

5 January 2023

Market Outlook | Market Strategy

Singapore Equity Strategy

Positives From GDP Surprise, China Reopening

- **Singapore's defensive earnings growth, low valuations and benefits from the reopening of China's borders should continue to attract investors.** The Straits Times Index (STI) should deliver double-digit EPS growth, thanks to strong growth from the banks. While the STI's low P/E could be reflecting investor concerns about the sustainability of EPS growth amidst a potential recession, it is not the base case. The positive effects of higher tourist flows from China's reopening on the tourism, services, and retail sectors should offset some effects of the global slowdown on the Singapore economy. We maintain that Singapore equities will end higher this year, even as global recession risk and central banks' policies keep markets volatile in the short term.
- **Positive surprise from 4Q22 GDP data, we are bullish on growth in 2023.** According to official advance estimates, Singapore's 4Q22 GDP expanded 2.2% YoY which – although in line with our forecast – was higher than the consensus estimate of 2.1% YoY. Singapore's full-year GDP grew by 3.8% YoY in 2022, slightly outpacing our +3.7% YoY estimate, given 3Q22's GDP revision to 4.2% YoY (from 4.1% YoY). We have kept our 2023 GDP growth forecast at 3.0% YoY as we expect growth to decelerate into 1H23 before stabilising in 2H23. Our 2023 GDP growth forecast is more bullish than consensus (1.8% growth in 2023) and the Government's forecasts of 0.5-2.5% growth.
- **China's rapid reopening could create near-term risks.** China's rapid exit from its zero-COVID policy could lead to weaker growth momentum in the near term. The surge in COVID-19 infections could cause temporary labour shortages and increased supply chain disruptions. At the same time, if Chinese consumers rapidly increase consumption of goods and services, it could lead to significantly high global inflation – which would push global commodity prices higher. Therefore, we believe investors should continue to maintain a defensive portfolio in the near term.
- **Nevertheless, China's reopening is a long-term positive for Singapore.** The potential beneficiaries of the reopening of China would be players that are either beneficiaries of China's domestic reopening, as well as companies that will gain from the return of business once China relaxes border restrictions. China accounted for 18% of Singapore's non-oil domestic exports (NODX) and 19% of tourist arrivals before the pandemic. As such, its reopening should boost exports and tourism here.
- **Investment themes for the early part of 2023 include:** i) Buying banking stocks as a proxy to elevated interest rates and defensive earnings growth characteristics; ii) buying shares of firms with resilient and defensive earnings and dividends; iii) selective exposure to China's economic reopening; and v) buying industrial REITs.

Stocks Covered 38
Rating (Buy/Neutral/Sell): 30 / 8 / 0
Last 12m Earnings Revision Trend: Positive

Top Picks

Target Price

OVERWEIGHT Consumer, Financials, Healthcare, Industrials, S-REITs (Industrials), Transport
NEUTRAL Food Products (Plantations), Real Estate, S-REITs (Other sub sectors),

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Sector Top Picks

Sector	Most preferred
Consumer	SSG, THBEV
Financials	DBS, OCBC
Food products	WIL, GGR
Healthcare	RFMD
Industrials	STE
Real estate	CIT
REIT	AAREIT, CLAR, EREIT
Telecom & media	ST
Transport	CD

Source: RHB

Company Name	Rating	Target (SGD)	% Upside (Downside)	P/E (x) Dec-23F	P/B (x) Dec-23F	ROAE (%) Dec-23F	Yield (%) Dec-23F
CapLand Ascendas REIT	Buy	3.15	14.5	19.6	1.2	5.9	6.0
DBS	Buy	41.10	20.8	8.7	1.4	16.3	4.8
ESR-LOGOS REIT	Buy	0.46	24.1	11.6	1.0	8.8	7.6
OCBC Bank	Buy	15.00	22.1	7.7	0.9	12.6	5.4
Raffles Medical	Buy	1.65	17.9	27.3	2.6	9.6	2.2
Sheng Siong	Buy	1.78	8.5	17.0	5.0	31.1	4.1
Singtel	Buy	3.30	30.4	15.5	1.4	9.0	4.8
ST Engineering	Buy	4.15	23.1	17.0	4.0	24.2	3.7
Thai Beverage	Buy	0.91	34.1	13.4	1.9	14.9	3.9

Source: Company data, RHB

Equity Strategy

Banks – earnings growth and defensive characteristics

We estimate the banking sector's ROE to improve to 14.2% in FY23F from 12.3% in FY22F, on a healthy 21% YoY growth in net profit. Although deposit competition has intensified and loan growth is expected to moderate, tailwinds from hikes in the Federal Funds Rate (FFR) in 2H22 and 1H23 should lift NII further in the coming year. Although loan portfolios are well-seasoned over the past two years, we have conservatively pencilled in a higher credit cost of 19bps for FY23F (FY22F: 14bps) given the rapid rise in interest rates. Non-II is expected to rise by a healthy 8%, led mainly by higher core fee income from loans and trade flows as well as a recovery in demand for wealth products. With CET-1 ratios at 13-14%, banks are well-positioned to weather the external headwinds. We expect a YoY rise in dividends. DBS and OCBC are our Top Picks, while our recommendation for SG Banks is OVERWEIGHT. DBS and OCBC are still trading at modest valuation levels, and are well supported by their respective 2023F dividend yields of 4.8% and 5.3%.

Figure 1: Singapore – riding the rising interest rate cycle (I)

Company name	M Cap		TP	Upside/downside (%)	1FY year	P/E (x)		P/BV (x)		Div Yield (%)		FCF Yield (%)		ROE (%)	
	(USDm)	Rating				1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY
DBS	65,374	Buy	41.10	20.8	Dec-22	10.8	8.7	1.5	1.4	4.3	4.8	na	na	14.0	16.3
OCBC	41,247	Buy	15.00	22.1	Dec-22	9.2	7.7	1.0	0.9	4.7	5.4	na	na	11.1	12.6

Note: Prices are as at 4 Jan 2023.

Source: Bloomberg, RHB

Figure 2: Singapore – riding the rising interest rate cycle (II)

Company name	M Cap		TP	Upside/downside (%)	1FY year	EPS Growth (%)		DPS Growth (%)		Net margin (%)		Net debt/Equity (x)		Returns (%)	
	(USDm)	Rating				1FY	2FY	1FY	1FY	1FY	2FY	1FY	2FY	1M	YTD
DBS	65,374	Buy	41.10	20.8	Dec-22	18.6	24.1	22.5	10.2	na	na	na	na	-1.3	0.3
OCBC	41,247	Buy	15.00	22.1	Dec-22	23.3	19.7	9.2	13.8	na	na	na	na	0.7	0.9

Note: Prices are as at 4 Jan 2023.

