UOBKayHian

Country Daily | Singapore

Tuesday, 17 November 2026



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51608.2	(1.4)	(1.5)	(0.8)	7.4
S&P 500	7416.6	(1.9)	(1.8)	(3.2)	8.3
FTSE 100	10881.6	(0.2)	0.9	(0.0)	9.6
AS30	9165.4	(0.4)	0.0	2.5	1.6
CSI 300	3979.8	(0.9)	(1.9)	(4.6)	(14.0)
FSSTI	5183.2	(0.9)	0.1	(4.3)	11.6
HSCEI	7981.5	0.6	(3.4)	(1.8)	(10.5)
HSI	23753.8	0.5	(2.8)	(1.8)	(7.3)
JCI	5321.0	(0.4)	4.9	2.6	(38.5)
KLCI	1588.0	0.3	(1.8)	(1.2)	(5.5)
KOSPI	5100.5	(3.6)	1.6	(10.0)	21.0
Nikkei 225	59662.0	(2.4)	1.5	(8.7)	18.5
SET	1499.5	(0.4)	1.8	(4.7)	19.0
TWSE	41040.1	(6.0)	(1.5)	(12.9)	41.7
BDI	2921	(2.0)	2.3	16.3	55.6
CPO (RM/mt)	4130	(0.7)	0.7	(6.2)	5.0
Brent Crude (US$/bbl)	92	(4.2)	(0.8)	(16.4)	50.9

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Analyst Marketing by Johnny Yum on GC AI Sector	Taipei	17 Nov	18 Nov
Corporate Roadshow with NTT DC REIT (NTTDCR SP)	Bangkok	23 Nov	23 Nov
Corporate Roadshow with NTT DC REIT (NTTDCR SP)	Kuala Lumpur	25 Nov	25 Nov
Virtual Analyst Presentation by Jonathan Koh on S-REITs Results Wrap	Singapore	25 Nov	25 Nov
Regional 1H2027 Strategy Conference	Malaysia	02 Dec	02 Dec

Corporate and Macro Calendar

Economic Indicator/Event	Date
Balance of Trade OCT	17 Nov
Non-Oil Exports MoM OCT	17 Nov
Non-Oil Exports YoY OCT	17 Nov
MAS 12-Week Bill Auction	17 Nov

Top Stories

Sector Update | Property

Page 3 →

- In Oct 26, home sales (excluding ECs) rose 5.8x mom but fell 29% yoy to 1,716 units. Two new launches accounted for 83% of October's new-home sales. Without sizeable new projects to be rolled out in Nov and Dec 26, we think new-home sales for the year could come in at the lower end of our estimated 8,000-9,000 units. We maintain our OVERWEIGHT call on property developers for their attractive valuations, with CIT and CLI as our top picks.

Company Results | China Sunsine Chemical (CSSC SP/**HOLD**/S$0.65/Target: S$0.72)

Page 5 →

- Sunsine reported strong 9M26 results, with revenue rising 38% yoy to Rmb3.37b and PAT increasing 38% yoy to Rmb455.6m, exceeding expectations. Growth was driven by record sales volumes (+14% yoy), higher ASPs and margin expansion. However, raw material price volatility and industry competition remain key risks. Maintain HOLD with a higher target price of S$0.72.

Company Results | United Hampshire US REIT (UHU SP/**BUY**/US$0.45/Target: US$0.63)

Page 8 →

- UHU's 9M26 distributable income rose 3.6% yoy to US$20.7m, in line with expectations. NPI growth of 5.4% yoy is supported by acquisitions, new leases and rental escalations. Grocery & necessity occupancy remained high at 97.6%, with tenant retention of 89.9% and WALE of 7.9 years. UHU trades at a 2027 DPU yield of 10.2% (Kimco Realty: 4.4% and Regency Centers: 4.2%) and P/NAV of 0.62x. Maintain BUY. Target price: US$0.63.

Market Spotlight

Page 11 →

- US stocks were lower on Monday. All indices fell as the information technology, communication servies and energsectors slid. There were more decliners than advancers on both NYSE and NASDAQ.
- The FSSTI fell 48.66 points to 5,183.18, on the back of weakness in DBS, Singtel and OCBC Bank, with both mid- and small-cap indices falling with a broad market decline on a S$1.86b turnover.

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.

Technical Analysis

Keppel DC REIT (KDCREIT SP) Page 12 →

- Trading Buy Range: S$2.17-2.18

AEM Holdings (AEM SP) Page 12 →

- Trading Sell Range: S$6.88-6.89

Property

Bumper Sales In October

Highlights

- **Two new projects generated close to 83% of Oct 26's new-home sales.** According to URA data, new homes excluding executive condominiums (EC) for Oct 26 fell 29% yoy but surged 5.8x mom to 1,716 units, lifted by strong take-up at Thomson Reserve (81% sold) and Lucerne Grand (69% sold). Together, sales at these two projects accounted for just under 83% of monthly new-home sales. Including ECs, October's new-home sales would have totalled 1,731 units. Other top-selling developments during the month were Union Square Residences, Dunearn House, and The Serra Residences.
- **RCR accounted for bulk of monthly home sales.** Take-up in the Rest of Central Region (RCR) made up 67.4% of total ex-EC sales while Outside Central Region (OCR) transactions sales made up an additional 28.4%. Core Central Region (CCR) sales took up the remaining 4.2%.
- **Buyers remain selective.** Based on channel checks, popular units sold during the new launches were units priced below S$2.5m/unit at Thomson Reserve (accounting for half of sales) and well-located projects such as Lucerne Grand, near Lakeside MRT station and Jurong Lake Gardens). Meanwhile, The Serra Residences saw 5 units priced at S$5m and above, including a penthouse, changing hands. Maintain OVERWEIGHT.

