



# Singapore Banking Monthly

Interest rates begin declining

## SINGAPORE | BANKING & FINANCE | UPDATE

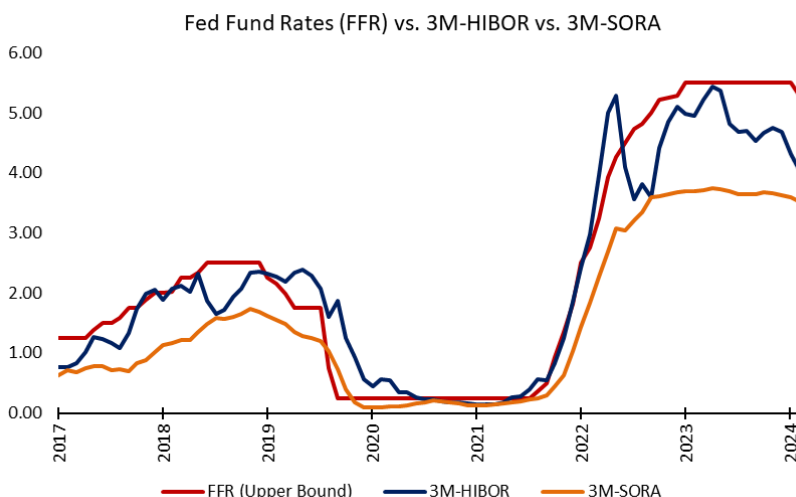
- September's 3M-SORA was down 7bps MoM to 3.53%, the lowest since March 2023, and 6bps lower than the 3Q24 average. We expect the 3M-SORA to decline in tandem with the Fed Rate cuts. 3M-HIBOR was down 24bps MoM in September to 4.07%, a continuation from the decline of 38bps in August.
- Singapore loans growth grew 1.8% YoY in August, a continuation of the 1.9% increase from the previous month. We expect low-single-digit growth for 2024. The CASA balance rose slightly to 18.3% (Jul 24: 18.2%).
- Downgrade to NEUTRAL from Overweight.** Banks' share price performance was up 11% in September, as they recovered strongly from the impact of the carry trade in the previous month. We are Neutral on banks. NIMs will dip slightly, going into 2H24 and FY25, from the expected rate cuts, but we expect NII to remain stable from the movement of deposits into longer tenures and higher interest-yielding assets. A recovery in loan growth and continued double-digit fee income growth will offset the NII stagnation. Bank dividend yields are attractive at 5.7%, with upside surprises due to excess capital ratios and a push towards higher ROEs. Our preferred bank is UOB due to its higher proportion of fixed deposits which could benefit cost of funds, lower exposure to Hong Kong commercial property and push towards the ASEAN region/non-interest income.

### 3M-SORA and 3M-HIBOR fall

Singapore interest rates were down 7bps to 3.53% in September, the lowest since March 2023. Furthermore, September's 3M-SORA fell by 17bps YoY and was 6bps lower than the 3Q24 3M-SORA average of 3.59% (2Q24: 3.66%). This is the largest YoY decline since May 2021. We expect the 3M-SORA to decline in tandem with the Fed Rates as rate cuts start to come into effect.

Hong Kong interest rates fell in September. The 3M-HIBOR was down 24bps MoM to 4.07%, a continuation from the decline of 38bps in August. Furthermore, August's 3M-HIBOR dipped by 88bps YoY and was still 29bps lower than the 3Q24 3M-HIBOR average of 4.36% (Figure 1). This is the lowest the 3M-HIBOR has been since April 2023.

Figure 1: Interest rates fall in September



Source: CEIC, PSR

11 October 2024

**Neutral (Downgraded)**

### DBS Group Holdings

**NEUTRAL (Downgraded)**

BLOOMBERG CODE	DBS SP
LAST TRADED PRICE	SGD 38.74
FORECAST DIV	SGD 2.16
TARGET PRICE	SGD 38.50
DIVIDEND YIELD	5.58%
TOTAL RETURN	4.96%

### Oversea-Chinese Banking Corp

**ACCUMULATE (Maintained)**

BLOOMBERG CODE	OCBC SP
LAST TRADED PRICE	SGD 15.01
FORECAST DIV	SGD 0.87
TARGET PRICE	SGD 15.40
DIVIDEND YIELD	5.80%
TOTAL RETURN	8.39%

### United Overseas Bank Limited

**ACCUMULATE (Maintained)**

BLOOMBERG CODE	UOB SP
LAST TRADED PRICE	SGD 31.92
FORECAST DIV	SGD 1.90
TARGET PRICE	SGD 34.90
DIVIDEND YIELD	5.95%
TOTAL RETURN	15.29%