Source: Bloomberg, RHB

Exposure to resilient and defensive sectors

In the near-to-medium term, greater global macroeconomic uncertainty promotes local idiosyncratic factors. Market, sector and company performances diverge as returns are driven by local financing costs and the relative resilience of profits. We believe investors should prioritise surviving through these uncertain times. Companies with strong financial sheets, pricing power, captive customer bases, recurrent demand, and the capacity to pass through increasing costs should be key considerations when choosing stocks. We support a fundamentally defensive stance that emphasises investing in companies that have sturdy earnings or dividend profiles. We believe the relative outperformance of defensive styles (quality and momentum) and sectors (staples, health care and utilities) will persist in early 2023. Our stock picks for this subject are City Developments, Sheng Siong, ST Engineering and Wilmar International.

Figure 3: Singapore – resilient earnings growth (I)

Company name	M Cap		TP	Upside/downside (%)	1FY year	P/E (x)		P/BV (x)		Div Yield (%)		FCF Yield (%)		ROE (%)	
	(USDm)	Rating				1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY
City Developments	5,397	Buy	9.75	22.4	Dec-22	18.4	15.7	0.8	0.8	2.3	2.5	na	10.7	4.6	5.3
Sheng Siong	1,841	Buy	1.78	8.5	Dec-22	17.5	17.0	5.5	5.0	4.0	4.1	6.5	6.5	33.1	31.1
ST Engineering	7,833	Buy	4.15	23.1	Dec-22	19.3	17.0	4.3	4.0	5.3	3.7	0.2	1.4	24.7	24.2
Wilmar International	19,063	Buy	5.40	32.0	Dec-22	8.8	8.8	0.9	0.9	3.0	3.1	na	13.9	10.6	10.0

Note: Prices are as at 4 Jan 2023.

Source: Bloomberg, RHB

Figure 4: Singapore – resilient earnings growth (II)

Company name	M Cap		TP	Upside/ downside (%)	1FY year	EPS Growth (%)		DPS Growth (%)		Net margin (%)		Net debt/Equity (x)		Returns (%)	
	(USDm)	Rating				1FY	2FY	1FY	1FY	1FY	2FY	1FY	2FY	1M	YTD
City Developments	5,397	Buy	9.75	22.4	Dec-22	302.3	17.2	50.0	11.1	12.1	12.8	1.1	1.1	-4.0	-3.2
Sheng Siong	1,841	Buy	1.78	8.5	Dec-22	5.8	3.4	5.8	3.4	9.7	9.6	-0.5	-0.6	0.0	-0.6
ST Engineering	7,833	Buy	4.15	23.1	Dec-22	-4.5	13.5	19.1	-30.1	6.2	6.7	2.3	2.3	-2.0	0.6
Wilmar	19,063	Buy	5.40	32.0	Dec-22	18.3	0.3	7.9	1.1	2.9	3.2	1.1	1.0	-0.7	-1.9

Note: Prices are as at 4 Jan 2023.

Source: Bloomberg, RHB

Exposure to economic reopening of China

With China announcing a relaxation of its zero-COVID policy from 8 Jan 2023, the only uncertainty would be over the pace of its re-opening and how smooth this process will be. With Chinese tourists accounting for approximately 19% of all tourist arrivals in Singapore before the pandemic (ie in 2019), the positive effects of increased tourist flows on the tourism, services, and retail sectors are likely to offset some of the effects of the global slowdown on Singapore's economy. Furthermore, the impact of a full reopening in China, possibly in 2H23F, could propel Singapore's economy even further towards the end of next year.

The potential beneficiaries of the China reopening may be beneficiaries of China's domestic reopening and/or companies that will gain from the return of business once China relaxes border restrictions. Within our coverage universe, we see Dairy Farm as one of the key beneficiaries of China's domestic reopening, while CDL Hospitality, ComfortDelGro, Raffles Medical, Singtel and Thai Beverage should benefit from the return of Chinese tourists.

Figure 5: Singapore – China/regional economic reopening/recovery plays (I)

Company name	M Cap		TP	Upside/ downside (%)	1FY year	P/E (x)		P/BV (x)		Div Yield (%)		FCF Yield (%)		ROE (%)	
	(USDm)	Rating				1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY
CDL Hospitality	1,155	Neutral	1.15	-7.9	Dec-22	19.0	19.5	0.9	0.9	4.8	5.5	6.2	7.2	4.9	4.7
ComfortDelGro	2,006	Buy	1.80	45.2	Dec-22	13.8	12.6	1.0	0.9	4.1	4.0	17.4	9.5	7.1	7.6
Dairy Farm	3,979	Neutral	2.71	-7.9	Dec-22	80.4	19.5	3.3	3.0	1.0	4.1	0.8	6.6	4.0	16.3
Raffles Medical	1,939	Buy	1.65	17.9	Dec-22	22.5	27.3	2.7	2.6	1.9	2.2	3.4	5.9	12.0	9.6
SingTel	31,177	Buy	3.30	30.4	Mar-23	17.7	14.8	1.4	1.4	4.9	4.9	10.0	12.3	8.0	9.3
Thai Beverage	12,661	Buy	0.91	34.1	Sep-23	13.5	12.7	1.9	1.8	3.9	4.1	7.4	8.1	14.9	14.7

Note: Prices are as at 4 Jan 2023.

Source: Bloomberg, RHB

Figure 6: Singapore – China/regional economic reopening/recovery plays (II)

Company name	M Cap		TP	Upside/ downside (%)	1FY year	EPS Growth (%)		DPS Growth (%)		Net margin (%)		Net debt/Equity (x)		Returns (%)	
	(USDm)	Rating				1FY	2FY	1FY	1FY	1FY	2FY	1FY	2FY	1M	YTD
CDL Hospitality	1,155	Neutral	1.15	-7.9	Dec-22	17.4	-2.4	39.8	15.3	40.2	33.8	0.7	0.7	4.2	0.0
ComfortDelGro	2,006	Buy	1.80	45.2	Dec-22	25.9	9.2	21.4	-3.7	5.1	5.4	-0.3	-0.4	0.0	0.8
Dairy Farm	3,979	Neutral	2.71	-7.9	Dec-22	-51.9	312.9	-72.7	300.0	0.5	2.2	0.8	0.7	16.2	0.3
Raffles Medical	1,939	Buy	1.65	17.9	Dec-22	63.0	-17.8	34.5	14.3	15.1	12.4	-0.1	-0.2	0.7	0.0
SingTel	31,177	Buy	3.30	30.4	Mar-23	18.6	19.2	29.0	0.0	14.2	16.4	0.4	0.4	-5.9	-1.6
Thai Beverage	12,661	Buy	0.91	34.1	Sep-23	6.1	6.2	6.1	6.2	10.6	10.9	0.6	0.5	5.5	-1.5

Note: Prices are as at 4 Jan 2023.