Analysis

- **Maintain our forecast of 8,000-9,000 home sales…** Excluding ECs, primary home sales in 10M26 totalled 7,059 units. We believe that given the absence of sizeable new projects launches in November and December, new-homes sales could trend closer toward the low end of our projected 8,000-9,000 units for 2026.
- **…and 2-3% price appreciation for 2026.** We continue to expect private home prices to rise by 2-3% in 2026 (+2.8% for 9M26). With the 3-month SORA continuing to tick up mom in Nov 26 amid rising land cost, we think buying sentiment is likely to be shaped by developers' pricing strategy, absolute quantum affordability, and location considerations.

Analyst(s)

Lock Mun Yee
munyeelock@uobkh.com
+65 6590 6266

OVERWEIGHT (Maintained)

Segmental Rating

Segment	Rating
Property	OVERWEIGHT (Maintained)

Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (S$)	Target Price (S$)
City Developments	CIT SP	BUY	6.59	11.85
Capitaland Investment	CLI SP	BUY	2.35	3.80

Source: Bloomberg, UOB Kay Hian

Peer Comparison

			Price @	Target	Market	---------- PE ----------					------ P/B ------		----- Yield -----		----- ROE -----		Net
Company	Ticker	Rec	16-Nov-26	Price	Cap	2025	2026F	2027F	RNAV	P/RNAV	2025	2026F	2025	2026F	2025	2026F	Gearing
			(lcy)	(lcy)	(US$m)	(x)	(x)	(x)	(lcy)	(x)	(x)	(x)	(%)	(%)	(%)	(%)	(%)
Apac Realty	APAC SP	NR	0.45	n.a.	154	8.3	11.0	9.6	n.a.	n.a.	1.2	1.3	4.0	16.0	12.8	12.1	(7.5)
Bukit Sembawang	BS SP	NR	4.31	n.a.	866	8.7	n.a.	n.a.	n.a.	n.a.	0.7	n.a.	0.9	n.a.	7.9	n.a.	(12.5)
Centurion	CENT SP	BUY	1.21	2.05	790	8.9	10.4	8.1	n.a.	n.a.	0.8	0.8	3.3	3.3	9.6	7.9	22.9
City Dev	CIT SP	BUY	6.59	11.85	4,570	9.3	10.4	16.8	16.92	0.4	0.6	0.6	3.8	3.3	6.7	5.6	121.6
CLI	CLI SP	BUY	2.35	3.8	9,110	80.8	21.1	20.0	3.93	0.6	0.9	0.9	5.1	5.1	1.1	4.3	49.1
Frasers Property	FPL SP	NR	0.935	n.a.	2,850	15.8	22.4	20.3	n.a.	n.a.	0.4	0.4	4.8	4.8	2.4	1.7	82.1
Guocoland	GUOL SP	NR	1.97	n.a.	1,702	23.4	26.8	11.3	n.a.	n.a.	0.5	0.5	3.0	3.6	2.5	2.2	22.4
Ho Bee Land	HOBEE SP	NR	1.82	n.a.	937	12.1	10.7	9.6	n.a.	n.a.	0.3	n.a.	0.0	n.a.	2.7	n.a.	60.4
Propnex	PROP SP	BUY	1.63	2.55	936	17.1	15.5	15.4	n.a.	n.a.	10.4	9.7	4.9	6.1	58.8	64.7	(110.3)
UOL	UOL SP	NR	7.77	n.a.	5,111	13.6	13.6	12.3	n.a.	n.a.	0.6	0.5	2.3	2.7	4.1	4.2	20.4
Wing Tai	WINGT SP	NR	1.41	n.a.	837	n.a.	45.2	n.a.	n.a.	n.a.	0.4	0.4	2.1	2.1	(2.1)	0.8	15.4
Average						**19.8**	**18.7**	**13.7**			**1.5**	**1.7**	**3.1**	**5.2**	**9.7**	**11.5**	**24.0**

Source: Bloomberg, UOB Kay Hian

Top 5 Selling Projects In Oct 26

Project Name	Developer	Region	Total units	Cum. units sold to date	Units sold in Oct 26	Median price in Oct 26 ($psf)
Thomson Reserve	UOL/Capitaland Development	RCR	1,268	1,029	1,029	2,865
Lucerne Grand	City Dev	OCR	570	393	393	2,496
Union Square Residences	City Dev	RCR	366	282	41	2,865
Dunearn House	Frasers Property	CCR	380	264	27	3,108
The Serra Residences	Far East Organisation	CCR	133	25	25	3,311

