

## MAJOR MARKET INDICES

	CLOSE	1D (%)	MTD (%)	YTD (%)
FSSTI Index	3,230.0	-0.3	-0.3	-0.3
INDU Index	37,715.0	0.1	0.1	0.1
SPX Index	4,742.8	-0.6	-0.6	-0.6
CCMP Index	14,765.9	-1.6	-1.6	-1.6
UKX Index	7,721.5	-0.2	-0.2	-0.2
NKY Index	33,464.2	-0.2	0.0	0.0
HSI Index	16,788.6	-1.5	-1.5	-1.5
SHCOMP Index	2,962.3	-0.4	-0.4	-0.4
VIX Index	13.2	6.0	6.0	6.0

## SG MARKET SUMMARY

Daily Market Value (S\$m)	711.4
Daily Market Volume (mln)	1,241.7
52-week STI High	3,408.2
52-week STI Low	3,041.7

## KEY INTEREST RATES

	CLOSE	1D (%)	MTD (%)	YTD (%)
3 Mth SGD SIBOR	4.1	0.0	0.0	-4.5
SG 10 YR Bond Yield	2.8	3.0	3.0	3.0
US 10 YR Bond Yield	3.9	1.3	1.3	1.3

## US FUTURES

As at 8.00am SG time	CLOSE	1D (%)	MTD (%)	YTD (%)
Dow Jones	38,005.0	0.0	0.0	0.1
S&P 500	4,788.5	0.0	-0.7	-0.7
NASDAQ	16,725.5	0.0	-1.8	-1.8

## COMMODITIES

	CLOSE	1D (%)	MTD (%)	YTD (%)
Gold	2,060.9	0.1	-0.1	-0.1
Crude Oil	70.4	-1.8	-1.8	-1.8
Baltic Dry	2,094.0	0.3	0.0	0.0
Crude Palm Oil	3,628.0	-0.9	-2.5	0.0

## FSSTI INDEX



Source: Bloomberg

## FINANCIAL MARKETS

- After the rapid rise last year, profit taking saw US stocks falling about 1% overnight.

## IDEA OF THE DAY

- Tiong Woon Corporation / TWC** (\$0.46, unchanged) reported that its wholly-owned subsidiary, Tiong Woon Project and Contracting Pte. Ltd., has been awarded a contract by Sinohydro Corporation Limited (Singapore Branch) ("Sinohydro") for the provision of crane services for the upcoming construction of the Integrated Waste Management Facility ("IWMF") project in Tuas, Singapore.

The project will commence in the second half of the financial year ending 30 June 2024 ("FY2024") and is expected to be completed by December 2024. This project is expected to contribute positively to the revenue of the subsidiary for FY2024 and FY2025.

Mr Ang Guan Hwa, Executive Director, and Chief Executive Officer said: "Securing and maintaining the trust and confidence of our customers is a top priority for us. Receiving this vote of confidence from a customer like Sinohydro in relation to a significant project like the IWMF project is even more gratifying. It is a strong signal that we continue to be the partner of choice in complex, critical infrastructure projects. We are also particularly pleased to be able to extend our services to the Waste Management Industry, which is expected to grow substantially over the years in tandem with the global emphasis on sustainability. As with all our projects, we will execute and deliver our services to the highest standards safely and efficiently, in collaboration with Sinohydro."

Save for the respective shareholdings in the Company, none of the directors, controlling shareholders or substantial shareholders of the Company, has any interest, whether directly or indirectly, in the transaction contemplated herein.

The IWMF will be constructed in phases and the first phase is targeted for completion by 2025. It is expected to cost S\$3bln and can treat up to 4 waste streams such as:

- 5,800 tonnes per day of incinerable waste;
- 250 tonnes per day of household recyclables collected under National Recycling Programme (NRP);
- 400 tonnes per day of source-segregated food waste; and
- 800 tonnes per day of dewatered sludge from TWRP (Tuas Water Reclamation Plant)

Tiong Woon's market cap stands at S\$106.8mln and currently trades at 5.6x forward PE and 0.4x PB, with a dividend yield of 2.2%. We have a target price of S\$0.88 on TWC, representing 91.3% upside to current share price. We think that this mega project would be a huge contributor to TWC's earnings given that the usage of higher margin cranes will be required to complete this project. We continue to like TWC as a regional lifting powerhouse for its cheap valuations amidst the huge tailwinds it can enjoy in the face of increasing O&G and infrastructure projects in Singapore, Taiwan, India, Saudi Arabia.

We have already seen that a single semiconductor project completed by SGX listed Hiap Tong Corp HTC could see a surge in their profitability last year from merely \$1mln to \$14mln. We note that TWC will be involved an even bigger semiconductor project than HTC this year, on top of the upcoming IWMF project as well as the rapid build ups of HDB projects and its regional growth plans. As a result, it is understandable that TWC for the first time in many years have turned optimistic about their growth prospects, turning positive, from cautious previously.

We thus maintain an "Accumulate" rating on TWC.