

Singapore turns 58: How impactful is the Little Red Dot?

EQUITY STRATEGY TEAM

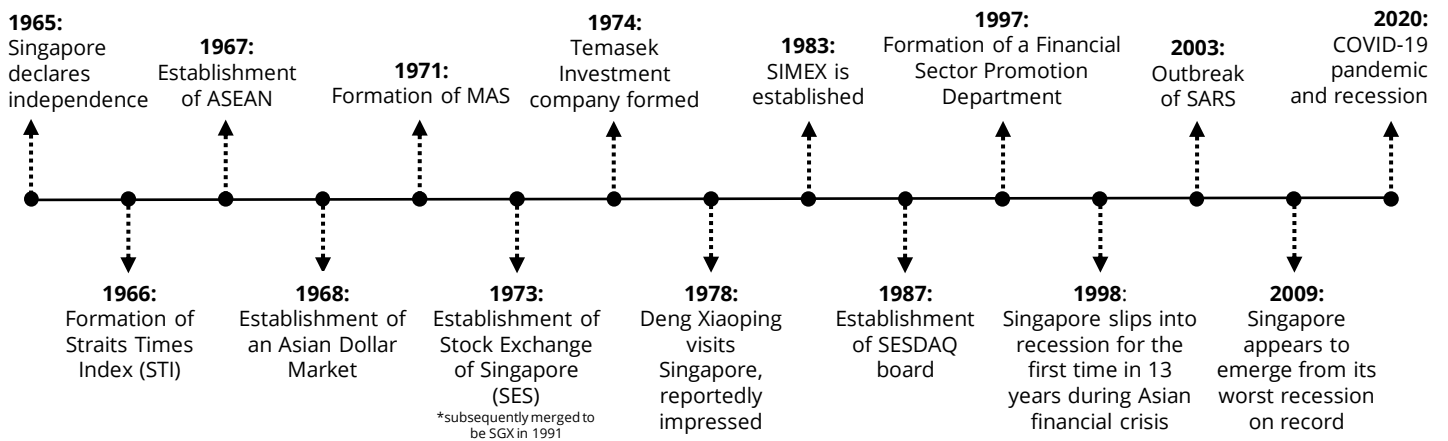
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TRADING MATTERS SERIES:
NEWS FOCUS

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58 Years of transformation

The remarkable transformation of Singapore into a first-world country could be largely attributed to its clear political stance on economic development. Since its independence in 1965, the Singapore Straits Times Index (STI) did face volatile market conditions, but each time it has managed to rebound from price trenches. Some notable tough times such as the Asian Crisis, the Financial Crisis, and the Covid Pandemic. Today, Singapore continues to display resilience and attractive to businesses.¹ As Singapore forges ahead in securing its position in the realms of business and finance, the STI has maintained a steady range between the 3100 to 3400 price level on a year-to-date basis.



Assets of Singapore

Wealth Management Hub

Singapore is home to approximately 700 family offices due to its stable political and regulatory environment.² It is worth noting that an impressive 59% of family offices in Asia have chosen Singapore as their base, capitalising on the advantageous tax exemptions.³ These family offices boost the assets under management in Singapore and cemented a position as a global hub for wealth management. In 2021, the total assets under management in Singapore experienced a remarkable 16% increase, surpassed the global growth rate of 12%.⁴ As a result, this vibrant influx of family offices adds a dynamic touch to the local financial services ecosystem.

Banking Hub

Singapore is crowned as the top financial centre in Asia and has established itself as a pivotal player in the realm of banking.⁵ The banking landscape in the little red dot boasts an impressive tally of 132 banks.⁶ Despite a string of bank failures in the US and Europe, the banking system in Singapore remains sound and resilient. Singapore banks are well capitalized with strong growth in the global asset management, registering S\$5.4 trillion in assets under management as of 2021.⁷ The 3 local banks remain a commendable credit rating, maintaining an indicative dividend yield above 4.0% and has proven profit growth, based on historical track records.

REIT Hub

The equity market in Singapore stands out for its defensive nature⁸, particularly given the presence of around 42 Singapore REIT (S-Reit) and property trusts with a total market capitalisation of S\$98 billion.⁹ As the global markets experience slowing growth and deteriorating liquidity, the S-Reit sector remains an attractive choice for yield-focus investors due to an average yield of 8.1%.⁹ Recent data has shown that retail investors accumulated net retail inflows of S\$390 million during the first half of 2023.⁹ Singapore proudly possesses the largest REIT market in Asia excluding Japan, positioning itself as an increasingly prominent global hub for REIT investments.⁹



