Singapore Market Focus

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DBS Group Research . Equity

4 Jul 2025

Home turf advantage

- 3Q seasonal volatility – We expect STI to trade towards 4080 in July before correcting to 3930 or 3803 in Aug/Sep
- Domestic focus – Favour value unlocking and EQDP plays, and those offering strong yields
- 2Q25 earnings preview – Anticipate 5 potential positive surprises, 2 with cautious outlook

Watch out for 3Q seasonal volatility. We do not rule out the STI temporarily rising above 4000 towards our bull-case target of 4080 in July on trade optimism and dividend positioning. But be wary of a potential correction in August-September due to tariffs and geopolitical uncertainties; 2H GDP slowdown and index heavyweight banks and SingTel going XD from late July. Resistance levels seen at 4040 and 4080, support at 3930 and 3808. We wiill reassess our 3855 YE target when there is greater clarity around tariffs after the truce deadlines in Jul/Aug.

Domestic themes in focus. Domestic driven themes and high-yield defensive names remain relevant amid ongoing uncertainties. These include 1) value unlocking potential in property stocks e.g. UOL and CityDev, 2) resilient high-yield names, like ComfortDelGro, DFI Retail and Netlink and industrial REITs CLAR, MLT and ESR REIT as potential 'alpha opportunities' in a falling interest rate environment, and 3) potential EQDP beneficiaries that should remain buoyant ahead of MAS' SGD5bn deployment – IFAST, SIA Eng, UMS, Frencken, Netlink Trust and Sheng Siong.

1H25 earnings preview. Attention will also turn to the upcoming 2Q/1H25 results season. Five stocks with potential upside surprises are ESR REIT (operational turnaround), FCT (scope for lower interest costs), DFI (potential special dividend), IFAST (ePension ramp and AUA growth) and UMSH (shipment recovery and new customer wins). On the flip side, we are cautious on stocks with weak outlooks such as SIA and Aztech.

6 sell-into-strength opportunities. We highlight 6 sell-into-strength candidates ahead of the anticipated 3Q market volatility. These stocks are trading near/above analysts' target prices and appear overbought on technical indicators. The recent tech rally creates an opportunity to take profits on AEM Holdings, Aztech and Nanofilm. Near-term upside also looks limited for large caps SGX (MAS policy tailwinds, SMC IPOs), ST Eng (earnings visibility and momentum) and SIA (potential 1Q26 earnings surprise), with much of the optimism priced in so far.

STI : 4,010.77

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Key Indices

	Current	% Chng
FS STI Index	4,010.77	0.5%
FS Small Cap Index	254.11	0.0%
SGD Curncy	1.27	0.0%
Daily Volume (m)	1,285	
Daily Turnover (SGDmn)	1,443	
Daily Turnover (USDmn)	1,134	

Source: Bloomberg.

Market Key Data

(%)	EPS Gth	Div Yield
2024	6.3	4.6
2025F	3.6	4.7
2026F	5.5	4.7
(x)	PER	EV/EBITDA
2024	14.7	17.9
2025F	14.2	16.7
2026F	13.5	15.6

STOCKS

	Price LCY	Mkt Cap USDm	12-mth Target LCY	Performance (%) 3 mth	12 mth	Rating
UOL Group	6.70	4,447	8.40	15.5	27.9	BUY
City Developments	5.38	3,776	6.70	9.1	2.5	BUY
ComfortDelGro	1.43	2,433	1.80	(3.4)	5.9	BUY
DFI Retail Group Holdings Ltd	2.81	3,799	3.60	18.1	47.1	BUY
NetLink NBN Trust	0.88	2,694	0.98	0.0	5.4	BUY
Mapletree Logistics Trust	1.18	4,685	1.55	(10.6)	(9.2)	BUY
ESR REIT	2.48	15,573	3.10	1.2	(8.2)	BUY
iFAST Corp	6.73	1,575	9.22	(8.8)	(7.2)	BUY
UMS Integration Ltd	1.36	759	1.38	25.9	16.2	BUY

