

Singapore Exchange Ltd (SGX SP)

NDR Highlights: More Opportunities Ahead

Positive on growth strategies

During our recent NDR with SGX in Malaysia, investors were interested in: 1) growth strategies and opportunities; and 2) the latest developments on the BM-SGX trading link and SGX India equity derivatives. We believe SGX is a good proxy for the market cycle, with healthy FY18-19E ROEs of ~35% and yields of ~4%. Maintain BUY and TP SGD8.73, based on an unchanged P/E of 23x FY19 EPS, in line with its mean since 2012.

Grow FX and fixed income; open to inorganic growth

SGX will diversify revenues by focusing on FX and fixed income for further growth. Currently, it has 21 currency futures and options contracts (in contrast to 6 currency futures in Jan'14) with significant volume market share in USD/CNH (>70%) and INR/USD (>40%) in 2Q18. It looks to offer more FX contracts. On fixed income, SGX is well-positioned to ride the Asian growth story as more Asian issuers come on board. New bond listings rose 85% YoY to 636 as at 1H18 (1H17: 343). For SGX Bond Pro, it expects USD1b matched volumes by 2018. SGX is also open to inorganic opportunities, such as trading platforms that can complement its FX/fixed income business. It has the ability to leverage given its healthy balance sheet with zero debt.

Focus on attracting technology companies

Technology is one of the sectors that SGX will focus on for its listing strategy. It looks to target start-ups over the next few years and is positive that the collaboration with Nasdaq can facilitate cross-listing of technology companies on both exchanges. On dual class shares, it intends to target listings of companies that are between SGD1-5b.

Recent developments

The details of the BM-SGX trading link are still being worked out with the timeline set to be end-2018. We view this as a positive development and expect synergies to come through in this government-to-government initiative (see [Another Positive Catalyst](#)). On SGX India equity derivatives, it is: 1) working with NSE to develop a link in GIFT City; and 2) to list successor products soon (which require regulators' approvals) and plans to engage market participants to roll into these successor products from the current SGX Nifty suite of products.

FYE Jun (SGD m)	FY16A	FY17A	FY18E	FY19E	FY20E
Revenue	818	801	850	896	932
EBITDA	469	460	503	543	553
Core net profit	349	340	376	407	413
Core FDEPS (cts)	32.5	31.6	35.0	37.9	38.5
Core FDEPS growth(%)	0.2	(2.7)	10.6	8.5	1.4
Net DPS (cts)	28.0	28.0	28.5	30.8	31.8
Core FD P/E (x)	22.9	23.5	21.3	19.6	19.3
P/BV (x)	8.1	7.7	7.2	6.6	6.2
Net dividend yield (%)	3.8	3.8	3.8	4.1	4.3
ROAE (%)	35.5	33.6	35.1	35.1	33.0
ROAA (%)	17.9	16.4	18.0	18.6	18.0
EV/EBITDA (x)	15.6	15.4	14.1	12.9	12.5
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	370	397	415
MKE vs. Consensus (%)	-	-	1.6	2.7	(0.5)

Ng Li Hiang
 nglihiang@maybank-ke.com.sg
 (65) 6231 5840

BUY

Share Price SGD 7.44
 12m Price Target SGD 8.73 (+17%)
 Previous Price Target SGD 8.73

Company Description

SGX provides listing, trading, clearing, settlement, depository and data services.

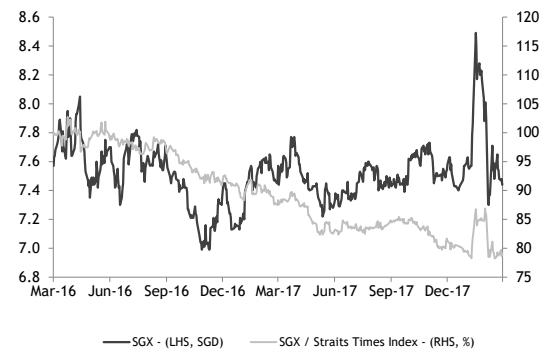
Statistics

52w high/low (SGD)	8.49/7.22
3m avg turnover (USDm)	18.0
Free float (%)	71.2
Issued shares (m)	1,072
Market capitalisation	SGD8.0B USD6.1B

Major shareholders:

SEL Holdings	23.4%
Japan Exchange Group, Inc.	5.0%
The Vanguard Group, Inc.	1.7%

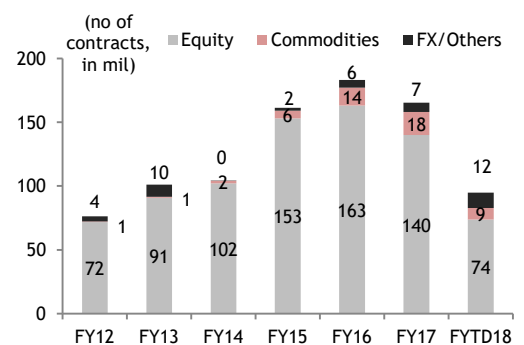
Price Performance



	-1M	-3M	-12M
Absolute (%)	(7)	(1)	(0)
Relative to index (%)	(10)	(4)	(11)