Source: URA, UOB Kay Hian

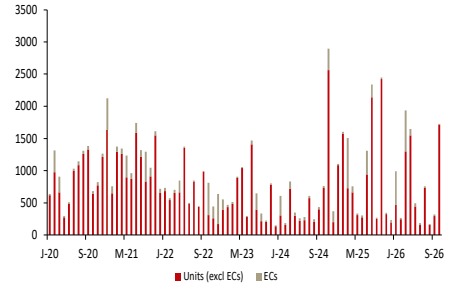
Valuation/Recommendation

- **Developers are trading below average P/B valuations.** Share prices of developer stocks have retraced mom in Oct-Nov 26, in tandem with the volatile broader market. The sector is trading at 0.58x P/B, which is just under -0.5SD to the long-term average. Valuations of developers are still inexpensive, as we expect NAV of developer stocks to be supported by still-firm residential prices and the robust outlook of commercial and retail property values in Singapore.
- **We maintain our OVERWEIGHT rating** on Singapore developers for their attractive P/B multiples as well as value-unlocking strategies from property companies such as CIT and CLI. During its 9M26 operational update, CIT's business segments showed operational resilience. Nonetheless, management guided for a weaker 2H26 yoy on a high 2H25 base, forex losses and potential property impairments as well as a delay in certain capital recycling transactions into 2027. However, it maintained its intent to monetise S$6b of assets, generate S$1b PATMI from divestment gains and lower its net debt-to-equity ratio to 55% during 2027-29. Meanwhile, CLI showed momentum in its fee business, delivering a 15% yoy fee revenue growth for 9M26. With S$4.3b of equity raised by its listed and private funds and S$9.6b of capital deployed for 11M26, we anticipate strong visibility for its fee income outlook. CLI established FeeCo and AssetCo to build scale for recurring fee income and drive monetisation of assets through various capital recycling platforms, particularly for its China assets.

Sector Catalyst/Risk

- **A key sector risk is the rising interest rate trend.** Although still lower yoy, the 3-month compounded SORA rate has risen from its Apr 26 low. A continuous rise in mortgage rates could erode affordability and dampen demand. Meanwhile, slower macro conditions could moderate employment and wage growth, which in turn, could moderate demand for big-ticket items such as housing.

Monthly Private New-Home Sales



Source: URA, UOB Kay Hian

Developers' P/B trend



Source: Bloomberg, UOB Kay Hian

China Sunsine Chemical (CSSC SP)

3Q26: Record Sales Volumes And Strong ASPs Drive Earnings Beat

Highlights

- Sunsine's 9M26 revenue rose 38% yoy to Rmb3.37b, while PAT increased 38% yoy to Rmb455.6m, forming 89% and 110% of our 2026 forecasts.
- Record 3Q26 sales volume of 66,390 tonnes (+22% yoy) and higher ASPs (+47% yoy) supported gross margin expansion to 27.3% (+6.4ppt yoy).
- Maintain HOLD with a 1.4% higher target price of S$0.72, based on 7.5x 2027F PE, partially offset by sector de-rating.

3Q26 Results

Year to 31 Dec (Rmbm)	3Q26	qoq%	yoy%	9M26	yoy%
Revenue	**1366.9**	**22.3**	**79.2**	**3374.7**	**38.0**
Gross profit	**373.2**	**18.3**	**134.1**	**879.2**	**52.9**
Gross profit margin (%)	27.3	(0.9ppt)	6.4ppt	26.1	2.6ppt
Net profit	**201.3**	**8.9**	**130.1**	**455.6**	**38.0**
Net profit margin (%)	14.7	(1.8ppt)	3.7ppt	13.5	3.5ppt

Source: CSSC, UOB Kay Hian

Analysis

- **9M26 earnings significantly ahead of expectations.** China Sunsine Chemical (Sunsine) reported 3Q26 revenue of Rmb1.37b (+79% yoy), while profit after tax surged 130% yoy to Rmb201.3m, driven by higher ASPs and record sales volume. For 9M26, revenue increased 38% yoy to Rmb3.37b, while profit after tax rose 38% yoy to Rmb455.6m, representing 89.0% and 110.0% of our full-year forecasts respectively.
- **Record sales volume drove robust revenue growth.** Sunsine reported a 22% yoy increase in 3Q26 sales volume to a new high of 66,390 tonnes, up from 54,304 tonnes in 3Q25. This brought total 9M26 sales volume to 186,348 tonnes (+14% yoy), reflecting continued sales momentum despite challenging market conditions. Higher sales volumes, alongside a 47% yoy increase in ASP, supported strong revenue growth during the quarter.
- **Sharp ASP increase supports margin expansion.** 3Q26 ASP surged 47% yoy to Rmb20,436/tonne, primarily reflecting higher raw material prices following the Iran conflict and disruptions to shipping through the Strait of Hormuz. Sunsine responded swiftly by adjusting selling prices, enabling effective cost pass-through despite elevated input costs. Consequently, gross margin improved to 27.3% in 3Q26, compared with 20.9% in 3Q25 and 25.2% in 1H26. Continued volatility in crude oil and raw material prices could affect pricing and margins in subsequent quarters.

Key Financials

Year to 31 Dec (Rmbm)	2024	2025	2026F	2027F	2028F
Net turnover	3,516	3,277	4,491	4,238	4,381
EBITDA	718	650	912	797	775
Operating profit	585	504	749	624	588
Net profit (rep./act.)	424	405	600	501	471
Net profit (adj.)	424	405	600	501	471
EPS (fen)	44.5	42.5	62.9	52.5	49.5
PE (x)	7.6	7.9	5.3	6.4	6.8
P/B (x)	0.8	0.7	0.7	0.6	0.6
EV/EBITDA (x)	0.9	1.0	0.7	0.8	0.8
Dividend yield (%)	4.6	4.9	5.2	5.4	5.6
Net margin (%)	12.1	12.4	13.4	11.8	10.8
Net debt/(cash) to equity (%)	(49.3)	(52.5)	(52.4)	(52.1)	(52.4)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	10.4	9.4	12.8	9.9	8.8
Consensus net profit (Rmbm)	-	-	414	437	451
UOBKH/Consensus (x)	-	-	1.45	1.15	1.05