Source: Bloomberg, RHB

REITs could benefit from the pausing of the rising interest rate cycle

We believe that we are coming to an end of the interest rate upcycle. Our bullish expectations of GDP growth and a strong rebound in economic activity, especially in 2H23, compel us to think that investors should revisit the Singapore REITs (S-REITs) sector, which delivered a dismal performance in 2022. The clarity of our views on above-consensus economic growth in 2023 will be determined by how economic events unfold in the first half of the year.

5 January 2023

Market Outlook | Market Strategy

We estimate and aggregate DPS growth at 0.9% YoY for all REITs covered by us. However, we note that this growth will be uneven throughout the year, and also uneven across the sectors.

This should be reflected in the performance of the stocks. Defensive REITs, ie those that offer resilient DPS growth and have strong balance sheets, should deliver an outperformance in 1H23. In the meantime, REITs that will benefit from strong economic growth and the relaxation of China's zero-COVID policy should chalk an outperformance in 2H23.

Industrial demand remains strong, mitigating supply concerns. We expect industrial rental rates to continue rising, while occupancy rates are expected to remain relatively flattish. Among the sub-sectors, we like logistics, hi-tech, and good-quality business parks, as they continue to benefit from changing market dynamics brought about by COVID-19 and the Government's longer-term push to transform Singapore into a Smart Nation. Our preferred exposure in the S-REITs sector is AIMS APAC REIT, CapitaLand Ascendas REIT and ESR-LOGOS REIT. If our macroeconomic forecast pans out as expected, we believe there could be opportunities to rotate into hospitality and retail REITs in 2H23.

Figure 7: S-REIT picks (I)

Company name	M Cap		TP	Upside/ downside (%)	1FY year	P/E (x)		P/BV (x)		Div Yield (%)		FCF Yield (%)		ROE (%)	
	(USDm)	Rating				1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY
AIMS APAC REIT	670	Buy	1.48	18.1	Mar-23	9.8	10.0	0.9	0.9	7.5	7.6	11.4	11.8	9.0	8.6
CapitaLand Ascendas	8,632	Buy	3.15	14.5	Dec-22	15.1	19.6	1.2	1.2	5.9	6.0	9.7	10.0	7.7	5.9
ESR-LOGOS REIT	1,856	Buy	0.46	24.1	Dec-22	na	11.6	0.8	1.0	8.1	7.6	13.8	12.0	-14.1	8.8

Note: Prices are as at 4 Jan 2023.

Source: Bloomberg, RHB

Figure 8: S-REIT picks (II)

Company name	M Cap		TP	Upside/ downside (%)	1FY year	EPS Growth (%)		DPS Growth (%)		Net margin (%)		Net debt/Equity (x)		Returns (%)	
	(USDm)	Rating				1FY	2FY	1FY	1FY	1FY	2FY	1FY	2FY	1M	YTD
AIMS APAC REIT	670	Buy	1.48	18.1	Mar-23	-12.7	-2.5	-0.1	1.4	55.1	52.4	0.8	0.8	3.3	0.8
CapitaLand Ascendas	8,632	Buy	3.15	14.5	Dec-22	-21.1	-23.1	5.4	2.7	57.2	43.3	0.6	0.6	0.0	0.4
ESR-LOGOS REIT	1,856	Buy	0.46	24.1	Dec-22	-308.9	na	0.6	-6.6	-85.3	51.9	0.9	0.9	5.7	0.0

Note: Prices are as at 4 Jan 2023.

Source: Bloomberg, RHB

Sector Outlook, Rating & Preferred Picks

Figure 9: Sector outlook, rating and preferred picks

Sector	Rating	2023 sector outlook	Preferred picks
Consumer	O/W	Despite the deteriorating global economic backdrop, which may weigh on Singapore's external-facing sectors, we believe that further increases in air travel and international visitor arrivals in 2023 will benefit the aviation and tourism-related sectors such as retail and F&B. We expect consumer spending to remain resilient, as the sector's fundamentals are supported by positive economic growth (2023F GDP growth: 3.0%) and a stable employment market.	Thai Beverage, Sheng Siong
Financial Services	O/W	Sector ROE is projected to improve to 13.6% in FY23F from 12.0% in FY22F, on a healthy 20% YoY growth in net profit. Although deposit competition has intensified and loan growth is expected to moderate, tailwinds from hikes in the FFR in 2H22 and 1H23 should lift the NII higher in the coming year. Loan portfolios are well-seasoned over the past two years, but we have conservatively pencilled in a higher credit cost of 19bps for FY23F (FY22F: 14bps), given the rapid rise in interest rates. Non-II is expected to rise by a healthy 8%, led mainly by higher core fee income from loans and trade flows as well as a recovery in demand for wealth products. With CET-1 ratios at 13-14%, banks are well-positioned to weather the external headwinds. We expect a YoY rise in dividends.	DBS, OCBC
Food Products (Plantations)	N	CPO prices seem rangebound now, within the MYR3,500-4,500 per tonne range. With YTD prices at MYR5,218 per tonne, we expect average prices for 2022 to come in close to our MYR5,100 per tonne assumption. CPO prices are expected to remain in a similar price range in 2023. While upside risks for CPO prices have moderated in the last few weeks, there are still supportive factors for the commodity, which should keep prices relatively stable. These include weather uncertainties, especially with the ongoing <i>La Nina</i> , availability of fertiliser from Russia, which could impact oilseed crop supply, growing demand due to discounted CPO prices compared to those of soybean oil, and potential increases in Indonesia's biodiesel mandate. We prefer the integrated players, which would be able to withstand a lower CPO price environment better than the purer planters.	Wilmar, Golden Agri
Healthcare	OW	We anticipate that Singapore's healthcare service providers will profit from the resurgence of elective treatments and pent-up demand from medical tourism. We think that because healthcare is a necessary service, it will be able to absorb most of the cost inflation. Given the modest gearing levels, we do not anticipate a significant impact from an increase in interest rates. Healthcare service providers like Raffles Medical that have a presence in South-East Asia and China will benefit from the economic reopening of China.	Raffles Medical
Real estate	N	Singapore's residential sector is expected to remain relatively resilient in 2023, despite sharply rising interest rates and decelerating economic growth, as limited unsold inventory, low developer margins, and resilient rental market conditions remain supportive. Overall, we expect transaction volumes to ease on the back of a growing mismatch in pricing expectations between buyers and sellers. Primary private transaction volumes are expected to decline by c.10% while secondary market transaction volumes (private resale and Housing Development Board (HDB) resale) are expected to decline by c.20%. We expect overall property prices to remain relatively flat at -2% to +2%. Key factors underpinning a resilient property market are: i) A resilient rental market, ii) limited inventory levels and supply, and iii) Singapore's stature as a regional and global financial hub. Key risks include prolonged recessionary risks resulting in sharp job losses, a continued sharp spike in interest rates, and further cooling measures.	City Developments
Hospitality REITs	N	The hospitality REITs' near-term outlook remains positive, but concerns are mounting over the medium term due to a sharp economic slowdown and the sustainability of pent-up demand. However, valuations, in our view, have priced in most of the positives (trading close to book value), and with a dim macroeconomic outlook, we see limited upside. With increasing inflationary pressures and recessionary risk, we believe there is a possibility of some of the hospitality demand slowing down after the initial surge from the lockdown. As such, hospitality stocks are likely to be more rangebound in the near term, with risks tilted towards the downside.	CDL Hospitality Trusts
Industrial REITs	O/W	Industrial demand remains strong, mitigating supply concerns. We expect industrial rental rates to continue to rise, while occupancy is expected to remain relatively flat. Among the sub-sectors, we like logistics, hi-tech, and good-quality business parks, as these sectors continue to benefit from changing market dynamics brought about by COVID-19 and the Government's longer-term push to transform Singapore into a Smart Nation.	CapitaLand Ascendas REIT, ESR-LOGOS REIT

