UOBKayHian

Country Daily | Singapore

Tuesday, 22 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52048.8	0.7	(0.7)	(2.3)	8.3
S&P 500	7764.7	1.5	1.9	1.2	13.4
FTSE 100	10739.0	0.7	0.4	(0.7)	8.1
AS30	8919.1	(0.0)	(0.1)	(3.8)	(1.1)
CSI 300	4539.6	0.7	1.3	(1.7)	(2.0)
FSSTI	5675.2	0.3	(0.7)	(0.2)	22.1
HSCEI	8339.6	1.4	0.7	(3.4)	(6.4)
HSI	25042.7	1.2	0.5	(3.7)	(2.3)
JCI	6384.7	(0.9)	(2.3)	(2.2)	(26.2)
KLCI	1666.9	0.1	(1.2)	(4.0)	(0.8)
KOSPI	7007.7	1.6	4.8	1.4	66.3
Nikkei 225	65019.0	1.4	1.6	(0.8)	29.2
SET	1598.0	0.9	0.4	(1.0)	26.9
TWSE	47718.8	1.1	4.0	5.5	64.8
BDI	3399	0.9	(1.3)	19.6	81.1
CPO (RM/mt)	4580	(0.9)	(0.3)	0.5	16.5
Brent Crude (US$/bbl)	100	(3.4)	(5.1)	6.3	64.9

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
17th Asian Gems Conference 2026 (Virtual)	Singapore	22 Sep	23 Sep
Post-results NDR with Sunny Optical (2382 HK)	Taipei	22 Sep	23 Sep
New Economy Conference at The Ritz Carlton Hotel	Malaysia	07 Oct	07 Oct
NDR with Food Empire Holdings Ltd (FEH SP)	Malaysia	08 Oct	08 Oct

Corporate and Macro Calendar

Economic Indicator/Event	Date
MAS 12-Week Bill Auction	18 Sep
MAS 4-Week Bill Auction	18 Sep
6-Month T-Bill Auction	26 Sep
Unemployment Rate Final Q4	07 Oct

Top Stories

Company Update | City Developments (CIT SP/**BUY**/S$8.09/Target: S$11.85)

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- CIT's upcoming strategic review announcement on 28 Sep 26 could provide more clarity on asset monetisation or value-unlocking strategies, which could optimise its balance sheet, lower net-debt-to-equity ratio and boost long-term ROE. These, together with the upcoming launch of the 570-unit Lucerne Grand, could catalyse share price performance. We lift our RNAV and target price to S$16.92 and S$11.85, respectively. Maintain BUY for CIT's attractive valuation, with the stock trading at a huge 52% discount to RNAV and 0.7x P/B.

Market Spotlight

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- US stocks were higher on Monday. All indexes rose as the communication services, information technology and consumer discretionary sectors gained. There were more advancers than decliners on both the NYSE and the Nasdaq.
- The FSSTI rose 19.12pt to 5,675.23, on the back of strength in OCBC, DBS and SIA, with mid-cap indices falling while small-cap indices rose with a broad market advance on S$1.63b turnover.

Technical Analysis

Hongkong Land Holdings (HKL SP)

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- Trading Buy Range: US$8.62-8.63

Parkway Life Real Estate Investment Trust (PREIT SP)

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- Trading Sell Range: S$4.00-4.01

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

City Developments (CIT SP)

Focus On Portfolio Revamp

Analyst(s)

Lock Mun Yee
munyeelock@uobkh.com
+65 6590 6266

Highlights

- **CIT to announce strategic review outcome on 28 Sep 26.** We expect the review to deliver clarity on asset monetisation, redevelopment or value-unlocking opportunities. A more optimal capital and long-term value creation discipline should enhance ROE and catalyse share price performance.
- **Rolling out Lucerne Grand in Sep/Oct 26.** CIT's Lucerne Grand opened for public preview on 18 September and will be launched in the first week of October. With starting prices from just under S$1.5m/unit, we anticipate the launch to be well received.
- **We raise our RNAV to S$16.92** as we factor in the latest residential land acquisitions and review our assumptions. Accordingly, our target price is lifted to S$11.85, based on a 30% discount to RNAV.