Source: CSSC, Bloomberg, UOB Kay Hian

Analyst(s)

Shaina Mahtani
shainamahtani@uobkh.com
+65 6590 6633

Tang Kai Jie
kaijietang@uobkh.com
+65 6590 6624

HOLD (Maintained)

Share Price	S$0.65
Target Price	S$0.72
Upside	10.8%
Previous TP	S$0.71

Stock Data

GICS sector	Materials
Bloomberg ticker:	CSSC SP
Shares issued (m):	953.4
Market Cap (S$m):	619.7
Market cap (US$m):	481.1
3-mth avg t'over (US$m):	0.2

Price Performance (%)

52-week high/low				S$0.835 /S$0.565
1mth	3mth	6mth	1yr	YTD
8.3	(4.4)	(5.8)	(18.2)	(18.8)

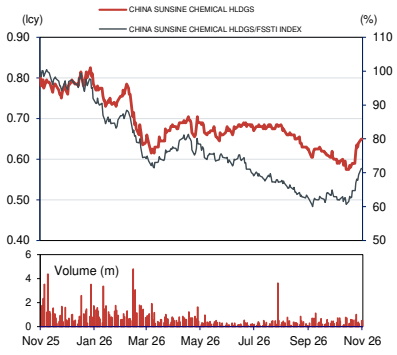
Major Shareholders (%)

Xu Cheng Qiu	57.8

Balance Sheet Metrics

FY26 NAV/Share (RMB)	5.14
FY26 Net Cash/ Share (RMB)	2.70

Price Chart



Source: Bloomberg

Company Description

Sunsine produces rubber chemicals, primarily rubber accelerators and other related rubber chemicals such as anti-scorching agents.

- **Downstream tyre demand remains stable despite weaker automobile sales.** China's tyre production rose 0.8% yoy to 911m units in 9M26, indicating stable demand from the group's key downstream industry. Meanwhile, automobile sales declined 4.5% yoy to 23.27m units, although new energy vehicles (NEV) sales grew 11.1% yoy to 12.47m units, accounting for 53.6% of total vehicle sales. Sunsine's 14% yoy increase in sales volume outpaced China's tyre production growth, despite persistent industry oversupply and intense competition, which could continue to weigh on pricing.
- **Operating environment remains uncertain amid geopolitical and industry pressures.** Management cautioned that uncertainty surrounding the Strait of Hormuz and volatile crude oil prices could lead to fluctuations in raw material costs and selling prices. Sunsine will maintain its "Sales and Production Equilibrium" strategy alongside flexible pricing adjustments to navigate market conditions. The group will also focus on market expansion, green technologies and specialty product development to strengthen its competitiveness and long-term growth.
- **Capacity forecasts unchanged; Weifang MBT project commences commercial production ahead of schedule.** Sunsine maintained its 2026 annual production capacity target of 272,000 tonnes (+7.1% yoy), unchanged from its previous guidance, with capacity expected to remain stable through 2027. Accelerator capacity is projected to increase 15.4% yoy to 135,000 tonnes, while insoluble sulphur and antioxidant capacities remain unchanged at 60,000 tonnes and 77,000 tonnes respectively. Meanwhile, the group's 20,000 tonne/annum Weifang 2-mercaptobenzothiazole (MBT) project has commenced commercial production, ahead of its previous end-26 target, supporting production efficiency and supply chain resilience.

Earnings Revision/Risk

- We raise our 2026/27 earnings estimates by 49%/20% respectively, after increasing our revenue forecasts by 33%/19%, reflecting stronger-than-expected 3Q26 performance, driven by record sales volumes, higher ASPs and improved gross margins. We expect profitability to moderate in 2027 as ASPs normalise amid continued raw material price volatility and intense industry competition.

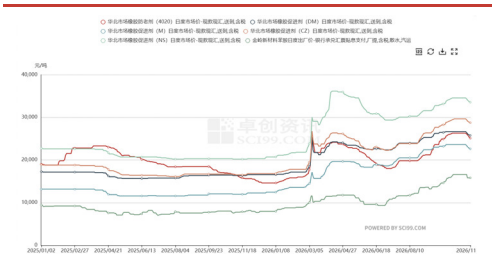
Valuation/Recommendation

- **Maintain HOLD with a 1.4% higher target price of S$0.72 (S$0.71 previously),** implying 11% upside. We roll forward our valuation to 7.5x 2027F PE, pegged to +0.5SD above Sunsine's historical mean (previously 8.9x 2026F PE, +1SD). The higher target price reflects our upward earnings revisions following stronger-than-expected 3Q26 performance, partially offset by a lower valuation multiple to reflect the sector de-rating amid persistent industry competition.

Share Price Catalyst

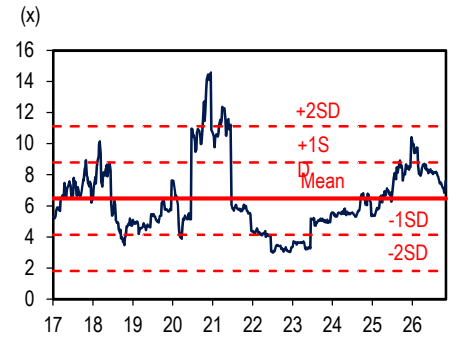
- Higher-than-expected sales volume growth and capacity utilisation.
- Sustained ASP strength and better-than-expected gross margins.
- Stronger earnings contributions from newly commissioned production capacities.

