven impact across various retailers. This has led to higher tenant turnover, in our view. We expect the focus for retail landlords to remain on maintaining high occupancy rates, curating their mall tenant mix, and attracting high-quality tenants while being slightly flexible in terms of rent. We expect overall retail sector rent growth to moderate to 0% to +3%, translating to positive mid-single-digit rental reversions for the majority of retail S-REITs.</p>	A sharp slowdown in consumer demand and a faltering economy.	CapitaLand Integrated Commercial Trust, Starhill Global REIT
Telecommuni cations	N	<p>We see market price repair in the medium- to longer-term following the acquisition of M1 by Simba Telecom, which was announced on 12 Aug. Further industry consolidation cannot be ruled out, with smaller mobile virtual network operators (MVNO) under persistent threat. The competitive dynamics are unlikely to see a material shift in the short- to medium-term, as the mobile network operators (MNO) seek to defend their market share with tactical acquisitions.</p> <p>The M1-Simba union was an opportunity lost for StarHub, which was perceived to be the front-runner for market consolidation. In a move largely viewed as pre-emptive, management downgraded its FY25F EBITDA to '88-92% of FY24 EBITDA' from 'stable YoY' previously, as the company expects to step-up aggression in 2H25.</p> <p>We continue to like Singtel for exposure to the Singapore telco sector, premised on its stronger earnings outlook, ROIC improvement, and sustained shareholder value creation from mid-term capital recycling initiatives. The latter will support the value realisation dividends (VRD) of 3-6 cents with the value realisation share buyback (VRSB) programme (up to SGD2bn) offering EPS and core DPS upsides in the longer-term.</p>	Stiff mobile competition, weaker-than-expected roaming revenues, and lower-than-expected dividends	Singtel
Transport & Industrials	O/W	<p>ComfortDelGro remains an attractive investment, backed by its resilient core business, mid-teens earnings growth, and above-market yield. For 2025, earnings growth will be supported by improving UK bus margins, contributions from new contracts in Singapore, the UK, and Australia, and acquisitions including Addison Lee, A2B, and CMAC. The taxi & private hire segment should benefit from a stabilising Singapore business and an improving China taxi market, while CMAC is set for a strong 3Q25. With >50% of new public transport tenders and >90% of renewals secured, CD remains well positioned to deliver another year of solid growth.</p> <p>ST Engineering remains a high-quality defensive growth play, with strong profit growth underpinned by its Commercial Aerospace (CA), Defence & Public Security (DPS), and Urban Solutions & Satcom (USS) segments. Growth in CA will be driven by expanded engine MRO capacity and resilient nacelle demand, while DPS benefits from sustained defence spending and rising overseas contracts. USS should see the fastest EBIT recovery as satcom turns around in 2H25. Supported by a record-high SGD31.2bn orderbook and capital recycling to strengthen its balance sheet, the group is well positioned for further re-rating.</p>	Marked slowdown in global economic growth, and slower-than-expected revival in Singapore and Asian tourism and aviation demand.	ComfortDelGro, ST Engineering

Source: Company data, RHB

Figure 38: 3Q25 sector returns based on RHB's coverage



Note: Data as of 16 Oct 2025
Source: Bloomberg, RHB

Figure 39: 3Q25 sector returns based on index



Note: Data as of 16 Oct 2025
Source: Bloomberg, RHB

Figure 40: YTD sector returns based on RHB's coverage



Note: Data as of 16 Oct 2025
Source: Bloomberg, RHB

Figure 41: YTD sector returns based on index



Note: Data as of 16 Oct 2025
Source: Bloomberg, RHB

Figure 42: Summary of our sector weightings

OVERWEIGHT	NEUTRAL
Consumer	Financials
Industrials	Food products
Mfg. & Tech.	Healthcare
Real estate	REITs (Hospitality)
REITs (Industrial)	REITs (Retail)
REITs (Office)	Telecom
REITs (Overseas)	
Transport	

Source: RHB

Figure 43: Summary of preferred stocks across sectors

Sector	Preferred picks
Consumer	DFI, FEH, SSG, THBEV
Financials	DBS
Food products	FR
Healthcare	RFMD
Industrials	STE
Mfg. & Tech.	FRKN, VMS
Real estate	CENT
REITs (Hospitality)	-
REITs (Industrial)	AAREIT, EREIT, CLAR
REITs (Office)	SUN
REITs (Overseas)	SERT, PRIME
REITs (Retail)	CICT, SGREIT
SMID Cap	CSE, FEH, FRKN, MPM
Telecom	ST
Transport	CD

Source: RHB

Figure 44: Sector valuation comparison (i)

Sector name	Rating	P/E (x)			EPSG (%)			Div. Yld (%)			DPSG (%)		
		2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026
Consumer	OW	16.8	14.9	13.7	8.2	11.2	7.5	4.1	4.3	4.6	9.3	7.1	8.4
Financials	N	12.9	13.4	12.8	8.6	-5.4	4.5	4.8	5.5	5.0	23.8	17.4	-8.4
Food Products	N	12.2	11.8	11.3	-6.1	5.2	4.1	3.7	3.2	3.4	7.6	-13.7	6.1
Healthcare	N	24.8	24.0	21.7	0.6	0.1	9.8	4.9	3.3	3.4	-26.9	-17.4	4.7
Industrials	OW	37.1	31.3	27.2	16.8	18.5	15.2	1.9	2.0	2.3	0.4	5.5	11.4
Mfg. & Tech.	OW	17.7	17.9	16.6	-0.7	-1.0	7.9	4.3	4.7	4.4	-7.2	7.6	-2.2
Real estate	OW	30.4	20.7	20.6	-23.7	46.0	-0.9	1.5	2.0	2.3	0.7	25.9	19.9
REIT	OW	21.4	18.9	16.6	-43.9	22.6	14.7	5.3	5.3	5.6	-1.6	1.6	4.2
Telecom	N	29.0	25.7	21.7	7.6	12.4	18.3	3.9	4.4	4.7	9.2	14.1	5.9
Transport	OW	15.2	13.0	11.1	16.6	16.9	17.8	5.3	5.8	6.3	16.7	9.6	9.9

Note: Prices are as at 27 Oct 2025

Note 2: Market cap weighted-averages for stocks under RHB's coverage. REITs excludes the data for US REITs

