Strategy

Kevin Warsh – The Taskforce Man

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Highlights

- The Fed could resume QT in 2027. We see QT with rate hikes as disruptive to the stock market but QT without rate hikes should be benign. We see QT in 2027 resembling QT2B, which is not accompanied by rate hikes.
- QT is positive for banks because it lifts bond yields and steepens the yield curve. Unfortunately, non-financial sectors tend to underperform due to the massive rally for banks. Stock-specific catalysts, such as business transformation and asset monetisation, are important, as can be seen from Keppel and Sembcorp Industries during QT2A and SingTel during QT2B.
- Our top picks for banks are OCBC (Target: S$31.60), followed by DBS (Target: S$76.85). We are positive on asset monetisation at Keppel (Target: S$13.23) and SingTel (Target: S$5.50). SATS (Target: S$5.00) benefits from the rising air cargo volume. We have selective picks for S-REITs and Technology: NTT DC REIT (Target: US$1.43), UI Boustead REIT (Target: S$1.17), Venture Corp (Target: S$20.65), Valuetronics (Target: S$1.88) and Riverstone (Target: S$1.10).
- Top picks with exposure to growth in AI: Keppel (integrated power business, 39 data centres with power capacity of 800MW and powerbank of 1,000MW and Bifrost Cable System), SingTel (GPU-as-a-Service, Nxera, STT GDC and NCS), NTT DC REIT (largest tenant specialises in autonomous driving and humanoid robots), Venture Corp (portfolio B benefits from demand for AI infrastructure) and Riverstone (cleanroom gloves).

What's New

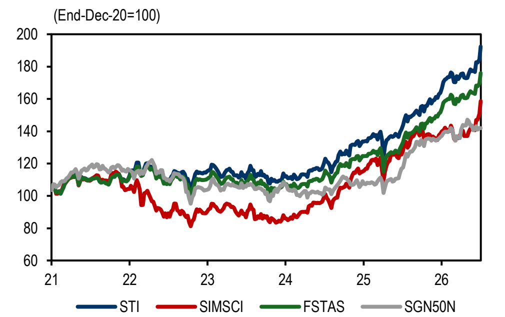
- **New Fed Chair Kevin Warsh has established five independent taskforces** covering: a) communications; b) economic data; c) balance sheet policy; d) productivity and jobs; and e) the Fed's inflation framework, as part of a broad review of how the Fed conducts its monetary policy. The initiative reflects Warsh's view that the US economy has changed significantly over the years, particularly with the emergence of AI, and evolving business dynamics. The Fed's analytical tools and policy frameworks should be reassessed to ensure they remain fit for purpose. By bringing together leading academics, former central bankers, business executives, and technology experts, Warsh aims to obtain independent, evidence-based recommendations that can improve the Fed's effectiveness, strengthen its decision-making processes, and better position it to achieve its dual mandate of price stability and maximum employment.
- C, D and F have the biggest impact on conduct of US monetary policy.

Top Buys

Company	Ticker	Last Price* (S$)	Target Price (S$)	Return (%)
DBS	DBS SP	72.48	76.85	6.0
OCBC	OCBC SP	28.78	31.6	9.8
Keppel	KEP SP	11.46	13.23	15.4
SingTel	ST SP	4.39	5.50	25.3
SATS	SATS SP	4.59	5.00	8.9
NTT DC REIT	NTTDCR SP	0.935	1.43	52.9
UI Boustead REIT	UIBREIT SP	0.835	1.17	40.1
Venture Corp	VMS SP	16.38	20.65	26.1
Valuetronics	VALUE SP	1.08	1.88	74.1
Riverstone	RSTON SP	0.865	1.10	27.2

**Last price based on closing price on 16 Jul 26*
Source: Bloomberg

Singapore Indices



Source: Bloomberg, UOB Kay Hian

Past Episodes Of QT

	QT1 (4Q17 to 2Q19)	QT2A (2Q22 to 4Q23)	QT2B (1Q24 to 3Q25)	QT3 (2027F)
Rate Hikes?	YES	YES	NO	NO
Balance Sheet Reduction?	YES	YES	YES	YES

Source: UOB Kay Hian

Peer Comparison – Large / Mid Cap Stock Picks

Company	Ticker	Rec	Price 16 Jul 26 (S$)	Price Target (S$)	+/- TP % (%)	Last Year End	PE 2025 (x)	PE 2026F (x)	PE 2027F (x)	Yield 2026F (%)	ROE 2026F (%)	Market Cap (S$m)	Price/ NAV (x)	Net Cash / (Debt) (S$m)	Total Debt to Assets (%)
DBS	DBS SP	BUY	72.48	76.85	6.0	12/25	18.7	18.8	18.1	4.6	15.7	206,122	3.0	n.a.	n.a.
OCBC	OCBC SP	BUY	28.78	31.6	9.8	12/25	17.7	17.0	16.2	3.0	12.0	129,218	2.2	n.a.	n.a.
Keppel	KEP SP	BUY	11.46	13.23	15.4	12/25	26.3	22.0	21.1	3.0	8.8	20,635	2.0	-9,006	41.8
SingTel	ST SP	BUY	4.39	5.50	25.3	3/26	12.9	24.3	23.1	4.4	10.5	71,683	2.6	-8,208	23.0
SATS	SATS SP	BUY	4.59	5.00	8.9	3/26	23.9	20.5	18.1	2.0	11.8	6,823	2.5	-1,623	26.2
NTT DC REIT	NTTDCR SP	BUY	0.935	1.43	52.9	3/26	384.2	n.a.	n.a.	10.9	(0.4)	967	0.6	-597	29.2
UI Boustead REIT	UIBREIT SP	BUY	0.835	1.17	40.1	3/25	n.a.	14.8	13.4	8.5	6.7	1,141	1.0	-753	37.9
Venture Corp	VMS SP	BUY	16.38	20.65	26.1	12/25	20.8	19.8	18.8	4.9	8.5	4,706	1.7	1,284	0.0
Valuetronics	VALUE SP	BUY	1.08	1.88	74.1	3/26	22.8	16.8	15.5	5.9	10.9	441.0	1.8	239	0.0
Riverstone	RSTON SP	BUY	0.865	1.10	27.2	12/25	20.2	22.4	20.3	4.5	12.6	1,282.1	2.7	200	0.0