Raw Material Price Trend



Source: CSSC, UOB Kay Hian

Historical PE Band



Source: CSSC, UOB Kay Hian

Profit & loss

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Net turnover	**3,277.4**	**4,490.7**	**4,238.5**	**4,380.8**
EBITDA	649.5	911.6	796.8	775.4
Deprec. & amort.	145.9	162.5	172.8	187.5
EBIT	503.6	749.1	624.1	587.9
Total other non-operating income	0.0	0.0	0.0	0.0
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	0.0	0.0	0.0	0.0
Pre-tax profit	**503.6**	**749.1**	**624.1**	**587.9**
Tax	(98.7)	(149.1)	(123.6)	(116.4)
Minorities	0.0	0.0	0.0	0.0
Net profit	**404.9**	**600.0**	**500.5**	**471.5**
Net profit (adj.)	404.9	600.0	500.5	471.5

Balance Sheet

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Fixed assets	940.8	1,035.7	1,119.9	1,189.6
Other LT assets	256.7	188.5	182.7	176.7
Cash/ST investment	2,328.9	2,571.6	2,729.7	2,902.0
Other current assets	1,355.8	1,857.7	1,753.4	1,812.3
Total assets	**4,882.2**	**5,653.5**	**5,785.7**	**6,080.6**
ST debt	0.0	0.0	0.0	0.0
Other current liabilities	444.6	623.7	570.7	578.0
LT debt	0.0	0.0	0.0	0.0
Other LT liabilities	0.0	0.0	0.0	0.0
Shareholders' equity	4,437.6	4,904.2	5,238.9	5,535.7
Minority interest	0.0	0.0	0.0	0.0
Total liabilities & equity	**4,882.2**	**5,527.9**	**5,809.6**	**6,113.7**

Cash flow

Year to 31 Dec (Rmbm)	2025	2026F	2027F	2028F
Operating	**645.0**	**433.6**	**718.8**	**601.4**
Pre-tax profit	503.6	749.1	624.1	587.9
Tax	(148.9)	(96.2)	(150.3)	(123.9)
Deprec. & amort.	141.4	156.3	167.0	181.5
Associates	0.0	0.0	0.0	0.0
Working capital changes	168.8	(375.7)	78.1	(44.1)
Non-cash items	(19.9)	0.0	0.0	0.0
Other operating cashflows	0.0	0.0	0.0	0.0
Investing	**(182.7)**	**(183.0)**	**(245.4)**	**(245.2)**
Capex (growth)	(251.2)	(251.2)	(251.2)	(251.2)
Investment	0.0	0.0	0.0	0.0
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	68.5	68.2	5.8	6.0
Financing	**(184.8)**	**(133.4)**	**(165.8)**	**(174.7)**
Dividend payments	(184.8)	(133.4)	(165.8)	(174.7)
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	0.0	0.0	0.0	0.0
Net cash inflow (outflow)	**277.5**	**117.1**	**307.6**	**181.5**
Beginning cash & cash equivalent	**2,073.9**	**2,328.9**	**2,446.0**	**2,753.6**
Changes due to forex impact	(22.5)	0.0	0.0	0.0

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	19.8	20.3	18.8	17.7
Pre-tax margin	15.4	16.7	14.7	13.4
Net margin	12.4	13.4	11.8	10.8
ROA	8.5	11.4	8.8	7.9
ROE	9.4	12.8	9.9	8.8
Growth				
Turnover	(6.8)	37.0	(5.6)	3.4
EBITDA	(9.5)	40.4	(12.6)	(2.7)
Pre-tax profit	(13.9)	48.7	(16.7)	(5.8)
Net profit	(4.5)	48.2	(16.6)	(5.8)
Net profit (adj.)	(4.5)	48.2	(16.6)	(5.8)
EPS	(4.5)	48.2	(16.6)	(5.8)
Leverage				
Debt to total capital	0.0	0.0	0.0	0.0
Debt to equity	0.0	0.0	0.0	0.0
Net debt/(cash) to equity	(52.5)	(52.4)	(52.1)	(52.4)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

United Hampshire US REIT (UHU SP)

9M26: Resilient Retail Portfolio With Multiple Paths For Growth

Highlights

- UHU's 9M26 distributable income rose 3.6% yoy to US$20.7m, in line with expectations. NPI growth of 5.4% yoy is supported by acquisitions, new leases and rental escalations. Grocery & necessity occupancy remained high at 97.6%, with tenant retention of 89.9% and WALE of 7.9 years.
- Growth prospects remain supported by accretive acquisitions, asset enhancements and resilient strip-centre demand with rising foot traffic.
- UHU trades at a 2027 DPU yield of 10.2% (Kimco Realty: 4.4% and Regency Centers: 4.2%) and P/NAV of 0.62x. Maintain BUY. Target price: US$0.63.

