

## MAJOR MARKET INDICES

	CLOSE	1D (%)	MTD (%)	YTD (%)
FSSTI	2875.32	-0.08	0.68	-14.56
Dow Jones	17528.27	-0.14	-1.08	-1.65
S&P 500	2056.5	-0.22	-1.15	-0.12
NASDAQ	5040.985	-0.15	-1.32	6.44
FTSE (UK)	6254.64	0.22	-1.60	-4.74
Nikkei	18873.35	0.56	-4.43	8.15
Hang Seng	21919.62	-0.99	-0.35	-7.14
Shanghai Composite	3533.779	-2.59	2.56	9.25
VIX	16.91	7.43	4.84	-11.93

## SG MARKET SUMMARY

Daily Market Value (S\$m)	420.7
Daily Market Volume (mln)	711.9
52-week STI High	3549.9
52-week STI Low	2740.4

## KEY INTEREST RATES

	CLOSE	1D (%)	MTD (%)	YTD (%)
3 Mth SGD SIBOR	1.1	0.0	5.5	148.1
3 Mth Swap Offer Rate	1.7	1.9	15.0	126.2
SG 10 YR Bond Yield	2.4	-1.1	-4.1	5.7
US 10 YR Bond Yield	2.2	-0.5	1.1	2.7

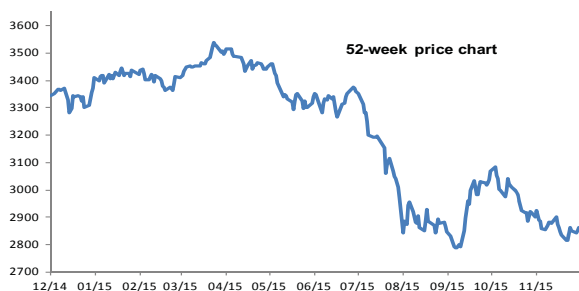
## US FUTURES

As at 8.00am SG time	CLOSE	1D (%)	MTD (%)	YTD (%)
Dow Jones	17440.0	0.0	-1.1	1.1
S&P 500	2048.2	0.0	-1.2	1.0
NASDAQ	4614.0	0.0	-1.1	9.6

## COMMODITIES

	CLOSE	1D (%)	MTD (%)	YTD (%)
Gold	1068.5	-0.1	0.3	-9.8
Crude Oil	36.8	-1.8	-11.6	-30.9
Baltic Dry	478.0	0.6	-18.2	-38.9
Crude Palm Oil	7010.0	0.3	5.8	-17.5

## FSSTI INDEX



Source: Bloomberg

## FINANCIAL MARKETS

- US stocks erased bigger losses earlier in the day to close down a marginal 0.2% as gains in Amazon.com Inc and Walt Disney Co helped US stocks mute declines led by energy shares, as the Standard & Poor's 500 Index struggled to advance for the year entering the final trading days of 2015.

Energy companies resumed their familiar role as the market's worst performers, with Chevron Corp dropping 1.8 percent. Copper producer Freeport-McMoRan Inc sank 9.5 percent after climbing 24 percent in the prior five sessions. Amazon rose 1.9 percent helping equities trim losses. Disney gained 1.3 percent after "Star Wars: The Force Awakens" surged past \$1 billion in worldwide sales.

Stocks are still defying the historical trend of gains in the final month of the year. Amid a series of sharp rallies and selloffs revolving around investor focus on the first US rate increase in almost a decade, the S&P 500 is heading for its worst December since 2002, down 1.2 percent. The main US equity benchmark today lost its slim advance for the year, now down 0.1 percent after weaving between gains and losses throughout December.

## IDEA OF THE DAY

- Ying Li International Real Estate Limited (\$0.159, down 0.3 cent) announced that all the units in Tower One of the Future Beijing project have been fully taken-up on the first day of its launch. Tower One consist of 585 SOHO apartments and were sold at an average selling price of approximately RMB34,200 per GFA sqm and is targeted to hand over in FY17.

We understand that the total pre-sales consideration is approximately RMB1.06 bln. Notably, this is YL's maiden foray outside Chongqing through an effective 15.1% stake participation in the project. Other prominent partners in the project include Shanghai Everbright Holdings and CITIC-CP Asset Management.

Future Beijing is a mixed use development project in Beijing with a total GFA of approximately 715,000 sqm, the project comprises high-rise premium SOHO apartments, premium and landmark office buildings and retail malls and is located in the Tongzhou New City Canal Core Area, the second CBD of Beijing.

With the fast rising demand in the Beijing Tongzhou area, the group is currently working together towards launching the pre-sales of Tower Two ahead of original schedule. Given the group's patchy track record in the past, we are particularly encouraged with this positive result and believe the project should bring significant value and opportunities to the group, if executed well.