Source: Company data, RHB

Figure 10: Sector outlook, rating and preferred picks (continued)

Sector	Rating	2023 sector outlook	Preferred picks
Office REITs	O/W	We expect overall office rental rates to continue to rise, albeit, at a much slower pace of up to 2% in 2023, with some volatility expected in market occupancy amid ongoing tech sector layoffs. Limited supply in the office sector remains supportive despite mounting recession concerns. Despite a relatively favourable outlook and external factors supporting Singapore's office market, office S-REIT stocks have been trading at a discount to book value – a sharp contrast to transactions in the market. We believe this is mainly due to investor concerns about the impact arising from interest rates and uncertainty over the long-term office demand outlook from work-from-home (WFH) trends. We remain relatively positive on the long-term outlook for office demand.	Suntec REIT, Keppel REIT
Overseas REITs	O/W	Following a sharp correction in US office REIT share prices, these REITs now trade at attractive valuations of more than 30% below book value, with forward dividend yields averaging 12%. This, in our view, has priced in most of the current market uncertainty. More employees are also expected to return to their offices amid looming layoff concerns and easing COVID-19 fears. Our base case at this juncture is that the US economy is unlikely to tip into a severe recession, and interest rate hikes are nearing the peak of the cycle. Based on the above view, we believe US REITs listed on the SGX are nearing the bottom of the current market cycle.	Prime US REIT, Keppel Pacific Oak US REIT
Retail REITs	N	For 2023, we expect landlords to remain focused on maintaining high occupancy rates in the shopping malls while remaining flexible on rental structures. The sector continues to be weighed down by rising inflation pressures, manpower constraints, and higher GST charges, which will kick in starting next year. However, the return of tourists and limited supply are expected to mitigate some of these demand pressures. Overall, we expect the island-wide vacancy rate to slightly widen by 1ppt to c.10% in 2023. In terms of retail rental, we expect overall rates to be relatively flat at -3% to +1%. We continue to maintain our NEUTRAL view and expect retail REITs to be largely rangebound.	Frasers Centrepoint Trust, Starhill Global REIT
Telecom	N	The telecom industry's mobile revenue is poised for a further recovery in 2023, with roaming revenue fast approaching pre-pandemic levels. We expect the tight competition within SIM-only plans to continue, with telcos attempting to better monetise 5G on standalone (SA) networks where coverage has surpassed 90% of the population (the Big-3 mobile network operators). Both Singtel and StarHub are aggressively expanding their respective enterprise businesses, capitalising on the slew of M&As executed. There could be medium-term earnings weakness from adding more headcount to shore up capabilities and expertise. We do not rule out additional asset monetisation and/or capital recycling by telcos, with industry consolidation being a prominent theme.	Singtel
Transport & Industrials	O/W	With the re-opening in Singapore in full swing, we expect land transport operators like ComfortDelGro to benefit from the higher demand for its taxi services and higher traffic for its rail business. This should offset some impact of higher energy costs for its rail business. Net cash position for transport players is also a positive in the rising interest rate environment. ST Engineering's defensive growth should continue to attract investor interest. While its high gearing will be impacted by rising interest rates, we believe some of the impact should be mitigated by its strong cash flow generation ability.	ComfortDelGro, ST Engineering

Source: Company data, RHB

Figure 11: Summary of our sector weightings

Overweight	Neutral
Consumer	Food products (plantations)
Financials	Real estate
Healthcare	S-REITs (Other sub sectors)
Industrials	Telecom & Media
S-REITs (Industrials)	
Transport	

Source: RHB

Figure 12: Summary of preferred stocks across sectors

Sector	Most preferred
Consumer	SSG, THBEV
Financials	DBS, OCBC
Food products	WIL, GGR
Healthcare	RFMD
Industrials	STE
Real estate	CIT
REIT	AAREIT, CLAR, EREIT
Telecom & media	ST
Transport	CD

Source: RHB

Figure 13: Sector valuation comparison (I)

Sector name	Rating	P/E (x)		P/BV (x)		Dividend Yield (%)		FCF Yield (%)		ROE (%)	
		2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Consumer	OW	14.8	13.5	2.4	2.2	4.0	5.9	7.3	7.9	17.0	16.7
Financials	OW	9.1	8.4	1.4	1.3	4.9	5.4	4.1	5.3	14.8	15.0
Food Products	N	8.2	8.0	0.8	0.8	3.5	3.5	15.4	8.7	12.0	11.3
Healthcare	OW	27.3	26.3	2.6	2.4	2.2	1.8	5.9	4.9	9.6	9.5
Industrials	OW	16.5	14.2	3.8	3.5	3.8	4.8	2.0	10.0	23.8	25.5
Real estate	N	15.2	12.1	0.8	0.8	2.8	2.8	10.9	10.6	5.6	6.6
REIT	OW	15.1	15.1	0.9	0.9	6.6	6.7	8.8	8.8	6.2	6.2
Telecom & Media	N	15.4	13.9	1.4	1.4	4.8	4.9	13.0	14.2	9.5	10.2
Transport	OW	12.0	10.9	0.9	0.8	3.5	3.8	8.7	9.6	7.3	7.7

Note: Prices are as at 4 Jan 2023. Market cap weighted-averages for stocks under RHB's coverage
Source: Bloomberg, RHB

