

# Singapore Traders Spectrum

## Wired Daily

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DBS Group Research . Equity

17 Jan 2017

### Summary

- **CNMC Goldmine Holdings - 4Q16 hiccup a minor blip**
- **SPH - Declining advertising revenue**
- **Singapore NODX up 9.4% in December, beating forecasts**
- **Vard signs letter of intent with an international cruise company**
- **Capitaland sells The Nassim to Kheng Leong**
- **CapitaLand makes first foray into commercial property in Ho Chi Minh City**
- **ST Aerospace bags orders worth S\$840m in 4Q 2016**
- **Global Logistic Properties signs 128,000 square metres of new leases in China and Japan**
- **SIIC Environment – placement of 350m new shares @ S\$0.63**
- **Vallianz enters into S\$7m subscription agreement for issuance of 350m new shares**
- **Koh Brothers enters beauty market with South Korea's Koracle**
- **Sunpower Group wins S\$70m contract**

### Stock to watch

**CNMC Goldmine Holdings (CNMC SP): BUY**

Market Cap: US\$127m | Average Daily Value: US\$1.50m

Last Traded Price: S\$0.45; Price Target: S\$0.65 (Upside 45.0%)

#### 4Q16 hiccup a minor blip

- CNMC expects to report net loss for upcoming 4Q16 results
- Losses due to unrealised forex losses and decline in revenue from lower ore grades
- Beyond this blip, we remain optimistic of CNMC's earnings outlook in 2017
- Maintain BUY; TP of S\$0.65

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US Indices		Last Close	Pts Chg	% Chg
Dow Jones	▼	19,885.7	(5.3)	(0.0)
S&P	▲	2,274.6	4.2	0.2
NASDAQ	▲	5,574.1	26.6	0.5
Regional Indices				
ST Index	▼	3,013.1	(12.0)	(0.4)
ST Small Cap	▼	384.3	(0.6)	(0.2)
Hang Seng	▼	22,718.2	(219.2)	(1.0)
HSCEI	▼	9,666.1	(121.3)	(1.2)
HSCCI	▼	3,698.5	(45.5)	(1.2)
KLCI	▼	1,658.8	(13.7)	(0.8)
SET	▼	1,571.8	(3.4)	(0.2)
JCI	▼	5,270.0	(3.0)	(0.1)
PCOMP	▼	7,238.5	(0.1)	(0.0)
KOSPI	▲	2,067.6	3.4	0.2
TWSE	▼	9,292.3	(86.5)	(0.9)
Nikkei	▼	19,095.2	(192.0)	(1.0)

Source: Bloomberg Finance L.P.

### Model Portfolio

	Price 17 Jan (\$)	12-mth Target Price (\$)	Upside (%)	Rec
<b>Balanced</b>				
ST Engineering	3.340	3.50	5	BUY
UOL Group	6.240	7.20	15	BUY
<b>Blue Chips</b>				
CapitaLand	3.130	3.60	15	BUY
ST Engineering	3.340	3.50	5	BUY
UOL Group	6.240	7.20	15	BUY
<b>Growth</b>				
Burntama Agri	0.795	0.95	19	BUY
Cityneon Holdings	0.880	1.26	43	BUY
Ezion Holdings	0.415	0.56	36	BUY
Indofood Agri Resources	0.535	0.58	8	BUY
SembCorp Marine	1.510	1.55	3	HOLD
PACC Offshore Services	0.335	0.41	21	BUY
<b>Dividend</b>				
Croesus Retail Trust	0.845	0.99	17	BUY
<b>Small Mid Cap</b>				
China Aviation	1.505	1.70	13	BUY
Cityneon Holdings	0.880	1.26	43	BUY
CNMC Goldmine	0.450	0.65	43	BUY
mm2 Asia	0.495	0.56	13	BUY
Singapore O & G	1.185	1.50	27	BUY

Source: DBS Bank; Bloomberg Finance L.P.

## Stock to watch

### SPH (SPH SP): FULLY VALUED

Market Cap: US\$4,132m | Average Daily Value: US\$10.04m

Last Traded Price: S\$3.69; Price Target: S\$3.32 (Downside 10.1%) (Prev S\$3.44)

#### Declining advertising revenue

- 1Q17 earnings below as adex remains lackluster
- Ad revenue declines by 12-16%
- Cut FY17-18F earnings by 4-5%
- Maintain FULLY VALUED and lower TP to S\$3.32

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## News

### Singapore NODX up 9.4% in December, beating forecasts

Non-oil domestic exports (NODX) continued its upward push by expanding 9.4% in December 2016. This follows the 11.5% growth year-on-year in November, after a 12% plunge in the previous month. The surge was largely driven by electronic (5.7%) and non-electronic NODX (11.3%). NODX to the majority of the top 10 markets rose in December 2016, with China, Taiwan and Hong Kong the largest contributors. Month-on-month, NODX grew by a seasonally adjusted 1%, compared with last month's 13% growth, as a rise in electronic NODX outweighed the decrease in non-electronic NODX.