Source: DBS, Bloomberg
Closing price as of 2 Jul 2025

DBS Insights Direct [Watchlist the stock on Insights Direct to receive prompt updates](#)

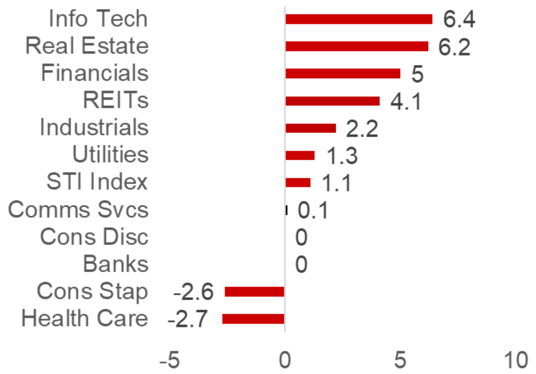
ed: JS/ sa: AS, PY, CS

July Market Outlook

Spotlight on SMCs, REITs and value unlocking

- The Middle East conflict only had a shallow and brief impact on the STI Index
  - Sell-off capped at around 1%, hitting a low of 3845 (23-Jun)
  - Losses were swiftly pared after the ceasefire notice
- Industrial conglomerate **Keppel** outperformed, underpinned by its defensive income stream, asset monetisation initiatives, and 5% yield
- **SIA Eng** rallied >15% MTD on EQDP optimism and following our analyst's TP upgrade on improved earnings trajectory
- Rising rate cut expectations have buoyed **REITs**, with 8 STI component REITs posting an average gain of 3.8% in June
- Attention returns to undervalued property names **UOL** and **CityDev** with their value unlocking narratives
- Tech SMCs in focus - **Frencken** and **UMS** - as beneficiaries of improved sentiment from **AEM's** uplift in 1H25 guidance

MTD sectoral returns (%)



Source: DBS. Based on 26 June closing prices.

Trade, monetary policies in focus

- **End of 90-day US-RoW trade truce.** Our base case assumes tariff levels at 10% or slightly higher, but lower than 2-Apr reciprocal tariffs for most countries
- **Health of the US economy.** 2Q25 results and outlook from US banks should offer clues on the momentum of the broader US economy (JPM and Citi: 15 Jul, BofA: 16 Jul)
- **Powell keeps the door open for a September cut**, pushing back governors Bowman and Waller calls for a July rate cut; Fed fund futures are pricing in 20% chance of a cut in July
- **Scope for MAS to ease further** on muted core inflation (May: +0.6% y/y) and SGD NEER above its policy band midpoint

Events to watch

Date	Event
8-Jul	End of the US-RoW trade truce
15-Jul	US CPI reading for June
15-16 Jul	US banks' 2Q25 results release
30-31 Jul	US FOMC meeting
By 31 Jul	MAS monetary policy

Source: DBS

Staying watchful of geopolitical risk and oil price volatility

- Oil price likely to stay volatile amid ongoing uncertainties
  - The ceasefire saw Brent trading below USD70/bbl, down from USD80/bbl at the height of Israel-Iran conflict
  - Near-term trading range at USD65-75/bbl is our best case
- Our O&G analysts have raised their forecasts slightly by USD3-5/bbl for 2025/26 given recent geopolitical developments
  - Oil price trajectory likely to moderate from 2024 average of USD80/bbl; demand side risks have risen post-tariff wars and OPEC+ supplies return faster than expected
- Watch for possible escalation in geopolitical risks/oil prices
  - Positive for stocks in O&G value chain (**Seatrium**, **Yangzijiang**)
  - Negative for transportation stocks (**SIA**, **ComfortDelGro**), though impact partially mitigated by their hedging policies and/or cost indexation contracts

DBS' Brent price forecast – base case scenario (annual outlook)

USD/bbl	Current	Previous
2023	82	82
2024	80	80
2025F	70-75	65-70
2026F	65-70	62-67

Source: Bloomberg, DBS (forecasts)