Source: Bloomberg, RHB

Figure 45: Sector valuation comparison (ii) and returns

Sector name	Rating	P/BV (x)			ROE (%)			ND/E (x)			Returns			
		2024	2025	2026	2024	2025	2026	2024	2025	2026	1M	3M	6M	YTD
Consumer	OW	4.3	4.2	3.6	5.6	20.1	25.7	0.7	0.7	0.5	8.1	2.6	17.3	22.0
Financials	N	2.2	2.1	2.0	16.2	14.5	14.4	-0.3	-0.4	-0.4	4.7	3.5	15.5	12.9
Food Products	N	1.0	0.9	0.9	8.5	10.1	9.7	0.8	0.9	0.8	7.9	10.0	9.6	8.0
Healthcare	N	2.2	2.1	2.1	10.8	9.9	10.3	-0.3	-0.3	-0.4	9.4	8.3	0.1	2.2
Industrials	OW	9.7	8.1	7.3	26.7	35.7	27.6	1.9	1.4	1.1	2.1	-2.0	20.2	82.2
Mfg. & Tech.	OW	1.6	1.6	1.5	8.9	8.9	9.3	-0.3	-0.4	-0.4	10.1	17.5	39.5	26.2
Real estate	OW	0.8	0.8	0.8	7.2	4.6	4.1	1.0	0.8	0.8	7.8	13.3	47.7	50.5
REIT	OW	1.0	1.0	1.0	5.2	6.0	6.7	0.6	0.6	0.6	4.7	7.5	13.4	17.1
Telecom	N	2.9	2.8	2.7	8.9	11.2	12.8	0.4	0.4	0.4	1.7	5.6	14.7	39.4
Transport	OW	1.2	1.2	1.1	8.1	9.2	10.4	0.1	0.2	0.1	1.4	-9.8	-3.9	0.0

Note: Prices are as at 27 Oct 2025

Note 2: Market cap weighted-averages for stocks under RHB's coverage. REITs excludes the data for US REITs

Source: Bloomberg, RHB

Preferred Stocks

Preferred large-cap stocks

Figure 46: Singapore – valuation comparison (I) for preferred large-cap picks

Company name	M Cap		TP	Upside (%)	1FY year	P/E (x)		EPSG (%)		Div. Yld (%)		DPSG (%)	
	(USDm)	Rating				1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY
CapitaLand Ascendas REIT	10,241	Buy	3.20	11.2	Dec-25	16.6	15.7	3.4	6.2	5.3	5.5	-0.3	4.5
CICT	14,147	Buy	2.44	1.2	Dec-25	17.9	18.0	0.9	-0.7	4.7	5.0	4.5	5.5
DBS Group	117,282	Buy	57.10	6.6	Dec-25	14.2	13.7	-5.8	3.4	5.7	5.0	37.7	-11.8
DFI Retail Group	4,738	Buy	4.05	15.8	Dec-25	19.0	17.3	23.4	9.9	3.0	3.4	0.0	14.3
SingTel	55,166	Buy	4.90	13.2	Mar-26	25.1	21.0	15.6	19.1	4.5	4.6	14.7	2.6
ST Engineering	20,640	Buy	9.10	6.0	Dec-25	32.1	27.9	18.7	15.0	2.0	2.2	5.3	11.8

Note: Prices are as at 27 Oct 2025. EPSG = EPS Growth, DPSG = DPS Growth
Source: Bloomberg, RHB

Figure 47: Singapore – valuation comparison (II) and returns for preferred large-cap picks

Company name	M Cap		TP	Upside (%)	1FY year	P/BV (x)		ROE (%)		ND/E (x)		Returns	
	(USDm)	Rating				1FY	2FY	1FY	2FY	1FY	2FY	1M	YTD
CapitaLand Ascendas REIT	10,241	Buy	3.20	11.2	Dec-25	1.2	1.2	7.4	8.1	0.6	0.6	4.0	12.1
CICT	14,147	Buy	2.44	1.2	Dec-25	1.1	1.1	6.2	6.2	0.6	0.6	6.6	24.9
DBS Group	117,282	Buy	57.10	6.6	Dec-25	2.1	2.0	15.3	15.2	na	na	6.5	22.5
DFI Retail Group	4,738	Buy	4.05	15.8	Dec-25	8.3	6.8	21.9	43.3	1.0	0.6	10.8	51.5
SingTel	55,166	Buy	4.90	13.2	Mar-26	2.8	2.7	11.3	13.0	0.4	0.4	1.6	40.6
ST Engineering	20,640	Buy	9.10	6.0	Dec-25	8.4	7.5	36.7	28.1	1.5	1.2	1.5	84.1

Note: Prices are as at 27 Oct 2025. EPSG = EPS Growth, DPSG = DPS Growth
Source: Bloomberg, RHB

Preferred small- and mid-cap stocks

Figure 48: Singapore – valuation comparison (I) for preferred small- and mid-cap picks

Company name	M Cap		TP	Upside (%)	1FY year	P/E (x)		EPSG (%)		Div. Yld (%)		DPSG (%)	
	(USDm)	Rating				1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY
AIMS APAC REIT	870	Buy	1.52	10.0	Mar-26	8.5	8.6	147.7	-2.1	7.2	7.4	3.5	3.2
Centurion Corp	947	Buy	1.85	26.7	Dec-25	10.3	15.2	7.3	-32.1	2.7	2.7	33.3	0.0
ComfortDelGro	2,474	Buy	1.75	18.2	Dec-25	13.0	11.1	16.9	17.8	5.8	6.3	9.6	9.9
CSE Global	455	Buy	0.86	5.5	Dec-25	16.5	15.1	-4.4	9.4	3.0	3.3	2.7	9.4
ESR Reit	1,780	Buy	3.15	9.8	Dec-25	31.9	11.4	na	180.4	7.6	7.7	2.6	1.9
Sheng Siong	2,657	Buy	2.41	5.0	Dec-25	22.9	19.6	9.3	16.9	3.1	3.6	9.3	16.9
Stoneweg European Stapled Trust	995	Buy	1.90	24.0	Dec-25	10.0	9.8	130.6	2.3	8.6	8.9	-6.4	2.8

Note: Prices are as at 27 Oct 2025. EPSG = EPS Growth, DPSG = DPS Growth
Source: Bloomberg, RHB

Figure 49: Singapore – valuation comparison (II) and returns for preferred small- and mid-cap picks