### Vard signs letter of intent with an international cruise company

Vard has signed a Letter of Intent (LOI) for the design and construction of an expedition cruise vessel for an undisclosed international cruise company. The contract price is expected to be approximately NOK 1 billion. The parties have a common intention to enter into a firm contract within the first quarter 2017.

### Capitaland sells The Nassim to Kheng Leong

Capitaland has sold a 100% stake in Nassim Hill Realty Pte Ltd, which owns the remaining 45 unsold units at The Nassim to Wee family's Kheng Leong Coy Pte Ltd for S\$412m (~S\$2,300 per square foot, 18% discount to the average selling price (ASP) of S\$2,800 per square foot at launch). Capitaland is expected to recognise a

divestment gain of S\$161m. Following the disposal, Capitaland would have made a savings of S\$9m relating to Qualifying Certificate (QC) charges due in August 2017. The remaining projects with potential QC charges are D'Leedon and The Interlace, which Capitaland has implemented stay-then-pay schemes to speed-up the sale of the units.

### CapitaLand makes first foray into commercial property in Ho Chi Minh City

CapitaLand has entered into a conditional agreement to acquire a prime commercial site in the Central Business District of Ho Chi Minh City to develop its first international Grade A office tower in Vietnam. CapitaLand will hold a 100% stake in the 0.6-hectare site with a gross floor area of 106,000 square metres. Construction is expected to commence in the first quarter 2017 and will complete in 2020.

### ST Aerospace bags orders worth S\$840m in 4Q 2016

The aerospace arm of ST Engineering, ST Aerospace, secured new contracts worth around S\$840m during the fourth quarter of 2016. These new contracts range from line and airframe maintenance to component repair and overhaul.

### Global Logistic Properties signs 128,000 square metres of new leases in China and Japan

Global Logistic Properties has signed 128,000 square metres (1.4 million square feet) of new leases in China and Japan. The customers are using the facilities for domestic distribution catering to demand from the auto parts, e-commerce and consumer goods industries.

### SIIC Environment – placement of 350m new shares @ S\$0.63

SIIC Environment Holdings intends to undertake the placement of 350m new shares to Shanghai Industrial Holdings, the controlling shareholder, at a placement price of S\$0.63 per share. The placement price represents a premium of approximately 10.92% to the last volume weighted average price. The net proceeds of about S\$220m would be used to repay existing borrowings and improve its gearing ratio, and also for general corporate purposes.

### Vallianz enters into S\$7m subscription agreement for issuance of 350m new shares

Vallianz Holdings said that investment holding company Greatwill Asset Global Limited has agreed to subscribe to 350m of its newly-issued shares for S\$7m. These shares, valued at S\$0.02 per share, represent about 9.7% of Vallianz's current issued share capital. After the allotment, they are expected to take up about 8.9% of the enlarged share capital of 3.94 billion shares.

### Koh Brothers enters beauty market with South Korea's Koracle

Koh Brothers Group announced that its subsidiary, K-Skin, has entered into a memorandum of understanding (MOU) with Koracle to form a joint venture for the purpose of setting up beauty clinics and wellness spas in Singapore and Johor, Malaysia. Koracle is the owner of the "Oracle" trademark, a South Korean brand for dermatology, plastic surgery, hair and aesthetic treatments.

### Sunpower Group wins S\$70m contract

Sunpower Group has won a RMB338m (S\$70m) project to build and operate a centralised heat transfer oil project in Shandong, China. The group said that it has entered into a 30-year concession agreement with the management committee of the Liutuan Industrial Park in Shandong Changyi Binhai Economic Development Area in Changyi City.