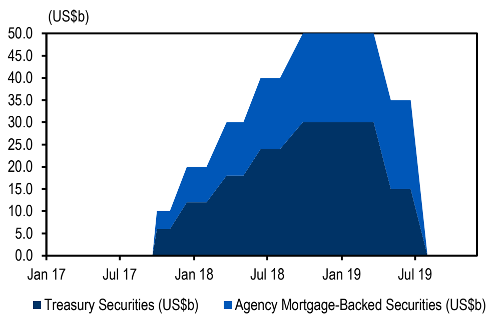
Source: Bloomberg, UOB Kay Hian

- **An inflation hawk and critic of QE.** Kevin Warsh's reputation as an inflation hawk was established during his tenure as a Fed Governor from 2006 to 2011. He was concerned about the risks to price instability even during the depths of the 2008 Global Financial Crisis, often advocating for higher interest rates and a quicker scaling back of emergency support. He was a staunch critic of quantitative easing (QE), fearing that the Fed's massive bond-buying programme and expanded balance sheet would distort market signals and eventually trigger higher inflation. He resigned from the Board in 2011, shortly after the launch of a second round of QE.

Action

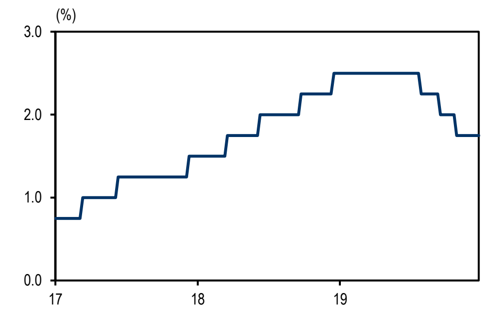
- **Examining the evidence.** There are two earlier episodes of QT:
  1) **QT1.** The Fed started the first round of QT during Oct 17 to Jun 19 (seven quarters from 4Q17 to 2Q19). This is the first attempt at normalising the size of the Fed's balance sheet after QE1, QE2 and QE3. The Fed Funds Rate was hiked 125bp from 1.00% to 2.25% during this period. The size of the Fed's balance sheet was reduced by US$0.6t from US$4.5t to US$3.9t.
  2) **QT2A and QT2B.** The second episode of QT occurred during May 22 to Oct 25 (14 quarters from 2Q22 to 3Q25) and was aimed at unwinding the massive amount of liquidity injected during the COVID-19 pandemic. It is more intense and prolonged compared to the earlier QT. The size of the Fed's balance sheet was reduced by US$2.3t from US$9.0t to US$6.6t. We sub-divided this period into two segments: a) QT2A (2Q22 to 4Q23), which was accompanied rate hikes with Fed Funds Rate increasing 450bp from 0.75% to 5.25%; and b) QT2B (1Q24 to 3Q25) where the Fed Funds Rate was unchanged at 5.25%.
- **QT typically tightens financial conditions** and removes liquidity support that has historically boosted equity prices. With less liquidity available, bond yields tend to rise and borrowing costs increase. QT is not necessarily bearish for stocks. It has different impacts on different sectors.
- **Gains during QT propped up by the financial sector.** The stock market usually fares reasonably well during past episodes of QT. The FTSE ST All-share Index gained 9.5% during QT1, 0.4% during QT2A and 42.8% during QT2B (absolute total return). Unfortunately, the gains were powered mainly by heavyweights in the financial sector, which gained 17.7% during QT1, 6.1% during QT2A and 62.9% during QT2B. The financial sector did particularly well during QT2B due to anticipation of interest rates staying "higher for longer", growth in wealth management and banks announcing capital management initiatives. Comparatively, non-financial sectors tend to underperform due to the spectacular rally for the financial sector.
- **QT is positive for banks** because it tends to lift long-term bond yields and steepen the yield curve. Banks earn higher yields on new loans over time but interest rates for their short-term deposits remain relatively unchanged. Banks gain bargaining power during QT as financial conditions tightens.
- Our top pick is OCBC (BUY/Target: S$31.60) for its strategic shift to accelerate growth. We like DBS (BUY/Target: S$76.85) for its attractive 2026 dividend yield of 4.7%.
- **QT is negative for technology stocks** because their valuations depend on earnings and growth that are expected far into the future. Higher bond yields increase the discount rate investors use to value future cash flows. Thus, share prices of technology companies, which are growth stocks, are sensitive to rising bond yields.
- Our top picks are Venture (BUY/Target: S$20.65) and Valuetronics (BUY/Target: S$1.88) due to their cash-rich balance sheets.
- **Business transformation and asset monetisation are important stock-specific catalysts.** Many sectors and stocks appear to have underperformed