Glenn Thum (+65 6212 1851)

Senior Research Analyst

glenthumjc@phillip.com.sg

List of Abbreviations:

- NIM – Net Interest Margin
- SIBOR – Singapore Interbank Offer Rate
- SOR – Swap Offer Rate
- HIBOR – Hong Kong Interbank Offer Rate
- DDAV – Derivatives Daily Average Volume
- SDAV – Securities Daily Average Value

### Singapore loan growth at low-single digit

Overall, loans to Singapore residents—which capture lending in all currencies to Singaporeans, rose by 1.8% YoY in August to S\$800bn. This was a continuation of the 1.9% increase from the previous month. We expect low-single-digit growth for 2024 as loan growth is expected to recover further from the expected rate cuts going into 2H24. Bank are guiding low single digit loans growth in 2024.

Business loans rose by 1.2% YoY in August. Loans to the building and construction segment, the single largest business segment, rose 1.2% YoY to S\$171bn, the largest increase since January 2023, while loans to the manufacturing segment fell 6% YoY in August to S\$20bn.

Consumer loans grew 2.6% YoY in August to S\$318bn, the eight consecutive YoY increase recorded since December 2023. Housing loans, which comprise ~70% of consumer lending, grew 2.3% YoY in August to S\$228bn.

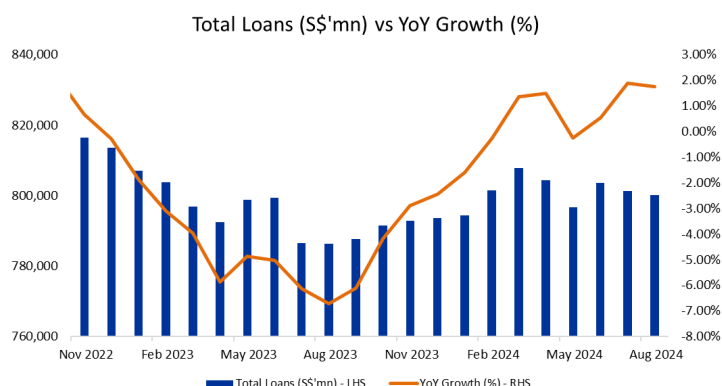
Total deposits and balances—which include deposits in all currencies made by non-bank customers—grew by 3.4% YoY in August to S\$1,837bn. In the Current Account and Savings Account, or CASA, the proportion rose slightly to 18.3% (Jul 24: 18.2%) of total deposits or S\$337bn. Notably, the CASA proportion has been ranging between 18.1% and 18.3% since Jan 2024.

**Figure 2: Singapore loans growth**

2023/2024	Loans growth (YoY)
August 24	1.75%
July 24	1.88%
June 24	0.54%
May 24	-0.26%
April 24	1.50%
March 24	1.37%
February 24	-0.28%
January 24	-1.59%
December 23	-2.44%
November 23	-2.89%
October 23	-4.19%
September 23	-6.11%

Source: CEIC, PSR

**Figure 3: Singapore loan growth continues**



Source: CEIC, PSR

### Hong Kong loan growth decline continues

Hong Kong’s domestic loan growth declined 4% YoY but rose 0.3% MoM in August. The YoY decline was smaller than July’s YoY decline of 5%, while YTD24 is down 5%. Loan growth has continuously declined YoY since June 2022 from a decline in mainland-China related lending and weak demand for offshore lending due to lower onshore interest rates.

**Figure 4: Hong Kong loan growth continues to contract**



Source: CEIC, PSR

### Securities and derivatives volumes surge

SDAV surged 67% YoY to S\$1,447mn in September (Figure 7) and reached a new high for 2024, while the DDAV grew 35% YoY and 17% MoM. Securities trading saw a substantial increase due to easing monetary policies and China's stimulus measures, which boosted investor confidence and led to portfolio adjustments. This is the 10<sup>th</sup> consecutive YoY increase for the DDAV, starting from December 2023. The VIX, a market index that measures the implied volatility of the S&P 500 Index, averaged 17.7 in September, down from 19.3 in the previous month. The decline was due to high volatility in August from the increase in Japan's interest rates, which impacted carry trades globally.

The top four equity index futures turnover rose by 41% YoY in September to 14mn contracts (Figure 8) led by higher trading volumes of FTSE China A50 Index Futures. The FTSE China A50 Index Futures surged 60% MoM, while the FTSE Taiwan Index Futures fell 11% MoM in September.