Best- and worst-case scenarios in the near-term

Scenario	Remarks/Assumptions	Impact (Trading range near-term)
De-escalation (Best case) Israel ends its offensive against Iran, Iran comes to the negotiation table with the US, trade routes remain largely unaffected.	Higher level of geopolitical risks than since end-2024; some uncertainty will continue to prevail in oil markets but prices will eventually move towards USD70/bbl, given the OPEC+ production cut reversals and trade war-related demand fears.	USD65-75/bbl
Continued escalation (Bear case) Iran comes heavy and hard at the US and Israel, directly and through proxy players, but stays clear of a Persian Gulf blockade.	Ceasefire violations could bring us here. Tighter sanctions possible on Iran oil exports if Iran gets directly involved with the US in areas outside the Persian Gulf, which could raise fears of oil market disruption.	USD75-100/bbl
Strait of Hormuz blockade (Worst case) Full-scale prolonged conflict between Israel and the US envelops other countries in the region, as US assets in region are targeted.	Conflict could damage oil infrastructure in the region and lead to blockages of key chokepoints such as the Strait of Hormuz. Spikes above USD150/bbl possible in the worst-case scenario.	USD100-150+/bbl

Source: DBS

Lackluster May data despite 90-day tariff truce

- Impact of tariff uncertainty and external headwinds was evident with lackluster macro datapoints in May, even with the 90-day tariff truce in effect
  - The y/y decline in headline NODX and marginal growth in industrial production were amongst the weakest this year
  - Sentiment remains weak, as manufacturing PMI remains subdued and in the contraction range in May
- Softer 2H25 outlook weighed by the confluence of 1) higher trade frictions, 2) weaker business sentiment, and 3) consequence of 1H25 frontloading
- Our economist maintains his 2025 growth forecast at 2%, which is at the upper end of official MTI forecast (0-2%)

Singapore macro datapoints

Date	Mfg PMI	(%, y/y change)		
		NODX	NODX (Elec)	Indus Prod
Nov-24	51.0	3.4	23.1	10.8
Dec-24	51.1	9.0	18.6	5.0
Jan-25	50.9	-2.1	9.5	5.1
Feb-25	50.7	7.5	6.9	0.9
Mar-25	50.6	5.4	12.2	6.8
Apr-25	49.6	12.4	23.4	5.9
May-25	**49.7**	**-3.5**	**1.7**	**3.9**

Source: DBS, Bloomberg

Watch out for 3Q volatility

- 3Q seasonable volatility ahead
  - July tends to be a seasonally positive month but August and September are typically weak (refer to table on the left)
  - Bias for 3Q seasonal volatility to continue this year with tariffs, geopolitical uncertainties and 2H GDP slowdown
- July likely positive m/m ahead of heavyweight **banks** and **SingTel** going XD but watch out for August correction
  - Markets are pricing in a Fed rate cut cycle resumption, with 2-3 cuts by YE (Fed funds futures imply 2.6 cuts, DBS sees 2 cuts) → banks could be slightly ahead of XD dates through mid-August, followed by a pullback
- We do not rule out STI temporarily breaking above 4000 towards our bull-case scenario of 4080 (see next page) in the near-term but be cautious of tariff-related volatility around the end of the 90-day truce periods in July (US-RoW) and August (US-China).
  - Resistance levels at 4040 and 4080 (12.5X -0.5SD 12-mth fwd PE)
  - Support levels at 3930 and 3808

We will look to re-evaluate our 3855 YE target when there is more clarity on tariffs after the truce deadlines in July and August

Straits Times Index (daily)

3Q performance (m/m, past 10Y, 2014-2024)

Months	Ave. return (%)	Positive return probability (%)
July	1.03	70
August	-3.15	20
Sept	-0.84	50

