

## MAJOR MARKET INDICES

	CLOSE	1D (%)	MTD (%)	YTD (%)
FSSTI Index	4,930.0	0.4	6.1	6.1
INDU Index	49,071.6	0.1	2.1	2.1
SPX Index	6,969.0	-0.1	1.8	1.8
CCMP Index	23,685.1	-0.7	1.9	1.9
UKX Index	10,171.8	0.2	2.4	2.4
NKY Index	53,375.6	0.0	6.0	6.0
HSI Index	27,968.1	0.5	9.1	9.1
SHCOMP Index	4,158.0	0.2	4.8	4.8
VIX Index	16.9	3.2	12.9	12.9

## SG MARKET SUMMARY

Daily Market Value (S\$m)	1,939.3
Daily Market Volume (mln)	1,602.1
52-week STI High	4,931.1
52-week STI Low	3,372.4

## KEY INTEREST RATES

	CLOSE	1D (%)	MTD (%)	YTD (%)
3 Mth SGD SORA	1.2	0.3	-3.4	-3.4
SG 10 YR Bond Yield	2.1	1.6	-1.9	-1.9
US 10 YR Bond Yield	4.2	-0.3	1.5	1.5

## US FUTURES

As at 8.00am SG time	CLOSE	1D (%)	MTD (%)	YTD (%)
Dow Jones	49,089.0	-0.2	1.6	2.1
S&P 500	6,989.5	0.0	1.4	1.4
NASDAQ	25,993.3	0.0	2.1	2.1

## COMMODITIES

	CLOSE	1D (%)	MTD (%)	YTD (%)
Gold	5,436.1	1.1	25.8	25.8
Crude Oil	65.4	3.5	13.9	13.9
Baltic Dry	2,016.0	0.9	7.4	7.4
Crude Palm Oil	4,316.0	0.0	6.3	6.3

## FSSTI INDEX



Source: Bloomberg

## FINANCIAL MARKETS

- On Thursday, the S&P 500 fell 0.1% and the tech-heavy Nasdaq composite decreased 0.7% while the Dow Jones moved up 0.1%.

## IDEA OF THE DAY

- Tiong Woon Corp's / TWC** (S\$0.995, up 3 cents) heavy capex over the past few years was undertaken to build capabilities precisely for this moment: Singapore's multi-year construction upcycle, which is driven by both public and private sector demand, and higher-value overseas projects where extraordinary earnings start to materialize. This includes contributions from the NEOM project in Saudi Arabia, petrochemical projects in India, and the ability to leverage Mammoet's regional relationships following the acquisition of its assets in Thailand. With operating leverage amidst tightening utilisation, we believe TWC remains undervalued and is still early in the current construction cycle.

**Being big works for TWC:** TWC is the 15th-largest crane operator globally, with a full suite of lifting solutions that allows it to compete directly with industry leaders such as Mammoet and Sarens, ranked No. 1 and No. 2 worldwide by fleet capacity. TWC's scale and fleet depth allow it to participate in large industrial and infrastructure projects that are out of reach for smaller regional players, giving TWC a clear edge in mid-to-large contract awards.

**Strong support from Singapore's construction boom:** Singapore's construction demand is currently driven by both public and private sector. As one of the largest crane operators locally, TWC benefits directly from higher utilisation across both small- and large-capacity cranes, supporting work ranging from BTO projects to heavy-lift industrial and infrastructure jobs. With capacity tightening, we expect day rates to firm and operating leverage to improve, lifting earnings. While most local crane operators remain concentrated in small/mid capacity equipment, TWC has spent years strategically investing in its heavy-lift capability. Combined with deep local execution experience, this allows TWC to compete effectively against local competitors and even larger European peers due to its more cost-efficient structure.

**International projects to drive margin and earnings alpha:** Beyond Singapore, earnings alpha comes from overseas operations, where TWC deploys high-tonnage cranes that carry exponentially higher revenue/margins, which serve customers in the petrochemical/industrial/construction space. These projects are mission-critical, where delays carry material financial losses, making TWC's end-to-end solutions a key differentiator. Supported by a relatively leaner cost base and a solid safety and execution record, TWC has been gaining share in the region, evidenced by its increased overseas earnings. TWC's recent acquisition of Mammoet's assets in Thailand highlights its competitive strength, with even a global player like Mammoet choosing to sell assets to TWC. We therefore expect overseas projects to meaningfully contribute to earnings from FY26.

**Cheap valuations, strong balance sheet and increasing dividends:** TWC trades at an undemanding ~9x forward P/E and ~0.6x P/B and is almost net cash while generating healthy operating cash flows of c.S\$51.5m annually versus a market cap of ~S\$196m, providing flexibility for dividends, fleet investment or selective expansion without being too indebted. Dividends have been raised steadily in recent years, with the Ang family owning a significant 39% stake, aligning management incentives with shareholder returns.

**TWC's market cap stands at S\$229.9m and currently trades at 9.2x forward PE and 0.7x PB, with a dividend yield of 1.75%. If we ascribe an undemanding 12x PE (which we think is fair given construction majors BRC Asia/Centurion also trades at around 12x forward PE and Pan United/Hong Leong Asia trades at around 18x PE), TWC should trade at S\$1.30 given its status as a crane major, which represents a 30% upside to target price. This valuation gap will likely be narrowed via better earnings as we now see heavier cranes (which carries higher margins) being utilized for both local infrastructure (data centres, etc) and overseas projects, which were not present previously. We thus maintain a BUY recommendation on TWC.**