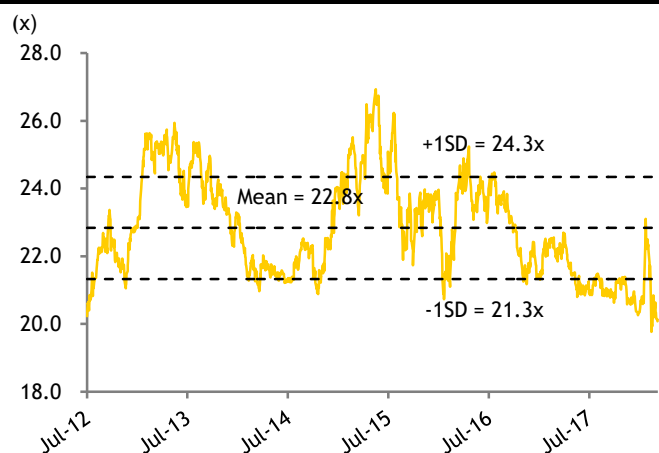
Source: FactSet

Breakdown of Derivatives' volumes



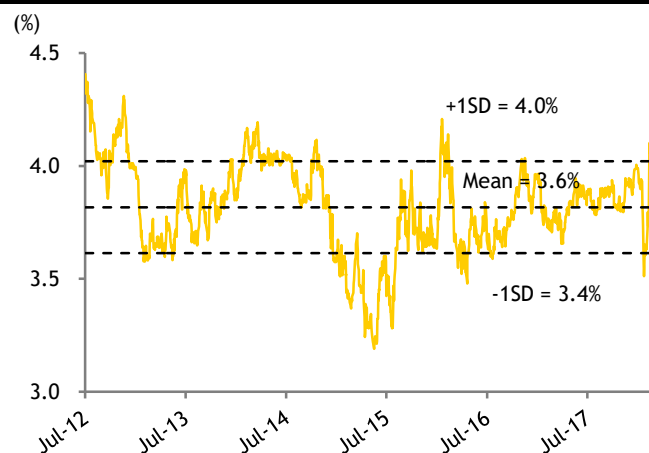
Source: Company. FYTD18 as at 1H18.

Fig 1: SGX's 12M forward rolling P/E band



Source: Bloomberg, Maybank Kim Eng

Fig 2: SGX's 12M forward rolling dividend yield



Source: Bloomberg, Maybank Kim Eng

Fig 3: Peer comparison

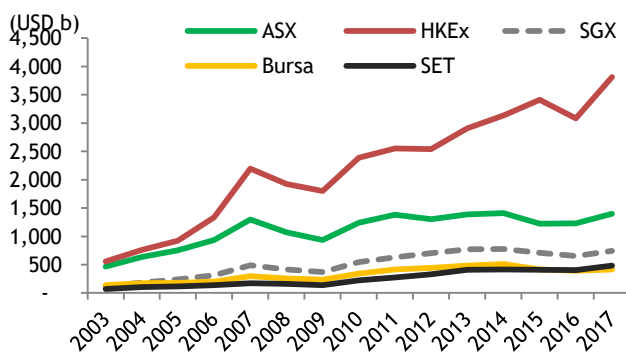
Company	Ticker	Rec.	Curr.	Market cap	Share price	Target price	P/E (x)			3Y EPS CAGR	P/BV (x)			ROAE (%)			Div. yield (%)		
							18E	19E	20E		18E	19E	20E	18E	19E	20E	18E	19E	20E
Asia Pacific/Oceania																			
Singapore Exchange*	SGX SP	BUY	SGD	6,081.5	7.48	8.73	21.4	19.7	19.4	6.7	7.2	6.6	6.2	35.1	35.1	33.0	3.8	4.1	4.3
Australian Securities Exchange*	ASX AU	NR	AUD	8,892.4	58.67	N.A.	24.6	23.5	22.4	5.3	2.9	2.8	2.8	11.7	12.1	12.5	3.6	3.8	4.0
Hong Kong Exch & Clearing	388 HK	NR	HKD	44,789.9	283.00	N.A.	36.5	32.2	27.2	20.0	9.1	8.7	9.3	25.3	27.5	31.0	2.5	2.8	3.4
Bursa Malaysia	BURSA MKHOLD	MYR	1,528.4	11.10	10.60	26.2	25.6	25.1	2.1	6.9	6.9	6.9	26.6	27.0	27.4	3.8	4.0	4.1	
New Zealand Stock Exchange	NZX NZ	NR	NZD	213.5	1.09	N.A.	17.3	16.0	14.9	9.9	4.3	4.2	4.0	24.3	25.6	27.0	5.8	6.1	6.2
Asia Pac Weighted Avg (incl SGX)							33.0	29.5	25.7	16.1	8.0	7.6	8.0	24.3	26.0	28.4	2.8	3.1	3.6
Asia Pac Weighted Avg (excl SGX)							34.3	30.5	26.3	17.1	8.1	7.7	8.2	23.1	25.0	27.9	2.7	3.0	3.5
Europe																			
Deutsche Boerse	DB1 GR	NR	EUR	25,567.6	106.80	N.A.	20.4	18.1	16.4	10.9	3.8	3.4	3.3	19.4	19.9	21.0	2.6	2.9	3.1
London Stock Exchange	LSE LN	NR	GBP	18,669.6	38.77	N.A.	22.1	19.9	19.1	12.4	3.9	3.5	3.3	18.4	18.9	18.2	1.3	1.5	1.7
Hellenic Exchanges	EXAE GA	NR	EUR	372.5	4.96	N.A.	85.4	36.2	24.2	89.8	2.5	2.4	2.4	2.8	7.1	10.2	1.5	2.9	3.9
Europe Weighted Avg							21.7	19.0	17.6	12.2	3.8	3.4	3.3	18.8	19.4	19.7	2.0	2.3	2.5
Americas																			
CME Group	CME US	NR	USD	57,725.4	169.59	N.A.	26.4	24.5	22.1	(13.7)	2.6	2.5	2.5	10.1	10.6	10.9	3.8	4.0	4.4
NASDAQ	NDAQ US	NR	USD	13,976.1	83.91	N.A.	17.4	15.9	14.8	9.5	2.3	2.1	1.9	13.6	22.0	N.A.	2.0	2.2	2.6
Intercontinental Exchange	ICE US	NR	USD	42,705.5	73.34	N.A.	20.6	18.6	16.8	1.0	2.4	2.3	2.3	11.7	12.4	N.A.	1.3	1.4	1.6
US Weighted Avg							23.2	21.2	19.2	(5.4)	2.5	2.4	2.3	11.1	12.7	5.5	2.6	2.8	3.2
Total Weighted Avg (incl SGX)							25.9	23.2	20.8	7.6	4.8	4.5	4.5	18.1	19.3	17.9	2.5	2.7	3.1
Total Weighted Avg (excl SGX)							26.4	23.6	21.1	8.0	4.8	4.5	4.6	17.7	19.0	17.7	2.5	2.7	3.1