**Figure 5: 12 Months SDAV and DDAV**

	SDAV (\$mn)	YoY	DDAV (mn)	YoY
September 24	1,447	67%	1.45	35%
August 24	1,370	29%	1.13	9%
July 24	1,153	14%	1.04	7%
June 24	1,108	-6%	1.16	13%
May 24	1,270	23%	1.14	16%
April 24	1,212	25%	1.18	23%
March 24	1,190	-2%	1.19	14%
February 24	1,252	13%	1.26	24%
January 24	935	-19%	1.14	5%
December 23	939	0%	1.04	13%
November	952	-23%	1.04	-5%
October	897	-22%	1.07	-13%

Source: SGX, Bloomberg, PSR

**Figure 6: Turnover of top four equity index futures contracts surge**

No. of contracts	Sep-23	Sep-24	YoY
FTSE China A50 Index Futures	6,571,431	10,500,377	59.8%
Nikkei 225 Index Futures	1,040,619	882,869	-15.2%
MSCI Singapore Index Futures	1,038,866	1,172,701	12.9%
FTSE Taiwan Index Futures	1,304,094	1,451,418	11.3%
<b>Sub-total</b>	<b>9,955,010</b>	<b>14,007,365</b>	<b>40.7%</b>

Source: SGX, Bloomberg, PSR

### Singapore Banks Performance

The three local banks' share price performance were up 11% in September 2024; DBS was the strongest, with an increase of 5%, while OCBC and UOB rose by 4% and 3% respectively (Figure 7). The increase was mainly due to a recovery from the decline in August from the carry trade impact. DBS remains the strongest performer YTD with the an increase of 25% compared to OCBC and UOB, which had increases of 16% and 13%, respectively. DBS continues to perform well, likely due to its FY24 dividend guidance and dividend payout ratio being the highest among the three local banks, while both OCBC and UOB are maintaining their guidance of a dividend payout ratio of 50% with not much clarity on how excess capital will be returned to shareholders.

**Figure 7: Banks recover strongly in September 2024**

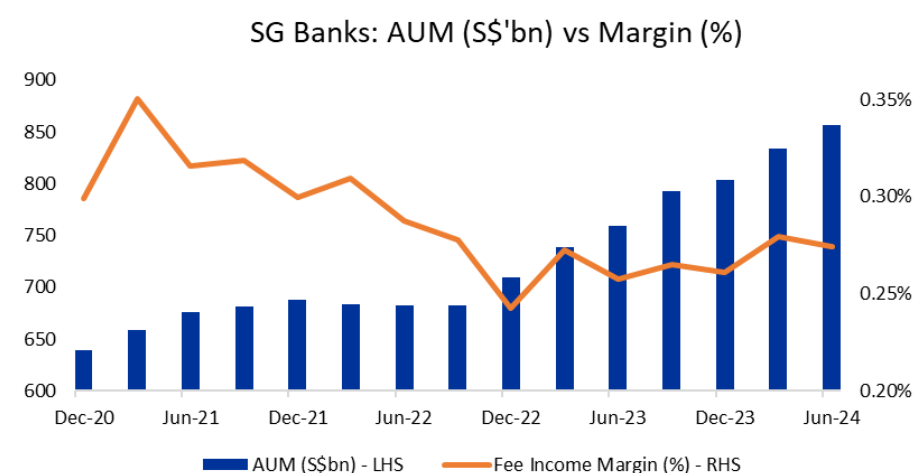
BBG Ticker	Singapore Banks	Last Price (S\$)	PSR			Performance				
			Recommendation	Target Price (S\$)	Upside	Div Yield (%)	1 Year (%)	YTD (%)	3 Month (%)	1 Month (%)
DBS SP EQUITY	DBS	37.67	NEUTRAL	38.50	2%	5.3	24.4	25.3	6.3	4.6
OCBC SP EQUITY	OCBC	14.90	NEUTRAL	15.40	3%	5.8	17.9	16.2	4.6	3.8
UOB SP EQUITY	UOB	31.78	ACCUMULATE	34.90	10%	5.4	12.9	13.1	2.7	2.5

Source: Bloomberg, PSR

**Stable AUM growth and margin recovery to drive fees**

With rate cuts finally kicking in and expectations for more rate cuts in the later part of FY24 and FY25, the three local banks would be looking at fee income to sustain their earnings momentum. Fee income has grown by double digits YoY in the last four quarters (2Q24: 20%, 1Q24: 16%, 4Q23: 22%, 3Q24: 11%), mainly from an increase in wealth management fees, as investor sentiment shifted due to interest rate stagnation. This resulted in demand and funds moving from deposits into investment products, and fee income margin has risen due to the shift to better margin products such as wealth and investment products compared to lower margin products like fixed deposits. AUM also grew 13% YoY to reach a new high (Figure 8), mainly from continued net new money inflows.