Balance Sheet Reduction During QT1



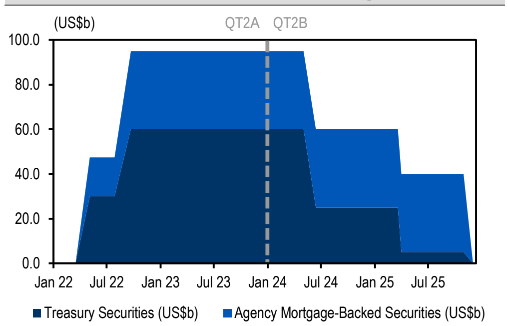
Source: UOB Kay Hian

Fed Funds Rate During QT1



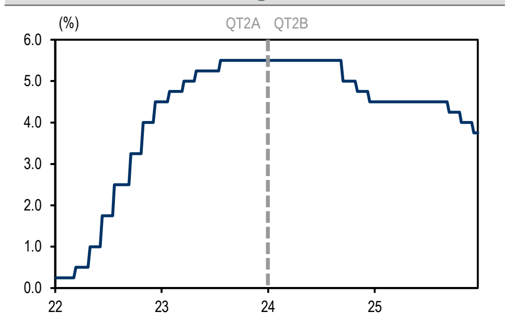
Source: UOB Kay Hian

Balance Sheet Reduction During QT2



Source: UOB Kay Hian

Fed Funds Rate During QT2



Source: UOB Kay Hian

because banks, which accounted for 46.6% of the FTSE ST All-share Index, massively outperformed, especially during QT2B. Nevertheless, stock-specific catalysts are powerful, even during QT:

I. SingTel outperformed by 38.3% during QT2B due to its SingTel28 growth strategy: a) AI initiatives, such as RE:AI GPU-as-a-Service and Nxera data centres; b) growth at Bharti Airtel and Telkomsel; and c) divesting ComCentre and stakes in Bharti Airtel to fund value realisation dividends and a S$2b share buyback programme.

II. Keppel outperformed by a massive 91.4% during QT2A due to its transformation from rig-building and marine and pivot to become an asset-light global asset manager under Vision 2030. The merger between Keppel O&M and Sembcorp Marine (SMM) was completed in Feb 23 and Keppel distributed SMM shares in specie. It initially set a three-year asset monetisation target of S$5b. It also launched a S$500m share buyback programme.

III. SembCorp Industries outperformed by a massive 108.7% during QT2A due to its transformation from a utility and marine conglomerate and pivot to become a green energy champion. It completed the de-merger from SMM in Sep 20. It benefitted from the increase in wholesale electricity prices globally. It developed a renewable portfolio across China and India. Improved profitability from high electricity spread and earnings from renewable energy led to a steady increase in dividends.

Relative Total Return By Sector During Past Episodes Of QT

	Weightage (%)	QT1 (4Q17 to 2Q19)	QT2A (2Q22 to 4Q23)	QT2B (1Q24 to 3Q25)	Total
Financials	46.6	8.2	5.7	20.1	34.0
Real Estate & REITs	16.6	4.2	-9.8	-30.5	-36.1
REITs	10.8	16.7	-7.4	-35.9	-26.6
Consumer Goods	7.0	-7.9	-18.4	-39.0	-65.3
Telecommunications	8.4	-7.2	1.5	30.1	24.4
Consumer Services	4.3	-13.2	13.9	-39.6	-38.8
Utilities	3.3	-34.4	99.7	-9.2	56.2
Healthcare	1.1	-4.7	-29.3	-43.2	-77.2
Technology	1.2	6.3	-25.9	-39.1	-58.7

Source: Bloomberg, UOB Kay Hian

Relative Total Return Of Key Component Stocks

	QT1 (4Q17 to 2Q19)	QT2A (2Q22 to 4Q23)	QT2B (1Q24 to 3Q25)	Total
FTSE ST Financial				
DBS Group Hldgs	27.3	4.0	44.2	75.5
OCBC Bank	-2.0	16.7	-0.1	14.6
United Overseas Bank	9.4	-2.5	-5.6	1.3
Singapore Exchange	5.4	4.4	33.4	43.3
FTSE ST Real Estate & REITs				
Capitaland Int Comm Trust	34.8	-1.6	-18.1	15.1
Capitaland Ascendas	22.3	11.8	-39.6	-5.5
Hongkong Land	-15.5	-24.6	61.3	21.2
Capitaland Investment	n.a.	-14.2	-47.0	-61.2
UOL Group	-12.5	-6.9	-10.1	-29.5
Keppel DC REIT	26.4	-8.5	-6.5	11.4
Mapletree Log Trust	30.8	3.1	-62.6	-28.7
Mapletree Industrial	23.1	2.8	-48.3	-22.4
City Developments	-23.1	-11.2	-34.7	-69.0
Keppel REIT	6.3	-17.1	-19.4	-30.1
Suntec REIT	5.0	-22.6	-28.2	-45.8
Mapletree Pan Asis	41.6	-7.4	-40.7	-6.5
Frasers Centrepoint	27.0	3.1	-31.1	-1.0
Frasers Logistic Trust	18.1	-11.6	-51.0	-44.5