Source: DBS, Bloomberg

Beyond the 90-day truce period - Bull-base-bear scenarios

	Bull	Base	Bear
Probability	25%	55%	20%
	• RoW reciprocal tariffs set at 10% floor for most key US trading partners • Additional US tariffs on China drops below the current 30% level	• US economy faces below-trend growth and above-trend inflation • Tariff levels at current base-line 10% or moderately higher, but well below 2 April 'Liberation Day' levels	• Pause to 90-day RoW and China reciprocal tariffs ends with few results • US-China trade tensions worsen, countries forced to take sides • US economy faces stagflation threat, global recession
Singapore			
Tariffs	0-10%	10%	>10%
STI YE tgt	4080	3855	3020
Comments	• Supply chain disruptions averted • GDP growth >2%	• GDP growth 1-2% • Earnings cut of up to 3.2% for FY25F and 4.9% for FY26F vs. pre-Liberation Day	• Technical recession at least • STI tests 1X P/B

Source: DBS

Themes & Strategy

Domestic themes take centre stage as global macro risks resurface

Macro uncertainties are making a comeback.

First is tariff. The US has secured only 2 trade agreements, with the UK and Ukraine, ahead of the 90-day US reciprocal tariff deadline on 9 July. Talks with 88 more countries are ongoing. Negotiations with major trading partners India, EU, Japan, South Korea, Canada and Mexico have yet to yield any agreements. It remains to be seen if US reciprocal tariffs will rise above the current 10% base level or worse, revert to 2 April 'Liberation Day' levels from 10 July. US tariffs on China were temporarily reduced to 30% (from 145%) and we are watching to see what happens after the 90-day truce ends in mid-August.

Next is Middle East geopolitics and its potential impact on oil price and global inflation. While Israel-Iran have entered a fragile ceasefire and earlier concerns over a blockade of the Strait of Hormuz has eased, events over the past 2 weeks are a reminder how the situation can quickly change.

Top 10 movers to STI recovery (9 Apr to 9 Jun) were banks, SingTel and industrial heavy weights

Company	Price	Points	%Idx Mv*
DBS	45.49	176.92	37.90 %
OCBC	16.37	79.83	17.10 %
UOB	35.32	56.30	12.06 %
SingTel	3.87	40.85	8.75 %
ST Eng	7.87	26.30	5.63 %
Keppel	7.10	22.42	4.80 %
SGX	14.06	18.61	3.99 %
HK Land	5.48	17.30	3.71 %
SIA	7.06	15.04	3.22 %
Yangzijiang	2.28	13.46	2.88 %
Jardine Matheson	43.84	11.44	2.45 %

**Percentage contribution to STI change*
Source: DBS, Bloomberg

The benchmark STI's 60-day trough-to-peak recovery from 9 April to 9 June has been powered mostly by the 4 heavyweight banks and SingTel, as well as industrial names such as ST Eng, Keppel, SIA and Yangzijiang.

Looking ahead, we see interest shifting to domestic driven themes and high-yield defensives, as tariff and geopolitical uncertainties cast a shadow over global trade. This sets the stage for sideways market volatility in 3Q:

1. Value unlocking potential of real estate companies. These are (1) UOL and Singapore Land that would benefit from the redevelopment of Marina Square Mall, which could lead to a 7-12% RNAV uplift; (2) CDREIT and City Developments would benefit from potential redevelopment of Delfi Orchard-Orchard Hotel-Claymore Connect; (3) Hotel Properties whose redevelopment of The Forum, voco Orchard Singapore, and HPL House could see a 3x uplift in book value and 37% RNAV increase to SGD10

Risk-free rates have fallen c.100bps

	Current	YTD high (%)	Change (bps)
MAS 10Y bond yield	2.24	3.09	-85
MAS 2Y bond yield	1.81	2.97	-116
MAS 6-mth bill	2.02	3.07	-105

Source: DBS, Bloomberg

2. Resilient high-yield names. The steady YTD drop in MAS bond yields and T-bills reinforce investors' hunt for high yield stocks with earnings resilience. Our picks are (1) ComfortDelGro – trades at yields of 6.2% in FY25F and 6.8% in FY26F. Growth is largely supported by UK bus margin expansion, new Manchester contract and full-quarter contributions from Addison Lee with operating margins expected to improve sequentially due to seasonality; (2) DFI – trades at yields of 8% in FY25F and 8.3% in FY26F, including our analysts' assumption of special dividends arising from business divestments. Earnings growth is supported by higher contribution from Maxim's and lower net interest expenses; (3) NetLink – trades at yields of 6.1% in FY26F and 6.2% in FY27F. It has a monopoly in Singapore's fibre network, giving it a resilient business model supported by predictable revenue streams, strong balance sheet and liquidity to generate stable cash flows and distributions.