Company name	M Cap		TP	Upside (%)	1FY year	P/BV (x)		ROE (%)		ND/E (x)		Returns	
	(USDm)	Rating				1FY	2FY	1FY	2FY	1FY	2FY	1M	YTD
AIMS APAC REIT	870	Buy	1.52	10.0	Mar-26	1.1	1.1	13.1	12.7	0.7	0.7	2.2	10.4
Centurion Corp	947	Buy	1.85	26.7	Dec-25	1.0	1.0	9.9	6.4	0.0	0.0	-1.4	52.1
ComfortDelGro	2,474	Buy	1.75	18.2	Dec-25	1.2	1.1	9.2	10.4	0.2	0.1	1.4	0.0
CSE Global	455	Buy	0.86	5.5	Dec-25	2.1	1.9	13.2	13.4	0.2	0.1	14.8	96.4
ESR Reit	1,780	Buy	3.15	9.8	Dec-25	1.0	1.1	2.6	8.3	1.0	1.1	2.9	12.5
Sheng Siong	2,657	Buy	2.41	5.0	Dec-25	5.8	5.3	26.7	28.3	-0.7	-0.8	10.1	39.6
Stoneweg European Stapled Trust	995	Buy	1.90	24.0	Dec-25	0.7	0.7	7.5	7.6	0.8	0.8	1.3	-3.2

Note: Prices are as at 27 Oct 2025. EPSG = EPS Growth, DPSG = DPS Growth
Source: Bloomberg, RHB

Investment theses for our preferred picks

Figure 50: Investment theses for our sector BUY ideas (i)

Consumer		
Stock	Investment thesis	Investment risks
DFI Retail Group (DFI SP)	<ul style="list-style-type: none"> Remain positive on DFI Retail Group as earnings recovery expectations are on track Recent divestment of its Singapore food business will reduce the long-term earnings drag Dividend yield is decent due to parent company Jardine Matheson Holdings' (JM SP, NR) practice of uplifting dividends back to the group level Trades attractively at c.16x FY26F P/E with a yield of close to c.4% 	<ul style="list-style-type: none"> Slower-than-expected recovery in consumer spending Higher-than-expected costs
Food Empire (FEH SP)	<ul style="list-style-type: none"> Growth driven by key markets in Russia, Ukraine, Kazakhstan, the Commonwealth of Independent States (CIS), and ASEAN More production facilities which will boost sales volumes Malaysia's snack production has expanded in 1H25, new Kazakhstan factory to open in FY25, and new freeze-dried soluble coffee facility in Vietnam and new India production to open by FY28 	<ul style="list-style-type: none"> Disruption in operations due to the Russia-Ukraine conflict Higher coffee input prices Negative effects of the RUB and CIS currencies
Sheng Siong (SSG SP)	<ul style="list-style-type: none"> Defensive play for stable earnings and dividend yield Growth supported by improving consumption and government support measures for Singaporeans to counter inflation Positive store expansion outlook with FY25's new stores secured exceeding our initial assumptions Generates strong cash flow, has a net cash balance sheet with a yield of c.3-4% 	<ul style="list-style-type: none"> Slower-than-expected store openings Lower sales demand and per sq ft traction The inability to maintain GPM at current levels
Thai Beverage (THBEV SP)	<ul style="list-style-type: none"> Strong market leadership in Thailand and Vietnam Beneficiary of Thailand's economic recovery, improving consumer confidence, and the return of tourists to Vietnam Growth, driven by better sales volumes, will be aided by more marketing and promotional spending as consumption recovers Valuation is undemanding at -2SD from its historical forward mean P/E 	<ul style="list-style-type: none"> Later-than-expected demand recovery in Thailand and Vietnam
Banks / Financials		
DBS (DBS SP)	<ul style="list-style-type: none"> YTD earnings have held up relatively more resilient than peers, thanks to balance sheet growth and hedges put in place. Management thinks it can sustain the SGD0.24 step-up in annual DPS for 2026, which provides investors with strong dividend visibility. We await the upcoming 3Q25 results season for updates on its earlier announced SGD5bn capital return dividend over three years (or SGD1.7bn (SGD0.15/share) pa). Stock currently offers a 5% FY26F dividend yield. While this is down from the FY25F yield of 6%, we have yet to factor in capital return dividends for next year – pending confirmation from management. Including capital return dividends, DBS should sustain a 6% dividend yield in FY26F. 	<ul style="list-style-type: none"> Adverse changes to dividend policy, which could be due to regulatory or macroeconomic conditions Weaker-than-expected income with NIM and non-II as potential culprits Sharper-than-expected deterioration in asset quality
Food Products		
First Resources (FR SP)	<ul style="list-style-type: none"> Inexpensive valuations Organic growth driven by new landbank acquisitions (recent acquisition of Austindo Nusantara Jaya (ANJT IJ, NR) would add 25% to its current landbank) Expansion of downstream assets to benefit from the B40 biodiesel mandate 	<ul style="list-style-type: none"> Weather Geopolitical risks Policy risks
Healthcare		
Raffles Medical (RFMD SP)	<ul style="list-style-type: none"> Double-digit earnings growth during 2025F-2027F Healthcare revenue expected to exceed pre-pandemic levels Hospital revenue to be boosted by China Improvement in margins as its China operations move towards EBITDA breakeven Valuation is at a discount to regional peers 	<ul style="list-style-type: none"> Higher operating costs leading to margin pressure Delays in China hospital achieving EBITDA breakeven Elevated losses in the insurance business
Riverstone (RSTON SP)	<ul style="list-style-type: none"> Growth to be supported by industry-wide volume recovery trend post inventory-adjustment cycle Cleanroom segment is set to benefit from booming demand from artificial intelligence (AI) and data centre infrastructure. Above-industry margin profile and attractive dividend yield of c.5% 	<ul style="list-style-type: none"> Structurally weaker USD Lower-than-expected sales volume and ASPs

Source: Company data, RHB

Figure 51: Investment theses for our sector BUY ideas (ii)