	QT1 (4Q17 to 2Q19)	QT2A (2Q22 to 4Q23)	QT2B (1Q24 to 3Q25)	Total
FTSE ST Consumer Goods				
Wilmar International	13.1	-18.1	-54.7	-59.8
Thai Beverage	-12.4	-23.7	-45.7	-81.7
Sheng Siong	16.1	13.2	-2.7	26.6
Golden Agri-Resources	-28.9	-6.4	-22.9	-58.2
DFI Retail Group	-12.3	-13.4	25.3	-0.3
First Resources	-20.9	-20.1	-10.5	-51.5
FTSE ST Telecommunications				
Singapore Telecom	-6.2	2.8	38.3	34.9
FTSE ST Consumer Services				
Singapore Airlines	-12.7	27.8	-30.7	-15.6
SATS	9.2	-33.4	-17.1	-41.3
Genting Singapore	-26.7	29.9	-61.4	-58.3
FTSE ST Utilities				
Keppel	-0.5	91.4	-3.4	87.4
Sembcorp Industries	-26.4	108.7	-21.5	60.9
FTSE ST Healthcare				
Haw Par Corp	19.4	-10.9	26.6	35.2
Top Glove Corp	75.9	-59.3	-71.8	-55.2
Raffles Medical	-13.3	-3.3	-47.6	-64.2
FTSE ST Technology				
Venture Corporation	-10.4	-15.5	-27.2	-53.0
AEM Holdings	64.1	-24.6	-89.7	-50.2
UMS Integration	-21.6	18.7	-31.3	-34.2
CSE Global	47.1	3.3	44.5	94.9

Source: Bloomberg, UOB Kay Hian

- **Not an interest rate upcycle.** The taskforces on productivity and jobs, as well as inflation framework, have the most profound impact on interest rates. Kevin Warsh focuses on measuring the underlying trend in inflation rather than reacting to temporary price shocks. He has expressed a preference for “trimmed mean” inflation measures, which remove the most extreme price increases and decreases from the calculation to better capture broad-based inflationary pressure. Kevin Warsh has optimistic views on the economic impact of AI. He sees AI to be a transformative “general-purpose technology” capable of significantly boosting productivity, business investment, and long-term economic growth. He believes that AI-driven productivity gains could help the economy grow faster without generating inflationary pressures. In his view, AI meaningfully expands the economy’s productive capacity and acts as a disinflationary force. We see Kevin Warsh’s views on AI and measurement of inflation as dovish.
- **Taskforce on size of Fed's balance sheet.** The Fed's newly established taskforce on the size of its balance sheet will assess the benefits and risks of the Fed's US$6.7t balance sheet, including the "ample reserves" framework and the composition of assets. The taskforce will consider whether monetary policy should rely primarily on interest rates or on balance sheet tools. The Fed's balance sheet ballooned to US$9t at its peak in 2022 through QE and has since stabilised following the end of quantitative tightening in late-25. The review will decide the optimal long run size consistent with keeping sufficient reserves for smooth market functioning, while avoiding an unnecessarily large central bank footprint.
- **Regime change at the Fed.** The taskforce on the size of the Fed's balance sheet is expected to complete its findings and recommendations by end-26. Thus, we could see quantitative tightening being re-introduced in 2027. Janet Yellen, previous Chair of the Fed that preceded Jerome Powell, once described QT as “waiting for the paint to dry” as she tries to reassure investors that QT would not disrupt financial markets. Kevin Warsh might take a more assertive approach as he evaluates whether QT could be an important tool for conducting monetary policy.

- **Our top large/mid-cap stock picks are OCBC, DBS, Keppel, SingTel, SATS, NTT DC REIT, UI Boustead REIT, Venture Corp, Valuetronics and Riverstone.**
- **AI as a megatrend and mega catalyst.** AI has progressed from standalone chatbots to autonomous agent-based systems capable of executing complex workflows across enterprise and consumer applications. They amplify demand for data centre capacity by shifting AI usage from episodic training to pervasive always-on inference. The next phase of digital infrastructure growth would be driven by rapid evolution and deployment of AI.
- Top picks with exposure to growth in AI: Keppel (integrated power business, 39 data centres with power capacity of 800MW and powerbank of 1,000MW and Bifrost Cable System), SingTel (GPU-as-a-Service, Nxera, STT GDC and NCS), NTT DC REIT (largest tenant specialises in autonomous driving and humanoid robots), Venture Corp (portfolio B benefits from demand for AI infrastructure) and Riverstone (cleanroom gloves).

