UOBKayHian

Country Daily | Singapore

Monday, 21 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51682.6	(0.2)	(1.7)	(3.0)	7.5
S&P 500	7650.5	0.2	(0.1)	(0.3)	11.8
FTSE 100	10659.1	(1.5)	0.1	(1.5)	7.3
AS30	8922.7	0.1	0.0	(3.7)	(1.1)
CSI 300	4507.4	1.1	(0.1)	(2.4)	(2.6)
FSSTI	5656.1	(0.1)	(0.7)	(0.6)	21.7
HSCEI	8225.4	0.6	(0.3)	(4.7)	(7.7)
HSI	24750.8	0.6	(0.2)	(4.8)	(3.4)
JCI	6441.2	(0.3)	(1.5)	(1.3)	(25.5)
KLCI	1665.6	(0.5)	(2.3)	(4.1)	(0.9)
KOSPI	6894.2	2.7	(0.2)	(0.3)	63.6
Nikkei 225	65019.0	1.4	1.6	(0.8)	29.2
SET	1584.2	0.1	(1.3)	(1.8)	25.8
TWSE	47180.8	1.9	2.2	4.3	62.9
BDI	3370	1.0	(3.9)	18.6	79.5
CPO (RM/mt)	4622	(0.4)	0.1	2.1	17.5
Brent Crude (US$/bbl)	104	(0.2)	(1.9)	9.8	70.3

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
17th Asian Gems Conference 2026 (Virtual)	Singapore	22 Sep	23 Sep
Post-results NDR with Sunny Optical (2382 HK)	Taipei	22 Sep	23 Sep
New Economy Conference at The Ritz Carlton Hotel	Malaysia	07 Oct	07 Oct
NDR with Food Empire Holdings Ltd (FEH SP)	Malaysia	08 Oct	08 Oct

Corporate and Macro Calendar

Economic Indicator/Event	Date
Unemployment Rate Final Q2	21 Sep
MAS 12-Week Bill Auction	22 Sep
MAS 4-Week Bill Auction	22 Sep
Core Inflation Rate YoY AUG	23 Sep

Top Stories

Company Update | Mapletree Pan Asia Commercial Trust (MPACT SP/**BUY**/S$1.21/Target: S$1.71)

Page 2 →

- Festival Walk recorded the second consecutive quarter of healthy tenant sales growth at 4% yoy with sustained spending on luxury goods in 1QFY27. Strong demand within central Tokyo has spilled over to the Makuhari sub-market. MPACT has initiated discussions with several potential new tenants, including a potential replacement tenant for the entire FMB. Maintain BUY. Target price: S$1.71.

Market Spotlight

Page 5 →

- US stocks were mixed on Friday. The Dow Jones fell while the S&P 500 and Nasdaq rose as the information technology, industrials and financials sectors gained. There were more decliners than advancers on both the NYSE and the Nasdaq.
- The FSSTI fell 4.41pt to 5,656.11, on the back of weakness in Singtel, DBS and SATS, with mid-cap indices falling while small-cap indices rose with a broad market decline on S$3.17b turnover.

Technical Analysis

Frencken Group (FRKN SP)

Page 6 →

- Trading Buy Range: S$2.52-2.53

UMS Holdings (UMSH SP)

Page 6 →

- Trading Buy Range: S$2.64-2.65

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

Mapletree Pan Asia Commercial Trust (MPACT SP)

Green Shoots In Hong Kong And Japan

Highlights

- Festival Walk recorded the second consecutive quarter of healthy tenant sales growth at 4% yoy with sustained spending on luxury goods in 1QFY27. We expect the negative reversions to gradually moderate due to healthy retail sales boosted by positive wealth effect.
- Strong demand within central Tokyo has spilled over to the Makuhari sub-market. MPACT has initiated discussions with several potential new tenants, including a potential replacement tenant for the entire FMB.
- Singapore remains MPACT's core earnings anchor and contributed 68% of portfolio NPI in 1QFY27. Maintain BUY. Target price: S$1.71.