Figure 14: Sector valuation comparison (II) and returns

Sector name	Rating	EPS Growth (%)		DPS Growth (%)		Net margin (%)		Net debt/Equity (x)		Returns (%)	
		2023	2024	2023	2024	2023	2024	2023	2024	1M	YTD
Consumer	OW	70.0	9.4	67.1	35.7	8.9	9.0	0.4	0.4	7.0	-0.9
Financials	OW	20.2	8.2	12.2	11.5	38.4	39.0	-0.7	-0.7	-0.9	0.1
Food Products	N	-7.3	1.3	-6.6	2.1	5.4	5.2	0.8	0.7	-2.3	-1.7
Healthcare	OW	-17.8	4.0	14.3	-16.1	12.4	12.3	-0.2	-0.3	0.7	0.0
Industrials	OW	12.9	16.4	-27.7	24.8	7.0	7.7	2.1	1.8	-1.8	0.7
Real estate	N	16.0	24.5	10.1	0.0	13.3	14.8	1.0	1.0	-3.6	-2.9
REIT	OW	-2.5	0.3	0.6	1.2	59.8	58.7	0.6	0.6	-0.4	-0.7
Telecom & Media	N	18.9	11.1	5.4	0.4	15.4	16.5	0.4	0.4	-5.8	-1.5
Transport	OW	14.3	10.9	1.1	13.5	4.2	4.4	-0.4	-0.5	4.8	1.8

Note: Prices are as at 4 Jan 2023. Market cap weighted-averages for stocks under RHB's coverage
Source: Bloomberg, RHB

5 January 2023

Market Outlook | Market Strategy

Stock Picks

Figure 15: Singapore – valuation comparison (I) for large-cap picks

Company name	M Cap		TP	Upside/ downside (%)	1FY year	P/E (x)		P/BV (x)		Div Yield (%)		FCF Yield (%)		ROE (%)	
	(USDm)	Rating				1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY
CapitaLand Ascendas	8,632	Buy	3.15	14.5	Dec-22	15.1	19.6	1.2	1.2	5.9	6.0	9.7	10.0	7.7	5.9
DBS Group	65,374	Buy	41.10	20.8	Dec-22	10.8	8.7	1.5	1.4	4.3	4.8	na	na	14.0	16.3
OCBC	41,247	Buy	15.00	22.1	Dec-22	9.2	7.7	1.0	0.9	4.7	5.4	na	na	11.1	12.6
SingTel	31,177	Buy	3.30	30.4	Mar-23	17.7	14.8	1.4	1.4	4.9	4.9	10.0	12.3	8.0	9.3
ST Engineering	7,833	Buy	4.15	23.1	Dec-22	19.3	17.0	4.3	4.0	5.3	3.7	0.2	1.4	24.7	24.2
Thai Beverage	12,661	Buy	0.91	34.1	Sep-23	13.5	12.7	1.9	1.8	3.9	4.1	7.4	8.1	14.9	14.7

Note: Prices are as at 4 Jan 2023.

Source: Bloomberg, RHB

Figure 16: Singapore – valuation comparison (II) and returns for large-cap picks

Company name	M Cap		TP	Upside/ downside (%)	1FY year	EPS Growth (%)		DPS Growth (%)		Net margin (%)		Net debt/Equity (x)		Returns (%)	
	(USDm)	Rating				1FY	2FY	1FY	1FY	1FY	2FY	1FY	2FY	1M	YTD
CapitaLand Ascendas	8,632	Buy	3.15	14.5	Dec-22	-21.1	-23.1	5.4	2.7	57.2	43.3	0.6	0.6	0.0	0.4
DBS Group	65,374	Buy	41.10	20.8	Dec-22	18.6	24.1	22.5	10.2	na	na	na	na	-1.3	0.3
OCBC	41,247	Buy	15.00	22.1	Dec-22	23.3	19.7	9.2	13.8	na	na	na	na	0.7	0.9
SingTel	31,177	Buy	3.30	30.4	Mar-23	18.6	19.2	29.0	0.0	14.2	16.4	0.4	0.4	-5.9	-1.6
ST Engineering	7,833	Buy	4.15	23.1	Dec-22	-4.5	13.5	19.1	-30.1	6.2	6.7	2.3	2.3	-2.0	0.6
Thai Beverage	12,661	Buy	0.91	34.1	Sep-23	6.1	6.2	6.1	6.2	10.6	10.9	0.6	0.5	5.5	-1.5

Note: Prices are as at 4 Jan 2023.

Source: Bloomberg, RHB

Figure 17: Singapore – valuation comparison (I) for mid- to small-cap picks

Company name	M Cap		TP	Upside/ downside (%)	1FY year	P/E (x)		P/BV (x)		Div Yield (%)		FCF Yield (%)		ROE (%)	
	(USDm)	Rating				1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY
ESR-LOGOS REIT	1,856	Buy	0.46	24.1	Dec-22	na	11.6	0.8	1.0	8.1	7.6	13.8	12.0	-14.1	8.8
Raffles Medical	1,939	Buy	1.65	17.9	Dec-22	22.5	27.3	2.7	2.6	1.9	2.2	3.4	5.9	12.0	9.6
Sheng Siong	1,841	Buy	1.78	8.5	Dec-22	17.5	17.0	5.5	5.0	4.0	4.1	6.5	6.5	33.1	31.1

Note: Prices are as at 4 Jan 2023.

Source: Bloomberg, RHB

Figure 18: Singapore – valuation comparison (II) and returns for mid- to small-cap picks

Company name	M Cap		TP	Upside/ downside (%)	1FY year	EPS Growth (%)		DPS Growth (%)		Net margin (%)		Net debt/Equity (x)		Returns (%)	
	(USDm)	Rating				1FY	2FY	1FY	1FY	1FY	2FY	1FY	2FY	1M	YTD
ESR-LOGOS REIT	1,856	Buy	0.46	24.1	Dec-22	-308.9	na	0.6	-6.6	-85.3	51.9	0.9	0.9	5.7	0.0
Raffles Medical	1,939	Buy	1.65	17.9	Dec-22	63.0	-17.8	34.5	14.3	15.1	12.4	-0.1	-0.2	0.7	0.0
Sheng Siong	1,841	Buy	1.78	8.5	Dec-22	5.8	3.4	5.8	3.4	9.7	9.6	-0.5	-0.6	0.0	-0.6

Note: Prices are as at 4 Jan 2023.