We continue to expect the local banks' fee income to grow by double digits and have forecasted YoY growth of ~14% for FY24e, which could add ~S\$340mn to revenue. The growth will be led by a continued move from deposits into higher risk investments as interest rates cuts continue to materialise. While margins have improved, they have yet to reach levels seen during the low-interest rate environment in 2020-2021 (2Q24: 0.27% vs 1Q21: 0.35%). We believe there is even more room for margins to grow as rates trend downwards. As the banks' NII and NIM growth stagnates, we believe fee income will provide the driver for earnings growth in FY24e.

**Figure 8: Fee income margins to recover**


Source: Companies, PSR

**Singapore Banking News**

- On 19 September, it was reported that e-commerce and gaming company Sea has partnered four Thai companies, including conglomerate BTS Group Holdings, to apply for a virtual bank licence in Thailand. The other three Thai companies are commercial lender Bangkok Bank, goods manufacturer Saha Group and Thailand Post. Thailand opened applications for virtual banks in March. Sea said it will leverage each of the four companies' "complementary strengths to offer

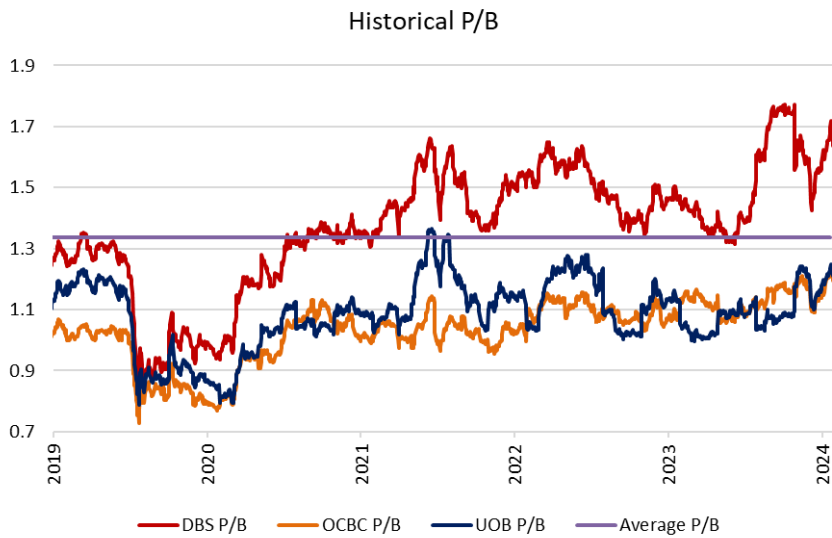
innovative and compelling digital financial services in Thailand” and will focus on improving access to financial services for underserved segments.

- On 18 September, the Association of Banks in Singapore (ABS) and Monetary Authority of Singapore (MAS) said in a joint statement that bank customers will soon need to use Singpass face verification (SFV) to verify their identities when setting up their digital tokens, in a bid to better protect them against scams. Major retail banks in Singapore will progressively implement this over the next three months. The move will make it more difficult for scammers to take over a customer’s digital token by setting it up on their own devices using phished credentials such as an SMS, one-time passwords (OTPs) and bank card information, said ABS and MAS.
- On 12 September, GXS Bank, a digital bank backed by Grab Holdings and Singtel, launched the Boost Pocket. This is a new addition to its GXS Savings Account that offers customers the opportunity to earn higher interest rates on their savings. Boost Pocket combines the benefits of a term deposit with the flexibility of the bank’s existing savings products. The Boost Pocket offers a base interest rate, credited daily, and a bonus interest rate that is applied at the end of the chosen tenure. The one-month tenure offers an interest rate of 3.28% per annum, while the three-month tenure offers 3.48% per annum.
- On 6 September, DBS appointed Calvin Ong as its new Singapore consumer banking head. He succeeds Jeremy Soo, who retires at the end of the year. Ong starts his new position on Jan 1, 2025, overseeing the Republic’s consumer banking and wealth management (Treasuries) platforms. Soo, 62, will stay on as an adviser, leaving his executive duties at the bank after 17 years as head of Singapore consumer banking. Ong, 42, joined DBS in 2007 as a management associate, and is currently head of investment products and advisory at the bank’s consumer banking and wealth management group.