Analysis

- **Modest recovery for Hong Kong's retail malls.** Hong Kong's retail rental market is gradually recovering, supported by the return of tourist spending, improving leasing demand from Mainland Chinese brands, financial institutions and selected F&B operators. Vacancy rates have declined in key shopping districts, which has translated to modest rental growth. Unfortunately, neighbourhood malls continue to face headwinds from growing northbound spending by Hong Kong residents in Mainland China.
- **Benefitting from influx of international students.** The Hong Kong government has lifted the policy cap for international student quota at public universities from previous 20% to 40% in academic year 2024/25 and to 50% in academic year 2026/27. The policy liberalisation aims to establish Hong Kong as an education hub. Enrolment for international students has since registered a steady increase. Festival Walk should benefit from increased footfall from undergraduate and graduate students at City University and Baptist University, which are located nearby. Management conscientiously optimises its tenant mix to cater to the preference of youth/students.
- **Green shoot of recovery at Festival Walk.** Festival Walk recorded tenant sales growth of 4% yoy in 1QFY27, the second consecutive quarter of sustained spending on higher-value luxury goods. Mapletree Pan Asia Commercial Trust (MPACT) has completed the reconfiguration of 18,800sf of space across three floors into a curated mix of F&B, lifestyle, beauty and health concepts. The enhancement has been operational since Jul 26 and generated ROI of close to 50%. Festival Walk incurred negative rental reversion of 9.1% in 1QFY27. We expect the negative reversions to gradually moderate due to healthy retail sales boosted by positive wealth effect from a recovery in residential home prices.

Key Financials

Year to 31 Mar (S$m)	2025	2026	2027F	2028F	2029F
Net turnover	909	867	806	819	830
EBITDA	634	606	567	576	584
Operating profit	633	606	567	576	584
Net profit (rep./act.)	578	255	369	376	382
Net profit (adj.)	421	425	369	376	382
EPU (S$ cent)	8.0	8.1	7.0	7.1	7.2
DPU (S$ cent)	8.0	8.0	8.0	8.1	8.2
PE (x)	15.1	15.0	17.4	17.1	16.9
P/B (x)	0.7	0.7	0.7	0.7	0.7
DPU yld (%)	6.6	6.6	6.6	6.7	6.8
Net margin (%)	63.6	29.4	45.7	45.9	46.0
Net debt/(cash) to equity (%)	60.6	57.5	58.8	60.1	61.4
Interest cover (x)	2.9	3.3	3.3	3.3	3.3
ROE (%)	6.1	2.7	3.9	4.0	4.1
Consensus DPU (S$ cent)	-	-	8.0	8.1	8.2
UOBKH/Consensus (x)	-	-	0.99	1.00	1.00

Source: Mapletree Pan Asia Commercial Trust, Bloomberg, UOB Kay Hian

Analyst(s)

Jonathan Koh, CFA, MSc Econ

jonathankoh@uobkh.com

+65 6590 6620

BUY (Maintained)

Share Price	S$1.21
Target Price	S$1.71
Upside	41.3%

Stock Data

Sector	Real Estate
Bloomberg ticker	MPACT SP
Shares issued (m)	5,287.8
Market cap (S$m)	6,398.3
Market cap (US$m)	5,011.2
3-mth avg daily t'over (US$m)	14.4

Price Performance (%)

52-week high/low S$1.50/S$1.18

1mth	3mth	6mth	1yr	YTD
(4.0)	(4.7)	(12.3)	(14.2)	(17.7)

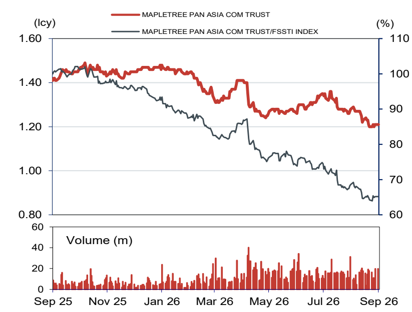
Major Shareholders (%)

Temasek Hldgs	56.9

Balance Sheet Metrics

FY27 NAV/Share (S$)	1.71
FY27 Net Debt/Share (S$)	1.03

Price Chart



Source: Bloomberg

Company Description

MPACT invests in income-producing real estate used for office and/or retail purposes in key gateway markets of Asia. It debuted on SGX Main Board on 27 Apr 11 and completed the merger with Mapletree North Asia Commercial Trust on 21 Jul 22.