9M26 Results

Year to 31 Dec (US$m)	9M26	yoy % Chg	Remarks
Gross Revenue	57.0	+5.8	New lease commencements, built-in rental escalations and acquired
Net Property Income (NPI)	38.7	+5.4	Dover Marketplace and Wallingford Fair Shopping Center.
Distributable Income	20.7	+3.6	

Source: UHU, UOB Kay Hian

Analysis

- United Hampshire US REIT (UHU) delivered distributable income of US$20.7m for 9M26 (+3.6% yoy), which is in line with our expectation.
- **Acquisitions and rental growth underpin earnings.** Revenue and NPI growth were 5.8% and 5.4% yoy respectively in 9M26, driven by new lease commencements, built-in rental escalations and contributions from newly acquired Dover Marketplace (completion: Aug 25) and Wallingford Fair Shopping Center (completion: Jan 26). Finance costs increased because of additional acquisition borrowings.
- **Resilient leasing with limited near-term expiries.** UHU secured over 311,000sf of new and renewal leases in 9M26. Its strip centres achieved positive rental reversion averaging low single-digit. Grocery & necessity committed occupancy remained stable at 97.6%, and tenant retention at 89.9%. Tokyo Buffet Sushi & Hibachi opened at St Lucie West in Aug 26. Notable renewals include Ulta Beauty and OneMain Financial at Lynncroft Center and Snipes Menwear at Penrose Plaza. Only 0.4% and 4.1% of leases expire in the remainder of 2026 and in 2027 respectively, as of Sep 26.
- **Defensive and resilient.** Essential-service tenants accounted for 56.6% of Grocery & necessity gross rental income. Leases are substantially triple net and include rental escalations. Portfolio WALE is 7.9 years.
- **Capital recycling through BJ's Quincy divestment.** UHU completed the sale of BJ's Quincy in Massachusetts on 16 Sep 26 for US$34.0m, 4.9% above its independent valuation and 1.2% above purchase price. The disposal NPI yield was 5.86%, based on 2025 NPI. Net proceeds may be used to repay borrowings, fund capital expenditure or potential acquisitions.

Key Financials

Year to 31 Dec (US$m)	2024	2025	2026F	2027F	2028F
Net turnover	73	72	76	76	77
EBITDA	45	43	45	46	47
Operating profit	45	43	45	46	47
Net profit (rep./act.)	30	21	25	25	25
Net profit (adj.)	20	21	24	25	25
EPU (US$ cent)	3.5	3.5	3.9	4.1	4.2
DPU (US$ cent)	4.1	4.4	4.6	4.9	4.9
PE (x)	12.9	12.9	11.6	10.8	10.8
P/B (x)	0.6	0.6	0.6	0.6	0.6
DPU yld (%)	9.0	9.8	10.2	10.9	10.9
Net margin (%)	40.8	28.7	33.4	33.2	32.9
Net debt/(cash) to equity (%)	64.8	64.3	66.1	69.1	72.2
Interest cover (x)	2.4	2.4	2.6	2.7	2.7
ROE (%)	6.9	4.7	5.7	5.7	5.8
Consensus DPU (US$ cent)	-	-	4.4	4.5	4.5
UOBKH/Consensus (x)	-	-	1.04	1.09	1.09

Source: United Hampshire US REIT, Bloomberg, UOB Kay Hian

Analyst(s)

Jonathan Koh, CFA, MSc Econ
jonathankoh@uobkh.com
+65 6590 6620

BUY (Maintained)

Share Price	US$0.45
Target Price	US$0.63
Upside	40.0%

Stock Data

Sector	Real Estate
Bloomberg ticker	UHU SP
Shares issued (m)	610.3
Market cap (US$m)	274.6
Market cap (US$m)	274.6
3-mth avg daily t'over (US$m)	0.2

Price Performance (%)

52-week high/low				US$0.57/US$0.415
1mth	3mth	6mth	1yr	YTD
5.9	(14.3)	(12.6)	(10.9)	(12.6)

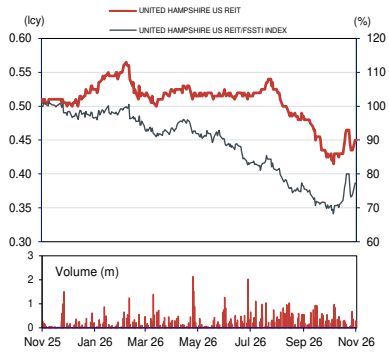
Major Shareholders (%)

US RE Fund II Offshore Feeder 1 Ltd	8.0
MCB Asia Investor LLC	5.5
Kuang Ming Investment Pte Ltd	5.0

Balance Sheet Metrics

FY26 NAV/Share (US$)	0.73
FY26 Net Debt/Share (US$)	0.48

Price Chart



Source: Bloomberg

Company Description

UHU invests in income-producing real estate used primarily for grocery-anchored & necessity-based retail and self-storage purposes in the US.

- **Florida Blue development is progressing.** Construction of the new 5,000sf store at St. Lucie West is underway, with completion now targeted for 1H27. The development is fully pre-leased to Florida Blue under a 10-year lease and is adjacent to Academy Sports + Outdoors, which opened in Nov 23. This is UHU's third development project at St. Lucie West since its IPO.
- **Lower borrowing costs, with no refinancing until Feb 28.** Aggregate leverage stood at 41.2% as of Sep 26, while net aggregate leverage was 37.8%, calculated after deducting cash from both borrowings and deposited property. Weighted average debt maturity was 2.7 years, assuming extension options are fully exercised. The trailing 12-month average interest rate, excluding upfront debt transaction costs, declined 2bp qoq to 4.87%, its sixth consecutive period of decline. Fixed-rate or hedged borrowings accounted for 69.4% of debt and interest coverage was 2.4x.