Source: Bloomberg, Maybank Kim Eng. Share prices as of 6 Mar 2018. *For SGX and ASX, FY ending June. For Hellenic Exchange which has yet to report its FY17 results, FY18E refers to FY17E, and FY19E refers to FY18E and so on.

Value Proposition

- Focuses on growing different businesses/asset classes, such as index business and FX.
- Against most Asian markets that have high FX restrictions or closed capital accounts, Singapore is relatively attractive for investing / hedging investible assets.
- Securities market cap lags regional peers as it has not been able to attract bigger IPO listings. Low valuations have triggered more de-listings.
- More successful in attracting REITs, business trusts and high-dividend-paying mature companies. There are 50 REITs and business trusts comprising 7% of total listings.
- Demand for yield is supported by high savings rate, greying population and favourable tax regime. Country is a safe haven that attracts capital from the region/globe.
- Net cash position to fund acquisitions or partnerships that can offer complementary products.

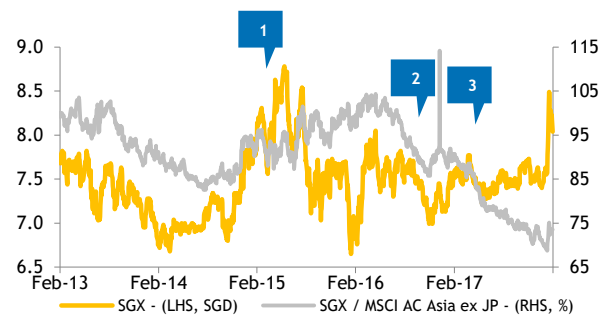
SGX's equity market cap lags regional peers



Source: World Federation of Exchanges, Maybank Kim Eng

Price Drivers

Historical share price trend



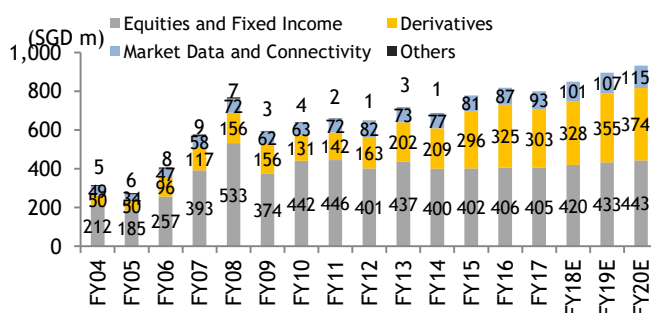
Source: Company, FactSet, Maybank Kim Eng

1. Robust growth in China A50 and iron-ore contracts bumped up derivatives revenue in 2Q15 and 3Q15.
2. 1Q17 net profit fell 16% YoY. Subdued trading volumes due to concerns on political uncertainties and slower global economic growth.
3. Securities daily average traded value (SDAV) reached a new high of SGD1.4b.

Financial Metrics

- Turnover velocity generally down due to lower traded value from lack of liquidity and lacklustre market activities. Velocity down from 39% in FY12 to 29% in FY17.
- Higher mix of warrants and ETFs would lower average clearing fees as these products carry lower fees. Average fee per derivative contract lower due to pricing revisions and changes in mix of derivatives contracts.
- Management guided for FY18 capex of SGD60-65m, similar to levels in previous year.
- FY18E DPS of 28.5cts implies 81% payout. Interim DPS of 5cts maintained in 2Q18. Expect stable yield of 3.8% in FY18E.

Segmental operating revenue



Source: Company, Maybank Kim Eng

Swing Factors

Upside

- Stronger-than-expected SDAV and derivatives daily average volume (DDAV).
- Sizeable acquisitions or partnerships that can offer complementary or new product offerings to lift revenue.

Downside

- Inability to price up due to competition from other exchanges and new entrants.
- Capital-raising efforts to make large acquisitions could dilute ROEs.



