

MARKET NEWS

The FSSTI rallied 0.7% to close at 2,861.18 as the first US interest-rate increase in almost a decade was welcomed across Asian markets. IPC Corp gained 7.69% to close at S\$2.03 after it announced plans to pay out S\$1.60/share as part of a capital reduction exercise after the company completed the ¥14.9b (S\$172.2m) sale of seven hotels in Japan. The broader market in Singapore saw 226 gainers and 164 losers, with total trading value at S\$1,056.2m.

US stocks snapped a three-day win streak on Thursday, as oil prices posted their lowest settlement in nearly seven years. The S&P 500 fell 1.5% to close at 2,041.89, while the DJIA declined 1.43% to 17,495.84. The energy and materials sectors led the market retreat, which erased gains for the main indexes from the previous two sessions. WTI fell below US\$35 a barrel.

WHAT'S IN THE PACK

M1 - The ugly duckling could turn into a swan.

(M1 SP/BUY/S\$2.70/Target: S\$3.26)

M1 continues to differentiate its mobile services through its Data Passport service and enhanced customer care. For enterprise customers, M1 has launched an extensive range of XGPON services with speeds ranging from 2-10Gbps and also introduced M2M Connect. The stock is out of favour but we see the opportunity for a strong rebound in the event that we do not have a fourth mobile operator. Target price: S\$3.26. Maintain BUY...

DBS Group (DBS SP, D05) - Technical BUY with 9.7% potential returns

Share price of the stock has tested the previous support held on 2 October and is currently poised to break out of ...

Keppel Corp (KEP SP, BN4) - Technical BUY with 15.1% potential returns

Share price could continue its rebound after having formed a break away gap on 16 December. While the stock ...

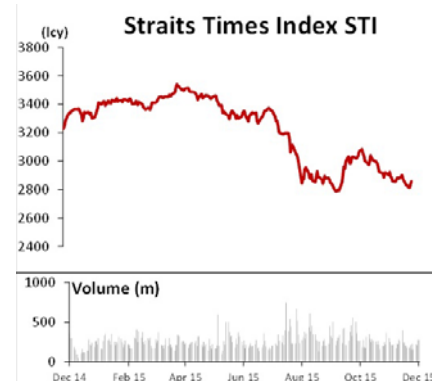
Cambridge Industrial Trust (CREIT SP, J91U) - Technical BUY with 15.5% potential returns

Share price of the stock has tested the previous support held on 25 August and could continue its rebound ...

Vard (VARD SP, MS7) - Technical BUY with 28.5% potential returns

Share price has exceeded our technical SELL target of S\$0.28 mentioned on 2 November and currently could...

PRICE CHART



KEY INDICES

	Prev Close	Chg (%)	YTD (%)
DJIA	17495.8	(1.4)	(1.8)
S&P 500	2041.9	(1.5)	(0.8)
FTSE 100	6102.5	0.7	(7.1)
CSI 300	3755.9	1.9	6.3
FSSTI	2861.2	0.7	(15.0)
HSCEI	9666.5	1.3	(19.3)
HSI	21872.1	0.8	(7.3)
JCI	4556.0	1.6	(12.8)
KLCI	1656.5	1.4	(5.9)
KOSPI	1978.0	0.4	3.3
Nikkei 225	19353.6	1.6	10.9
SET	1310.3	0.9	(12.5)
TWSE	8319.7	1.6	(10.6)
BDI	471.0	(2.7)	(39.8)
CPO (RM/mt)	2201.0	(1.0)	(3.9)
Nymex Crude(US\$/bbl)	35.1	(1.2)	(34.1)

Source: Bloomberg

TOP VOLUME

Stock	Price (S\$)	Chg (%)	Vol ('000)
Golden Agri-Resources Singapore	0.320	(1.5)	35,089
Telecommunications	3.780	0.5	33,769
Noble Group	0.420	0.0	24,951
Yangzijiang	1.055	(0.5)	18,691
Shipbuilding	0.775	2.0	17,348

TOP GAINERS

Stock	Price (S\$)	Chg (%)	Vol ('000)
Del Monte Pacific	0.445	11.3	7,990
Sembcorp Marine	1.785	5.0	5,530
GL	0.880	4.1	699
Straits Trading	2.120	2.9	1
SMRT Corp	1.475	2.8	2,327

TOP LOSERS

Stock	Price (S\$)	Chg (%)	Vol ('000)
Mandarin Oriental Intl	1.455	(3.0)	58
CWT	1.840	(1.9)	122
City Developments	7.540	(1.8)	2,996
Jardine Matheson	46.030	(1.8)	448
Golden Agri-Resources	0.320	(1.5)	35,089



Please note: This is the final release of the Retail Market Monitor for the year. Retail Market Monitor production will resume on 4 January 2016. UOB Kay Hian wishes you a blessed Christmas and bountiful New Year.



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TRADERS' CORNER



DBS Group (DBS SP, D05)

Technical BUY with 9.7% potential returns

Last price: S\$16.59

Target price: S\$18.20

Protective stop: S\$15.95

BUY with a target price of S\$18.20 and stops could be placed at S\$15.95. Share price of the stock has tested the previous support held on 2 October and is currently poised to break out of its downward sloping channel. The MACD indicator has formed a bullish crossover and could move towards its centreline, suggesting the bullish momentum is likely to continue for now.