Straits Times Index

Below are the **index stocks** based on **market cap more than S\$1B**

Price Chart



Source: Bloomberg

Ticker	Name	Market Cap	Price [SGD]	YTD Returns [%]	Analysts Consensus 12M Target Price	Upside from Analyst Consensus	Dividend Yield
DBS SP	DBS GROUP HOLDINGS LTD	86.63B	33.59	0.55%	36.40	-8.36%	4.64%
OCBC SP	OVERSEA-CHI BANK CORP	58.16B	12.94	6.24%	13.91	-7.53%	5.26%
UOB SP	UNITED OVERSEAS BANK	48.72B	29.10	-5.21%	31.53	-8.34%	5.50%
ST SP	SINGAPORE TELECOMM	43.75B	2.65	3.11%	3.12	-17.76%	3.74%
WIL SP	WILMAR INTERNATIONAL	23.66B	3.79	-9.11%	4.75	-25.35%	4.49%
SIA SP	SINGAPORE AIRLINES LTD	22.46B	7.55	36.53%	6.65	11.88%	3.71%
CLI SP	CAPITALAND INVESTMENT	17.47B	3.41	-6.30%	4.21	-23.43%	3.52%
THBEV SP	THAI BEVERAGE PCL	14.82B	0.59	-13.87%	0.80	-35.17%	4.01%
JM SP	JARDINE MATHESON HLDGS	14.26B	49.20	-3.34%	63.50	-29.07%	4.37%
CICT SP	CAPITALAND INTEG COME	13.50B	2.03	-0.49%	2.28	-12.09%	5.22%
JCNC SP	JARDINE CYCLE & CARRIA	13.35B	33.77	18.08%	35.47	-5.02%	4.48%
CLAR SP	CAPITALAND ASCENDAS	12.47B	2.84	3.65%	3.14	-10.73%	5.35%
KEP SP	KEPPEL CORP	12.34B	7.00	47.98%	7.65	-9.25%	4.71%
GENS SP	GENTING SINGAPORE	11.23B	0.93	-2.62%	1.13	-21.55%	3.23%
STE SP	ST ENGINEERING	11.50B	3.69	10.15%	4.00	-8.51%	4.34%
SGX SP	SINGAPORE EXCHANGE	10.31B	9.65	7.82%	10.05	-4.16%	3.32%
SCI SP	SEMBCORP INDUSTRIES	9.82B	5.50	64.25%	6.22	-13.14%	1.45%
STM SP	SEATRIUM	9.89B	0.15	5.07%	0.17	-17.24%	N/A
MPACT SP	MAPLETREE PAN ASIA TR	8.81B	1.68	0.60%	1.91	-13.56%	1.34%
MLT SP	MAPLETREE LOGISTICS TR	8.45B	1.71	7.55%	1.81	-5.60%	4.73%
HKL SP	HONGKONG LAND HOLDINGS	7.93B	3.58	-22.17%	4.41	-23.18%	6.15%
EMI SP	EMPERADOR INC	8.03B	0.51	0.00%	0.48	4.99%	1.37%
MINT SP	MAPLETREE INDUSTRIAL TR	6.54B	2.31	4.05%	2.54	-10.01%	5.38%
CIT SP	CITY DEVELOPMENTS LTD	6.53B	7.20	-11.50%	8.41	-16.81%	1.11%
YZJSGD SP	YANGZIJANG SHIPBUILDING	5.97B	1.51	11.03%	1.65	-9.58%	3.31%
UOL SP	UOL GROUP LTD	5.77B	6.83	2.08%	8.03	-17.64%	2.20%
FLT SP	FRASERS LOG & COMM	4.84B	1.30	12.07%	1.44	-11.03%	5.97%
VMS SP	VENTURE CORP LTD	4.28B	14.72	-13.72%	17.30	-17.50%	5.10%
SATS SP	SATS LTD	4.08B	2.74	2.02%	3.09	-12.76%	N/A
DFI SP	DFI RETAIL GROUP HLDG	3.65B	2.70	-7.85%	3.58	-32.47%	1.11%



Singapore REITs

Below are the Real Estate Investment Trusts listed in Singapore based on market cap more than S\$1B

Ticker	Name	Market Cap	Price [SGD]	YTD Returns	Analysts Consensus 12M Target Price	Upside from Analyst Consensus	Dividend Yield
CICT SP	CAPITALAND INTEGRATED COMMER	13.50B	2.03	-0.49%	2.28	-12.09%	5.22%
CLAR SP	CAPITALAND ASCENDAS REIT	12.47B	2.84	3.65%	3.14	-10.73%	5.35%
MPACT SP	MAPLETREE PAN ASIA COM TRUST	8.81B	1.68	0.60%	1.91	-13.56%	1.34%
MLT SP	MAPLETREE LOGISTICS TRUST	8.45B	1.71	7.55%	1.81	-5.60%	4.73%
MINT SP	MAPLETREE INDUSTRIAL TRUST	6.54B	2.31	4.05%	2.54	-10.01%	5.38%
FLT SP	FRASERS LOGISTICS & COMMERCIAL	4.84B	1.30	12.07%	1.44	-11.03%	5.97%
KDCREIT SP	KEPPEL DC REIT	3.91B	2.27	28.25%	2.22	2.03%	4.34%
SUN SP	SUNTEC REIT	3.76B	1.30	-5.80%	1.31	-0.89%	6.29%
FCT SP	FRASERS CENTREPOINT TRUST	3.74B	2.19	4.29%	2.38	-8.45%	5.56%
KREIT SP	KEPPEL REIT	3.44B	0.92	0.55%	1.02	-11.87%	6.34%
PGNREIT SP	PARAGON REIT	2.66B	0.94	4.44%	1.04	-10.28%	7.32%
EREIT SP	ESR-LOGOS REIT	2.65B	0.35	-6.59%	0.38	-10.10%	8.48%
PREIT SP	PARKWAYLIFE REAL ESTATE	2.32B	3.84	2.13%	4.46	-16.15%	3.80%
CLCT SP	CAPITALAND CHINA TRUST	1.76B	1.04	-7.14%	1.26	-21.15%	6.52%
OUECT SP	OUE COMMERCIAL REAL ESTATE I	1.70B	0.31	-7.46%	0.36	-16.13%	6.77%
LREIT SP	LENDLEASE GLOBAL COMMERCIAL	1.58B	0.68	-3.55%	0.84	-23.53%	7.74%
SGREIT SP	STARHILL GLOBAL REIT	1.16B	0.52	-4.63%	0.58	-11.84%	7.07%
AAREIT SP	AIMS APAC REIT	1.00B	1.24	0.17%	1.50	-21.10%	1.65%

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