Analysis

- **A holistic portfolio re-look.** We expect the portfolio review to provide more clarity on opportunities for asset divestments, redevelopment or value-unlocking opportunities. This move should lead to a more disciplined approach towards capital management and long-term value creation, through balance-sheet optimisation and lower net debt-to-equity ratio. The resulting uplift in ROE should likely catalyse share price and narrow the gap to NAV. Further strategies regarding its reinvestment focus and long-term capital allocation could support continued share price performance.
- **Potential divestments could include assets in the UK and China.** City Developments (CIT) estimates its total asset base (including fair value of investment properties and hotels) at S$36b as at end-1H26. Of this, 41% comprises investment properties, 31% from development properties and 25% from hotels. Potential assets earmarked for sale could include the £800m legacy UK development platform, completed properties such as UK office properties, and China investment properties such as Hong Leong Hongqiao Center and Hong Leong Technology Park. It could also look to unlock value from its global living portfolio (S$3.7b as at end-25) via private funds or REIT platforms, in our view.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	3,271.2	3,587.1	4,158.6	3,534.3	3,667.1
EBITDA	691.0	583.2	1,123.2	959.6	876.1
Operating profit	413.6	293.5	826.5	661.5	576.6
Net profit (rep./act.)	201.3	629.7	565.1	351.0	250.9
Net profit (adj.)	201.3	629.7	509.0	351.0	250.9
EPS	22.4	70.5	63.2	39.3	28.1
PE (x)	36.3	11.6	12.9	20.7	29.0
P/B (x)	0.8	0.8	0.7	0.7	0.6
EV/EBITDA (x)	25.8	33.0	17.3	19.8	21.4
Dividend yield (%)	1.2	1.5	2.7	1.7	1.2
Net margin (%)	6.2	17.6	13.6	9.9	6.8
Net debt/(cash) to equity(%)	113.5	118.2	110.2	99.5	92.8
Interest cover (x)	1.9	1.4	3.3	2.6	2.4
ROE (%)	2.2	6.7	5.6	3.6	2.2
Consensus net profit	n.a	n.a	445	507	557
UOBKH/Consensus (x)	n.a	n.a	1.3	0.69	0.45

Source: City Developments, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	S$8.09
Target Price	S$11.85
Upside	46.50%
Previous TP	S$11.50

Stock Data

Sector	Real Estate
Bloomberg ticker	CIT SP
Shares issued (m)	893.4
Market cap (S$m)	7,227.6
Market cap (US$m)	5,666.1
3-mth avg daily t'over (US$m)	11.7

Price Performance (%)

52-week high/low S$10.09/S$6.68

1mth	3mth	6mth	1yr	YTD
(1.9)	(2.1)	(3.9)	20.2	1.1

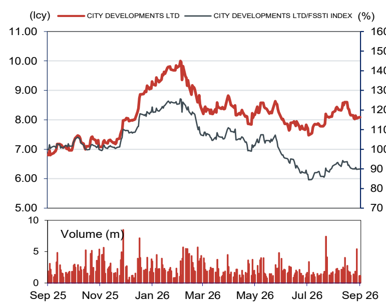
Major Shareholders (%)

Hong Leong Investment Hldgs	49.45
Blackrock Inc	4.97

Balance Sheet Metrics

FY26 NAV/Share (S$)	11.7
FY26 Net Debt/Share (S$)	12.9

Price Chart



Source: Bloomberg

Company Description

CDL is a global real-estate operating company with a geographically-diverse portfolio comprising residences, offices, hotels, serviced apartments and shopping malls..