Top Large/Mid-cap Stock Picks

Beneficiaries of higher bond yields	
DBS (BUY/Target: S$76.85)	• HNW clients have entrusted DBS with a greater share of their assets through its booking centres in Singapore and Hong Kong. It has doubled its AUM since 2019, representing a six-year CAGR of 12.2%. The proportion of AUM invested was high at 58% in 2025. Wealth management fees grew by a sterling 29% in 2025 and 25% yoy in 1Q26. • DBS is recognised as the world's best private bank by Euromoney Private Banking Awards 2026. According to Asian Private Banker, DBS is ranked the 4th largest private bank in Asia with AUM increasing 22% to S$335b in 2025. • DBS provides a dividend yield of 5.0% for 2026 with latent potential for more capital management exercises. We expect DBS to raise its quarterly DPS by 6 S cents to 72 S cents starting 4Q26.
OCBC (BUY/Target: S$31.60)	• Wealth management is poised for continued growth due to OCBC's expanded base of RMs, influx of net new money into Singapore and Hong Kong, and its new digital wealth platform WoW. • Leadership renewal at Great Eastern has catalysed a shift in product mix towards long duration product lines and HNW clients. • OCBC has embarked on the next frontier to accelerate growth. Maintain BUY. Target price: S$31.60.
Value creation through asset recycling and monetisation	
Keppel (BUY/Target: S$13.23)	• All five fibre pairs in Keppel's Bifrost portfolio were committed at a total contract value of US$1.3 b (S$1.7b), providing stable recurring income from cable operations and maintenance over 25 years. They are committed to major telecommunications operators, leading hyperscalers and global technology companies. The Bifrost project is expected to generate an IRR of about 30%. • Keppel's 600MW Keppel Sakra Cogen (KSC) Plant, Singapore's first hydrogen-compatible combined-cycle gas turbine (CCGT) power plant, commenced commercial operations on 29 May 26, expanding Keppel's power generation capacity by 45% to 1.9GW. The plant is fully contracted for 2026 and 2027 and is expected to boost recurring earnings from the infrastructure segment. • Keppel targets to monetise S$2b-3b of non-core assets in 2026, as part of its transition towards an asset-light business model. It has already monetised S$385m of assets in 1Q26, including divesting i12 Katong and its remaining stake in Seatrium. Over the longer term, Keppel targets to monetise S$13.5b of non-core assets by 2030.
SingTel (BUY/Target: S$5.50)	• SingTel sold 2.8% stake in Gulf Development for S$1b through private placement. It retains a balance of 5.0% stake. • SingTel could divest a minority stake in Optus to strategic local partners who can bring complementary capabilities and expertise. Its 27.5% stake in Bharti Airtel is worth S$44b. • SingTel announced encouraging 2HFY26 results with underlying net profit increasing 10.6% yoy. AIS grew 43% yoy. Digital Infraco grew 24% yoy. NCS grew 17% yoy.
Recovery in air travel and air cargo	
SATS (BUY/Target: S$5.00)	• Global air cargo growth has rebounded after the dip in Mar 26, with Apr-Jun 26 cargo volume growing by a high 5% yoy, by our estimate; SATS' cargo volume is set to grow faster, at close to 10% yoy, driven by new contract wins. • SATS' ground handling business volume should sustain a high single-digit yoy growth in 1QFY27, driven by higher business volume in Americas.
Selective high-yield S-REIT picks	
NTT DC REIT (BUY/Target: US$1.43)	• NTTDCR is exploring the feasibility of acquiring a hyperscale data centre in Frankfurt, Germany in 1H26, which will increase exposure to Tier 1 markets.

	• NTTDCR signed 2,400kW of new leases across CA1 (1MW), CA3 (1MW) and SG1 (200kW) in 3QFY26. Portfolio occupancy should increase 3ppt to 98% in 1QFY27 after the new leases commence. • NTTDCR provides a DPU yield of 7.7% for FY27 and 8.0% for FY28, which is more attractive compared with DCREIT (6.7%), KDCREIT (4.8%) and MINT (5.9%).
UI Boustead REIT (BUY/Target: S$1.17)	• UIBREIT's automotive, aerospace & avionics tenants include AUMOVIO, Rolls-Royce Solutions, Safran Helicopter Engines Asia, Safran Electronics & Defence Services Asia and a leading aircraft manufacturer. • The automotive, aerospace & avionics segment would expand 3ppt to 22% of gross rental income after the development of a build-to-suit integrated aerospace facility at Seletar Aerospace Park is completed; this is expected to start contributing in 1QFY29. • UIBREIT provides an attractive DPU yield of 9.0% for FY27 and 8.8% for FY28 (CLAR: 5.9%, AAREIT: 6.3%).
Selective Technology picks	
Venture Corp (BUY/Target: S$20.65)	• Venture has a diversified customer base across semiconductor equipment, test & measurement instrumentation, networking & communications and life science. • Venture maintained a lucrative net margin of 9% in 1Q26 due to its specialisation in high-mix electronics manufacturing services. It is respected for its know-how and expertise in various technology domains, including life science, genomics, molecular diagnostics, medical devices & equipment, healthcare, wellness technology, test & measurement instrumentation, networking & communications, semiconductor equipment and advanced industrial. • Venture has maintained its net cash position in excess of S$1b as of Mar 26, equivalent to 27% of market cap, even after payment of higher dividends of 80 S cents and share buybacks in 2025. Net cash per share was S$4.47 as of Dec 25.
Valuetronics (BUY/Target: S$1.88)	• Revenue mix structurally shifting towards high-margin industrial & commercial electronics (ICE) products, including thermal label printer, cold chain temperature monitor, data & media connectivity modules for automobiles, cooling solutions for high-performance computing and network access solutions. ICE products accounted for 87% of group revenue in FY26. Net profit margin was 9.6%. • Valuetronics has revised its dividend payout ratio higher to 50-70% (previous: 30-50%). It has unveiled a two-year HK$300m capital return programme to be executed in FY27 (special dividend: HK$66m, share buyback: > HK$80m) and FY28 (HK$154m). • Valuetronics has net cash of HK$1,214m as of Mar 26, which accounted for about 43% of its market cap.
Riverstone (BUY/Target: S$1.10)	• Riverstone's cleanroom segment benefits from build-out for AI infrastructure, including data centres and data storage / memory units. Management guided for volume growth of 10% yoy, driven by hard disk drives-related orders. Riverstone benefits from margin improvement with its Phase 8 expansion and replacement of older double-lines with new flexible single-lines optimised for customised outputs. We expect an ASP increase of 10-15% qoq in 2Q26. • Price competition within the healthcare segment appears to be stabilising. Peers have reported ASP improvement as customers started to accept higher prices. ASP has turned the corner with higher costs being passed through to customers. • We recommend BUY with target at S$1.10 based on 25x FY27 PE. Valuation is supported by its cleanroom moat, net cash of RM700m as of Mar 26 and consistent dividend track record.