### Share Buy-Back

May 28 No 9

Name	D.O.T.	Buy/Sell	No.of shares	S\$/shr
CWG International Ltd	16-Jan-17	Share Buy-Back	400,000	0.170
Second Chance Properties	16-Jan-17	Share Buy-Back	1,184,000	0.245
Starbust Holdings	16-Jan-17	Share Buy-Back	57,100	0.216
Zhongmin Baihui Retail Group Ltd	16-Jan-17	Share Buy-Back	98,000	1.124
Global Palm Resources Holdings Limited	13-Jan-17	Share Buy-Back	400	0.330
Zhongmin Baihui Retail Group Ltd	13-Jan-17	Share Buy-Back	15,000	1.120
Viking Offshore and Marine Limited	13-Jan-17	Share Buy-Back	70,000	0.032
Second Chance Properties	13-Jan-17	Share Buy-Back	1,184,000	0.245
Starbust Holdings	13-Jan-17	Share Buy-Back	57,100	0.216
Global Palm Resources Holdings Limited	12-Jan-17	Share Buy-Back	57,500	0.330
Zhongmin Baihui Retail Group Ltd	12-Jan-17	Share Buy-Back	106,200	1.108
Second Chance Properties	12-Jan-17	Share Buy-Back	305,000	0.245
CWG International Ltd	12-Jan-17	Share Buy-Back	245,000	0.245
Hotung Investment Hldgs Ltd	12-Jan-17	Share Buy-Back	69,900	1.450
CWG International Ltd	12-Jan-17	Share Buy-Back	600,000	0.171
Zhongmin Baihui Retail Group Ltd	11-Jan-17	Share Buy-Back	25,000	1.098
Second Chance Properties	11-Jan-17	Share Buy-Back	1,293,800	0.245
CWG International Ltd	11-Jan-17	Share Buy-Back	379,900	0.171
Global Palm Resources Holdings Limited	11-Jan-17	Share Buy-Back	35,000	0.330
CWG International Ltd	11-Jan-17	Share Buy-Back	600,000	0.176
Global Palm Resources Holdings Limited	10-Jan-17	Share Buy-Back	20,000	0.330
Zhongmin Baihui Retail Group Ltd	10-Jan-17	Share Buy-Back	51,300	1.098
Courts Asia	9-Jan-17	Share Buy-Back	50,000	0.440
CWG International Ltd	9-Jan-17	Share Buy-Back	200,000	0.174
SIA Engineering	9-Jan-17	Share Buy-Back	4,700	3.380
Starbust Holdings	9-Jan-17	Share Buy-Back	817,500	0.200
Tiong Seng Holdings	9-Jan-17	Share Buy-Back	21,000	0.235
Zhongmin Baihui Retail Group Ltd	9-Jan-17	Share Buy-Back	67,200	1.088

Source: SGX Masnet

## Substantial Shareholders' Transactions: 4 Jan - 11 Jan 2017

Stocks	Transacted Date	Substantial Shareholder/ Director	Buy/Sell /Conv	No of Shares	Price Per Share \$	Before ('000)	%Issued Cap Before	After ('000)	%Issued Cap After
Raffles Education	11-Jan-17	Oei Hong Leong	Buy	5318	0.1900	67628	7.00	72946	7.56
Serrano Limited	11-Jan-17	Chia Wing Keong	Sell	-500	0.0030	21540	7.91	21040	7.73
New Silkroutes	10-Jan-17	Lee Soek Shen	*Buy	4	0.8300	9751	7.42	9755	7.42
ARA Asset Mgt	9-Jan-17	Matthews ICap Mgt	*Sell	4129	1.7100	62458	6.26	58329	5.85
Fragrance Grp	9-Jan-17	Lim Wan Looi	*Buy	100	0.1700	5010750	74.65	5010850	74.65
Japan Foods	9-Jan-17	Wong Hin Sun	*Buy	50	0.3900	9437	5.41	9487	5.44
Mapletree Com Tr	9-Jan-17	Schroders plc	*Buy	140	1.4500	172108	6.00	172248	6.00
Megachem Ltd	9-Jan-17	Tan Bock Chia	Buy	40	0.4400	25206	18.91	25246	18.94
New Silkroutes	9-Jan-17	Lee Soek Shen	*Buy	11	0.8200	9740	7.41	9751	7.42
Fragrance Grp	6-Jan-17	Lim Wan Looi	*Buy	100	0.1700	5010650	74.64	5010750	74.65
Hwa Hong Corp	6-Jan-17	Ong Kay Eng	Buy	30	0.3200	42000	6.43	42030	6.44
Jadason Ent	6-Jan-17	Fung Chi Wai	Buy	800	0.0200	31600	4.37	32400	4.49
Ascendas India Tr	5-Jan-17	Kabouter IntOppFd	Buy	6450	1.0200	82430	8.86	88880	9.56
Avi-Tech Electronics	5-Jan-17	Lim Eng Hong	Buy	137	0.2800	45440	26.57	45577	26.65
Megachem Ltd	5-Jan-17	Tan Bock Chia	Buy	14	0.4400	25192	18.90	25206	18.91