Industrials		
Stock	Investment thesis	Investment risks
ISO Team (ISO SP)	<ul style="list-style-type: none"> Strong construction demand and contracts to be awarded at between SGD47bn and SGD53bn in 2025, as projected by the Building & Construction Authority (BCA) Riding on more government projects post the parliamentary election in 2025 Beneficiary of more government projects, including two new hawker centres, improvement of coffee shop toilets, facilities in housing estates, the Housing and Development Board's (HDB) Home Improvement Programme, as well as paint application in all HDB estates by 2030 Robust orderbook of SGD162m as at 30 Jun 2025 (FY24: SGD193.1m) 	<ul style="list-style-type: none"> Rise in raw material and labour costs
Marco Polo Marine (MPM SP)	<ul style="list-style-type: none"> Well-positioned in the construction ramp-up of offshore wind farms regionally Early mover in the building of commissioning service operation vessels (CSOV), which are currently in a shortage for offshore wind farm construction projects Growth is expected to be driven by a new dry dock and four new vessels including its CSOV in FY26. 	<ul style="list-style-type: none"> Unfavourable charter rates and fleet utilisation
ST Engineering (STE SP)	<ul style="list-style-type: none"> Our 2029 forecasts are more conservative than STE's guidance of an 8.6% revenue CAGR and up to a 13.6% profit CAGR for 2024-2029F Record-high orderbook that provides close to three years of revenue visibility Expect quarterly dividends to continue rising during the forecast period Growth in earnings driven by strong aviation MRO work, which will benefit the CA segment. Contributions from TransCore and the restructuring of the USS segment should boost growth Upside risks to our estimates include stronger international defence performance amid rising global budgets, and successful aviation asset management transition to a fund model. Additional upside may come from potential M&A 	<ul style="list-style-type: none"> Slower recovery in global aviation traffic and demand as well as weak margins for the CA segment Weaker-than-estimated contribution from the USS segment
Manufacturing & Tech.		
CSE Global (CSE SP)	<ul style="list-style-type: none"> Growth to be driven by the electrification and communications segments, as well as by M&A Robust orderbook of SGD573m, comprising 51% from the electrification segment (SGD292m), followed by automation (SGD175m) and communications (SGD106m) Growth is expected to be driven by both acquisitions and growing the orderbook organically with higher-return projects. Expect acquisitions to continue especially in the communications business in the US 	<ul style="list-style-type: none"> Cost overruns in existing projects Poor management of tenders and inability to anticipate project cost increases
Frencken Group (FRKN SP)	<ul style="list-style-type: none"> The semiconductor business' outlook remains positive, with longer-term growth supported by new business opportunities from improved and larger manufacturing facilities in Singapore and the US. Exposure to US market is minimal at only 10% Growth over the immediate term will be led by a semiconductor sector recovery. Revenue guidance for semiconductor, medical, and automotive segments to remain stable in 2H25 from 1H25, followed by lower sales for analytical life sciences, and higher sales outlook for its industrial automation segment. 	<ul style="list-style-type: none"> Later-than-expected demand recovery
Venture Corp (VMSSP)	<ul style="list-style-type: none"> We like VMS for its strong net cash balance sheet, consistent DPS payout, cash-generative business model and attractive dividend yield We see the lowering of US tariff rates for Malaysia from 25% to 19% as positive for the firm. Growth is driven by customer order ramp-up, new product introductions, leveraging on design capability, strong supply chain, and a focus on high-value solutions in markets outside of the US. The stock trades at 16x forward P/E, at the historical mean, dividend yield at c.5-6% 	<ul style="list-style-type: none"> Weaker or later-than-expected recovery in customer orders and demand

Source: Company data, RHB

Figure 52: Investment theses for our sector BUY ideas (iii)

Real Estate		
Stock	Investment thesis	Investment risks
Centurion Corp (CENT SP)	<ul style="list-style-type: none"> Successful listing of Centurion Accommodation REIT (CAREIT SP, NR) has unlocked further value for CENT's shareholders. Stock price now includes CAREIT priced at market value. CENT to focus more on higher-return property development projects and acquisitions with the cash received from CAREIT's spin-off. We believe CENT could venture its acquisitions and property development projects into new markets including the Middle East. Growth also rests on its remaining properties' performance, driven by capacity expansion, and better bed and occupancy rates. 	<ul style="list-style-type: none"> Poor occupancy of purpose-built student accommodation assets and bed rates
REITs		
AIMS APAC REIT (AAREIT SP)	<ul style="list-style-type: none"> High-quality industrial REIT portfolio with predominantly Singapore logistics assets and Australian assets on long leases Earnings recovery will be driven by strong double-digit rent growth (more than c.20%) for the logistics portfolio, coupled with steady occupancy increases There is good potential to enhance portfolio value from asset enhancements Attractive c.7% yield 	<ul style="list-style-type: none"> AUD FX risk Persistent inflationary pressures and delays in interest rate cuts Unanticipated shifts in supply chain from rising geopolitical tensions
CapitaLand International Commercial Trust (CICT SP)	<ul style="list-style-type: none"> The largest listed S-REIT proxy to the domestic market with a high-quality portfolio of mostly Singapore office and retail assets Beneficiary of improving domestic fund flows and falling SORA interest rates Healthy positive rent reversions are expected for its Singapore office and retail assets A strong and capable sponsor with good quality pipeline assets 	<ul style="list-style-type: none"> Sharp slowdown in Singapore economy Persistent inflation resulting in consumer demand cutbacks and weaker margins for retailers, resulting in weaker demand
CapitaLand Ascendas REIT (CLAR SP)	<ul style="list-style-type: none"> The largest industrial REIT with diversified exposure to business parks, logistics, and hi-tech industrial spaces Growing exposure to in-demand data centre and logistics segment Organic growth from asset redevelopment, higher occupancy rates, and rental improvement Backed by a strong and experienced sponsor 	<ul style="list-style-type: none"> Persistent inflationary pressures and delays in interest rate cuts Prolonged weakness in Singapore's business parks space
ESR REIT (EREIT SP)	<ul style="list-style-type: none"> A growing mid-cap industrial REIT with a focus on logistics assets in Singapore, Australia, and Japan. Active divestments over the last few years and redeploying capital into longer-lease assets and asset enhancements Trading at discount to book value and offering attractive yields. 	<ul style="list-style-type: none"> Shorter land leases on c.15% of its assets resulting in valuation losses; Increase in industrial land supply in Singapore Negative impact from Trump's tariff policies.
Fraser's Centrepoint (FCT SP)	<ul style="list-style-type: none"> A pure play on the resilient Singapore suburban retail sector with the largest overall market share Malls are well located with dominant positioning and in areas with a good catchment of population Experienced management and strong sponsor 	<ul style="list-style-type: none"> Inflationary cost pressures on retail tenants and shoppers Rising threat from omni-channel strategies by retailers, and food delivery platforms
Suntec REIT (SUN SP)	<ul style="list-style-type: none"> High-quality Grade-A office assets in Singapore, Australia, and the UK Positive rental reversion is set to continue for both office and retail portfolio, with low expiring rents and high occupancy levels to be maintained Key beneficiary of falling SORA and upside from tax savings in the UK. Trading at >30% discount to book value. 	<ul style="list-style-type: none"> FX risks and a resurgence in interest rates Unexpected sharp cutbacks in office demand from a slowdown in the economy.
Stoneweg European Stapled Trust (SERT SP)	<ul style="list-style-type: none"> A pan-European REIT with a good mix of logistics and prime office assets A strong and capable management team with proven leasing capabilities and an under-rented portfolio of assets Value-added strategies include data centre development fund, asset redevelopment and recycling assets to produce higher yields Beneficiary of expected sharp interest rate cuts by the European Central Bank 	<ul style="list-style-type: none"> Eurozone economy entering into a recession Escalations in the Russia-Ukraine war and its effects spilling over into the region
Starhill Global REIT (SGREIT SP)	<ul style="list-style-type: none"> Recovery across Singapore's Orchard Road retail assets post pandemic, with limited new supply and higher visitor arrivals A balanced mix of master leases and an actively managed portfolio Prudent on capital management, keeping gearing below 40% and refraining from acquisitions, and a high debt hedge (79%) Attractive valuations of c.0.8x P/BV and c.6% yield. 	<ul style="list-style-type: none"> Sharp decline in tourist spend and a cutback in discretionary spending Rising SGD and FX impact from overseas income