- **Improving returns from hotel operations should lift ROE.** CIT's hotel segment had total assets of around S$6.9b as at end-1H26. The portfolio comprises owned hotels as well as more than 150 hotels under Millennium & Copthorne Hotels' global portfolio. In 1H26, the hotel segment posted a PBT of S$42m on revenue of S$781m. Further clarity on improving operational performance and selective divestments or redevelopment should boost ROE of this segment. Refurbishment activities at Millennium Hotel Broadway Times Square are scheduled to complete in 4Q26 while the makeovers of Millennium Hotel London Knightsbridge and M Hotel Singapore are expected to complete in 2027.
- **Launch pipeline of ~2,200 residential units at end-1H26.** We anticipate residential contributions to continue to drive CIT's earnings momentum. We expect the launch of Lucerne Grand at an indicative price of S$2,250-2,420psf to be well received by potential buyers. The 570-unit project, located in the Lakeside area, will be directly linked to Lakeside MRT station and is within walking distance to Jurong Lake Gardens and a 10-min driving distance from Jurong Lake District. It will also have a supermarket and F&B and retail offerings. The project comprises two-bedders (from 624sf) to four-bedroom premium + entertainment units of 1,432sf.
- **More projects to be rolled out in 1Q27.** CIT has two EC projects in the pipeline at Senja Close (Solano Grand) and Woodlands Drive (Wynwood Grand) slated to be rolled out in 1Q27 We expect robust take-up as these sites are not subject to the tighter EC conditions that would take effect for new sites tendered after 8 May 26. In addition, it has another 895 units at Peck Hay Road and Tanjong Rhu targeted for launch for the rest of 2027. This is likely to provide strong development earnings visibility over the next 2-3 years.

Valuation/Recommendation

- We maintain our BUY rating on CIT on the back of its attractive valuation at 0.7x P/B and 52% discount to our RNAV estimate of S$16.92. We believe the potential positive knock-on benefits from a lower net debt-to-equity ratio and higher ROE, as the group executes its portfolio optimisation strategy on the back of the strategic review, should close the valuation gap between share price and asset backing. Our higher target price of S$11.85 is premised on a 30% discount to RNAV.

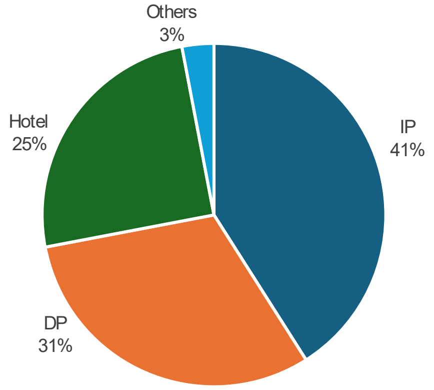
Earnings Revision/Risk

- We raise our RNAV to S$16.92 as we review our property assumptions and bake in contributions from the Peck Hay and Tanjong Rhu residential land parcels. Accordingly, our target price is lifted to S$11.85, based on a 30% discount to RNAV.
- Key risks to our view include a longer-than-expected timeline to execute the portfolio optimisation strategy or low asset value-unlocking objectives.

Share Price Catalyst

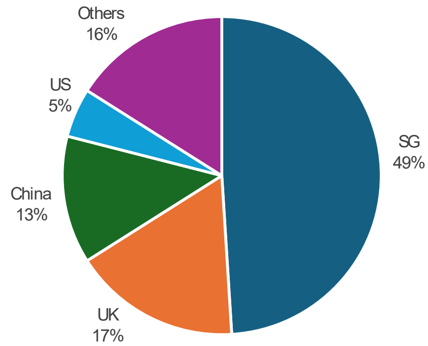
- Share price catalysts could come from a higher-than-expected divestment objective and strong execution efforts, resulting in a robust improvement in ROE.

