

[Subscribe](#)[Past Issues](#)[Translate ▼](#)[View this email in your browser](#)

SG Weekly (1 May - 5 May 2023)

**Global Market Movements:**

INDEX	LAST PRICE	YTD	MTD
DOW JONES INDUS. AVG	33618.69	1.4%	-1.4%
S&P 500 INDEX	4138.12	7.8%	-0.8%
NASDAQ COMPOSITE	12256.92	17.1%	0.2%
Euro Stoxx 50 Pr	4348.65	14.6%	-0.2%
NIKKEI 225	29166.25	11.8%	1.1%
HANG SENG INDEX	20236.32	2.3%	1.7%
Straits Times Index STI	3248.82	-0.1%	-0.7%

(Source: Bloomberg, SAC Capital)

(Source: Bloomberg, SAC Capital)

**STI Movements****Equity Indices**

(Source: SGX, SAC Capital)

**Global News Highlights:**

1. JPMorgan Sees Investors Moving to Gold, Tech Amid Recession Risk (BBG)
2. China Two-Speed Economic Recovery Fuels Concerns on Outlook (BBG)
3. Fed Raises Rates by a Quarter Point and Hints at Possible Pause (BBG)
4. Copper Mine Flashes Warning of 'Huge Crisis' for World Supply (BBG)
5. Hong Kong Equity Investors Patience Given Noisy Confirmation (BBG)

**Singapore Announcements:**

1. DBS beats forecast, post 43% rise in Q1 profit to record S\$2.6b (BT News)
2. Lawrence Wong allays property price fears in May Day rally (The Edge)
3. Atlantic Navigation Holdings acquires marine vessel for US\$5.5 mil (The Edge)
4. Penguin's chairman, MD along with Dymon Asia SPV in second attempt to take firm private (BT News)
5. Singapore must refresh, strengthen compact with workers (BT News)

## Company Highlights

<Paragon REIT, PGNREIT SP>

- 1Q23 gross revenue rose 0.6% yoy (Singapore: 0.7%, Australia: 8.1%) to S\$72.0m. Tenant sales and footfall in 1Q23 increased by 12%/37% yoy in Singapore and 21%/6% in Australia. Singapore accounts for 77% of total gross revenue. Occupancy for Singapore and Australia is c.100%.
- Rental reversion is still in the red, although narrower (16M FY22: -4.1%, 16M FY21:-8.4%). For comparison, 1Q23 rental reversion for CICT Suburban/Downtown malls are +5.3/+7.2% while FCT suburban malls are c.+3.1%.
- The average cost of debt edged up to 3.71% in 1Q23 (FY22: 2.05%) due to the expiry of a S\$425m interest rate swap at 1.06%. Management foresees COD to be slightly above 4% for FY2023. ~84% of its debt is fixed and WADM is at 2.5 years.
- WALE by NLA/GRI is 5.3/3.0 years.
- The S\$300m 4.01% perpetual securities first reset date will be in Aug 2024 where the rate will reduce to ~2.67%. As gearing is low at c.30%, the team is open to converting some of it into debt.

Inbound tourist from China has been slow to return to Singapore and management foresee that their landing will bring more sales to their Paragon properties which accounts for 60% of gross revenue in 1Q23.

The Group is trading at a PB of 0.95x and a 7.3% dividend yield.

Copyright © 2021 SAC Capital Private Limited, All rights reserved.  
[www.saccapital.com.sg](http://www.saccapital.com.sg)

Want to change how you receive these emails?  
You can [update your preferences](#) or [unsubscribe from this list](#).