

► MAJOR MARKET INDICES

	CLOSE	1D (%)	MTD (%)	YTD (%)
FSSTI Index	4,891.5	1.3	5.3	5.3
INDU Index	49,098.7	-0.6	2.2	2.2
SPX Index	6,915.6	0.0	1.0	1.0
CCMP Index	23,501.2	0.3	1.1	1.1
UKX Index	10,143.4	-0.1	2.1	2.1
NIKY Index	53,846.9	0.3	7.0	7.0
HSI Index	26,749.5	0.4	4.4	4.4
SHCOMP Index	4,136.2	0.3	4.2	4.2
VIX Index	16.1	2.9	7.6	7.6

► SG MARKET SUMMARY

Daily Market Value (\$\$'m)	1,948.5
Daily Market Volume (mln)	1,312.7
52-week STI High	4,895.2
52-week STI Low	3,372.4

► KEY INTEREST RATES

	CLOSE	1D (%)	MTD (%)	YTD (%)
3 Mth SGD SORA	1.1	0.0	-4.4	-4.4
SG 10 YR Bond Yield	2.1	-0.3	0.8	0.8
US 10 YR Bond Yield	4.2	-0.5	1.4	1.4

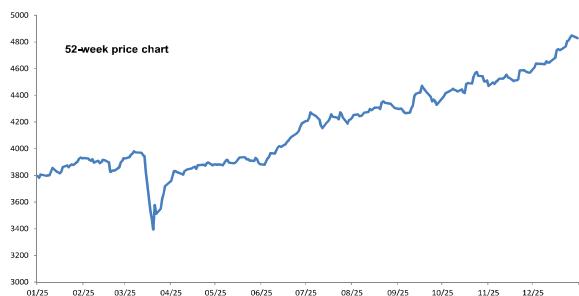
► US FUTURES

As at 8.00am SG time	CLOSE	1D (%)	MTD (%)	YTD (%)
Dow Jones	49,075.0	-0.4	1.5	2.2
S&P 500	6,909.8	-0.5	0.3	0.3
NASDAQ	25,538.0	-0.8	0.3	0.3

► COMMODITIES

	CLOSE	1D (%)	MTD (%)	YTD (%)
Gold	5,026.5	0.8	16.4	16.4
Crude Oil	61.2	3.0	6.7	6.7
Baltic Dry	1,762.0	0.1	-6.1	-6.1
Crude Palm Oil	4,175.0	-0.5	2.9	2.9

► FSSTI INDEX



Source: Bloomberg

► FINANCIAL MARKETS

► On Friday, the S&P 500 rose 0.03% and the tech-heavy Nasdaq composite increased 0.3% while the Dow Jones moved down 0.6%.

► IDEA OF THE DAY

► **Sing Holdings** (\$0.62, up 5.5 cents) is a Singapore-listed property developer with a long operating track record across residential, commercial and mixed-use developments in Singapore and overseas. The group's current development portfolio is anchored by North Gaia, an EC project in Yishun, and the large-scale Chuan Grove residential development in District 19.

Sing Holdings results remain in a transitional phase, with earnings still reflecting a construction lull rather than the underlying earnings power of its development portfolio. In FY24's AR, Mgmt. reiterated confidence in their project execution and highlighted the imminent completion of North Gaia, which is expected to drive a material uplift in reported earnings once TOP is obtained.

North Gaia represents the key near-term earnings catalyst for Sing Holdings. The EC is fully sold out and is expected to deliver approximately S\$110m in net profit upon completion. Importantly, the project benefits from land costs that were secured prior to the construction cost inflation cycle, which will help preserve margins despite higher build costs across the sector. Given that sales are largely locked in, earnings recognition is largely a function of timing rather than demand risk, providing unusually high earnings visibility as revenue is recognized upon TOP for an EC, rather than by % of completion for normal condo projects.

This implies that North Gaia's earnings will be fully recognised this financial year, which likely drove the recent profit alert highlighting the scale and certainty of the upcoming earnings inflection as the project approaches TOP. Despite this clear step-change in profitability and cash inflows and share price run up, the stock continues to trade at levels that do not fully reflect the magnitude of the imminent profit recognition.

Byeond North Gaia, Sing Holdings is working on Chuan Grove development, a multi-year project that provides longer-term revenue and profit visibility (recognized via % of completion). They have a JV with Sunway Developments, which reduces execution and funding risk while allowing the group to scale up without overstretching its balance sheet. Sing Holdings' market cap stands at S\$250.8m, based on a share base of 401m shares. According to FY24's annual report, the North Gaia executive condominium has a total sales value of about S\$863m, implying an average selling price of c.S\$1,330 psf across an estimated 650k sq ft of sellable area. Land cost for the project was approximately S\$576 psf, and assuming construction, marketing and other development-related costs of around S\$550 psf, total all-in cost is conservatively estimated at about S\$1,126 psf. On this basis, We think North Gaia can generate an after-tax profit of roughly S\$105–110m, equivalent to 27–28 cts/share.

Relative to its market cap, North Gaia alone accounts for over 40% of equity value, suggesting that earnings contribution is not yet fully reflected in the share price. Adding this profit to the group's reported NAV of 79.1 cents per share implies a pro-forma NAV above \$1 and Sing Holdings is trading only at \$0.62.

In view of the substantial profits expected from North Gaia, we see scope for a potential special dividend. By way of reference, following the TOP of Parc Botannia in FY2019, Sing Holdings paid a dividend of 1.85 cents per share (16.4% payout). Applying a similar payout ratio this year would imply a dividend of c.4.4cts/share, translating into an estimated forward yield of around 7.1% based on the prevailing share price. That said, while a special dividend is possible, management may prioritise capital allocation towards its upcoming Chuan Grove development.

While the stock has already seen a share price spike following the recent profit alert, we believe the valuation case remains compelling and recommend investors take a closer look at Sing Holdings, given the scale, visibility and monetisation potential of its near-term earnings catalyst.