### Investment Action

**Downgrade to NEUTRAL.** Banks' share price performance was up in September, as they recovered strongly from the impact of the carry trade in the previous month. DBS was the strongest, with an increase of 5%, while OCBC and UOB rose by 4% and 3% respectively. We are neutral on banks. NIMs will dip slightly, going into 2H24 and FY25, from the expected rate cuts, but we expect NII to remain stable from the movement of deposits into longer tenures and higher interest-yielding assets. Nonetheless, a recovery in loan growth and continued double-digit fee income growth will offset the NII stagnation. Bank dividend yields are attractive at 5.7%, with upside surprises due to excess capital ratios and a push towards higher ROEs.

Figure 9: Banks' 5-year historical P/B



Source: Bloomberg, PSR

Figure 10: Banks' target P/B

	DBS	OCBC	UOB
High	1.62	1.50	1.43
Low	0.81	0.73	0.79
5-year average	1.17	1.09	1.12
Current	1.34	1.02	0.97
Forward target	1.36	1.27	1.17
TP (S\$)	38.50	15.40	34.90

Source: Bloomberg, PSR

Figure 11: Peer Comparison – Singapore banks dividend yield the highest regionally

Stock	PSR Recommendation	Market Cap (USDmn)	Forward P/E			Forward P/BV			Dividend Yield (%)		ROE (%)			Price (Local Currency)	Target Price (S\$)	Upside
			Yr0	Yr1	Yr2	Yr0	Yr1	Yr2	Yr1	Yr2	Yr0	Yr1	Yr2			
<b>Singapore</b>																
DBS	Neutral	83,239	8.6	9.9	10.2	1.4	1.6	1.6	5.9	6.4	16.9	17.1	15.9	37.7	38.50	2%
OCBC	Neutral	52,118	8.4	9.0	9.0	1.1	1.2	1.1	5.9	6.0	13.3	13.5	12.7	14.9	15.40	3%
UOB	Accumulate	41,259	8.5	8.9	8.7	1.1	1.1	1.1	5.6	5.8	13.3	12.9	12.6	31.8	34.90	10%
<b>Market Cap Weighted Average:</b>			<b>8.5</b>	<b>9.4</b>	<b>9.5</b>	<b>1.2</b>	<b>1.4</b>	<b>1.3</b>	<b>5.8</b>	<b>6.2</b>	<b>15.0</b>	<b>15.1</b>	<b>14.1</b>			
<b>Indonesia</b>																
BCA	Non-rated	84,767	23.8	24.0	21.9	4.8	4.9	4.5	2.7	2.9	21.0	21.2	21.2	10500	na	na
MANDIRI	Non-rated	42,938	10.3	11.6	10.4	2.2	2.3	2.1	5.1	5.4	22.4	20.7	21.0	7025	na	na
BNI	Non-rated	13,067	9.6	9.0	7.9	1.3	1.2	1.1	5.2	5.8	14.6	14.2	15.0	5350	na	na
BANK BRI	Non-rated	49,428	14.4	12.4	11.2	2.8	2.3	2.2	6.5	6.9	19.7	19.1	19.8	4980	na	na
BANK BTN	Non-rated	1,314	5.0	5.9	5.2	0.6	0.6	0.6	3.5	3.4	12.4	10.8	11.3	1430	na	na
<b>Market Cap Weighted Average:</b>			<b>17.2</b>	<b>17.1</b>	<b>15.5</b>	<b>3.4</b>	<b>3.4</b>	<b>3.1</b>	<b>4.4</b>	<b>4.7</b>	<b>20.5</b>	<b>20.0</b>	<b>20.3</b>			
<b>Malaysia</b>																
AFFIN BANK	Non-rated	1,631	12.0	12.3	10.8	0.4	0.6	0.6	2.7	3.3	3.7	4.6	5.1	2.8	na	na
ALLIANCE BANK	Non-rated	1,591	8.3	9.0	8.4	0.8	0.9	0.8	5.3	5.7	9.9	9.9	10.1	4.3	na	na
AMMB HOLDINGS	Non-rated	3,951	7.5	8.9	8.4	0.7	0.8	0.8	4.8	5.3	10.0	9.3	9.3	5.0	na	na
BANK ISLAM	Non-rated	1,459	9.0	10.3	9.6	0.7	0.8	0.8	5.8	6.1	7.8	7.9	8.3	2.7	na	na
CIMB BANK	Non-rated	20,556	8.9	10.9	10.2	0.9	1.2	1.1	5.7	5.6	10.7	11.1	11.3	8.0	na	na
HONG LEONG BANK	Non-rated	11,118	9.4	9.9	9.2	1.1	1.1	1.0	3.6	3.9	11.8	11.6	11.6	21.4	na	na
MAYBANK	Non-rated	30,308	11.5	12.5	11.9	1.1	1.3	1.3	6.0	6.3	10.4	10.5	10.7	10.5	na	na
PUBLIC BANK	Non-rated	21,160	12.5	12.5	11.9	1.5	1.5	1.4	4.5	4.7	12.7	12.4	12.3	4.5	na	na
RHB	Non-rated	6,417	8.3	9.0	8.5	0.8	0.8	0.8	6.5	6.7	9.4	9.2	9.4	6.1	na	na
<b>Market Cap Weighted Average:</b>			<b>10.5</b>	<b>11.4</b>	<b>10.8</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	<b>5.3</b>	<b>5.5</b>	<b>10.9</b>	<b>10.9</b>	<b>11.0</b>			
<b>Thailand</b>																
BANGKOK BANK	Non-rated	8,847	7.2	6.7	6.5	0.6	0.5	0.5	4.8	4.9	8.1	7.9	7.8	151.5	na	na
BANK OF AYUDHYA	Non-rated	5,963	6.3	6.2	5.9	0.6	0.5	0.5	3.4	3.7	9.3	8.4	8.3	26.5	na	na
KASIKORN BANK	Non-rated	10,981	7.5	7.7	7.3	0.6	0.6	0.6	4.9	5.3	8.2	8.6	8.7	151.5	na	na
KIATNAKIN BANK	Non-rated	1,266	7.8	10.0	8.6	0.7	0.7	0.6	4.9	5.5	9.2	6.7	7.4	49.5	na	na
KRUNGTHAI	Non-rated	8,979	7.0	7.1	6.9	0.6	0.7	0.6	4.8	4.9	9.4	9.9	9.7	21.0	na	na
KRUNGTHAI CARD	Non-rated	3,806	15.4	16.4	15.1	3.1	3.1	2.8	2.6	3.2	21.8	20.0	19.2	48.3	na	na
SCB X PCL	Non-rated	11,279	8.2	9.0	8.5	0.7	0.8	0.8	8.7	9.3	9.3	8.5	9.0	109.5	na	na
SRISAWAD	Non-rated	1,964	11.1	12.2	11.0	2.1	1.9	1.7	1.9	2.6	18.6	16.9	16.4	42.5	na	na
THANACHART BANK	Non-rated	1,644	7.9	7.5	6.9	0.7	0.7	0.7	6.5	6.8	9.6	9.8	10.1	51.3	na	na
TISCO	Non-rated	2,370	10.9	11.3	11.4	1.9	1.8	1.8	8.0	7.9	17.1	15.9	15.6	96.8	na	na
<b>Market Cap Weighted Average:</b>			<b>8.2</b>	<b>8.5</b>	<b>8.0</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>	<b>5.4</b>	<b>5.7</b>	<b>10.4</b>	<b>10.0</b>	<b>10.0</b>			