FYE 30 Jun	FY16A	FY17A	FY18E	FY19E	FY20E
Key Metrics					
P/E (reported) (x)	23.1	23.4	21.2	19.5	19.3
Core P/E (x)	22.8	23.4	21.2	19.5	19.3
Core FD P/E (x)	22.9	23.5	21.3	19.6	19.3
P/BV (x)	8.1	7.7	7.2	6.6	6.2
P/NTA (x)	8.3	8.2	7.6	7.0	6.5
Net dividend yield (%)	3.8	3.8	3.8	4.1	4.3
FCF yield (%)	4.4	4.0	4.9	5.1	5.0
EV/EBITDA (x)	15.6	15.4	14.1	12.9	12.5
EV/EBIT (x)	17.8	17.6	16.1	14.6	14.3
INCOME STATEMENT (SGD m)					
Revenue	818.1	800.8	849.7	895.7	931.8
Gross profit	409.1	401.8	439.7	477.3	483.7
EBITDA	469.0	459.5	502.5	542.7	553.3
Depreciation	(59.9)	(57.7)	(62.9)	(65.4)	(69.6)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	409.1	401.8	439.7	477.3	483.7
Net interest income / (exp)	9.4	9.4	9.8	10.3	10.8
Associates & JV	1.1	1.4	1.4	1.5	1.5
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	(3.7)	(3.7)	1.7	1.7	1.8
Pretax profit	416.0	408.9	452.6	490.9	497.8
Income tax	(66.9)	(69.2)	(76.9)	(83.5)	(84.6)
Minorities	0.0	0.0	0.0	0.0	0.0
Perpetual securities	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	349.0	339.7	375.6	407.4	413.2
Core net profit	349.0	339.7	375.6	407.4	413.2
Preferred Dividends	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET (SGD m)					
Cash & Short Term Investments	866.3	796.4	891.6	976.0	1,043.8
Accounts receivable	930.0	814.7	841.2	850.9	875.9
Inventory	0.0	0.0	0.0	0.0	0.0
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	62.0	80.4	108.9	114.4	121.8
Intangible assets	25.6	63.5	64.0	64.0	64.0
Investment in Associates & JVs	9.4	10.3	12.2	13.7	15.2
Other assets	212.2	275.8	222.8	224.0	227.0
Total assets	2,105.5	2,041.2	2,140.8	2,243.0	2,347.6
ST interest bearing debt	0.0	0.0	0.0	0.0	0.0
Accounts payable	1,012.7	891.6	909.2	904.7	922.4
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	0.3	0.0	0.3	0.3	0.3
Other liabilities	103.0	117.0	123.0	128.0	131.0
Total Liabilities	1,115.9	1,008.7	1,032.4	1,032.6	1,054.1
Shareholders Equity	989.6	1,032.5	1,108.3	1,210.3	1,293.4
Minority Interest	0.0	0.0	0.0	0.0	0.0
Total shareholder equity	989.6	1,032.5	1,108.3	1,210.3	1,293.4
Perpetual securities	0.0	0.0	0.0	0.0	0.0
Total liabilities and equity	2,105.5	2,041.2	2,140.8	2,243.0	2,347.6
CASH FLOW (SGD m)					
Pretax profit	416.0	408.9	452.6	490.9	497.8
Depreciation & amortisation	59.9	57.7	62.9	65.4	69.6
Adj net interest (income)/exp	0.0	0.0	0.0	0.0	0.0
Change in working capital	15.8	(23.3)	3.4	(12.2)	(12.2)
Cash taxes paid	(70.3)	(67.1)	(76.9)	(83.5)	(84.6)
Other operating cash flow	2.1	1.5	15.4	16.1	7.8
Cash flow from operations	423.5	377.7	457.2	476.8	478.4
Capex	(73.8)	(60.0)	(65.0)	(72.0)	(80.0)
Free cash flow	349.6	317.8	392.2	404.8	398.4
Dividends paid	(332.2)	(299.9)	(305.4)	(330.1)	(340.8)
Equity raised / (purchased)	(12.6)	(8.6)	0.0	0.0	0.0
Perpetual securities	0.0	0.0	0.0	0.0	0.0
Change in Debt	0.0	0.0	0.0	0.0	0.0
Perpetual securities distribution	0.0	0.0	0.0	0.0	0.0
Other invest/financing cash flow	10.7	(87.6)	8.4	9.7	10.2
Effect of exch rate changes	0.0	0.6	0.0	0.0	0.0
Net cash flow	15.5	(77.8)	95.2	84.4	67.8