Valuation/Recommendation

- **Pulling multiple levers to generate sustainable growth.** UHU focuses on accretive acquisitions, asset recycling and asset enhancement initiatives (AEI) to drive sustainable growth. Management will leverage on its knowledge and network in the Northeast region, including the state of New Jersey, to identify accretive acquisitions of strip centres. UHU will benefit from full-year contributions from the acquisitions of Dover Marketplace and Wallingford Fair in 2026.
- **AI-powered shopping assistants are driving larger shopping baskets** and higher sales at Walmart and Kroger by simplifying meal planning and product discovery. Walmart reported that customers using its AI assistant, Sparky, spend 40% more per order than non-users, while its user base grew 70% yoy. Kroger similarly found that personalised recommendations and easier grocery-list creation encouraged shoppers to explore additional products, resulting in larger baskets and incremental sales.
- **Open-air strip centres are attracting more shoppers,** with foot traffic in 2025 approximately 4% above 2019 levels, outperforming other retail formats, according to Green Street. In comparison, foot traffic at enclosed A-grade malls remained nearly 3% below pre-pandemic levels. Strip centres benefit from their convenient locations and concentration of grocery stores, restaurants and essential services, while flexible working arrangements support demand for shopping and dining closer to home.
- **Strip centres play vital role in omni-channel retailing.** Physical stores have become fulfilment hubs to facilitate pick-ups, and process returns for merchandise purchased online. Using physical stores as pick-up and drop-off points helps lower labour, packaging and delivery costs. Curbside pick-ups have become popular at grocery stalls and supermarkets. Visitations to physical stores generate additional in-store sales and online purchases.
- **Maintain BUY.** UHU trades at a 2027 DPU yield of 10.2% (Kimco Realty: 4.4% and Regency Centers: 4.2%). It trades at P/NAV of 0.62x.
- Our target price of US$0.63 is based on the dividend discount model (cost of equity: 9.45%, terminal growth: 2.0%).

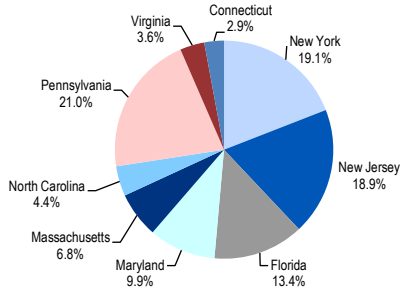
Earnings Revision/Risk

- We kept our DPU forecast unchanged.

Share Price Catalyst

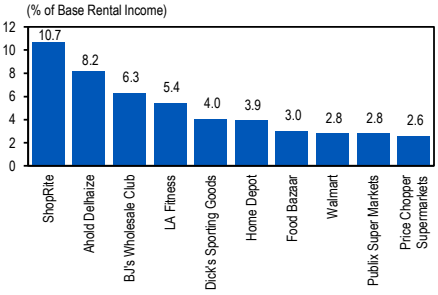
- Resiliency of spending on necessity products and essential services; yield-accretive acquisitions of grocery and necessity retail properties.

Portfolio Valuation By State



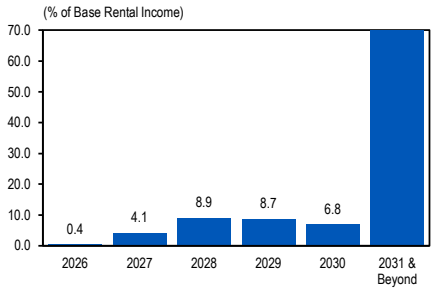
Source: UHU

Top 10 Tenants – Grocery & Necessity Retail



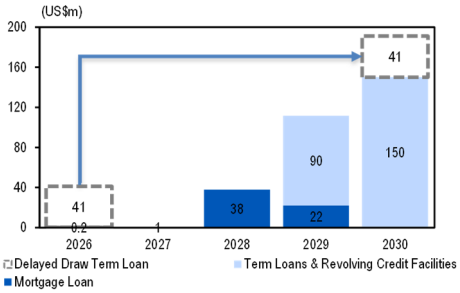
Source: UHU

Lease Expiry Profile



Source: UHU

Debt Maturity Profile



Source: UHU

Profit & loss

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Net turnover	**72.0**	**75.7**	**75.9**	**77.2**
EBITDA	43.3	45.5	46.4	47.2
Deprec. & amort.	0.0	0.0	0.0	0.0
EBIT	43.3	45.5	46.4	47.2
Total other non-operating income	(0.2)	1.7	0.0	0.0
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	(18.0)	(17.6)	(17.0)	(17.6)
Pre-tax profit	**25.1**	**29.6**	**29.4**	**29.6**
Tax	(4.3)	(4.1)	(4.0)	(4.0)
Minorities	(0.2)	(0.2)	(0.2)	(0.2)
Perpetual Securities	0.0	0.0	0.0	0.0
Net profit	**20.7**	**25.3**	**25.2**	**25.4**
Net profit (adj.)	20.9	23.5	25.2	25.4

Balance Sheet

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Fixed assets	794.1	788.9	793.9	798.9
Other LT assets	0.0	0.0	0.0	0.0
Cash/ST investment	20.5	24.6	24.7	24.9
Other current assets	12.2	13.5	13.5	13.7
Total assets	**826.8**	**827.0**	**832.1**	**837.4**
ST debt	41.8	41.8	41.8	41.8
Other current liabilities	28.4	20.0	20.1	20.5
LT debt	264.7	275.0	285.0	295.0
Other LT liabilities	44.6	45.9	45.9	45.9
Shareholders' equity	444.7	442.2	437.2	432.2
Minority interest	2.7	2.0	2.0	2.0
Total liabilities & equity	**826.8**	**826.9**	**832.0**	**837.4**

