

# Wednesday's Daily Newsletter

## MARKET SHAPING NEWS

**POSITIVE.** **USP Group** is disposing off its property at 16A Joo Koon Circle to Liang & How Contractor for a consideration of SGD5.3m. Liang & How was granted the option to purchase (OTP) on 22 Nov, and will expire on 6 Dec. The property is Supratechnic's headquarters that is in the business of wholesale of marine equipment and accessories. The property has been mortgaged to UOB under a mortgage executed by Supratechnic in favour of the bank. The sale proceeds is estimated to be about SGD5.19m and will be transferred to UOB for the purposes of repaying the outstanding trade financing and the defaulted bank loans. Overall, the group believes that the this disposal will allow it to redeem the mortgage as well as reduce the its outstanding trade financing and other outstanding bank loans.

**NEUTRAL.** **Yangzijiang Financial Holding** (YZJFH) will partner with Heliconia Capital to invest in promising SMEs in Singapore and other Southeast Asian countries. The investments will be made through the Heliconia Generation Fund, which will have a target size of up to SGD150m. Yangzijiang Financial will contribute SGD80m to the Fund, as the anchor limited partner of the Fund. The Fund intends to invest in promising SMEs, with a focus in Singapore and Vietnam. It is intended for the Fund to co-invest alongside the other funds managed by Heliconia, including the SME Co-Investment funds, catalyzing more capital for promising Singapore SMEs. Investments may be structured in the form of equity, debt and/or hybrid debt-equity structures. As the anchor limited partner of the Fund, YZJFH will have one representative in the investment committee in order to represent its interests as a limited partner in the Fund. Meanwhile, YZJFH will also explore co-investment opportunities alongside the Fund.

**NEUTRAL.** **NoonTalk Media** debuted on the SGX Catalist board at SGD0.225 (+2.3%), before closing at its IPO price of SGD0.22 yesterday. This gives the stock a market capitalisation of SGD43.6m. The group had earlier sold 22m new shares, comprising 4.5m public offer shares and 17.5m placement shares. Amongst the anchor investors include: LNG player Union Energy as part of its strategic partnership to tap into digital media growth opportunities, as well as Lim Hock Leng, Managing Director of Sheng Siong, and Qilin Wealth Fund. The offering raised gross proceeds of SGD4.8m, or SGD3.3m in net proceeds. The listing serves as a platform to enhance exposure and expand its regional footprint and tap on the growth potential within the media landscape.

## UPCOMING EVENTS

Date	Event	Category
23/11/2022	Inflation (Oct)	Economics
25/11/2022	GDP Growth (Final 3Q)	Economics
25/11/2022	Industrial Production (Oct)	Economics
28/11/2022	ST Engineering	Earnings Result
30/11/2022	Bank Lending (Oct)	Economics
02/12/2022	Retail Sales (Nov)	Economics
07/11/2022	FX Reserves (Nov)	Economics

Source: Bloomberg

Equity Indices	Last Close	Δ (abs)	Δ (%)
Dow Jones	33,700	-45	-0.1%
S&P500	3,950	-15	-0.4%
Nasdaq	11,025	-122	-1.1%
Nikkei 225	27,945	45	0.2%
HSI	17,656	-337	-1.9%
SH Comp	3,085	-12	-0.4%
Kospi	2,420	-25	-1.0%
TWSE	14,449	-56	-0.4%
STI	3,251	-22	-0.7%
KLCI	1,448	-1	-0.1%
JKSE	7,063	-19	-0.3%
SET	1,619	1	0.1%

FX Movers	Last Close	Δ (abs)	Δ (%)
USDSGD	1.3817	0.0058	0.4%
GBPUSD	1.6336	-0.0014	-0.1%
EURUSD	1.4153	-0.0049	-0.3%
CHFUSD	1.4413	0.0005	0.0%
AUDUSD	0.9126	-0.0052	-0.6%
NZDUSD	0.8430	-0.0031	-0.4%
JPYUSD	0.9721	-0.0078	-0.8%
SGDMYR	3.3135	-0.0037	-0.1%

Yields	Last Close	Δ (pts)	Δ (%)
US10Y	3.83	0.00	0.0%
SG10Y	3.11	0.01	0.4%
SIBOR3M	4.03	0.00	0.0%

Commodities	Last Close	Δ (pts)	Δ (%)
Brent Crude	87.5	-0.2	-0.2%
WTI	79.7	-0.3	-0.4%
Gold	1,738	-13	-0.7%

Crypto	Last Close	Δ (pts)	Δ (%)
Bitcoin/USD	15,632	-621	-3.8%
ETH/USD	1,094	-48	-4.2%

Source: Bloomberg

## TOP EQUITY IDEAS



### Grab Holdings - [Better prospects ahead](#),

Grab's 3Q22 PATMI loss of USD342m was deeper than our and the street's estimates. Conversely, 3Q22 AEBITDA as a % of GMV improved for the 4th consecutive quarter to -3.17%. GMV growth remains flattish while there is significant reduction in incentive due to stronger revenue and narrower AEBITDA losses. We have thus increased our EV/S multiple to reflect stronger profitability prospects. At our higher target price of USD3.40, Grab appears fairly valued.



### Bumitama Agri - [Post 9M22 results briefing](#)

BAL is on track to deliver +16%-18% YoY FFB output growth in 2022, and its 3Q22 output was key to recent earnings outperformance. We raise our FY22E-24E by +19%/+7%/+7% mainly on higher output assumptions. Following our EPS revisions, we tweaked our TP slightly to SGD0.89 (from SGD0.88) on unchanged 8x FY23 PER, -0.5SD its 5Y mean. Valuation remains attractive trading at single-digit PER with >6% dividend yields.

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