Source: Bloomberg, RHB

Figure 19: Investment theses for our stock picks

Stock	Investment thesis
AIMS APAC REIT (AAREIT SP)	<ul style="list-style-type: none"> High-quality industrial portfolio, with a focus on logistics assets, which has been in demand amongst investors post COVID-19 Earnings recovery will be driven by acquisitions, improved occupancy rates and rental increases Untapped potential to enhance portfolio value from asset enhancements Potential medium-term M&A candidate
CapitaLand Ascendas (CLAR SP)	<ul style="list-style-type: none"> Largest industrial REIT with diversified exposure to business parks, logistics and hi-tech industrial spaces Organic growth from asset redevelopments, higher occupancy rates, and rental improvement Backed by a strong and experienced sponsor
City Developments (CIT SP)	<ul style="list-style-type: none"> Continued earnings recovery from the hospitality segment and healthy locked-in sales of its residential projects Potential to recycle investment assets and unlock value through divestments, private funds or REITs Trading at an attractive >50% discount to RNAV
ComfortDelGro (CD SP)	<ul style="list-style-type: none"> Sustained earnings recovery amid normalisation of Singapore rail and taxi businesses' operations Return of Chinese tourists could further boost Singapore's taxi and public transport ridership Valuation is compelling amid ongoing YoY earnings growth and strong improvements in ROE Risk of slower-than-estimated earnings from the UK if Europe and/or the UK enter into a recession
DBS Group (DBS SP)	<ul style="list-style-type: none"> Highest sensitivity to interest rate movements, with a 25bps hike boosting annual earnings by 5% Some macroeconomic headwinds for topline growth, but lower provisions would provide uplift to bottomline Earnings to grow a robust 24% in FY23F, supported by loan growth of 5%, stronger NIM, and a recovery in fee income Management guides for credit cost to normalise to 20bps, from 10-11bps in FY22F Its digital capabilities and new regional growth platforms support a richer valuation
ESR-LOGOS REIT (EREIT SP)	<ul style="list-style-type: none"> Asset recycling, redevelopments and acquisitions in new markets to generate value and investor interest High exposure to favourable industrial segments such as logistics and hi-tech industrials Strong and capable sponsor backing (ESR) and attractive valuation
Golden Agri (GGR SP)	<ul style="list-style-type: none"> Integrated plantation player which would be better off in a lower CPO price environment than pure planters Valuation looks attractive, trading at 5x 2023F P/E, at the low-end of its peer average of 5-9x Dividend yield of over 10% for 2022F and 6% for 2023F is an added attraction
OCBC (OCBC SP)	<ul style="list-style-type: none"> FY23F net profit to grow by a healthy topline growth, improved operating leverage and moderate decline in credit cost NIM, which jumped 23bps YoY for 9M22, would be a key earnings driver in 2023 Management guided for mid-teens credit cost in FY22F (FY21: 32bps) CET-1 ratio of 14.4% is above optimal levels of 12.5-13.5%, providing headroom for better dividend payouts in the future
Raffles Medical (RFMD SP)	<ul style="list-style-type: none"> Singapore hospital and healthcare operations reverting to normal will help offset decline in COVID-19 related revenue China, which accounts for c.7% of RFMD's revenue, should also see higher revenue beyond 2023 A net cash position should enable RFMD to look at inorganic growth opportunities RFMD's 2023F P/E and EV/EBITDA are below its peer average
Sheng Siong (SSG SP)	<ul style="list-style-type: none"> Defensive business model with the ability to preserve margins by passing on higher costs to consumers Growth to come from consumers seeking cheaper options amidst rising inflation and from normalisation of revenue spending Generates strong cash flow and has a net cash balance sheet
Singtel (ST SP)	<ul style="list-style-type: none"> The resumption of international travel should drive recovery in roaming revenue and sale of starter packs ARPU uplift to come from stronger 5G adoption Positive execution of strategic business reset (ie regionalisation of enterprise/B2B businesses & value unlocking of strategic infrastructure assets)
ST Engineering (STE SP)	<ul style="list-style-type: none"> Sustained recovery in earnings beyond 2022, driven by gradual improvement in commercial aerospace c.SGD23bn of orderbook provides over two years of revenue visibility Recent acquisition of Transcore, although has worsened its debt profile, expanded the earnings profile Defensive business model that will allow it to sustain DPS of at least 16 SG cents
Thai Beverage (THBEV SP)	<ul style="list-style-type: none"> Proxy to capture the robust consumption in Thailand and Vietnam Potential reopening of China and the ensuing resurgence in tourism should catalyse earnings prospects Margin recovery on price adjustment amidst cost pressure
Wilmar (WIL SP)	<ul style="list-style-type: none"> Integrated commodities player which would be better off in a lower commodity price environment than pure farmers Undervalued at 8x 2023F P/E. Its combined stake in Yihai-Kerry and Adani Wilmar is c.2x its own market capitalisation. ESG play, having the best ESG qualifications in the sector

Source: Company data, RHB

5 January 2023

Market Outlook | Market Strategy

Valuations Of Stocks Under RHB's Coverage Universe

Figure 20: RHB's coverage universe (by sector)