Source: UOB Kay Hian

Peer Comparison – Singapore Large Caps

Company	Ticker	Rec	Price 16 Jul 26 (S$)	Price Target (S$)	+/- TP % (%)	Last Year End	PE 2025 (x)	PE 2026F (x)	PE 2027F (x)	Yield 2026F (%)	ROE 2026F (%)	Market Cap (S$m)	Price/ NAV (x)	Net Cash / (Debt) (S$m)	Total Debt to Assets (%)
AVIATION															
SIA	SIA SP	HOLD	7.61	6.76	(11.2)	3/26	19.8	19.7	20.6	4.9	7.2	23,978	1.4	287	17.7
SIA Engineering	SIE SP	BUY	3.30	3.85	16.7	3/26	21.9	20.4	18.2	3.6	10.2	3,702	2.1	559	0.2
SATS	SATS SP	BUY	4.59	5.00	8.9	3/26	23.9	20.5	18.1	2.0	11.8	6,823	2.5	-1,623	26.2
ST Engineering	STE SP	BUY	10.70	11.75	9.8	12/25	72.1	31.9	27.5	1.9	38.4	33,377	13.0	-4,256	30.1
FINANCE															
DBS	DBS SP	BUY	72.48	76.85	6.0	12/25	18.7	18.8	18.1	4.6	15.7	206,122	3.0	n.a.	n.a.
OCBC	OCBC SP	BUY	28.78	31.6	9.8	12/25	17.7	17.0	16.2	3.0	12.0	129,218	2.2	n.a.	n.a.
SGX	SGX SP	HOLD	23.86	21.70	(9.1)	6/25	39.4	34.7	31.3	1.9	31.8	25,497	11.2	1,048	15.1
UOB @	UOB SP	NR	43.50	n.a.	n.a.	12/25	15.8	12.8	12.0	4.0	11.0	71,789	1.5	n.a.	n.a.
HEALTHCARE															
Raffles Medical	RFMD SP	BUY	0.95	1.25	31.6	12/25	24.9	23.9	22.7	3.5	6.9	1,748	1.7	261	3.5
LAND TRANSPORT															
ComfortDelGro	CD SP	HOLD	1.34	1.54	14.9	12/25	12.6	14.8	14.1	5.4	7.5	2,902	1.1	-704	25.6
PLANTATION															
Bumitama	BAL SP	BUY	1.81	2.01	11.0	12/25	14.1	1.4	1.4	5.5	20.2	3,139	2.7	-73	15.1
First Res	FR SP	BUY	3.46	3.65	5.5	12/25	11.6	11.0	11.6	5.3	23.9	5,357	2.7	-851	33.0
Wilmar	WIL SP	HOLD	3.90	3.50	(10.3)	12/25	13.2	12.8	11.2	3.5	6.8	24,347	0.9	-30,127	46.9
PROPERTY															
CapitaLand Invest	CLI SP	BUY	2.53	3.93	55.3	12/25	87.2	20.2	18.6	4.7	5.0	12,634	1.0	-5,802	32.3
CityDev	CIT SP	BUY	7.79	11.50	47.6	12/25	11.2	15.8	14.0	2.5	4.7	6,960	0.7	-11,336	49.5
SHIPYARD															
Keppel	KEP SP	BUY	11.46	13.23	15.4	12/25	26.3	22.0	21.1	3.0	8.8	20,635	2.0	-9,006	41.8
Sembcorp Ind	SCI SP	BUY	5.48	8.06	47.1	12/25	9.9	11.2	8.2	4.5	15.4	9,755	1.8	-7,847	48.6
Seatrium	STM SP	BUY	2.00	3.15	57.5	12/25	20.9	18.1	15.0	1.7	5.4	6,768	1.0	-680	13.7
YZJ Ship Bldg SGD	YZJSGD SP	BUY	3.65	4.75	30.1	12/25	9.2	7.8	7.5	6.3	28.2	14,365	2.4	3,798	9.4
TECHNOLOGY															
Sea Ltd USD	SE US	BUY	111.36	181.18	62.7	12/25	42.0	36.6	24.2	0.0	13.8	63,136	4.9	4,576	6.3
Venture Corp	VMS SP	BUY	16.38	20.65	26.1	12/25	20.8	19.8	18.8	4.9	8.5	4,706	1.7	1,284	0.0
TELECOMS															
NetLink NBN Trust	NETLINK SP	HOLD	0.98	1.01	3.1	3/26	45.8	39.0	37.4	5.4	4.4	3,819	1.7	-740	25.7