Expected timeframe: 2-3 weeks.

Our institutional research has a fundamental BUY and target price of S\$22.34.



Keppel Corp (KEP SP, BN4)

Technical BUY with 15.1% potential returns

Last price: S\$6.47

Target price: S\$7.45

Protective stop: S\$6.28

BUY with a target price of S\$7.45 and stops could be placed at S\$6.28. Share price could continue its rebound after having formed a break away gap on 16 December. While the stock has formed lower highs, the MACD did not and instead, forms a MACD bullish crossover instead. Watch for the stock to trade up towards its 200-day SMA, which acted as resistance previously.

Expected timeframe: 2-3 weeks.

Our institutional research has a fundamental HOLD and target price of S\$7.60.

ANALYST

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TRADERS' CORNER



Cambridge Industrial Trust (CREIT SP, J91U)

Technical BUY with 15.5% potential returns

Last price: S\$0.58

Target price: S\$0.67

Protective stop: S\$0.53

BUY with a target price of S\$0.67 and stops could be placed at S\$0.53. Share price of the stock has tested the previous support held on 25 August and could continue its rebound towards the downward sloping trendline, which happens to be near the falling window formed on 29 Jul 15. Watch for a bullish MACD crossover to form as the MACD histogram is turning bullish for now.

Expected timeframe: 2 - 3 weeks.



Vard (VARD SP, MS7)

Technical BUY with 28.5% potential returns

Last price: S\$0.245

Target price: S\$0.315

Protective stop: S\$0.215

BUY with a target price of S\$0.315 and stops could be placed at S\$0.215. Share price has exceeded our technical SELL target of S\$0.28 mentioned on 2 November and currently could rebound should there be a follow through of the potential inverted hammer formed during the last trading session. The 14-period RSI has rebounded from the oversold region. The MACD histogram has turned bullish for now.

Expected timeframe: 2 weeks

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Source: Nextview

CORPORATE NEWS

Singapore Property

Dressing Down As The Year Comes To An End

WHAT'S NEW

The government continues to scale back residential supply in the 1H16 GLS programme, as the number of units released, at 7,420 units, was at its lowest level since 2007. Developer interest should be centred on the plum Marina Bay commercial site up on the Reserve list.

Dressing down as year winds to an end. The government has further slashed the total GLS supply by 15% yoy to 7,420 units, the lowest level in about nine years (1H07: 5,475 units). The confirmed list has shrunk to 1,560 units from 2,130 units in 2H15 and 3,020 units in 1H15's GLS programmes respectively. The available supply of executive condominium (EC) units stands at 1,455 units.

Plum commercial site possibly up for grabs next year. We reckon that potential bidders could well be expecting the dust to settle post 2016's 3.8m sf surge in commercial space. Should the site be released for tender next year, it could take about 4-5 years for the project to see fruition making it likely that future bidders could be pricing in a turnaround in the office sector. Based on information released by the URA, the 99- year White site at Central Boulevard will yield a potential gross floor area (GFA) of about 141,309 sqm. Of this, at least 100,000 sqm will be set aside for office use in line with the vision for the Marina Bay. The remaining GFA will mainly be used for complementary uses such as hotels, serviced apartments and/or residential uses.

Developers' negative prospects overly discounted. We believe the market has over-discounted the sector's negative prospects (39-56%). A healthy correction in prices of about 12-15% from 2013's peak should prompt the government to relax some of the property cooling measures, in particular the Additional Buyer's Stamp Duty (ABSD) and Seller's Stamp Duty (SSD). We reckon this could likely take place in 2H16.

FROM THE REGIONAL MORNING NOTES...

M1 - The ugly duckling could turn into a swan.

(M1 SP/BUY/S\$2.70/Target: S\$3.26)

FY15F PE (x): 14.6

FY16F PE (x): 14.5

M1 continues to differentiate its mobile services through its Data Passport service and enhanced customer care. For enterprise customers, M1 has launched an extensive range of XGPON services with speeds ranging from 2-10Gbps and also introduced M2M Connect. The stock is out of favour but we see the opportunity for a strong rebound in the event that we do not have a fourth mobile operator. Target price: S\$3.26. Maintain BUY.

Opportunity to accumulate beckons. M1 is out of favour and neglected. Investors should accumulate the stock on current weakness. M1 provides an attractive free cash flow yield of 6.9% and dividend yield of 5.3%. It would rebound the strongest in the event that we do not have a fourth mobile operator.

Maintain BUY. We have conducted a scenario analysis based on two possible outcomes:

Scenario A - No new entrant, and Scenario B - Fourth mobile operator disrupts the status quo. We attribute a probability of 75% for Scenario A and 25% for Scenario B. Our probability-weighted target price for M1 is S\$3.26.

In the event that we do not have a fourth mobile operator (Scenario A), our target price for M1 would be S\$3.58 (Upside: 32.6%). In the event that a fourth operator enters the mobile market (Scenario B), our target price for M1 would be S\$2.31 (Downside: 14.4%).

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