- **Recovery in Tokyo office market.** Tokyo's office market has experienced a strong recovery, underpinned by robust leasing demand and a renewed focus on upgrading to high-quality office space. Vacancy rates in Tokyo's five central wards have fallen to pre-pandemic lows of 1.0-1.5%, while Grade A office rents have surpassed their 2020 peak as landlords regained pricing power. Japanese corporations are expanding or relocating to premium buildings with superior amenities to attract and retain talent.
- **Positive spillover to Makuhari sub-market.** Offices at the Makuhari sub-market of Chiba are showing early signs of stabilisation after a period of weakness, although the pace of recovery is slower than that in central Tokyo. Makuhari benefits from its strategic location near Kaihin Makuhari Station and proximity to Makuhari Messe, one of the largest convention and exhibition centres in Japan. It has an established concentration of technology, R&D and back-office occupiers. The Makuhari sub-market previously suffered major tenant departures but is starting to experience positive spillover from the buoyant office market in central Tokyo. MPACT has received enquiries and has initiated discussions with several potential new tenants, including a potential replacement tenant for the entire Fujitsu Makuhari Building (FMB). If successfully concluded, committed occupancy for MPACT's Japan portfolio could improve by 17ppt to 73%.

Valuation/Recommendation

- **Pan-Asian play anchored in Singapore.** VivoCity benefits from the recent pick-up in tourist arrivals and the expansion at Resorts World Sentosa. NPI from VivoCity grew 8.9% yoy in 1QFY27, supported by a positive rental reversion of 13.5% and high occupancy of 99.7%. Mapletree Business City (MBC) secured several new leases with IT tenants, which are progressively commencing in 2QFY27 and 3QFY27. A sizeable lease for 100,000sf is scheduled to commence in Nov 26. Singapore contributed 68% of portfolio NPI in 1QFY27, reinforcing its role as MPACT's core earnings anchor.
- **Circle Line Stage 6 opened for passenger service on 12 Jul 26.** The 4km extension adds three new stations and transforms the Circle Line into a fully orbital MRT line. It connects Marina Bay to HarbourFront, thus bringing tourists staying at downtown hotels to VivoCity and Sentosa. It provides direct travel options, bypassing crowded city-centre interchanges, such as City Hall and Raffles Place. Circle Line Stage 6 would have a positive impact on shopper traffic and tenant sales at VivoCity.
- **The Greater Sentosa Master Plan** is a long-term initiative to integrate Sentosa and Pulau Brani into a unified leisure and tourism destination over the next two decades. Phase 1, which commenced this year, focuses on upgrading infrastructure, including a new transport hub linking the two islands and a new people-mover system to replace the existing Sentosa Express. New attractions, hotels, revitalised beaches and nature experiences will be introduced. NTUC's Downtown South resort will be located on Pulau Brani. These developments support easier access, while preserving the islands' natural character. Being the gateway to Sentosa, VivoCity will benefit as Sentosa is expected to attract about twice as many visitors as today.
- **Maintain BUY.** Our target price of S$1.71 is based on DDM (cost of equity: 6.6%, terminal growth: 2.0%).

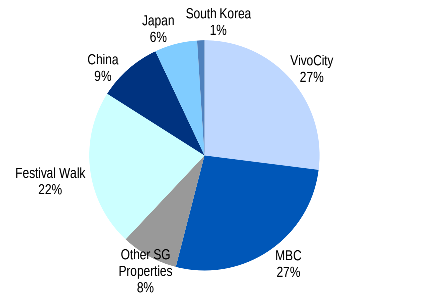
Earnings Revision/Risk

- We maintain our existing DPU forecast.