In fact, Tongzhou will also be home to Universal Studio's 6th theme park, which will be the biggest Universal Studio Theme Park in the world and is scheduled to be completed by 2020. By then, approximately two million Beijing residents will have shifted in to Tongzhou as part of a massive urban extension project to relief the current over-crowded CBD areas. This includes approximately one million government officials relocating their city government offices from the current CBD to the Tongzhou area by 2017.

As mentioned in our previous results note, the 3Q FY15 should represent a trough in terms of earnings as YL is likely to recognise sales from its San Ya Wan Phase 2A project in 4Q15. Based on our RNAV estimate of 50 cents, we see fair value lies somewhere between 20-25 cents, based on its Chinese peers' average of 50-60% discount to book value.

As such, we think YL could potentially re-rate to its peer group average if the group is able to demonstrate consistent execution capability on its pipeline of projects. With the recent pullback in share price, we deem the current share price as an attractive entry point and hence, recommend a Buy rating.

## OTHER HIGHLIGHTS

- China Everbright Water Ltd (\$0.615, unchanged) said that its Suzhou Wuzhong Chengnan Waste Water Treatment Project (Wuzhong Chengnan WWT Project) has obtained a subsidy of RMB 6.355 mln from the 2015 Jiangsu Provincial Special Funding for Water Pollution Control in Lake Taihu. The designed daily waste water treatment capacity of the Wuzhong Chengnan WWT Project is 150,000 m<sup>3</sup>, where the designed daily waste water treatment capacity for Phase I and Phase II are 75,000 m<sup>3</sup> each. Project Phase I commenced commercial operation in 2009. The construction of Project Phase II and the upgrading work began in early 2015. Project Phase II completed construction and commenced operation in mid-2015 while the upgrading work is expected to be completed and to commence operation in the first half of 2016. Upon completion, the water discharge of the Project will comply with the National Grade 1A standard.
- SIA (\$11.12, up 0.07) has extended the closing date for acceptance of their privatization offer for Tigerairways till 5.30pm on 8 Jan'16. The offer price remains at 41 cents/share. Acceptances currently stand at 74.5%, still short of the 90% level for the offer to become unconditional.
- Biosensors (\$0.805, unchanged) announced that it has applied for a further extension of time to seek the confirmation of SGX-ST that it has no objections to an extension of time for the company to release its 2Q16 financial results no later than the date of the despatch of the amalgamation document. As the SGX-ST is still in the process of reviewing the amalgamation document and may not be able to complete the review in time for the amalgamation document to be despatched by 31-Dec-15, the company will require a further extension of time for its 2Q16 financials to be released no later than the date of despatch of the amalgamation document.
- Alliance Mineral Assets (\$0.112, down 1.1 cents) announced that it has successfully delivered its first order of tantalite concentrate under the distribution agreement signed with Mitsubishi Corporation RtM Japan Ltd, which reached Japan on 24-Dec-15. In addition, the company has entered into a non-binding MOU dated 13-Dec-15 with Sinosteel Equipment & Engineering Co. Ltd for a strategic cooperation relationship on the development of tantalite and other mineral resources in Australia utilizing the company's tantalite mine, beneficiation plant and primary processing plant and Sinosteel's experts, technology and experience of prospecting, mining, beneficiation and smelting.

Sinosteel is a professional, internationally operated engineering company, which integrates domestic and overseas EPC/EP projects. The Board is of the view that the MOU marks a step forward for the company to realising future production expansion plans, and further believes that Sinosteel's project experience in Australia qualifies them to be an ideal strategic partner.

- Advance SCT (\$0.001, unchanged) announced that it has on 28-Dec-15 entered into a sale and purchase agreement with Tenneco Works Ltd, an unrelated third party, for the proposed disposal by the company of a 5% stake in Western Copper Co. Ltd for approximately S\$1.8mln. Following the move, the company will hold a 47.78% stake in Western Copper while the latter will cease to be a subsidiary but remain as an associate of the company.

Western Copper was incorporated on 21-Jun-90 in Taiwan as a joint venture between the company and a group of Taiwanese individuals to engage in the trading of copper balls that are consumed by printed circuit board manufacturers, while the Taipei-based JV has been managed by the Taiwanese shareholders since incorporation. The move is not expected to have a material impact on the NTA per share and EPS of the company for the current financial year.

- BlackGold Natural Resources (\$0.053, unchanged), formerly known as NH Ceramics, announced that it had on 28-Dec-15, through its subsidiary, PT Samantaka Batubara (PT SB), entered into a consortium agreement with China Huadian Engineering Co. Ltd. for an ongoing cooperation project for the development, construction, operation and maintenance of a 2 x 300 MW coal-fired power plant in Riau province, Indonesia. Pursuant to this consortium agreement, PT SB and China Huadian will invest in a JV project consortium company with equity interests of 40% and 60% respectively.