Source: Bloomberg, PSR

Extracted as of 2-Oct-24

**Contact Information (Singapore Research Team)**
**Head of Research**

 Paul Chew – [paulchewkl@phillip.com.sg](mailto:paulchewkl@phillip.com.sg)
**Research Admin**

 Qystina Azli - [qystina@phillip.com.sg](mailto:qystina@phillip.com.sg)
**Technical Analyst**

 Zane Aw – [zaneawyx@phillip.com.sg](mailto:zaneawyx@phillip.com.sg)
**Property | REITs**

 Darren Chan – [darrenchanrx@phillip.com.sg](mailto:darrenchanrx@phillip.com.sg)
**Property | REITs**

 Liu Miaomiao – [liuum@phillip.com.sg](mailto:liuum@phillip.com.sg)
**Banking & Finance**

 Glenn Thum – [glenthumjc@phillip.com.sg](mailto:glenthumjc@phillip.com.sg)
**US Tech Analyst (Digital Entertainment/Semicons)**

 Jonathan Woo – [jonathanwookj@phillip.com.sg](mailto:jonathanwookj@phillip.com.sg)
**US Tech Analyst (Software/Services)**

 Ambrish Shah – [amshah@phillipventuresifsc.in](mailto:amshah@phillipventuresifsc.in)
**US Tech Analyst (Hardware/E-commerce/ETF)**

 Helena Wang – [helenawang@phillip.com.sg](mailto:helenawang@phillip.com.sg)
**Construction**

 Yik Ban Chong (Ben) – [chongyb@phillip.com.sg](mailto:chongyb@phillip.com.sg)
**Contact Information (Regional Member Companies)**
**SINGAPORE**
**Phillip Securities Pte Ltd**