   The decline in the risk-free rate also bodes well for REITs. We see potential 'alpha opportunities' among industrial REITs CLAR, MLT and EREIT with DPU recovery in FY25-27F, driven by stabilising operating metrics, acquisitions, and lower funding costs.

3. **Potential EQDP beneficiaries**. The timeline for the Monetary Authority of Singapore (MAS) to shortlist Singapore-focused equity strategies for the SGD5bn Equity Market Development Programme (EQDP) in 3Q is likely to keep small-mid cap (SMCs) stocks buoyant. Our picks are **iFAST**, **SIA Eng**, **UMS**, **Frencken**, **Netlink Trust** and **Sheng Siong**, which have met at least three of the following criterions:

DBS screen for small-mid cap stocks with the 5Rs (market cap between SGD300mn to SGD3bn)

Stock	1. Resilience		2. Returns		3. Right valuation	4. Robust earnings outlook	5. Rising SDAV traded*
	FY24 net cash >10% of mkt cap	>50% FY24 revenues from SG	>4% dividend yield	Avg ROE >10% over last 3 FYs			
SIA Engineering	Y	Y			Y	Y	Y
IFAST	Y			Y	Y	Y	Y
UMS Integration		Y		Y		Y	
Frencken	Y				Y	Y	
NetLink		Y	Y				Y
Sheng Siong	Y	Y		Y			Y

*Source: DBS *Higher SDAV traded in 1H25 versus 2-year (2023-24) average over the same period*

Stock valuations

Company	Price 26 Jun 2025	12-mth Target price	12-mth Target return	Mkt cap (SGD'm)	Rcmd	EPS* growth 25 (%)	EPS* growth 26 (%)	PE ratio 25 (x)	Div yield 25 (%)	Net debt/equity 25	P/BV 25 (x)
Value unlocking potential											
UOL	6.090	8.40	38%	5,145	BUY	40.6	10.8	13.4	3.0	0.2	0.4
CityDev	5.090	6.70	32%	4,547	BUY	n.m	61.7	12.3	2.4	1.0	0.5
CDL Hospitality	0.790	1.10	39%	993	BUY	0.0	10.6	27.2	6.7	0.4	0.5
Resilient high-yield names											
ComfortDelGro	1.430	1.80	26%	3,098	BUY	13.9	9.3	12.9	6.2	0.0	1.2
DFI Retail (USD)	2.750	3.60	31%	4,738	BUY	33.9	7.9	13.8	8.0	cash	6.4
NetLink	0.875	0.98	12%	3,410	BUY	3.3	-0.8	34.6	6.1	0.3	1.5
CLAR	2.660	3.20	20%	11,696	BUY	0.0	0.7	18.0	5.7	0.4	1.2
MLT	1.160	1.55	34%	5,863	BUY	-11.5	0.3	18.3	6.1	0.4	0.9
ESR REIT	2.420	3.12	29%	1,934	BUY	2.4	0.9	13.9	9.0	0.5	0.9
Potential EQDP beneficiaries											
SIA Engineering	3.130	3.50	12%	3,506	BUY	15.7	21.7	20.6	2.9	cash	2.0
IFAST	6.590	9.22	40%	1,964	BUY	26.3	26.2	23.2	1.1	cash	5.1
UMS Integration	1.260	1.38	10%	895	BUY	16.6	20.6	18.9	4.0	cash	2.1
Frencken	1.220	1.48	21%	521	BUY	13.4	6.2	12.4	2.4	cash	1.1
NetLink	0.875	0.98	12%	3,410	BUY	3.3	-0.8	34.6	6.1	0.3	1.5
Sheng Siong	1.880	2.30	22%	2,827	BUY	7.9	4.1	19.1	3.7	cash	4.9