Company name	M Cap (USDm)	Rating	Target price	Upside/ downside (%)	1FY year	P/E (x)		P/BV (x)		Div. Yield (%)		FCF Yield (%)		ROE (%)	
						1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY
Dairy Farm	3,979	Neutral	2.71	-7.9	Dec-22	80.4	19.5	3.3	3.0	1.0	4.1	0.8	6.6	4.0	16.3
Food Empire	257	Buy	0.95	47.3	Dec-22	7.1	6.7	1.0	0.9	3.2	3.3	5.2	10.8	15.1	14.4
Japan Foods	56	Buy	0.60	39.5	Mar-23	19.4	15.7	2.3	2.2	5.5	5.2	2.0	5.0	11.9	14.5
Kimly Ltd	325	Buy	0.46	31.4	Sep-22	9.5	8.0	2.7	2.4	6.3	7.5	7.4	10.5	30.3	31.8
Sheng Siong	1,841	Buy	1.78	8.5	Dec-22	17.5	17.0	5.5	5.0	4.0	4.1	6.5	6.5	33.1	31.1
Thai Beverage	12,661	Buy	0.91	34.1	Sep-23	13.5	12.7	1.9	1.8	3.9	4.1	7.4	8.1	14.9	14.7
Consumer	19,119					27.7	14.4	2.6	2.4	3.3	4.1	5.9	7.7	14.7	16.9
DBS Group	65,374	Buy	41.10	20.8	Dec-22	10.8	8.7	1.5	1.4	4.3	4.8	na	na	14.0	16.3
OCBC	41,247	Buy	15.00	22.1	Dec-22	9.2	7.7	1.0	0.9	4.7	5.4	na	na	11.1	12.6
Singapore Exchange	7,022	Neutral	9.30	5.7	Jun-23	21.9	20.7	5.7	5.3	3.6	3.6	3.1	5.1	27.0	26.8
UOB	38,086	Buy	34.90	14.6	Dec-22	10.8	9.2	1.2	1.1	4.1	4.8	na	na	10.9	12.3
Financials	151,729					10.9	9.1	1.5	1.4	4.3	4.9	3.1	5.1	13.0	14.8
Bumitama Agri	757	Buy	0.80	36.6	Dec-22	3.1	5.3	0.9	0.8	13.3	8.0	30.3	15.0	33.6	16.9
First Resources	1,640	Neutral	1.75	25.2	Dec-22	4.8	6.4	1.2	1.1	7.7	5.8	23.1	16.1	26.6	18.0
Golden Agri	2,415	Buy	0.33	29.7	Dec-22	2.9	5.3	0.5	0.4	7.8	4.3	45.6	27.0	32.6	22.7
Wilmar	19,063	Buy	5.40	32.0	Dec-22	8.8	8.8	0.9	0.9	3.0	3.1	na	13.9	10.6	10.0
Food Products	23,876					7.8	8.2	0.9	0.8	4.2	3.5	35.5	15.4	14.7	12.0
Raffles Medical	1,939	Buy	1.65	17.9	Dec-22	22.5	27.3	2.7	2.6	1.9	2.2	3.4	5.9	12.0	9.6
Healthcare	1,939					22.5	27.3	2.7	2.6	1.9	2.2	3.4	5.9	12.0	9.6
HRnet Group	592	Buy	1.01	26.3	Dec-22	11.0	10.6	2.0	1.8	5.4	5.7	8.9	10.1	18.8	18.1
ST Engineering	7,833	Buy	4.15	23.1	Dec-22	19.3	17.0	4.3	4.0	5.3	3.7	0.2	1.4	24.7	24.2
Industrials	8,425					18.7	16.5	4.2	3.8	5.3	3.8	0.8	2.0	24.3	23.8
APAC Realty	154	Neutral	0.60	3.2	Dec-22	8.8	9.9	1.2	1.2	8.5	7.6	12.9	13.2	14.2	12.0
Centurion Corp	213	Buy	0.51	50.0	Dec-22	5.0	4.8	0.4	0.4	5.9	5.9	11.6	16.4	10.2	8.8
City Developments	5,397	Buy	9.75	22.4	Dec-22	18.4	15.7	0.8	0.8	2.3	2.5	na	10.7	4.6	5.3
Real estate	5,764					17.7	15.2	0.8	0.8	2.6	2.8	12.2	10.9	5.1	5.6
AIMS APAC REIT	670	Buy	1.48	18.1	Mar-23	9.8	10.0	0.9	0.9	7.5	7.6	11.4	11.8	9.0	8.6
CapitaLand Ascendas REIT	8,632	Buy	3.15	14.5	Dec-22	15.1	19.6	1.2	1.2	5.9	6.0	9.7	10.0	7.7	5.9
CDL Hospitality	1,155	Neutral	1.15	-7.9	Dec-22	19.0	19.5	0.9	0.9	4.8	5.5	6.2	7.2	4.9	4.7
CICT	9,958	Buy	2.00	-0.3	Dec-22	15.4	15.0	1.0	0.9	5.5	5.5	6.8	8.2	6.3	6.4
Cromwell REIT	901	Buy	2.15	42.6	Dec-22	14.6	9.3	0.6	0.6	11.3	10.6	5.3	6.9	4.9	6.6
ESR-LOGOS REIT	1,856	Buy	0.46	24.1	Dec-22	na	11.6	0.8	1.0	8.1	7.6	13.8	12.0	-14.1	8.8
Frasers Centrepoint	2,608	Neutral	2.09	2.0	Sep-23	16.9	15.3	0.9	0.9	6.1	6.1	7.3	6.6	5.2	5.7
IREIT Global	444	Buy	0.63	22.3	Dec-22	10.1	8.3	0.7	0.6	7.9	7.8	9.9	9.2	6.6	7.9
Keppel Pacific Oak	480	Buy	0.74	61.0	Dec-22	7.1	7.2	0.6	0.6	13.0	12.6	20.4	17.9	7.8	7.8
Keppel REIT	2,529	Buy	1.15	27.6	Dec-22	10.8	9.9	0.7	0.7	6.9	7.1	1.8	3.8	6.4	7.0
Manulife US REIT	497	Buy	0.43	55.2	Dec-22	na	6.2	0.5	0.5	19.2	17.2	24.4	21.6	-14.7	8.4
Prime US REIT	461	Buy	0.77	96.2	Dec-22	7.1	6.2	0.5	0.5	17.7	17.3	20.0	19.0	6.6	7.7
Starhill Global REIT	906	Buy	0.60	11.4	Jun-23	13.5	10.6	0.7	0.7	6.9	7.0	10.7	8.5	5.1	6.5
Suntec REIT	2,942	Buy	1.70	24.3	Dec-22	13.2	15.5	0.6	0.6	6.5	6.3	6.1	6.4	4.9	4.2
REIT	34,041					14.5	15.0	0.9	0.9	6.7	6.6	8.3	8.8	5.0	6.3
SingTel	31,177	Buy	3.30	30.4	Mar-23	17.7	14.8	1.4	1.4	4.9	4.9	10.0	12.3	8.0	9.3
StarHub	1,354	Neutral	1.07	1.9	Dec-22	15.6	13.1	2.9	2.7	4.8	4.8	23.6	42.1	19.3	21.5
Telecom & Media	32,531					17.6	14.8	1.5	1.4	4.9	4.9	10.6	13.6	8.5	9.8
China Aviation Oil	601	Neutral	0.91	-2.5	Dec-22	12.9	9.8	0.6	0.6	1.5	1.7	18.0	6.2	5.1	6.4
ComfortDelGro	2,006	Buy	1.80	45.2	Dec-22	13.8	12.6	1.0	0.9	4.1	4.0	17.4	9.5	7.1	7.6
Transport	2,606					13.6	12.0	0.9	0.9	3.5	3.5	17.6	8.7	6.7	7.3

Note: Prices are as at 4 Jan 2023.

Source: Bloomberg, RHB

5 January 2023

Market Outlook | Market Strategy

Figure 21: RHB's coverage universe (by sector) (continued)