Cash Flow

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Operating	**43.4**	**12.8**	**42.2**	**43.2**
Pre-tax profit	25.3	27.9	29.4	29.6
Tax	0.0	0.0	0.0	0.0
Deprec. & amort.	(0.3)	(1.8)	(1.8)	(1.8)
Associates	0.0	0.0	0.0	0.0
Working capital changes	11.6	(7.8)	0.1	0.2
Non-cash items	0.0	0.0	0.0	0.0
Other operating cashflows	6.8	(5.5)	14.6	15.2
Investing	**(6.8)**	**27.0**	**(5.0)**	**(5.0)**
Capex (growth)	(17.0)	0.0	0.0	0.0
Capex (maintenance)	(13.4)	(7.0)	(5.0)	(5.0)
Proceeds from sale of assets	23.1	34.0	0.0	0.0
Others	0.6	0.0	0.0	0.0
Financing	**(30.4)**	**(35.7)**	**(37.2)**	**(38.0)**
Distribution to unitholders	(17.2)	(28.4)	(30.2)	(30.4)
Issue of shares	0.0	0.0	0.0	0.0
Proceeds from borrowings	8.4	10.3	10.0	10.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	(21.5)	(17.6)	(17.0)	(17.6)
Net cash inflow (outflow)	**6.3**	**4.1**	**0.1**	**0.2**
Beginning cash & cash equivalent	**14.3**	**20.5**	**24.6**	**24.7**
Changes due to forex impact	0.0	0.0	0.0	0.0
Ending cash & cash equivalent	**20.5**	**24.6**	**24.7**	**24.9**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	60.2	60.1	61.1	61.1
Pre-tax margin	34.9	39.1	38.7	38.3
Net margin	28.7	33.4	33.2	32.9
ROA	2.5	3.1	3.0	3.0
ROE	4.7	5.7	5.7	5.8
Growth				
Turnover	(1.7)	5.1	0.3	1.7
EBITDA	(3.0)	5.0	2.0	1.8
Pre-tax profit	(29.0)	17.9	(0.8)	0.7
Net profit	(30.9)	22.4	(0.4)	0.9
Net profit (adj.)	2.2	12.7	6.9	0.9
EPU	(0.0)	11.0	6.9	0.9
Leverage				
Debt to total capital	40.7	41.6	42.7	43.7
Debt to equity	68.9	71.6	74.7	77.9
Net debt/(cash) to equity	64.3	66.1	69.1	72.2
Interest cover (x)	2.4	2.6	2.7	2.7

Market News

US stocks were lower on Monday, as the information technology, communication servies and energy sectors led shares lower. At the close of the NYSE, the Dow Jones fell 1.41 % while the S&P 500 Index was down 1.91% and the NASDAQ Composite Index slid 2.49%. Falling stocks outnumbered advancing ones on the NYSE by 2,050 to 690 and 58 ended unchanged; on the Nasdaq Stock Exchange, 3,775 declined and 1,190 advanced, while 150 ended unchanged.

During the last trading session, the FSSTI Index fell 48.66pt to 5,183.18. Among the top active stocks were OCBC Bank (-0.8%), DBS (-0.9%), UMS (-3.8%), SIA (+0.8%) and Singtel (-2.7%). The FTSE ST Mid Cap Index fell 0.5%, while the FTSE ST Small Cap Index slid 1.4%. The broader market had 220 gainers and 363 losers with a total trading value of S$1.86b.

Technical Analysis

Analyst(s)

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



Keppel DC REIT (KDCREIT SP)

Trading buy range:	S$2.17-2.18
Last price:	S$2.12
Target price:	S$2.33
Protective stop:	S$2.13

The price validated its recent breakout by holding firmly above the resistance-turned-support zone during subsequent retests. The RSI stays solidly in bullish territory and continues to trend upward. If the price remains supported above the converted support, we see continued upward progression toward the overhead resistance ceiling.

The potential upside target is S$2.33. Stop-loss could be placed at S$2.13.

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$2.83.



AEM Holdings (AEM SP)

Trading sell range:	S$6.88-6.89
Last price:	S$6.67
Target price:	S$5.62
Protective stop:	S$7.55

The price validated the downward trend by resisting at its support-turned-resistance zone. The RSI stays in strong bearish territory and continues to tick downward. If the price remains capped below the converted ceiling, we see continued downward progression toward a direct retest of the prior swing low.

The potential downside target is S$5.62. Stop-loss could be placed at S$7.55.

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$12.99.

IMPORTANT NOTICE - DISCLOSURES AND DISCLAIMERS

This report is provided subject to various disclosures and disclaimers (the "Disclosures / Disclaimers") which form an integral part of this report and are available at this link or by scanning the QR code below:

The Disclosures / Disclaimers contain important information, including without limitation, (a) exclusions of liability, (b) confidentiality obligations, (c) restrictions on publication, circulation, reproduction, distribution and use of the report, (d) potential conflicts of interest, and (e) disclosures and requirements specific to recipients in the United States and other applicable jurisdictions.

Specifically, this report is intended for general circulation and informational purposes only and does not take into account the specific investment objectives, financial situation, or particular needs of any individual person. It is not intended to constitute personal investment advice or a recommendation to buy or sell any investment product or security. You should independently evaluate the information and, where necessary, seek advice from a qualified financial adviser regarding the suitability of any investment, taking into account your specific objectives, financial situation and needs, before making any investment decision. Analyst certifications required under applicable regulations, including SEC Regulation AC (where relevant), are included in this report.

Recipients of this report must carefully read, review and understand the full Disclosures / Disclaimers before using or relying on any information in this report. By accessing, receiving or using this report, you acknowledge and confirm that you have read, understood, accepted and agreed to be bound by the Disclosures / Disclaimers (as may be amended or updated from time to time) in full.