 Raffles City Tower  
 250, North Bridge Road #06-00  
 Singapore 179101  
 Tel +65 6533 6001  
 Fax +65 6535 6631  
 Website: [www.poems.com.sg](http://www.poems.com.sg)
**JAPAN**
**Phillip Securities Japan, Ltd.**

 4-2 Nihonbashi Kabuto-cho Chuo-ku,  
 Tokyo 103-0026  
 Tel +81-3 3666 2101  
 Fax +81-3 3666 6090  
 Website: [www.phillip.co.jp](http://www.phillip.co.jp)
**THAILAND**
**Phillip Securities (Thailand) Public Co. Ltd**

 15th Floor, Vorawat Building,  
 849 Silom Road, Silom, Bangrak,  
 Bangkok 10500 Thailand  
 Tel +66-2 6351700 / 22680999  
 Fax +66-2 22680921  
 Website [www.phillip.co.th](http://www.phillip.co.th)
**UNITED STATES**
**Phillip Capital Inc**

 141 W Jackson Blvd Ste 3050  
 The Chicago Board of Trade Building  
 Chicago, IL 60604 USA  
 Tel +1-312 356 9000  
 Fax +1-312 356 9005  
 Website: [www.phillipusa.com](http://www.phillipusa.com)
**INDIA**
**PhillipCapital (India) Private Limited**

 No.1, 18th Floor, Urmi Estate  
 95, Ganpatrao Kadam Marg  
 Lower Parel West, Mumbai 400-013  
 Maharashtra, India  
 Tel: +91-22-2300 2999 / Fax: +91-22-2300 2969  
 Website: [www.phillipcapital.in](http://www.phillipcapital.in)
**MALAYSIA**
**Phillip Capital Management Sdn Bhd**

 B-3-6 Block B Level 3 Megan Avenue II,  
 No. 12, Jalan Yap Kwan Seng, 50450  
 Kuala Lumpur  
 Tel +603 2162 8841  
 Fax +603 2166 5099  
 Website: [www.poems.com.my](http://www.poems.com.my)
**INDONESIA**
**PT Phillip Securities Indonesia**

 ANZ Tower Level 23B,  
 Jl Jend Sudirman Kav 33A  
 Jakarta 10220 – Indonesia  
 Tel +62-21 5790 0800  
 Fax +62-21 5790 0809  
 Website: [www.phillip.co.id](http://www.phillip.co.id)
**FRANCE**
**King & Shaxson Capital Limited**

 3rd Floor, 35 Rue de la Bienfaisance 75008  
 Paris France  
 Tel +33-1 45633100  
 Fax +33-1 45636017  
 Website: [www.kingandshaxson.com](http://www.kingandshaxson.com)
**AUSTRALIA**
**Phillip Capital Limited**

 Level 10, 330 Collins Street  
 Melbourne, Victoria 3000, Australia  
 Tel +61-03 8633 9803  
 Fax +61-03 8633 9899  
 Website: [www.phillipcapital.com.au](http://www.phillipcapital.com.au)
**TURKEY**
**PhillipCapital Menkul Degerler**

 Dr. Cemil Bengü Cad. Hak Is Merkezi  
 No. 2 Kat. 6A Caglayan  
 34403 Istanbul, Turkey  
 Tel: 0212 296 84 84  
 Fax: 0212 233 69 29  
 Website: [www.phillipcapital.com.tr](http://www.phillipcapital.com.tr)
**HONG KONG**
**Phillip Securities (HK) Ltd**

 11/F United Centre 95 Queensway  
 Hong Kong  
 Tel +852 2277 6600  
 Fax +852 2868 5307  
 Websites: [www.phillip.com.hk](http://www.phillip.com.hk)
**CHINA**
**Phillip Financial Advisory (Shanghai) Co Ltd**

 No 550 Yan An East Road,  
 Ocean Tower Unit 2318,  
 Postal code 200001  
 Tel +86-21 5169 9200  
 Fax +86-21 6351 2940  
 Website: [www.phillip.com.cn](http://www.phillip.com.cn)
**UNITED KINGDOM**
**King & Shaxson Capital Limited**

 6th Floor, Candlewick House,  
 120 Cannon Street,  
 London, EC4N 6AS  
 Tel +44-20 7426 5950  
 Fax +44-20 7626 1757  
 Website: [www.kingandshaxson.com](http://www.kingandshaxson.com)
**CAMBODIA**
**Phillip Bank Plc**