Company name	M Cap (USDm)	Rating	Target price	Upside/ downside (%)	1FY year	EPS Growth (%)		DPS Growth (%)		Net margin (%)		Net debt/Equity (x)		Returns (%)	
						1FY	2FY	1FY	2FY	1FY	2FY	1FY	2FY	1M	YTD
Dairy Farm	3,979	Neutral	2.71	-7.9	Dec-22	-51.9	312.9	-72.7	300.0	0.5	2.2	0.8	0.7	16.2	0.3
Food Empire	257	Buy	0.95	47.3	Dec-22	92.8	6.0	22.6	6.0	10.0	10.1	0.0	-0.1	-0.8	1.6
Japan Foods	56	Buy	0.60	39.5	Mar-23	na	23.4	4.4	-5.6	5.6	6.5	-0.6	-0.6	1.2	0.0
Kimly Ltd	325	Buy	0.46	31.4	Sep-22	9.8	18.7	57.6	18.7	17.2	17.2	0.3	0.2	0.0	0.0
Sheng Siong	1,841	Buy	1.78	8.5	Dec-22	5.8	3.4	5.8	3.4	9.7	9.6	-0.5	-0.6	0.0	-0.6
Thai Beverage	12,661	Buy	0.91	34.1	Sep-23	6.1	6.2	6.1	6.2	10.6	10.9	0.6	0.5	5.5	-1.5
Consumer	19,119					-4.8	70.0	-9.3	67.3	8.5	9.0	0.5	0.4	7.0	-0.9
DBS Group	65,374	Buy	41.10	20.8	Dec-22	18.6	24.1	22.5	10.2	na	na	na	na	-1.3	0.3
OCBC	41,247	Buy	15.00	22.1	Dec-22	23.3	19.7	9.2	13.8	na	na	na	na	0.7	0.9
Singapore Exchange	7,022	Neutral	9.30	5.7	Jun-23	-4.7	5.9	0.0	0.0	38.3	38.6	-0.6	-0.7	-3.6	-1.7
UOB	38,086	Buy	34.90	14.6	Dec-22	15.8	17.6	3.7	16.0	na	na	na	na	-1.5	-0.8
Financials	151,729					18.1	20.4	13.1	12.2	38.3	38.6	-0.6	-0.7	-0.9	0.1
Bumitama Agri	757	Buy	0.80	36.6	Dec-22	129.5	-41.8	125.7	-39.5	21.6	15.1	0.1	0.0	-5.6	-0.8
First Resources	1,640	Neutral	1.75	25.2	Dec-22	145.8	-24.3	128.7	-24.3	34.5	28.2	-0.1	-0.2	-7.3	-5.4
Golden Agri	2,415	Buy	0.33	29.7	Dec-22	105.3	-45.0	66.0	-45.0	7.5	4.5	0.2	0.1	-10.5	2.0
Wilmar	19,063	Buy	5.40	32.0	Dec-22	18.3	0.3	7.9	1.1	2.9	3.2	1.1	1.0	-0.7	-1.9
Food Products	23,876					39.4	-7.3	25.8	-6.6	6.1	5.4	0.9	0.8	-2.3	-1.7
Raffles Medical	1,939	Buy	1.65	17.9	Dec-22	63.0	-17.8	34.5	14.3	15.1	12.4	-0.1	-0.2	0.7	0.0
Healthcare	1,939					63.0	-17.8	34.5	14.3	15.1	12.4	-0.1	-0.2	0.7	0.0
HRnet Group	592	Buy	1.01	26.3	Dec-22	10.6	4.4	74.6	4.4	11.2	11.2	-0.9	-0.9	0.6	1.9
ST Engineering	7,833	Buy	4.15	23.1	Dec-22	-4.5	13.5	19.1	-30.1	6.2	6.7	2.3	2.3	-2.0	0.6
Industrials	8,425					-3.4	12.9	23.0	-27.7	6.5	7.0	2.1	2.1	-1.8	0.7
APAC Realty	154	Neutral	0.60	3.2	Dec-22	-34.5	-11.3	-40.0	-11.3	4.2	4.0	0.0	-0.1	1.8	-1.7
Centurion Corp	213	Buy	0.51	50.0	Dec-22	32.8	4.8	91.7	0.0	32.6	33.1	0.9	0.8	1.5	1.5
City Developments	5,397	Buy	9.75	22.4	Dec-22	302.3	17.2	50.0	11.1	12.1	12.8	1.1	1.1	-4.0	-3.2
Real estate	5,764					283.4	16.0	49.1	10.1	12.7	13.3	1.0	1.0	-3.6	-2.9
AIMS APAC REIT	670	Buy	1.48	18.1	Mar-23	-12.7	-2.5	-0.1	1.4	55.1	52.4	0.8	0.8	3.3	0.8
CapitaLand Ascendas REIT	8,632	Buy	3.15	14.5	Dec-22	-21.1	-23.1	5.4	2.7	57.2	43.3	0.6	0.6	0.0	0.4
CDL Hospitality	1,155	Neutral	1.15	-7.9	Dec-22	17.4	-2.4	39.8	15.3	40.2	33.8	0.7	0.7	4.2	0.0
CICT	9,958	Buy	2.00	-0.3	Dec-22	-21.9	2.9	3.7	0.2	60.6	60.4	0.7	0.7	-0.5	-1.5
Cromwell REIT	901	Buy	2.15	42.6	Dec-22	-41.2	56.7	1.0	-6.4	27.0	41.8	0.6	0.6	-3.2	0.7
ESR-LOGOS REIT	1,856	Buy	0.46	24.1	Dec-22	-308.9	na	0.6	-6.6	-85.3	51.9	0.9	0.9	5.7	0.0
Fraser's Centrepoint	2,608	Neutral	2.09	2.0	Sep-23	2.2	10.2	0.9	-0.1	56.3	61.8	0.5	0.5	2.0	-2.4
IREIT Global	444	Buy	0.63	22.3	Dec-22	-70.2	21.6	-0.4	-2.1	66.3	81.1	0.4	0.4	-1.9	2.0
Keppel Pacific Oak	480	Buy	0.74	61.0	Dec-22	-18.1	-0.4	-5.4	-3.2	44.4	43.4	0.6	0.6	-15.6	0.0
Keppel REIT	2,529	Buy	1.15	27.6	Dec-22	-16.7	8.7	8.0	4.2	140.7	150.5	0.6	0.6	1.7	-0.5
Manulife US REIT	497	Buy	0.43	55.2	Dec-22	-475.8	na	0.9	-10.4	-80.2	42.1	0.9	0.9	-25.3	-6.7
Prime US REIT	461	Buy	0.77	96.2	Dec-22	-10.1	14.8	1.3	-1.9	39.5	44.9	0.6	0.7	-17.9	-3.7
Starhill Global REIT	906	Buy	0.60	11.4	Jun-23	75.0	28.2	-2.8	0.6	45.1	57.8	0.6	0.6	0.9	0.0
Suntec REIT	2,942	Buy	1.70	24.3	Dec-22	-39.8	-15.1	2.9	-2.4	74.6	59.5	0.8	0.7	-1.4	-0.7
REIT	34,041					-40.1	-2.4	4.7	0.6	54.0	60.2	0.6	0.6	-0.4	-0.7
SingTel	31,177	Buy	3.30	30.4	Mar-23	18.6	19.2	29.0	0.0	14.2	16.4	0.4	0.4	-5.9	-1.6
StarHub	1,354	Neutral	1.07	1.9	Dec-22	-22.0	19.0	-21.9	0.0	5.1	5.7	1.2	1.0	-2.8	1.0
Telecom & Media	32,531					16.9	19.2	26.9	0.0	13.8	15.9	0.4	0.4	-5.8	-1.5
China Aviation Oil	601	Neutral	0.91	-2.5	Dec-22	15.2	31.4	-28.1	17.0	0.2	0.2	-0.6	-0.6	20.6	5.1
ComfortDelGro	2,006	Buy	1.80	45.2	Dec-22	25.9	9.2	21.4	-3.7	5.1	5.4	-0.3	-0.4	0.0	0.8
Transport	2,606					23.4	14.3	10.0	1.1	4.0	4.2	-0.4	-0.4	4.8	1.8

Note: Prices are as at 4 Jan 2023.

Source: Bloomberg, RHB

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