Share Price Catalyst

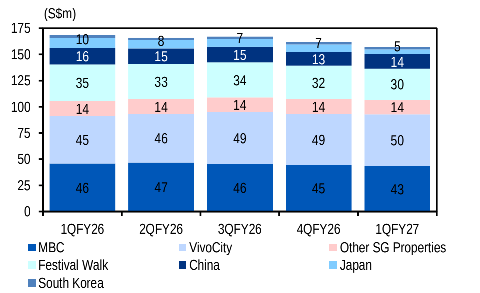
- Resilient growth from VivoCity and MBC in Singapore.
- MPACT's four Singapore properties located in the HarbourFront area accounted for 62% of its portfolio valuation. It benefits from the rejuvenation of Greater Southern Waterfront and Sentosa Island.

Portfolio Value By Country



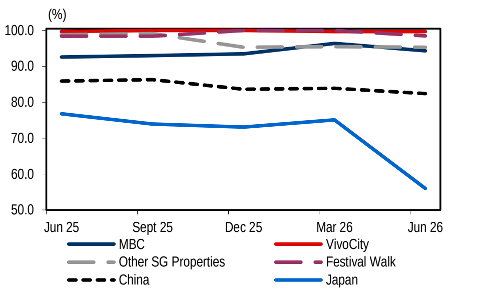
Source: MPACT

NPI By Country



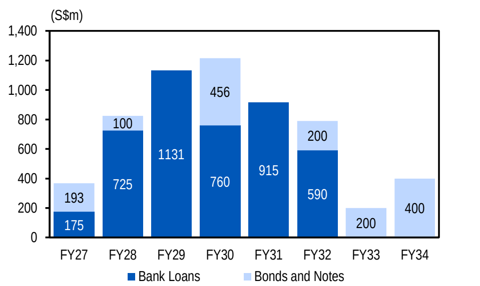
Source: MPACT

Portfolio Occupancy



Source: MPACT

Debt Maturity Profile



Source: MPACT

Profit & loss

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Net turnover	1,619.2	1,692.1	1,831.2	1,860.3
EBITDA	1,072.5	1,119.8	1,216.3	1,236.4
Deprec. & amort.	0.0	0.0	0.0	0.0
EBIT	1,072.5	1,119.8	1,216.3	1,236.4
Total other non-operating income	68.1	238.9	(0.1)	0.0
Associate contributions	116.8	82.3	85.2	88.1
Net interest income/(expense)	(298.8)	(260.9)	(272.2)	(272.5)
Pre-tax profit	958.6	1,180.1	1,029.2	1,052.0
Tax	(7.2)	(14.1)	(15.4)	(15.8)
Minorities	(14.1)	(4.0)	(4.0)	(4.0)
Perpetual Securities	0.0	0.0	0.0	0.0
Net profit	937.3	1,162.0	1,009.8	1,032.2
Net profit (adj.)	869.1	923.1	1,009.8	1,032.2

Balance Sheet

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Fixed assets	25,606.6	26,895.6	26,925.6	26,955.6
Other LT assets	1,180.9	1,180.9	1,180.9	1,180.9
Cash/ST investment	149.5	250.8	286.6	278.7
Other current assets	486.1	70.3	76.1	77.2
Total assets	27,423.1	28,397.6	28,469.2	28,492.4
ST debt	654.6	654.6	654.6	654.6
Other current liabilities	494.6	539.9	583.8	592.9
LT debt	9,334.9	9,280.0	9,290.0	9,300.0
Other LT liabilities	448.7	441.6	458.8	462.4
Shareholders' equity	16,292.1	17,283.2	17,283.7	17,284.3
Minority interest	198.3	198.3	198.3	198.3
Total liabilities & equity	27,423.1	28,397.6	28,469.2	28,492.4