\*Deemed Interest

Source: Business Times; SA: Share Allotment; ST: Share Transfer, B/R: Bonus/Rights Issue; OE: Option Exercise; PL: Placement Shares

## Announced Dividends and Capital Issues: 17 Jan– 02 Feb 17 (by Ex-Date)

Company	Type	Particulars	Ex Date	Paid/ Payable
LIAN BENG GROUP LTD	DIVIDEND	SGD 0.01 ONE-TIER TAX	17-Jan-17	26-Jan-17
SPH REIT	DIVIDEND	010916-301116 SGD 0.0134 LESS TAX	17-Jan-17	16-Feb-17
BRC ASIA LIMITED	DIVIDEND	SGD 0.024 ONE-TIER TAX	20-Jan-17	7-Feb-17
COSMOSTEEL HOLDINGS LIMITED	DIVIDEND	SGD 0.005 ONE-TIER TAX	26-Jan-17	14-Feb-17
GOODLAND GROUP LIMITED	DIVIDEND	SGD 0.003 ONE-TIER TAX	31-Jan-17	9-Feb-17
FRASER AND NEAVE, LIMITED	DIVIDEND	SGD 0.03 ONE-TIER TAX	31-Jan-17	16-Feb-17
FRASERS CENTREPOINT LIMITED	DIVIDEND	SGD 0.062 ONE-TIER TAX	31-Jan-17	16-Feb-17
KEONG HONG HOLDINGS LIMITED	DIVIDEND	SGD 0.03 ONE-TIER TAX	31-Jan-17	16-Feb-17
PNE INDUSTRIES LTD	DIVIDEND	SGD 0.03 ONE-TIER TAX	2-Feb-17	20-Feb-17
THAI BEVERAGE PUBLIC CO LTD	DIVIDEND	THB 0.4 LESS TAX	2-Feb-17	23-Feb-17

Source: SGX

January 2017

Mon	Tues	Wed	Thu	Fri
2	3	4	5	6
	Annual GDP GDP YoY GDP SAAR QoQ Electronics Sector Index Purchasing Managers Index URA Private Home Prices QoQ	Automobile COE Open Bid Cat A Automobile COE Open Bid Cat B Automobile COE Open Bid Cat E	Nikkei Singapore PMI	
9	10	11	12	13
Anacle Systems 2Q 17  Foreign Reserves	EMAS Offshore 1Q 17	SPH REIT 1Q 17  Automobile COE Open Bid Cat A Automobile COE Open Bid Cat B Automobile COE Open Bid Cat E	Qian Hu Corp 4Q 16	SPH 1Q 17  Retail Sales SA MoM Retail Sales Ex Auto YoY Retail Sales YoY
16	17	18	19	20
	Capitaland Commercial Trust 4Q 16  Non-oil Domestic Exports YoY Non-oil Domestic Exports SA MoM Electronic Exports YoY		Singapore Exchange 2Q 17	CapitaLand Mall Trust 4Q 16
23	24	25	26	27
Soilbuild Business 4Q 16 Keppel Corporation 4Q 16 Keppel Infrastructure Trust 4Q 16 Fraser Commercial Trust 1Q 17 Mapletree Logistics Tree 3Q 16  CPI Core YoY CPI YoY CPI NSA MoM	Mapletree Logistics Trust 3Q 17 Mapletree Industrial Trust 3Q 17 Keppel REIT 4Q 16 Ascott Residence Trust 4Q 17	Mapletree Commercial Trust 3Q 17 Parkway Life REIT 4Q 16 Keppel T&T 4Q 16	CDL Hospitality Trusts 4Q 16 Magic 3Q 17 Keppel Corporation 4Q 16 OUE Commercial REIT 4Q16 Fraser Hospitality Trust 1Q 17 ARA Asset Management 4Q 16  Unemployment rate SA Industrial Production YoY Industrial Production SA MoM	
30	31			
	Credit Card Billings SGD Credit Card Bad Debts SGD Money Supply M1 YoY Money Supply M2 YoY Bank Loans and Advances YoY			

Source: Bloomberg Finance L.P.

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**STRONG BUY** (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

**BUY** (>15% total return over the next 12 months for small caps, >10% for large caps)

**HOLD** (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

**FULLY VALUED** (negative total return i.e. > -10% over the next 12 months)

**SELL** (negative total return of > -20% over the next 3 months, with identifiable catalysts within this time frame)

*Share price appreciation + dividends*

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