Source: Company data, RHB

Figure 53: Investment theses for our sector BUY ideas (iv)

Telecom		
Singtel (ST SP)	<ul style="list-style-type: none"> • Strong EBIT growth at Optus and NCS should drive double-digit FY26-27F earnings growth • Market re-pricing in Australia remains a strong tailwind alongside strong ARPU uplift in India • Cost-out programme is tracking in line with another SGD200m in indirect cost savings targeted for FY26F, primarily at Optus • Digital Infracore EBITDA set to double by 2008 from the expanded Nxera data centre capacity across the region • Upgraded mid-term capital recycling target of SGD9bn offers further dividend upside. SGD2bn share buyback programme (over three years) is EPS and DPS accretive • Strong balance sheet with SGD2bn cash recycled in FY25 and net debt/EBITDA of 1.5x 	<ul style="list-style-type: none"> • Competition across mobile markets • Weaker-than-expected earnings and dividends • SGD strength
Transport		
ComfortDelGro (CD SP)	<ul style="list-style-type: none"> • Mid-teen earnings CAGR during 2024-2027 • Above-market yield of over 6% • Continued improvement in UK public transport margins • Contributions from Australian bus tender wins • Contributions from the acquisition of A2B as well as Addison Lee • Expect to see contributions from an improving China taxi business 	<ul style="list-style-type: none"> • Lower-than-expected contributions from acquisitions • Weaker-than-estimated margins for overseas businesses

Source: Company data, RHB

Raise STI Target To 4,690Pts For End-2025

Singapore is becoming more attractive

Historically, returns on the STI have had a positive correlation with forecasts for Singapore's GDP growth (Figure 56). Singapore's annualised GDP growth has seen upgrades in the recent quarter. In August, the Ministry of Trade and Industry upgraded Singapore's GDP growth forecast for the year to 1.5-2.5%, following the better-than-expected performance of the country's economy in 1H25. The ministry previously had a forecast of 0-2% for the year. We recently upgraded our 2025 GDP growth estimate to 3.0% from 2.0%.

Using a top-down approach and a target P/E of 13.5x (from 12.5x) applied to revised 2026F EPS, we expect the STI to hit 4,690 pts (from 4,300 pts) by the end of 2025. The target P/E is in line with the forward P/E mean of 13.1x since Jan 2008.

Figure 54: STI's forward consensus P/E



Note: As at 16 Oct 2025
Source: Bloomberg

Figure 55: STI's forward consensus P/BV



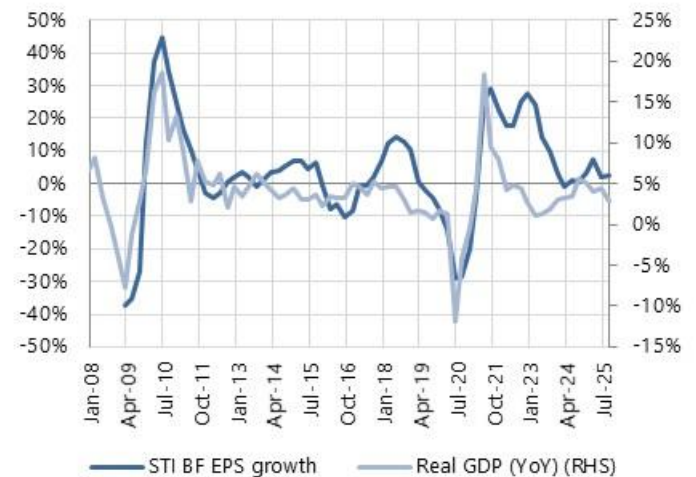
Note: As at 16 Oct 2025
Source: Bloomberg

Figure 56: There is a positive correlation between the STI's returns and GDP growth expectations



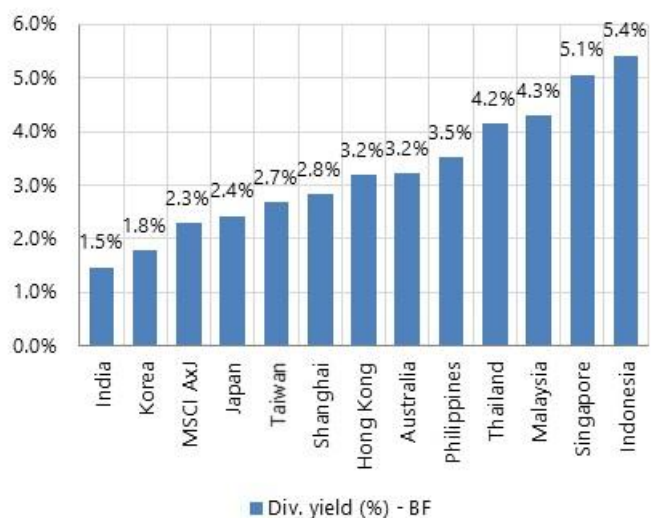
Note: Updated till Sep 2025
Source: Bloomberg, RHB

Figure 57: Amidst rapidly changing expectations on the interest rate outlook, the forecast EPS growth has lagged economic growth



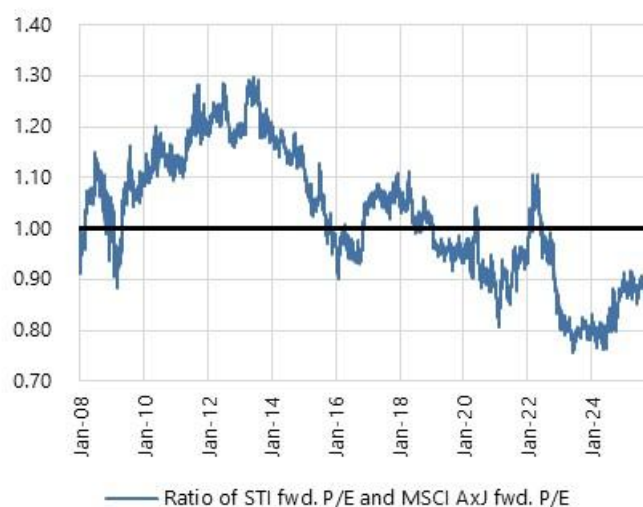
Note: Updated till Sep 2025
Source: Bloomberg, RHB