FYE 30 Jun	FY16A	FY17A	FY18E	FY19E	FY20E
Key Ratios					
Growth ratios (%)					
Revenue growth	5.1	(2.1)	6.1	5.4	4.0
EBITDA growth	2.2	(2.0)	9.4	8.0	2.0
EBIT growth	1.8	(1.8)	9.4	8.6	1.3
Pretax growth	1.1	(1.7)	10.7	8.5	1.4
Reported net profit growth	0.1	(2.7)	10.6	8.5	1.4
Core net profit growth	0.1	(2.7)	10.6	8.5	1.4
Profitability ratios (%)					
EBITDA margin	57.3	57.4	59.1	60.6	59.4
EBIT margin	50.0	50.2	51.7	53.3	51.9
Pretax profit margin	50.8	51.1	53.3	54.8	53.4
Payout ratio	85.9	88.2	81.2	80.9	82.4
DuPont analysis					
Net profit margin (%)	42.7	42.4	44.2	45.5	44.3
Revenue/Assets (x)	0.4	0.4	0.4	0.4	0.4
Assets/Equity (x)	2.1	2.0	1.9	1.9	1.8
ROAE (%)	35.5	33.6	35.1	35.1	33.0
ROAA (%)	17.9	16.4	18.0	18.6	18.0
Liquidity & Efficiency					
Cash conversion cycle	nm	nm	nm	nm	nm
Days receivable outstanding	348.4	392.2	350.8	340.1	333.6
Days inventory outstanding	nm	nm	nm	nm	nm
Days payables outstanding	761.9	859.1	790.4	780.4	734.0
Dividend cover (x)	1.2	1.1	1.2	1.2	1.2
Current ratio (x)	1.6	1.7	1.7	1.8	1.9
Leverage & Expense Analysis					
Asset/Liability (x)	1.9	2.0	2.1	2.2	2.2
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	na	na	na	na	na
Debt/EBITDA (x)	0.0	0.0	0.0	0.0	0.0
Capex/revenue (%)	9.0	7.5	7.6	8.0	8.6
Net debt/ (net cash)	(866.0)	(796.4)	(891.3)	(975.7)	(1,043.5)

Source: Company; Maybank

Research Offices

REGIONAL

Sadiq CURRIMBHOY
Regional Head, Research & Economics
(65) 6231 5836
sadiq@maybank-ke.com.sg

WONG Chew Hann, CA
Regional Head of Institutional Research
(603) 2297 8686
wchewh@maybank-ib.com

ONG Seng Yeow
Regional Head of Retail Research
(65) 6231 5839
ongsengyeow@maybank-ke.com.sg

TAN Sin Mui
Director of Research
(65) 6231 5849
sinmui@kimeng.com.hk

ECONOMICS

Suhaimi ILIAS
Chief Economist
Malaysia | Philippines | China
(603) 2297 8682
suhaimi_ilias@maybank-ib.com

CHUA Hak Bin
Regional Thematic Macroeconomist
(65) 6231 5830
chuahb@maybank-ke.com.sg

LEE Ju Ye
Singapore
(65) 6231 5844
leejuye@maybank-ke.com.sg

Dr Zamros DZULKAFLI
(603) 2297 8618
zamros.d@maybank-ib.com

Ramesh LANKANATHAN
(603) 2297 8685
ramesh.l@maybank-ib.com

FX

Saktiandi SUPAAT
Head, FX Research
(65) 6231 1379
saktiandi@maybank.com.sg

Christopher WONG
(65) 6320 1347
wongkl@maybank.com.sg

Leslie TANG
(65) 6320 1378
leslietang@maybank.com.sg

Fiona LIM
(65) 6320 1374
fionalim@maybank.com.sg

STRATEGY

Sadiq CURRIMBHOY
Global Strategist
(65) 6231 5836
sadiq@maybank-ke.com.sg

Willie CHAN
Hong Kong / Regional
(852) 2268 0631
williechan@kimeng.com.hk

FIXED INCOME

Winson Phoon, ACA
(65) 6231 5831
winsonphoon@maybank-ke.com.sg

Se Tho Mun Yi
(603) 2074 7606
munyi.st@maybank-ib.com

MALAYSIA

WONG Chew Hann, CA *Head of Research*
(603) 2297 8686 wchewh@maybank-ib.com
• Strategy

Desmond CH'NG, ACA
(603) 2297 8680
desmond.chng@maybank-ib.com
• Banking & Finance

LIAW Thong Jung
(603) 2297 8688 tjliaw@maybank-ib.com
• Oil & Gas Services- Regional

ONG Chee Ting, CA
(603) 2297 8678 ct.ong@maybank-ib.com
• Plantations - Regional

Mohshin AZIZ
(603) 2297 8692 mohshin.aziz@maybank-ib.com
• Aviation - Regional • Petrochem

YIN Shao Yang, CPA
(603) 2297 8916 samuel.y@maybank-ib.com
• Gaming - Regional • Media

TAN Chi Wei, CFA
(603) 2297 8690 chiwei.t@maybank-ib.com
• Power • Telcos

WONG Wei Sum, CFA
(603) 2297 8679 weisum@maybank-ib.com
• Property

LEE Yen Ling
(603) 2297 8691 lee.yl@maybank-ib.com
• Building Materials • Glove • Ports • Shipping

Ivan YAP
(603) 2297 8612 ivan.yap@maybank-ib.com
• Automotive • Semiconductor • Technology

Kevin WONG
(603) 2082 6824 kevin.wong@maybank-ib.com
• REITs • Consumer Discretionary

LIEW Wei Han
(603) 2297 8676 weihan.l@maybank-ib.com
• Consumer Staples

Adrian WONG
(603) 2297 8675 adrian.wkj@maybank-ib.com
• Constructions • Healthcare

Jade TAM
(603) 2297 8687 jade.tam@maybank-ib.com
• Media • Building Materials

Mohd Hafiz Hassan
(603) 2082 6819 mohdhafiz.ha@maybank-ib.com
• Small & Mid Caps

TEE Sze Chiah *Head of Retail Research*
(603) 2082 6858 szechiah.t@maybank-ib.com