SingTel	ST SP	BUY	4.39	5.50	25.3	3/26	12.9	24.3	23.1	4.4	10.5	71,683	2.6	-8,208	23.0
StarHub	STH SP	HOLD	1.02	1.26	23.5	12/25	22.7	10.4	9.6	7.6	28.8	1,761	3.5	-806	46.1
OTHERS															
DFIRG USD	DFI SP	BUY	3.62	5.60	54.7	12/25	20.5	17.4	16.5	4.0	76.1	6,315	17.7	89	2.1
Genting SP	GENS SP	HOLD	0.63	0.75	19.0	12/25	19.5	18.4	16.7	6.3	5.0	7,600	0.9	3,200	0.0
ThaiBev	THBEV SP	HOLD	0.44	0.475	8.0	9/25	11.0	10.2	10.1	4.9	18.8	11,058	1.9	-7,239	44.1
REITS															
CapLand Ascendas	CLAR SP	BUY	2.48	3.78	52.4	12/25	16.7	16.2	14.8	6.0	6.8	12,388	1.1	-7,354	39.0
CapLand Ascott	CLAS SP	BUY	0.90	1.42	57.8	12/25	30.3	19.3	18.9	6.8	3.7	3,466	0.8	-2,588	37.7
CapLand Int Comm Trust	CICT SP	BUY	2.45	3.06	24.9	12/25	20.9	20.9	19.3	4.8	5.5	19,488	1.1	-10,601	38.6
CDL Htrust	CDREIT SP	BUY	0.775	1.11	43.2	12/25	126.1	22.0	22.3	7.1	2.4	993	0.6	-1,167	37.7
Cent Accom REIT	CAREIT SP	BUY	1.14	1.55	36.0	12/25	25.1	18.7	16.5	5.9	7.0	1,966	1.3	-298	22.1
Digi Core REIT USD	DCREIT SP	BUY	0.495	0.93	87.9	12/25	21.7	20.3	16.2	7.0	3.0	827	0.6	-823	37.1
Far East HTrust	FEHT SP	BUY	0.585	0.81	38.5	12/25	19.8	17.0	16.6	6.4	3.9	1,204	0.7	-769	33.0
Frasers Centrepoint	FCT SP	BUY	2.25	2.99	32.9	9/25	20.4	14.4	12.0	5.6	6.7	4,585	1.0	-2,523	40.0
Frasers L&C Trust	FLT SP	BUY	0.965	1.30	34.7	9/25	21.4	20.0	19.5	6.2	4.4	3,668	0.9	-2,234	33.7
Keppel DC REIT	KDCREIT SP	BUY	2.32	2.99	28.9	12/25	20.8	19.4	19.1	4.9	6.5	5,675	1.4	-2,024	35.3
Keppel REIT	KREIT SP	BUY	0.88	1.13	28.4	12/25	29.4	20.2	19.9	6.2	3.6	4,371	0.7	-5,532	47.9
KORE REIT USD	KORE SP	BUY	0.184	0.25	35.9	12/25	4.5	5.2	5.3	3.9	5.1	248	0.3	-715	44.1
Lendlease REIT	LREIT SP	BUY	0.57	0.78	36.8	6/25	26.2	20.7	21.0	6.5	3.7	1,896	0.8	-1,152	38.4
Mapletree Pan Asia	MPACT SP	BUY	1.33	1.75	31.6	3/26	16.2	19.1	18.8	6.0	3.9	7,028	0.8	-5,522	36.4
Mapletree Ind Trust	MINT SP	HOLD	1.92	2.07	7.8	3/26	16.3	16.8	16.4	6.0	6.4	5,482	1.2	-2,691	34.0
Mapletree Log Trust	MLT SP	HOLD	1.21	1.29	6.6	3/26	25.9	24.5	24.7	5.7	3.6	6,195	1.0	-5,187	40.6
NTT DC REIT USD	NTTDCR SP	BUY	0.935	1.43	52.9	3/26	384.2	n.a.	n.a.	10.9	(0.4)	967	0.6	-597	29.2
PLife REIT	PREIT SP	BUY	4.14	5.45	31.6	12/25	25.7	24.0	23.6	4.3	6.6	2,702	1.6	-836	33.3
Prime US REIT USD	PRIME SP	BUY	0.157	0.21	33.8	12/25	10.0	7.8	7.4	10.5	3.8	291	0.3	-793	45.0
Suntec REIT	SUN SP	BUY	1.51	1.71	13.2	12/25	20.7	23.9	22.8	5.0	2.8	4,467	0.7	-3,873	41.5
UIBREIT	UIBREIT SP	BUY	0.835	1.17	40.1	3/25	n.a.	14.8	13.4	8.5	6.7	1,141	1.0	-753	37.9
Utd Hampshire REIT USD	UHU SP	BUY	0.515	0.72	39.8	12/25	14.5	12.0	11.3	9.5	5.5	404	0.7	-366	38.6