Figure 58: The STI is amongst the top-yielding markets in Asia



Note: As at 16 Oct 2025
Source: Bloomberg

Figure 59: Despite the stellar performances in 2024 and 2025, the STI's forward P/E is still trading at a discount vs Asia ex-Japan's forward P/E



Note: As at 25 Jul 2025
Source: Bloomberg

Figure 60: Valuation comparison for regional indices

	P/E (x)		Dividend yield (%)		P/BV (x)		ROE (%)	
	1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY
Developed Asia								
Australia	21.6	19.3	3.1	3.2	2.3	2.2	10.2	11.3
Hong Kong	12.6	11.2	3.0	3.2	1.3	1.2	10.3	10.8
Japan	17.2	15.5	2.4	2.5	1.5	1.5	8.6	9.3
South Korea	13.7	10.9	1.6	1.8	1.3	1.2	9.4	10.8
Singapore	14.1	13.4	5.0	5.1	1.5	1.4	10.5	10.5
Taiwan	21.2	17.6	2.4	2.8	3.2	2.9	15.2	16.5
Emerging Asia								
India	23.3	20.1	1.5	1.5	3.4	3.1	14.7	15.0
Indonesia	14.9	12.1	5.3	5.5	1.9	1.7	12.9	13.7
Malaysia	15.0	14.1	4.1	4.4	1.4	1.4	9.5	9.7
Philippines	9.9	9.0	3.4	3.5	1.2	1.1	12.6	12.6
Shanghai	15.4	13.9	2.7	2.9	1.5	1.4	9.6	9.9
Thailand	12.0	13.3	4.3	4.1	1.2	1.2	10.2	9.1
MSCI Asia Pacific ex-Japan	17.3	14.9	2.3	2.5	2.1	1.9	11.9	12.6

Note: As at 16 Oct 2025
Source: Bloomberg

Valuation Of Stocks Under RHB's Coverage

Figure 61: RHB's coverage universe (by sector) (i)

Company name	M Cap (USDm)	Rating	Target price	Upside/down. (%)	1FY year	P/E (x)		EPSG (%)		Div. Yld (%)		DPSG (%)	
						2025	2026	2025	2026	2025	2026	2025	2026
DFI Retail Group	4,738	Buy	4.05	15.8	Dec-25	19.0	17.3	23.4	9.9	3.0	3.4	0.0	14.3
Delfi Ltd	387	Buy	1.33	62.7	Dec-24	7.7	7.2	4.7	8.1	5.0	5.4	4.7	8.1
Food Empire	1,007	Buy	2.95	23.5	Dec-25	17.7	14.9	8.5	19.0	3.6	4.1	46.5	14.1
Japan Foods	23	Neutral	0.26	54.8	Mar-25	9.5	6.6	116.9	43.8	3.3	5.3	-21.1	60.7
Sheng Siong	2,657	Buy	2.41	5.0	Dec-25	22.9	19.6	9.3	16.9	3.1	3.6	9.3	16.9
Thai Beverage	9,598	Buy	0.65	30.5	Sep-25	10.7	10.4	6.0	2.4	5.4	5.5	6.0	2.4
Consumer	18,408					14.9	13.7	11.2	7.5	4.3	4.6	7.1	8.4
DBS Group	117,282	Buy	57.10	6.6	Dec-25	14.2	13.7	-5.8	3.4	5.7	5.0	37.7	-11.8
OCBC	58,366	Neutral	17.50	3.9	Dec-25	10.5	10.2	-5.7	3.3	5.7	5.2	-5.4	-8.9
Singapore Exchange	14,365	Neutral	17.40	0.1	Jun-26	28.3	25.2	14.6	12.2	2.4	2.9	15.8	19.9
UOB	44,436	Neutral	38.80	11.5	Dec-25	10.4	9.8	-10.1	6.3	5.5	5.1	-5.9	-7.8
Financials	234,450					13.4	12.8	-5.4	4.5	5.5	5.0	17.4	-8.4
Bumitama Agri	1,927	Neutral	1.10	-23.6	Dec-25	12.4	12.3	20.9	0.7	4.8	4.8	11.7	0.9
First Resources	2,259	Buy	2.10	11.4	Dec-25	7.9	8.3	27.7	-5.1	4.9	4.6	23.6	-5.1
Golden Agri	2,691	Neutral	0.28	1.8	Dec-25	8.1	8.7	20.8	-7.0	1.9	1.8	-14.0	-7.0
Wilmar	14,690	Sell	2.50	-18.0	Dec-25	13.0	12.1	-3.1	7.9	3.0	3.4	-22.7	10.9
Food Products	21,567					11.8	11.3	5.2	4.1	3.2	3.4	-13.7	6.1