Nik Ihsan Raja Abdullah, MSTA, Cfte
(603) 2297 8694
nikmohdihsan.ra@maybank-ib.com

SINGAPORE

Neel SINHA *Head of Research*
(65) 6231 5838 neelsinha@maybank-ke.com.sg
• Strategy
• SMID Caps - Regional

CHUA Su Tye
(65) 6231 5842 chuasutye@maybank-ke.com.sg
• REITs

Derrick HENG, CFA
(65) 6231 5843 derrickheng@maybank-ke.com.sg
• Property • REITs (Office)

Luis HILADO
(65) 6231 5848 luishilado@maybank-ke.com.sg
• Telcos

John CHEONG, CFA
(65) 6231 5845 johncheong@maybank-ke.com.sg
• Small & Mid Caps • Healthcare • Transport

NG Li Hiang
(65) 6231 5840 nglhiang@maybank-ke.com.sg
• Banks

LAI Gene Lih
(65) 6231 5832 laigenetih@maybank-ke.com.sg
• Technology

HONG KONG / CHINA

Christopher WONG
(852) 2268 0652
christopherwong@kimeng.com.hk
• HK & China Properties

Jacqueline KO, CFA
(852) 2268 0633 jacquelineko@kimeng.com.hk
• Consumer Staples & Durables

Ka Leong LO, CFA
(852) 2268 0630 klllo@kimeng.com.hk
• Consumer Discretionary & Auto

Mitchell KIM
(852) 2268 0634 mitchellkim@kimeng.com.hk
• Internet & Telcos

Ricky NG, CFA
(852) 2268 0689 rickyng@kimeng.com.hk
• Regional Renewables
• HK & China Properties

Sonija LI, CFA, FRM
(852) 2268 0641 sonijali@kimeng.com.hk
• Gaming

Stefan CHANG, CFA
(852) 2268 0675 stefanchang@kimeng.com.hk
• Technology - Regional

Bonny WENG
(852) 2268 0644 bonnyweng@kimeng.com.hk
• Technology - Regional

Tony REN, CFA
(852) 2268 0640 tonyren@kimeng.com.hk
• Healthcare & Pharmaceutical

INDIA

Jigar SHAH *Head of Research*
(91) 22 6623 2632 jigar@maybank-ke.co.in
• Strategy • Oil & Gas • Automobile • Cement

Vishal MODI
(91) 22 6623 2607 vishal@maybank-ke.co.in
• Banking & Financials

Neerav DALAL
(91) 22 6623 2606 neerav@maybank-ke.co.in
• Software Technology • Telcos

Vishal PERIWAL
(91) 22 6623 2605 vishalperiwa@maybank-ke.co.in
• Infrastructure

INDONESIA

Isnaputra ISKANDAR *Head of Research*
(62) 21 8066 8680
isnaputra.iskandar@maybank-ke.co.id
• Strategy • Metals & Mining • Cement

Rahmi MARINA
(62) 21 8066 8689
rahmi.marina@maybank-ke.co.id
• Banking & Finance

Aurellia SETIABUDI
(62) 21 8066 8691
aurellia.setiabudi@maybank-ke.co.id
• Property

Janni ASMAN
(62) 21 8066 8687
janni.asman@maybank-ke.co.id
• Cigarette • Healthcare • Retail

PHILIPPINES

Minda OLONAN *Head of Research*
(63) 2 849 8840
minda_olonan@maybank-atrke.com
• Strategy

Katherine TAN
(63) 2 849 8843
kat_tan@maybank-atrke.com
• Banks • Construction

Luis HILADO
(65) 6231 5848 luishilado@maybank-ke.com.sg
• Telcos

THAILAND

Maria LAPIZ *Head of Institutional Research*
Dir (66) 2257 0250 | (66) 2658 6300 ext 1399
Maria.L@maybank-ke.co.th
• Strategy • Consumer • Materials • Ind. Estates
• Oil & Gas • Telcos

Sittichai DUANGRATTANACHAYA
(66) 2658 6300 ext 1393
Sittichai.D@maybank-ke.co.th
• Services Sector • Transport • Property • Telcos

Tanawat RUENBANTERNG
(66) 2658 6300 ext 1394
Tanawat.R@maybank-ke.co.th
• Banks & Diversified Financials

Ornmongkol TANTITANATORN
(66) 2658 6300 ext 1395
ormmongkol.t@maybank-ke.co.th
• Oil & Gas

Sukit UDOMSIRIKUL *Head of Retail Research*
(66) 2658 5000 ext 5090
Sukit.u@maybank-ke.co.th

Ekachai TARAPORNITIP *Deputy Head*
(66) 2658 5000 ext 1530
Ekachai.t@maybank-ke.co.th

Surachai PRAMUALCHAROENKIT
(66) 2658 5000 ext 1470
Surachai.p@maybank-ke.co.th
• Auto • Conmat • Contractor • Steel

Suttatip PEERASUB
(66) 2658 5000 ext 1430
suttatip.p@maybank-ke.co.th
• Media • Commerce

Sutthichai KUMWORACHAI
(66) 2658 5000 ext 1400
sutthichai.k@maybank-ke.co.th
• Energy • Petrochem

Termporn TANTIVIVAT
(66) 2658 5000 ext 1520
termporn.t@maybank-ke.co.th
• Property