 Ground Floor of B-Office Centre, #61-64,  
 Norodom Blvd Corner Street 306, Sangkat  
 Boeung Keng Kang 1, Khan Chamkamorn,  
 Phnom Penh, Cambodia  
 Tel: 855 (0) 7796 6151/855 (0) 1620 0769  
 Website: [www.phillipbank.com.kh](http://www.phillipbank.com.kh)
**DUBAI**
**Phillip Futures DMCC**

 Member of the Dubai Gold and  
 Commodities Exchange (DGEX)  
 Unit No 601, Plot No 58, White Crown Bldg,  
 Sheikh Zayed Road, P.O.Box 212291  
 Dubai-UAE  
 Tel: +971-4-3325052 / Fax: + 971-4-3328895



### Important Information

This report is prepared and/or distributed by Phillip Securities Research Pte Ltd ("Phillip Securities Research"), which is a holder of a financial adviser's license under the Financial Advisers Act, Chapter 110 in Singapore.

By receiving or reading this report, you agree to be bound by the terms and limitations set out below. Any failure to comply with these terms and limitations may constitute a violation of law. This report has been provided to you for personal use only and shall not be reproduced, distributed or published by you in whole or in part, for any purpose. If you have received this report by mistake, please delete or destroy it, and notify the sender immediately.

The information and any analysis, forecasts, projections, expectations and opinions (collectively, the "Research") contained in this report has been obtained from public sources which Phillip Securities Research believes to be reliable. However, Phillip Securities Research does not make any representation or warranty, express or implied that such information or Research is accurate, complete or appropriate or should be relied upon as such. Any such information or Research contained in this report is subject to change, and Phillip Securities Research shall not have any responsibility to maintain or update the information or Research made available or to supply any corrections, updates or releases in connection therewith.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this report are as of the date indicated and are subject to change at any time without prior notice. Past performance of any product referred to in this report is not indicative of future results.

This report does not constitute, and should not be used as a substitute for, tax, legal or investment advice. This report should not be relied upon exclusively or as authoritative, without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this report has been made available constitutes neither a recommendation to enter into a particular transaction, nor a representation that any product described in this report is suitable or appropriate for the recipient. Recipients should be aware that many of the products, which may be described in this report involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made, unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Nothing in this report shall be construed to be an offer or solicitation for the purchase or sale of any product. Any decision to purchase any product mentioned in this report should take into account existing public information, including any registered prospectus in respect of such product.

Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may provide an array of financial services to a large number of corporations in Singapore and worldwide, including but not limited to commercial / investment banking activities (including sponsorship, financial advisory or underwriting activities), brokerage or securities trading activities. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have participated in or invested in transactions with the issuer(s) of the securities mentioned in this report, and may have performed services for or solicited business from such issuers. Additionally, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have provided advice or investment services to such companies and investments or related investments, as may be mentioned in this report.

Phillip Securities Research or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report may, from time to time maintain a long or short position in securities referred to herein, or in related futures or options, purchase or sell, make a market in, or engage in any other transaction involving such securities, and earn brokerage or other compensation in respect of the foregoing. Investments will be denominated in various currencies including US dollars and Euro and thus will be subject to any fluctuation in exchange rates between US dollars and Euro or foreign currencies and the currency of your own jurisdiction. Such fluctuations may have an adverse effect on the value, price or income return of the investment.

To the extent permitted by law, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may at any time engage in any of the above activities as set out above or otherwise hold an interest, whether material or not, in respect of companies and investments or related investments, which may be mentioned in this report. Accordingly, information may be available to Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, which is not reflected in this report, and Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may, to the extent permitted by law, have acted upon or used the information prior to or immediately following its publication. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have issued other material that is inconsistent with, or reach different conclusions from, the contents of this report.

The information, tools and material presented herein are not directed, intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability or use would be contrary to the applicable law or regulation or which would subject Phillip Securities Research to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

This report is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. The products mentioned in this report may not be suitable for all investors and a person receiving or reading this report should seek advice from a professional and financial adviser regarding the legal, business, financial, tax and other aspects including the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.

This report is not intended for distribution, publication to or use by any person in any jurisdiction outside of Singapore or any other jurisdiction as Phillip Securities Research may determine in its absolute discretion.

### IMPORTANT DISCLOSURES FOR INCLUDED RESEARCH ANALYSES OR REPORTS OF FOREIGN RESEARCH HOUSES

Where the report contains research analyses or reports from a foreign research house, please note:

- (i) recipients of the analyses or reports are to contact Phillip Securities Research (and not the relevant foreign research house) in Singapore at 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101, telephone number +65 6533 6001, in respect of any matters arising from, or in connection with, the analyses or reports; and
- (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, Phillip Securities Research accepts legal responsibility for the contents of the analyses or reports.