Raffles Medical	1,426	Neutral	1.10	10.0	Dec-25	28.4	24.9	12.6	13.9	2.4	2.5	4.1	5.3
Riverstone	1,001	Buy	0.85	-2.7	Dec-25	17.8	17.1	-17.7	3.9	4.5	4.7	-47.9	3.9
Healthcare	2,426					24.0	21.7	0.1	9.8	3.3	3.4	-17.4	4.7
HRnet Group	563	Buy	0.85	14.4	Dec-25	14.8	12.9	8.3	15.0	5.5	5.5	3.1	0.0
ISOTeam	51	Neutral	0.08	-6.2	Jun-26	12.0	7.4	51.1	61.4	2.3	4.0	137.0	76.1
Marco Polo Marine	304	Buy	0.10	-4.5	Sep-25	14.9	12.1	17.0	23.1	1.0	1.0	-0.1	0.0
ST Engineering	20,640	Buy	9.10	6.0	Dec-25	32.1	27.9	18.7	15.0	2.0	2.2	5.3	11.8
Industrials	21,558					31.3	27.2	18.5	15.2	2.0	2.3	5.5	11.4
CSE Global	455	Buy	0.86	5.5	Dec-25	16.5	15.1	-4.4	9.4	3.0	3.3	2.7	9.4
Frencken Group	531	Buy	1.68	4.1	Dec-25	16.0	14.6	15.8	9.2	1.6	1.9	14.5	15.7
Venture Corp	3,330	Buy	14.95	-0.3	Dec-25	18.4	17.1	-3.2	7.5	5.4	5.0	7.2	-6.7
Mfg. & Tech.	4,315					17.9	16.6	-1.0	7.9	4.7	4.4	7.6	-2.2
APAC Realty	279	Neutral	0.80	11.1	Dec-25	13.0	13.2	172.6	-1.6	6.2	5.7	108.5	-6.7
Centurion Corp	947	Buy	1.85	26.7	Dec-25	10.3	15.2	7.3	-32.1	2.7	2.7	33.3	0.0
City Developments	5,149	Neutral	4.90	-34.5	Dec-25	23.0	22.0	46.2	4.9	1.6	2.0	20.0	25.0
Real estate	6,376					20.7	20.6	46.0	-0.9	2.0	2.3	25.9	19.9
AIMS APAC REIT	870	Buy	1.52	10.0	Mar-26	9.9	8.6	100.5	15.4	7.1	7.3	3.3	3.3
CDL Hospitality	807	Neutral	0.88	6.3	Dec-25	83.6	51.8	-3.8	61.5	5.5	6.2	-14.1	12.5
CICT	14,147	Buy	2.44	1.2	Dec-25	17.9	18.0	0.9	-0.7	4.7	5.0	4.5	5.5
CapitaLand Ascendas REIT	10,241	Buy	3.20	11.2	Dec-25	16.6	15.7	3.4	6.2	5.3	5.5	-0.3	4.5
Elite UK REIT	286	Buy	0.37	4.2	Dec-25	9.1	7.6	3.4	19.7	8.6	9.0	6.2	3.9
ESR REIT	1,780	Buy	3.15	9.8	Dec-25	31.9	11.4	na	180.4	7.6	7.7	2.6	1.9
Frasers Centrepoint	3,805	Buy	2.70	10.9	Sep-25	21.5	18.3	-1.9	17.7	5.1	5.2	2.4	2.1
IREIT Global	301	Buy	0.35	20.3	Dec-25	9.5	5.9	215.4	61.0	7.1	6.8	-28.2	-4.5
Keppel Pacific Oak	240	Neutral	0.22	-3.5	Dec-25	7.7	4.0	na	93.1	na	3.3	na	na
Keppel REIT	3,183	Neutral	1.05	2.0	Dec-25	18.2	16.8	65.1	7.9	5.2	5.4	-3.1	2.4
Manulife US REIT	135	Neutral	0.07	-12.3	Dec-25	na	3.2	na	na	na	2.4	na	na
Prime US REIT	286	Buy	0.23	15.6	Dec-25	12.6	6.0	155.9	112.0	1.2	6.6	-17.6	448.3
Stoneweg European Stapled Trust	995	Buy	1.90	24.0	Dec-25	10.0	9.8	130.6	2.3	8.6	8.9	-6.4	2.8
Starhill Global REIT	1,044	Buy	0.60	2.9	Jun-26	11.8	11.8	22.9	0.0	6.3	6.4	0.8	0.3
Suntec REIT	3,110	Buy	1.60	16.9	Dec-25	14.4	12.8	104.4	13.2	4.8	5.0	6.7	4.0
REIT	41,229					18.8	16.4	23.6	15.9	5.3	5.6	1.4	7.4
SingTel	55,166	Buy	4.90	13.2	Mar-26	25.9	21.9	13.4	18.3	4.4	4.6	14.2	5.3
StarHub	1,541	Neutral	1.06	-8.6	Dec-25	19.2	16.3	-25.3	18.1	6.0	7.8	12.9	28.6
Telecom	56,707					25.7	21.7	12.4	18.3	4.4	4.7	14.1	5.9
ComfortDelGro	2,474	Buy	1.75	18.2	Dec-25	13.0	11.1	16.9	17.8	5.8	6.3	9.6	9.9
Transport	2,474					13.0	11.1	16.9	17.8	5.8	6.3	9.6	9.9