*Source: DBS, Bloomberg. Based on 26 June closing prices *DPU growth for REITs*

- AResilience – 1) strong net cash position, >10% of market cap, 2) >50% revenue from Singapore
- Returns – 3) attractive dividend yield >4%, 4) average ROE >10% over last 3 FYs
- Reasonable valuations – 5) forward PE below 4-year average
- Robust earnings prospects – 6) >10% FY25F EPS growth
- Rising SDAV traded – 7) higher securities daily average value (SDAV) traded in 1H25

7 stocks to watch ahead of 1H25 results announcements

Investor attention will also turn towards the upcoming 2Q/1H25 results season, to assess direct and/or indirect tariff impact on earnings. We identify 5 stocks that are likely to surprise positively and/or point to stronger 2H25 outlooks - including EREIT, FCT, DFI, IFAST and UMSH. On the flip side, we are cautious on stocks with weaker outlook ahead, such as SIA and Aztech.

5 stocks with potential upside earnings surprises are:

1. DFI Retail – Our analysts see scope for DFI to accompany 1H25 results release with a potential special dividend. 2Q25 results should also highlight resilient growth in its Health & Beauty segment and improvements at Convenience segment given a lower base the previous year. Interest cost savings arising from recent debt reduction is also another positive driver in this/coming quarter(s)

2. iFAST – We maintain our positive view for a stronger 2H25, supported by visible drivers of 1) onboarding of the larger trustees for the ePension business and 2) robust AUA growth that is buoyed by improving market sentiment. Our analyst projects strong earnings growth of 26% y/y for both FY25F/26F, which should appeal to investors seeking growth stocks.

3. UMS Integration – We remain positive on UMS heading into 2Q25 results. Sequential q/q growth is expected, driven by a rebound in shipments for its Integrated System. This should partially offset FX headwinds from a weaker USD against SGD and MYR. Additional signs of faster ramp-up and order momentum from its new customer would serve as positive catalysts for this stock.

4. ESR REIT – We expect further signs of fundamentals and operational improvements in the upcoming 2Q25 results. Earnings visibility is supported by full-quarter contribution from its c. SGD800mn in acquisition and completed AEIs. With 75% of AUM based in Singapore, it is also less exposed to FX headwinds versus peers (e.g., 11% exposure to AUD). The REIT currently trades at an attractive yield of close to 9%.

5. Frasers Centrepoint Trust – FCT is a beneficiary of a lower interest rate environment. The current average cost of debt atAA 3.8% is set to fall further, following the 20bps q/q decline last quarter. The latest SGD200mn perpetuals issued at 3.98% was also better than our analysts' projection of 4.4%. Portfolio performance should also remain resilient on tight retail supply and necessity-driven spending.

2 stocks that could disappoint in their outlooks are:

SIA – Upcoming 1Q26 results, which may show resilient passenger and cargo volumes, are unlikely to provide much relief for SIA. The challenging earnings outlook is reflected in our analysts' estimates, projecting FY26F EPS to decline by 37% y/y, due to competitive pricing pressure and higher ex-fuel unit costs. We also remain cautious of further weakness from demand uncertainty, cargo headwinds and geopolitical tensions.

Aztech – Our analyst maintains a bleak outlook for Aztech. New customer wins have been insufficient to offset softer order momentum from its key customer, which contributes c.80% of total revenue. FY25F/26F revenue and earnings projections were slashed by c.50% each ahead of earnings release. Opportunity to sell into strength with the share price (~60Scts) trading well above our analyst's revised TP of 38Scts.