Cash Flow

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Operating	1,097.0	1,570.0	1,293.3	1,272.3
Pre-tax profit	890.5	941.2	1,029.2	1,052.0
Tax	0.0	0.0	0.0	0.0
Deprec. & amort.	0.0	0.0	0.0	0.0
Associates	(116.8)	(82.3)	(85.2)	(88.1)
Working capital changes	(46.9)	65.9	28.6	6.0
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	370.2	645.2	320.7	302.4
Investing	(653.8)	(966.0)	30.0	30.0
Capex (growth)	(462.1)	(3,900.0)	0.0	0.0
Capex (maintenance)	(285.0)	(30.0)	(30.0)	(30.0)
Proceeds from sale of assets	0.0	2,904.0	0.0	0.0
Others	93.3	60.0	60.0	60.0
Financing	(450.0)	(502.6)	(1,287.5)	(1,310.3)
Distribution to unitholders	(750.1)	(920.9)	(1,009.2)	(1,031.7)
Issue of shares	600.0	750.0	0.0	0.0
Proceeds from borrowings	31.5	(54.9)	10.0	10.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	(331.4)	(276.8)	(288.3)	(288.6)
Net cash inflow (outflow)	(6.8)	101.4	35.8	(8.0)
Beginning cash & cash equivalent	156.4	149.5	250.8	286.6
Changes due to forex impact	0.0	0.0	0.0	0.0
Ending cash & cash equivalent	149.6	250.9	286.6	278.6

Key Metric

Year to 31 Mar (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	66.2	66.2	66.4	66.5
Pre-tax margin	59.2	69.7	56.2	56.6
Net margin	57.9	68.7	55.1	55.5
ROA	3.5	4.2	3.6	3.6
ROE	5.9	6.9	5.8	6.0
Growth				
Turnover	2.1	4.5	8.2	1.6
EBITDA	3.2	4.4	8.6	1.7
Pre-tax profit	2.5	23.1	(12.8)	2.2
Net profit	0.4	24.0	(13.1)	2.2
Net profit (adj.)	16.2	6.2	9.4	2.2
EPU	10.3	(0.8)	8.5	1.6
Leverage				
Debt to total capital	37.7	36.2	36.3	36.3
Debt to equity	61.3	57.5	57.5	57.6
Net debt/(cash) to equity	60.4	56.0	55.9	56.0
Interest cover (x)	3.6	4.3	4.5	4.5

Market News

US stocks were mixed on Friday, as the information technology, industrials and financials sectors led shares higher. At the close of the NYSE, the Dow Jones fell 0.18% while the S&P 500 index was up 0.17%, and the NASDAQ Composite index gained 0.39%. Falling stocks outnumbered advancing ones on the NYSE by 1,828 to 923 and 89 ended unchanged; on the Nasdaq Stock Exchange, 2,834 declined and 2,081 advanced, while 194 ended unchanged.

During the last trading session, the FSSTI fell 4.41pt to 5,656.11. Among the top active stocks were Singtel (-1.6%), DBS (-0.1%), OCBC Bank (+0.3%), Riverstone (-1.9%) and SATS (-0.5%). The FTSE ST Mid Cap Index fell 0.6%, while the FTSE ST Small Cap Index rose 0.6%. The broader market had 303 gainers and 273 losers with a total trading value of S$3.17b.

Technical Analysis

Analyst(s)

Wong Shueh Ting CFTe
shuehting@uobkh.com
+65 6590 6616

Frencken Group (FRKN SP)

Trading buy range:	S$2.52-2.53
Last price:	S$2.57
Target price:	S$2.98
Protective stop:	S$2.32

Price has established a higher low setting up an impending retest of overhead resistance. A decisive breakout above this supply boundary will confirm a higher high completing the trend continuation sequence. The RSI has turned bullish and is sloping upward. We could expect a sustained breakout and upward continuation towards higher extension targets.

The potential upside target is S$2.98. Stop-loss could be placed at S$2.32.

Approximate timeframe on average: 1-2 weeks (initiate this trade idea if the stock hits the entry price range within three trading days)

Our institutional research has a fundamental BUY and target price of S$3.30.

UMS Holdings (UMSH SP)

Trading buy range:	S$2.64-2.65
Last price:	S$2.69
Target price:	S$3.12
Protective stop:	S$2.47

Price penetrated its recent swing high following a successful rebound off the previous low. The RSI is established in bullish territory and sloping upward signalling accelerating trend velocity and sustained buyer domination. As long as pullbacks hold above the newly converted support boundary we could see continued upward progression towards higher extension targets.

The potential upside target is S$3.12. Stop-loss could be placed at S$2.47.

Approximate timeframe on average: 1-2 weeks (initiate this trade idea if the stock hits the entry price range within three trading days)

Our institutional research has a fundamental BUY and target price of S$3.27.