Jaroanpan WATTANAWONG
(66) 2658 5000 ext 1404
jaroanpan.w@maybank-ke.co.th
• Transportation • Small cap

Sorabhol VIRAMTEEKUL *Head of Digital Research*
(66) 2658 5000 ext 1550
sorabhol.v@maybank-ke.co.th
• Food, Transportation

Wijit ARAYAPISIT
(66) 2658 5000 ext 1450
wijit.a@maybank-ke.co.th
• Strategist

VIETNAM

LE Hong Lien, ACCA
Head of Institutional Research
(84 28) 44 555 888 x 8181
lien.le@maybank-kimeng.com.vn
• Strategy • Consumer • Diversified

THAI Quang Trung, CFA,
Deputy Head, Institutional Research
(84 28) 44 555 888 x 8180
trung.thai@maybank-kimeng.com.vn
• Real Estate • Construction • Materials

LE Nguyen Nhat Chuyen
(84 28) 44 555 888 x 8082
chuyen.le@maybank-kimeng.com.vn
• Oil & Gas

NGUYEN Thi Ngan Tuyen,
Head of Retail Research
(84 28) 44 555 888 x 8081
tuyen.nguyen@maybank-kimeng.com.vn
• Food & Beverage • Oil & Gas • Banking

TRUONG Quang Binh,
Deputy Head, Retail Research
(84 28) 44 555 888 x 8087
binh.truong@maybank-kimeng.com.vn
• Rubber Plantation • Tyres & Tubes • Oil & Gas

TRINH Thi Ngoc Diep
(84 28) 44 555 888 x 8208
diep.trinh@maybank-kimeng.com.vn
• Technology • Utilities • Construction

NGUYEN Thi Sony Tra Mi
(84 28) 44 555 888 x 8084
mi.nguyen@maybank-kimeng.com.vn
• Port Operation • Pharmaceutical
• Food & Beverage

NGUYEN Thanh Lam
(84 28) 44 555 888 x 8086
thanhlam.nguyen@maybank-kimeng.com.vn
• Technical Analysis

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "MKE") and consequently no representation is made as to the accuracy or completeness of this report by MKE and it should not be relied upon as such. Accordingly, MKE and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. MKE expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

MKE and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of MKE may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of MKE's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of MKE and MKE and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Kim Eng Research Pte. Ltd. ("Maybank KERPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact Maybank KERPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), Maybank KERPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Kim Eng Securities (Thailand) Public Company Limited. Maybank Kim Eng Securities (Thailand) Public Company Limited ("MBKET") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research reports of MBKET Institutional and Retail Research Department may differ in either recommendation or target price, or both. MBKET Retail Research is intended for retail investors (<http://kelive.maybank-ke.co.th>) while Maybank Kim Eng Institutional Research is intended only for institutional investors based outside Thailand only.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MBKET does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MBKET does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Kim Eng Securities USA Inc ("Maybank KESUSA"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Maybank KESUSA in the US shall be borne by Maybank KESUSA. This report is not directed at you if MKE is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Maybank KESUSA is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Maybank Kim Eng Securities USA Inc. 777 Third Avenue 21st Floor New York, New York 1- (212) 688-8886 and not with, the issuer of this report.

UK

This document is being distributed by Maybank Kim Eng Securities (London) Ltd (“Maybank KESL”) which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES**Legal Entities Disclosures**

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by Maybank KERPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Kim Eng Securities (“PTMKES”) (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MBKET (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank ATRKES (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Kim Eng Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** KESHK (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** Kim Eng Securities India Private Limited (“KESI”) is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India (“SEBI”) (Reg. No. INZ000010538). KESI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057) **US:** Maybank KESUSA is a member of/ and is authorized and regulated by the FINRA - Broker ID 27861. **UK:** Maybank KESL (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: MKE and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 8 March 2018, Maybank KERPL and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MBKET may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MBKET, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 8 March 2018, KESHK and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 8 March 2018, and at the end of the month immediately preceding the date of publication of the research report, KESI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months KESI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

MKE may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS**Analyst Certification of Independence**

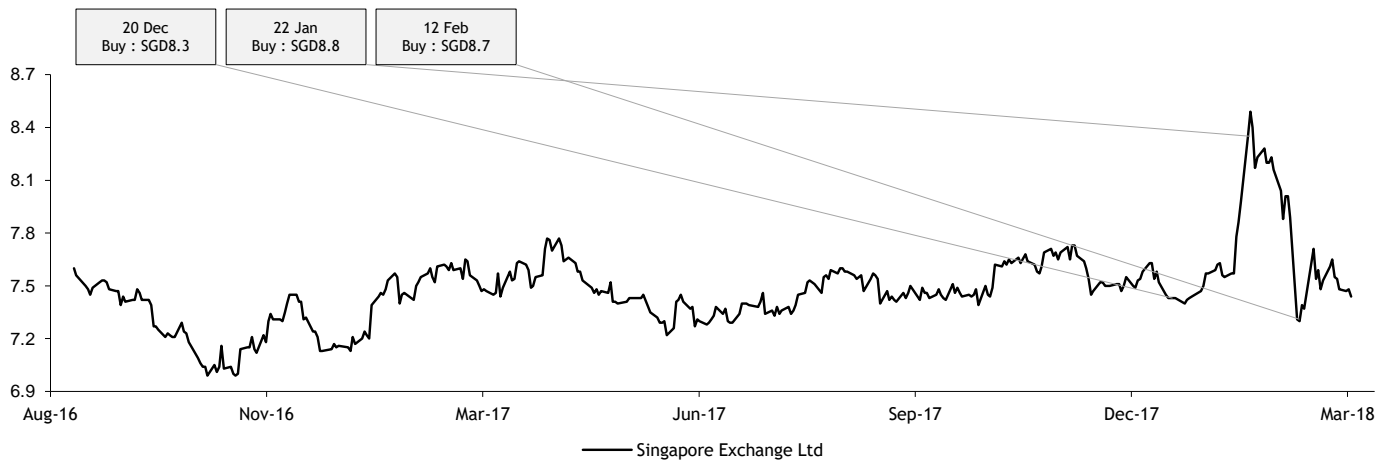
The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of MKE.