Stock valuations

Company	Price 26 Jun 2025	12-mth Target price	12-mth Target return	Mkt cap (SGD'm)	Rcmd	EPS* growth 25 (%)	EPS* growth 26 (%)	PE ratio 25 (x)	Div yield 25 (%)	Net debt/equity 25	P/BV 25 (x)
Stocks with positive surprises											
ESR REIT	2.420	3.10	28%	1,934	BUY	2.4	0.9	13.9	9.0	0.5	0.9
FCT	2.260	2.75	22%	4,108	BUY	0.8	0.0	21.2	5.4	0.4	1.0
DFI Retail (USD)	2.750	3.60	31%	4,738	BUY	33.9	7.9	13.8	8.0	cash	6.4
IFAST	6.590	9.22	40%	1,964	BUY	26.3	26.2	23.2	1.1	cash	5.1
UMS Integration	1.260	1.38	10%	895	BUY	16.6	20.6	18.9	4.0	cash	2.1
Stocks with weaker outlook											
SIA	6.900	6.40	-7%	20,516	HOLD	-37.3	16.9	19.5	3.3	0.4	1.3
Aztech	0.600	0.38	-37%	463	FV	-78.3	33.8	30.3	25.0	cash	1.4

*Source: DBS, Bloomberg. Based on 26 June closing prices *DPU growth for REITs*

6 sell-into-strength opportunities

We highlight 6 sell-into-strength opportunities ahead of the anticipated 3Q volatility. These candidates are identified based on 1) share price near or above analysts' target prices, by both DBS and consensus, and 2) technicals looking overbought, and trading close to their technical resistance levels. We see possible profit taking opportunities in tech stocks AEM Holdings, Aztech and Nanofilm on recent tech rally, and SGX, ST Eng and SIA among the large caps.

Apart from the price and technical angles, here are other reasons why we think the near-term upside may be capped for these stocks:

- Aztech: Weak order momentum; new customer wins insufficient to offset key customer weakness
- Nanofilm: FY25F/26F net earnings projections slashed on lower margin assumptions
- AEM: Order lumpiness, and growth from new customers largely priced in during recent run-up
- SIA: Challenging earnings outlook on sustained competitive pricing and cost pressures
- SGX: Share price running ahead of optimism of MAS policy tailwinds and several SMC IPOs
- ST Eng: Strong earnings visibility and momentum has largely priced in stellar YTD (c.70%) returns

6 profit taking candidates

Stock (in SGD)	Price 27 Jun	12-mth DBS TP	12-mth Target Return	Rcmd	Possible technical resistance	Cons TP	Target Return
Aztech	0.590	0.38	-36%	FV	0.605 or slightly above	0.43	-27%
Nanofilm	0.665	0.50	-25%	HOLD	Around 0.70	0.51	-23%
AEM	1.520	1.50	-1%	BUY	1.70	1.24	-18%
SIA	6.930	6.40	-8%	HOLD	7.10	6.73	-3%
SGX	14.720	14.00	-5%	BUY	15.06 or slightly above	14.07	-4%
ST Eng	7.830	7.70	-2%	HOLD	8 or slightly above	8.30	6%

Source: DBS, Bloomberg

Stock valuations

Company	Price 26 Jun 2025	12-mth Target price	12-mth Target return	Mkt cap (SGD'm)	Rcmd	EPS growth 25 (%)	EPS growth 26 (%)	PE ratio 25 (x)	Div yield 25 (%)	Net debt/equity 25	P/BV 25 (x)
Aztech	0.600	0.38	-37%	463	FV	-78.3	33.8	30.3	25.0	cash	1.4
Nanofilm	0.650	0.50	-23%	424	HOLD	68.0	79.5	32.9	1.0	0.0	1.1
AEM	1.420	1.50	6%	444	BUY	20.2	134.0	31.9	-	cash	0.9
SIA	6.900	6.40	-7%	20,516	HOLD	-37.3	16.9	19.5	3.3	0.4	1.3
SGX	14.780	14.00	-5%	15,827	BUY	23.5	7.5	26.9	2.3	cash	7.5
ST Eng	7.870	7.70	-2%	24,512	HOLD	14.2	18.2	30.6	2.3	1.6	8.4

Source: DBS, Bloomberg. Based on 26 June closing prices

DBS Group Research recommendations are based on an Absolute Total Return* Rating system, defined as follows:
STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)
BUY (>15% total return over the next 12 months for small caps, >10% for large caps)
HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)
FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)
SELL (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

**Share price appreciation + dividends*

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Sources for all charts and tables are DBS unless otherwise specified.

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