Note: NR – Not Rated
Source: Bloomberg, UOB Kay Hian

Peer Comparison – Singapore Small / Mid Cap

Company	Ticker	Rec	-------- Price --------		+/-	Last	------------------ PE ------------------			Yield	ROE	Market	Price/	Net Cash	Total Debt
			16 Jul 26	Target	TP %	Year End	2025	2026F	2027F	2026F	2026F	Cap	NAV	/ (Debt)	to Assets
			(S$)	(S$)	(%)		(x)	(x)	(x)	(%)	(%)	(S$m)	(x)	(S$m)	(%)
AEM	AEM SP	BUY	9.17	12.99	41.7	12/25	169.8	45.1	35.8	0.6	12.5	2,930.3	5.8	61	2.6
Aoxin Q & M	AOXIN SP	BUY	0.235	0.36	53.2	12/25	99.3	173.3	36.1	0.4	2.1	271.9	3.7	27	0.0
ASL Marine	ASL SP	BUY	0.33	0.43	30.3	6/25	22.3	10.0	9.3	0.6	27.7	339.6	2.6	-102	33.7
Aztech Gbl	AZTECH SP	BUY	0.865	1.32	52.6	12/25	16.6	15.4	13.2	4.6	15.8	667.6	2.3	114	2.3
Beng Kuang	BKM SP	BUY	0.495	0.75	51.5	12/25	19.0	16.6	9.3	1.2	29.3	148.5	3.9	27	13.2
BRC Asia	BRC SP	BUY	4.17	5.30	27.1	9/25	12.1	11.0	10.3	5.3	19.5	1,144.0	2.2	52	15.3
Centurian	CENT SP	BUY	1.65	2.10	27.3	12/25	12.1	12.4	10.8	2.4	8.8	1,387.3	1.1	-332	21.4
China Aviation Oil	CAO SP	BUY	1.65	2.63	59.4	12/25	9.8	9.2	8.8	4.4	10.8	1,419.3	1.0	883	0.0
ChinaSunsine	CSSC SP	HOLD	0.68	0.70	2.9	12/25	8.8	8.4	8.1	4.1	9.0	648.3	0.8	429	0.0
Civmec	CIVMEC SP	HOLD	1.60	0.80	(50.0)	6/25	22.3	20.8	19.5	3.4	8.6	815.4	1.8	24	5.6
CSE Global	CSE SP	BUY	1.18	1.79	51.7	12/25	22.4	20.6	18.8	2.4	14.3	860.5	3.1	-163	27.6
Delfi	DELFI SP	BUY	0.865	1.68	94.2	12/25	12.2	14.1	13.1	3.5	10.2	528.7	1.5	69	3.3
Dezign Format	DFG SP	BUY	0.193	0.37	91.7	12/25	33.3	5.5	4.9	5.5	49.6	38.5	3.5	3	8.2
Food Empire	FEH SP	BUY	2.33	3.49	49.8	12/25	32.5	16.3	14.7	4.3	19.3	1,541.2	2.7	127	14.6
Frencken	FRKN SP	BUY	2.74	3.30	20.4	12/25	29.9	25.9	24.1	1.2	9.1	1,176.4	2.5	140	3.0
Hong Leong Asia	HLA SP	BUY	2.62	4.90	87.0	12/25	17.4	14.0	12.8	2.5	12.4	2,091.1	1.8	845	11.5
Huationg Global	HUAGL SP	BUY	0.715	1.23	72.0	12/25	6.6	6.4	6.0	2.2	14.8	135.0	1.0	53	19.8
iFAST	IFAST SP	BUY	9.54	11.77	23.4	12/25	28.8	26.5	23.7	1.0	25.0	2,924.7	6.8	122	8.5
Kimly	KMLY SP	HOLD	0.395	0.34	(13.9)	9/25	14.7	13.4	12.9	4.4	17.8	491.7	2.6	63	1.3
LHN	LHN SP	BUY	0.565	0.71	25.7	9/25	11.9	9.8	8.1	6.2	8.9	246.1	0.8	-189	36.9
Lum Chang Creations	LUCC SP	BUY	0.375	0.51	36.0	6/24	16.3	10.8	9.5	2.8	78.4	247.5	3.5	44	3.2
MarcoPolo Marine	MPM SP	BUY	0.129	0.23	78.3	9/25	8.3	13.9	12.2	1.6	13.7	504.9	1.9	52	19.0
Nanofilm	NANO SP	BUY	1.15	1.91	66.1	12/25	63.9	37.1	25.3	0.5	4.5	748.8	1.7	-8	14.4
Oiltek	OTEK SP	BUY	1.65	2.78	68.5	12/25	72.6	63.7	17.0	0.6	32.9	707.9	22.3	32	0.0
PanUnited	PAN SP	BUY	1.59	1.42	(10.7)	12/25	21.9	19.3	16.9	2.8	18.8	1,112.1	3.8	89	1.9
PropNex	PROP SP	BUY	1.80	2.55	41.7	12/25	18.9	17.2	17.0	5.6	64.7	1,332.0	11.5	149	0.0
Reclaims Global	RGL SP	BUY	0.20	0.27	35.0	1/26	8.0	4.3	3.8	11.0	15.6	60.4	1.3	28	0.0
RH PetroGas	RHP SP	BUY	0.156	0.263	68.6	12/25	39.8	11.5	14.0	0.0	14.8	130.7	1.7	84	0.0
Riverstone	RSTON SP	BUY	0.865	1.10	27.2	12/25	20.2	22.4	20.3	4.5	12.6	1,282.1	2.7	200	0.0
Sheng Siong	SSG SP	BUY	3.30	3.40	3.0	12/25	33.2	31.5	29.9	2.2	25.8	4,961.7	8.4	436	0.0
Soon Hock	SHOCK SP	BUY	0.595	0.71	19.3	12/25	4.1	3.2	3.2	6.3	29.9	184.9	1.2	-54	29.9
Tiong Woon	TWC SP	BUY	1.05	1.11	5.7	6/25	12.7	10.3	9.2	2.1	7.1	243.4	0.7	-38	21.4
UltraGreen.ai USD	UGAI SP	BUY	1.21	1.95	61.2	12/25	15.9	16.2	13.5	0.0	20.6	1,718.6	4.3	222	0.9
UMS	UMSH SP	BUY	2.55	4.01	57.3	12/25	43.6	38.8	30.7	2.0	13.3	2,264.8	4.2	43	0.0
Valuetronics	VALUE SP	BUY	1.08	1.88	74.1	3/26	22.8	16.8	15.5	5.9	10.9	441.0	1.8	239	0.0
Winking Studios	WKS SP	BUY	0.20	0.38	90.0	12/24	12.1	10.3	n.a.	5.8	14.4	88.3	1.3	33	0.0

Source: Bloomberg, UOB Kay Hian

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