Historical recommendations and target price: Singapore Exchange Ltd (SGX SP)



Definition of Ratings

Maybank Kim Eng Research uses the following rating system

BUY	Return is expected to be above 10% in the next 12 months (excluding dividends)
HOLD	Return is expected to be between - 10% to +10% in the next 12 months (excluding dividends)
SELL	Return is expected to be below -10% in the next 12 months (excluding dividends)

Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.


Malaysia

Maybank Investment Bank Berhad
(A Participating Organisation of
Bursa Malaysia Securities Berhad)
33rd Floor, Menara Maybank,
100 Jalan Tun Perak,
50050 Kuala Lumpur
Tel: (603) 2059 1888;
Fax: (603) 2078 4194

Stockbroking Business:
Level 8, Tower C, Dataran Maybank,
No.1, Jalan Maarof
59000 Kuala Lumpur
Tel: (603) 2297 8888
Fax: (603) 2282 5136


Philippines

Maybank ATR Kim Eng Securities Inc.
17/F, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1200

Tel: (63) 2 849 8888
Fax: (63) 2 848 5738


South Asia Sales Trading

Kevin Foy
Regional Head Sales Trading
kevinfoy@maybank-ke.com.sg
Tel: (65) 6636-3620
US Toll Free: 1-866-406-7447

Malaysia

Joann Lim
joann.lim@maybank-ib.com
Tel: (603) 2717 5166

Indonesia

Hariato Liong
harianto.liong@maybank-ke.co.id
Tel: (62) 21 2557 1177

New York

James Lynch
jlynch@maybank-keusa.com
Tel: (212) 688 8886

Vietnam

Patrick Mitchell
patrick.mitchell@maybank-kimeng.com.vn
Tel: (84)-8-44-555-888 x8080


Singapore

Maybank Kim Eng Securities Pte Ltd
Maybank Kim Eng Research Pte Ltd
50 North Canal Road
Singapore 059304

Tel: (65) 6336 9090


Hong Kong

Kim Eng Securities (HK) Ltd
28/F, Lee Garden Three,
1 Sunning Road, Causeway Bay,
Hong Kong

Tel: (852) 2268 0800
Fax: (852) 2877 0104


Thailand

Maybank Kim Eng Securities
(Thailand) Public Company Limited
999/9 The Offices at Central World,
20th - 21st Floor,
Rama 1 Road Pathumwan,
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)
Tel: (66) 2 658 6801 (research)


North Asia Sales Trading

Andrew Lee
andrewlee@kimeng.com.hk
Tel: (852) 2268 0283
US Toll Free: 1 877 837 7635

Thailand

Tanasak Krishnasreni
Tanasak.K@maybank-ke.co.th
Tel: (66)2 658 6820

London

Mark Howe
mhowe@maybank-ke.co.uk
Tel: (44) 207-332-0221

India

Sanjay Makhija
sanjaymakhija@maybank-ke.co.in
Tel: (91)-22-6623-2629

Philippines

Keith Roy
keith_roy@maybank-atrke.com
Tel: (63) 2 848-5288


London

Maybank Kim Eng Securities
(London) Ltd
PNB House
77 Queen Victoria Street
London EC4V 4AY, UK

Tel: (44) 20 7332 0221
Fax: (44) 20 7332 0302


Indonesia

PT Maybank Kim Eng Securities
Sentral Senayan III, 22nd Floor
Jl. Asia Afrika No. 8
Gelora Bung Karno, Senayan
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188
Fax: (62) 21 2557 1189


Vietnam

Maybank Kim Eng Securities Limited
4A-15+16 Floor Vincom Center Dong
Khoi, 72 Le Thanh Ton St. District 1
Ho Chi Minh City, Vietnam

Tel : (84) 844 555 888
Fax : (84) 8 38 271 030


New York

Maybank Kim Eng Securities USA
Inc
777 Third Avenue, 21st Floor
New York, NY 10017, U.S.A.

Tel: (212) 688 8886
Fax: (212) 688 3500


India

Kim Eng Securities India Pvt Ltd
2nd Floor, The International,
16, Maharishi Karve Road,
Churchgate Station,
Mumbai City - 400 020, India

Tel: (91) 22 6623 2600
Fax: (91) 22 6623 2604


Saudi Arabia

In association with
Anfaal Capital
Villa 47, Tujjar Jeddah
Prince Mohammed bin Abdulaziz
Street P.O. Box 126575
Jeddah 21352

Tel: (966) 2 6068686
Fax: (966) 26068787