Total Assets By Segment



Source: UOB Kay Hian

Total Assets By Geography



Source: UOB Kay Hian

RNAV Breakdown

Investment properties	Stake	**NLA**	**Mkt value (S$m)**	**Value/share (S$)**
Republic Plaza	100%	769,069	2,996.1	3.35
City House	100%	157,283	475.6	0.53
Palais Renaissance	100%	111,061	304.0	0.34
King's Centre	100%	91,183	88.4	0.10
City Square Mall	100%	473,671	1,122.4	1.26
Delfi orchard	100%	91,279	208.2	0.23
Katong Shopping Centre	100%	187,334	341.8	0.38
The Arcade	100%	48,815	111.3	0.12
Le Grove	100%	137	133.0	0.15
Biltmore Court & Tower USA	100%	377,995	235.0	0.26
125 Old Broad St UK	100%	329,396	262.8	0.29
Aldgate House UK	100%	209,860	119.9	0.13
St Katharine Docks UK	100%	525,201	299.7	0.34
330 Collins St AU	67%	193,907	106.2	0.12
Hong Leong Plaza Hongqiao - office	100%	345,229	40.9	0.05
Hong Leong Hongqiao Center - office	100%	360,432	47.4	0.05
Hong Leong Hongqiao Center - retail	100%	24,266	5.1	0.01
Hong Leong Technology Park Shenzhen	100%	931,274	36.8	0.04
Owned hotels	**Stake**	**Rooms**		
M Social Singapore	100%	293	155.5	0.17
Millinnium Hilton Bangkok	58%	533	86.3	0.10
M Social Suzhou	100%	292	55.9	0.06
M&C hotels	**Stake**	**Rooms**		
Rest of Asia	100%	3,744	920.7	1.03
Australasia	86%	2,204	505.2	0.57
New York	100%	2,238	1,358.9	1.52
Regional US	100%	2,525	225.6	0.25
London	100%	2,343	1,402.5	1.57
Rest of Europe	100%	2,316	430.8	0.48
Living assets		**Units**		
UK PRS	100%	1,505	733.7	0.82
UK PBSA	100%	2,368	454.5	0.51
Japan PRS	100%	2,246	584.0	0.65
Australia BTR	100%	563	354.7	0.40
PV of development profits				
Singapore residential and other projects under devt			2,852.9	3.19
China			62.2	0.07
Australia and others			15.5	0.02
Associates	**Stake**	**Issued units**		
CDL HT	29%	1,270.8	373.6	0.42
IREIT	21%	1,344.8	418.0	0.47
First Sponsor	35%	1,129.3	395.2	0.44
GAV			18,320.3	20.51
Other net assets/liabilities			8,134.7	9.11
Net cash/debt			-11,336.4	-12.69
RNAV			15,118.6	
RNAV/share			**16.92**	
Assumed discount			30%	
Target price			**11.85**	

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	3,587	4,159	3,534	3,667
EBITDA	583	1,123	960	876
Deprec. & amort.	290	297	298	299
EBIT	293	827	662	577
Total other non-operating income	30	0	0	0
Associate contributions	181	167	154	122
Net interest income/(expense)	(404)	(342)	(373)	(368)
Pre-tax profit	772	708	443	331
Tax	(136)	(137)	(89)	(77)
Minorities	(6)	(5)	(3)	(2)
Net profit	630	565	351	251
Net profit (adj.)	630	509	351	251

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	12,114	12,171	12,228	12,284
Other LT assets	3,857	4,024	4,178	4,300
Cash/ST investment	2,060	2,024	2,653	3,084
Other current assets	9,019	9,743	9,660	9,802
Total assets	27,049	27,961	28,718	29,470
ST debt	3,176	3,176	3,176	3,176
Other current liabilities	1,790	1,684	1,648	1,742
LT debt	10,221	10,371	10,521	10,671
Other LT liabilities	1,603	1,603	1,603	1,603
Shareholders' equity	9,592	10,454	11,094	11,599
Minority interest	668	674	677	679
Total liabilities & equity	27,049	27,961	28,718	29,470