China Huadian is a state-owned power engineering company in China. China Huadian's core businesses encompass high tech product research and development, engineering design, general contracting, as well as energy technology research and services. Barring any unforeseen circumstances, this consortium agreement is not expected to have a material impact on the NTA per share and EPS of the company for FY15.

## FSSTI STOCK SELECTION

### HIGHEST CONSENSUS FY15E DIV YIELD (%)

1 HUTCHISON PORT-U	8.52
2 NOBLE GROUP	7.04
3 ASCENDAS REIT	6.99
4 KEPPEL CORP	6.34
5 CAPITALAND MALL TRUST	5.99

### LOWEST TRAILING P/B (X)

1 GOLDEN AGRI-RESOURCES	0.36
2 NOBLE GROUP	0.47
3 HONGKONG LAND	0.59
4 UOL GROUP	0.63
5 CAPITALAND LTD	0.80

### LOWEST CONSENSUS FY15 P/E (X)

1 NOBLE GROUP	4.88
2 YANGZIJANG SHIPPING	7.01
3 KEPPEL CORP	8.43
4 SEMBCORP INDUSTRIES	8.61
5 DBS HOLDINGS	9.34

### LOWEST TRAILING EV/EBITDA (X)

1 YANGZIJANG SHIPPING	3.65
2 SIA	4.36
3 KEPPEL CORP	7.75
4 COMFORTDELGRO	8.60
5 SEMBCORP MARINE	8.80

Source: Bloomberg Estimates (FSSTI Universe)

**SHARE TRANSACTIONS**
**22 - 23 DECEMBER**

Company	Party	Buy	Sell	Transacted Price* (\$)	Market Price (\$)	New Balance	Stake (%)
<b>ACQUISITIONS</b>							
Auric Pacific	Andy Adhiwana	40,000	-	0.72	-	27,956,311	22.25
Fragrance Group	Koh Wee Meng	200,000	-	0.20	-	5,727,050,000	85.33
Ho Bee Land	Chua Thian Poh	51,100	-	2.00	-	487,713,200	73.20
IHH Healthcare	EPF Board	1,520,000	-	2.07	-	731,210,000	8.89
Marco Polo Marine	Nautical International Holdings	469,900	-	0.20	-	199,526,874	59.29
Zagro Asia	Poh Beng Swee	539,700	-	0.30	-	187,161,873	72.33

**DISPOSALS**

Oriental Group Ltd	Wu DingRong	-	5,000,000	0.10	-	67,986,667	12.88
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\* ND: Not Disclosed

**SHARE BUYBACK**

Company	No. of shares	Price (\$)	Cumulative Purchases	Of Maximum (%)
GP Batteries	50,000	0.93	5,030,400	30.7
GCCP Resources	4,100,000	0.12	33,400,000	28.0
OCBC	150,000	8.83	6,420,000	1.6
PACC Offshore	50,000	0.32	7,098,000	3.9
Soup Restuarant	391,000	0.19	2,475,200	8.7

## DIVIDENDS (LIST IS NOT EXHAUSTIVE)

Company	Amount	Last Day Cum-Dividend	First Day Ex-Dividend	Date Payable
Osim International	1¢ interim	24 Dec	28 Dec	06 Jan 16
Falcon Energy Group	0.5¢ interim	30 Dec	31 Dec	20 Jan 16
Second Chance Properties	3.55¢ final	05 Jan 16	06 Jan 16	24 Feb 16
Frasers Centrepnt Ltd	6.2¢ final	02 Feb 16	03 Feb 16	19 Feb 16
Frasers & Neave	3¢ final	02 Feb 16	03 Feb 16	19 Feb 16
Avi-Tech Electronics	1.4¢ special	12 Feb 16	15 Feb 16	29 Feb 16

## SHARE CONSOLIDATION

Company	Consolidation Ratio	Ex Date	Record Date
Kencana Agri	Consolidation 4 into 1	23 Dec 2015	28 Dec 2015
Memtech Int	Consolidation 5 into 1	04 Jan 2016	06 Jan 2016
Hupsteel Ltd	Consolidation 5 into 1	05 Jan 2016	07 Jan 2016

WHAT'S AHEAD

# DECEMBER 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17 Non-Oil Domestic Exports SA MoM Electronics Exports YoY Non-Oil Domestic Exports YoY	18	19
20	21	22	23 SG Nov CPI	24 Industrial Production SA MoM Industrial Production YoY	25	26
27	28	29	30	31 Money Supply M1 YoY		

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