Note: Prices are as at 27 Oct 2025

Source: Company data, RHB

29 October 2025

Market Outlook | Market Strategy

Figure 62: RHB's coverage universe (by sector) (ii)

Company name	M Cap (USDm)	Rating	Target price	Upside/down. (%)	1FY year	P/BV (x)		ROE (%)		ND/E (x)		Returns		
						2025	2026	2025	2026	2025	2026	3M	6M	YTD
DFI Retail Group	4,738	Buy	4.05	15.8	Dec-25	8.3	6.8	21.9	43.3	1.0	0.6	-1.1	44.0	51.5
Delfi Ltd	387	Buy	1.33	62.7	Dec-24	1.2	1.1	16.6	16.5	-0.2	-0.2	-8.9	14.7	5.1
Food Empire	1,007	Buy	2.95	23.5	Dec-25	3.0	2.8	11.3	19.5	-0.3	-0.2	-2.4	53.2	141.4
Japan Foods	23	Neutral	0.26	54.8	Mar-25	0.9	0.8	9.7	13.0	-0.5	-0.5	-11.6	-35.4	-48.3
Sheng Siong	2,657	Buy	2.41	5.0	Dec-25	5.8	5.3	26.7	28.3	-0.7	-0.8	7.0	30.1	39.6
Thai Beverage	9,598	Buy	0.65	30.5	Sep-25	1.9	1.7	18.4	17.4	1.0	0.9	4.2	-2.9	-9.2
Consumer	18,408					4.2	3.6	20.1	25.7	0.7	0.5	2.6	17.3	22.0
DBS Group	117,282	Buy	57.10	6.6	Dec-25	2.1	2.0	15.3	15.2	na	na	9.2	26.5	22.5
OCBC	58,366	Neutral	17.50	3.9	Dec-25	1.2	1.2	11.8	11.6	na	na	-1.9	6.0	1.0
Singapore Exchange	14,365	Neutral	17.40	0.1	Jun-26	8.1	7.4	29.2	29.3	-0.4	-0.4	9.6	21.1	36.5
UOB	44,436	Neutral	38.80	11.5	Dec-25	1.1	1.1	11.1	11.2	na	na	-6.4	-2.6	-4.2
Financials	234,450					2.1	2.0	14.5	14.4	-0.4	-0.4	3.5	15.5	12.9
Bumitama Agri	1,927	Neutral	1.10	-23.6	Dec-25	2.1	2.0	17.5	16.5	0.1	0.0	71.4	76.7	64.6
First Resources	2,259	Buy	2.10	11.4	Dec-25	1.5	1.4	20.0	17.3	0.0	-0.1	18.9	25.2	26.8
Golden Agri	2,691	Neutral	0.28	1.8	Dec-25	0.5	0.5	20.8	19.3	0.3	0.2	5.8	14.6	3.8
Wilmar	14,690	Sell	2.50	-18.0	Dec-25	0.7	0.7	5.6	5.9	1.2	1.2	1.3	-2.6	-1.6
Food Products	21,567					0.9	0.9	10.1	9.7	0.9	0.8	10.0	9.6	8.0
Raffles Medical	1,426	Neutral	1.10	10.0	Dec-25	1.8	1.8	6.5	7.2	-0.2	-0.3	-4.8	1.0	17.6
Riverstone	1,001	Buy	0.85	-2.7	Dec-25	2.6	2.5	14.8	14.9	-0.4	-0.4	26.8	-1.1	-19.7
Healthcare	2,426					2.1	2.1	9.9	10.3	-0.3	-0.4	8.3	0.1	2.2
HRnet Group	563	Buy	0.85	14.4	Dec-25	1.9	1.8	13.3	14.3	-0.9	-0.9	5.7	8.0	9.6
ISOTeam	51	Neutral	0.08	-6.2	Jun-26	1.1	1.0	13.0	14.8	0.4	0.3	-14.4	13.7	40.7
Marco Polo Marine	304	Buy	0.10	-4.5	Sep-25	1.9	1.6	13.1	14.3	-0.1	-0.2	75.0	150.0	94.4
ST Engineering	20,640	Buy	9.10	6.0	Dec-25	8.4	7.5	36.7	28.1	1.5	1.2	-3.3	18.7	84.1
Industrials	21,558					8.1	7.3	35.7	27.6	1.4	1.1	-2.0	20.2	82.2
CSE Global	455	Buy	0.86	5.5	Dec-25	2.1	1.9	13.2	13.4	0.2	0.1	22.6	91.8	96.4
Frencken Group	531	Buy	1.68	4.1	Dec-25	1.5	1.4	9.6	9.7	-0.2	-0.3	-3.6	53.3	42.5
Venture Corp	3,330	Buy	14.95	-0.3	Dec-25	1.5	1.5	8.2	8.7	-0.5	-0.4	20.2	30.2	14.1
Mfg. & Tech.	4,315					1.6	1.5	8.9	9.3	-0.4	-0.4	17.5	39.5	26.2
APAC Realty	279	Neutral	0.80	11.1	Dec-25	1.6	1.5	12.2	11.5	-0.1	-0.1	51.6	116.2	124.3
Centurion Corp	947	Buy	1.85	26.7	Dec-25	1.0	1.0	9.9	6.4	0.0	0.0	-18.4	16.8	52.1
City Developments	5,149	Neutral	4.90	-34.5	Dec-25	0.7	0.7	3.2	3.3	1.0	1.1	17.1	49.7	46.2
Real estate	6,376					0.8	0.8	4.6	4.1	0.8	0.8	13.3	47.7	50.5
AIMS APAC REIT	870	Buy	1.52	10.0	Mar-26	1.1	1.1	11.1	12.8	0.6	0.7	0.7	11.3	10.4
CDL Hospitality	807	Neutral	0.88	6.3	Dec-25	0.6	0.6	0.7	1.1	0.8	0.8	-2.9	3.8	-4.1
CICT	14,147	Buy	2.44	1.2	Dec-25	1.1	1.1	6.2	6.2	0.6	0.6	9.0	12.6	24.9
CapitaLand Ascendas REIT	10,241	Buy	3.20	11.2	Dec-25	1.2	1.2	7.4	8.1	0.6	0.6	3.2	8.3	12.1
Elite UK REIT	286	Buy	0.37	4.2	Dec-25	0.9	0.8	9.0	10.7	0.7	0.7	1.4	22.4	20.3
ESR Reit	1,780	Buy	3.15	9.8	Dec-25	1.0	1.1	2.6	8.3	1.0	1.1	10.8	36.7	12.5
Frasers Centrepoint	3,805	Buy	2.70	10.9	Sep-25	1.0	1.1	4.9	5.9	0.5	0.5	10.5	8.0	15.2
IREIT Global	301	Buy	0.35	20.3	Dec-25	0.5	0.5	5.1	7.9	0.6	0.7	-3.3	26.1	1.8
Keppel Pacific Oak	240	Neutral	0.22	-3.5	Dec-25	0.3	0.3	4.3	7.8	0.8	0.7	2.2	17.3	12.2
Keppel REIT	3,183	Neutral	1.05	2.0	Dec-25	0.8	0.8	4.5	4.9	0.5	0.5	10.2	21.9	18.4
Manulife US REIT	135	Neutral	0.07	-12.3	Dec-25	0.4	0.3	-11.9	10.8	1.3	1.1	11.8	15.2	-14.6
Prime US REIT	286	Buy	0.23	15.6	Dec-25	0.4	0.3	2.8	5.8	0.9	0.8	5.9	47.4	16.4
Stoneweg European Stapled Trust	995	Buy	1.90	24.0	Dec-25	0.7	0.7	7.5	7.6	0.8	0.8	-1.9	5.5	-3.2
Starhill Global REIT	1,044	Buy	0.60	2.9	Jun-26	0.8	0.8	6.9	6.8	0.6	0.5	8.3	20.6	17.0
Suntec REIT	3,110	Buy	1.60	16.9	Dec-25	0.7	0.7	4.6	5.2	0.6	0.6	15.1	19.1	17.1
REIT	41,229					1.0	1.0	5.9	6.7	0.6	0.6	7.5	13.6	17.0
SingTel	55,166	Buy	4.90	13.2	Mar-26	2.8	2.7	11.0	12.6	0.4	0.4	5.9	15.2	40.6
StarHub	1,541	Neutral	1.06	-8.6	Dec-25	3.4	3.6	17.4	21.5	1.2	1.2	-5.7	-3.3	-4.1
Telecom	56,707					2.8	2.7	11.2	12.8	0.4	0.4	5.6	14.7	39.4
ComfortDelGro	2,474	Buy	1.75	18.2	Dec-25	1.2	1.1	9.2	10.4	0.2	0.1	-9.8	-3.9	0.0
Transport	2,474					1.2	1.1	9.2	10.4	0.2	0.1	-9.8	-3.9	0.0

Note: Prices are as at 27 Oct 2025

Source: Company data, RHB

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Buy:	Share price may exceed 10% over the next 12 months
Trading Buy:	Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain
Neutral:	Share price may fall within the range of +/- 10% over the next 12 months
Take Profit:	Target price has been attained. Look to accumulate at lower levels
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Not Rated:	Stock is not within regular research coverage

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