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	(1,512)	333	967	762
Pre-tax profit	772	708	443	331
Tax	(119)	(137)	(89)	(77)
Deprec. & amort.	290	297	298	299
Associates	(181)	(167)	(154)	(122)
Working capital changes	(2,075)	(709)	96	(37)
Non-cash items	(612)	0	0	0
Other operating cashflows	415	342	373	368
Investing	397	102	63	40
Capex (growth)	(1,005)	(150)	(150)	(150)
Investments	1,345	167	154	122
Others	56	85	59	68
Financing	421	(471)	(401)	(371)
Dividend payments	(139)	(194)	(120)	(85)
Issue of shares	0	0	0	0
Proceeds from borrowings	3,151	150	150	150
Loan repayment	(2,016)	0	0	0
Others/interest paid	(574)	(427)	(432)	(436)
Net cash inflow (outflow)	(694)	(36)	629	431
Beginning cash & cash equivalent	2,689	1,995	1,959	2,588
Changes due to forex impact	0	0	0	0
Ending cash & cash equivalent	1,995	1,959	2,588	3,020

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	16.3	27.0	27.2	23.9
Pre-tax margin	21.5	17.0	12.5	9.0
Net margin	17.6	13.6	9.9	6.8
ROA	2.5	2.2	1.3	0.9
ROE	6.7	5.8	3.5	2.4
Growth				
Turnover	(27.4)	15.9	(15.0)	(11.8)
EBITDA	(36.2)	92.6	(14.6)	(22.0)
Pre-tax profit	63.3	(8.2)	(37.4)	(53.3)
Net profit	98.4	(10.3)	(37.9)	(55.6)
Net profit (adj.)	212.8	(10.3)	(37.9)	(28.5)
EPS	101.4	(10.3)	(37.9)	(55.6)
Leverage				
Debt to total capital	130.6	121.7	116.4	112.8
Debt to equity	139.7	129.6	123.5	119.4
Net debt/(cash) to equity	118.2	110.2	99.6	92.8
Interest cover	1.4	3.3	2.6	2.4

Market News

US stocks were higher on Monday, as the communication services, information technology and consumer discretionary sectors led shares higher. At the close of the NYSE, the Dow Jones rose 0.71% while the S&P 500 index was up 1.49%, and the NASDAQ Composite index gained 2.26%. Advancing stocks outnumbered falling ones on the NYSE by 1,526 to 1,226 and 93 ended unchanged; on the Nasdaq Stock Exchange, 3,026 advanced and 1,940 declined, while 175 ended unchanged.

During the last trading session, the FSSTI rose 19.12pt to 5,675.23. Among the top active stocks were Singtel (-0.5%), DBS (+0.7%), OCBC Bank (+0.9%), UMS (+1.9%) and SIA (+0.3%). The FTSE ST Mid Cap Index fell 0.5%, while the FTSE ST Small Cap Index rose 0.3%. The broader market had 262 gainers and 282 losers with a total trading value of S$1.63b.

Technical Analysis

Analyst(s)

Wong Shueh Ting CFTe
shuehting@uobkh.com
+65 6590 6616

Hongkong Land Holdings (HKL SP)

Trading buy range:	US$8.62-8.63
Last price:	US$8.66
Target price:	US$9.60
Protective stop:	US$8.30

Price is currently compressing within a triangle consolidation pattern. The RSI remains firmly established in bullish territory. A decisive breakout above the resistance ceiling will complete the triangle pattern, trigger a structural expansion phase, and open path-of-least-resistance dynamics toward higher extension targets.

The potential upside target is US$9.60. Stop-loss could be placed at US$8.30.

Approximate timeframe on average: 1-2 weeks (initiate this trade idea if the stock hits the entry price range within three trading days)

Parkway Life Real Estate Investment Trust (PREIT SP)

Trading sell range:	S$4.00-4.01
Last price:	S$3.98
Target price:	S$3.78
Protective stop:	S$4.08

Price executed a precise retest and rejection at its support-turned-resistance zone. The RSI remains firmly established in bearish territory and is sloping downward, signalling accelerating downward trend velocity. As long as counter-trend rallies remain strictly capped below this resistance anchor, we could expect a continued downward expansion towards lower support targets.

The potential upside target is S$3.78. Stop-loss could be placed at S$4.08.

Approximate timeframe on average: 1-2 weeks (initiate this trade idea if the stock hits the entry price range within three trading days)

Our institutional research has a fundamental BUY and target price of S$4.88.