

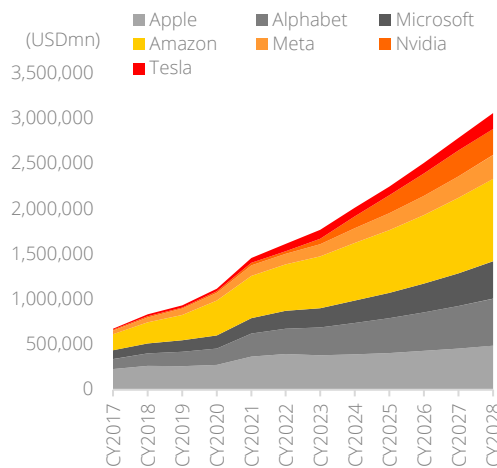


## Equities Market Overview

	YTD Returns (%)	1Y Returns (%)	1Y Fwd P/E (x)
<b>Global Equities</b>	6.7	12.1	19.47
US	2.6	10.8	23.39
Europe	7.7	6.5	15.44
Asia ex-Japan	11.1	13.1	14.01
Japan	(1.3)	1.7	16.19
<b>Global Sectors</b>			
Comm Services	10.7	21.9	19.9
Cons. Disc.	-1.2	14.5	22.2
Cons. Staples	8.3	7.4	20.6
Energy	5.7	1.4	14.1
Financials	12.0	27.6	13.5
Healthcare	1.0	-4.8	17.3
Industrials	14.1	18.9	22.0
Materials	10.0	1.8	17.2
Real Estate	4.6	10.6	25.7
Technology	3.6	7.6	28.3
Utilities	11.9	17.5	16.1

Source: Bloomberg as at 17 Jun 2025

Figure 1: Big Tech's strong revenue outlook



CIO Barbell  
Income Strategy

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## Focus of the Week

**Global tech: AI-led innovation cycle remains a core investment theme.** The AI investment cycle continues to accelerate, with leading platforms committing substantial capital towards foundational infrastructure, next-gen models, and user experience enhancements. This is expected to drive longer term revenue growth, with the Big Tech revenue CAGR projected at 11% in the next three years. The recent resilience in chip sales and earnings strength across cloud, software, and platform segments further validate the ongoing digital transformation.

Looking ahead, we remain constructive on the AI-led growth cycle. Tailwinds from easing export restrictions and supply chain normalisation – particularly in semiconductors and rare earths – should support margin stability and broader technology adoption. Investor confidence is also reinforced by positive earnings momentum and renewed capital commitments from sovereign funds and corporates globally. The Middle East's escalating AI investments further bolster the long-term growth narrative. Earnings resilience across Big Tech – led by better margins in cloud businesses, spending recovery, and disciplined cost management – validates our preference for high-quality companies with AI and cloud exposure. We remain overweight on technology and recommend investors to focus on players with pricing power, recurring revenue streams, and visibility into the next phase of AI monetisation.

**Equity fund flows:** During the week ended 11 Jun, Developed Market (DM) Equity Funds recorded USD9.5bn of outflows as investors weighed macro uncertainties against tentative policy relief. US Equity Funds registered a fourth consecutive week of outflows, totalling USD9.8bn, and EU Equity Funds recorded USD0.64bn in redemptions. Global Emerging Markets (EM) remained soft, with a modest USD0.48bn of outflow, alongside USD1.84bn withdrawn from China-dedicated equity funds, highlighting lingering investor caution.

## Equity Research Highlights

### United States & Europe

#### Digital Realty Trust

Solid global pipelines to fuel growth

Andy Yu  
Sachin Mittal

#### Charles Schwab

The premier asset gatherer

Ken Shih  
Edmond Fok

#### Uber Technologies

Mobility recovery coupled with delivery margin expansion

Nashrullah Putra Sulaeman  
Sachin Mittal

#### Mercedes Benz

Tariffs to impact "value over volume" strategy

Elizabeth Pang  
Rachel Miu

#### BNP Paribas

On course to its 2024-26 growth trajectory

Thaninee Satirareungchai

### Asia ex-Japan

#### China Merchants Bank

Higher sensitivity to supportive policies

Manyi Lu  
Ken Shih

#### Hysan Development

Investments bearing fruits

Jeff Yau

#### Tianqi Lithium

Joining forces with industry leaders

Tina Hu

#### Mapletree Logistics Trust

Aiming to become a pan-Asian giant

Derek Tan  
Dale Lai

#### Telekomunikasi Indonesia

Compelling yield amid rising caution

Sachin Mittal  
Nashrullah Putra Sulaeman

# US EQUITY RESEARCH

13 Jun 2025

## DIGITAL REALTY TRUST INC

Solid global pipelines to fuel growth

### Company Overview

Digital Realty is a leading global provider of data centre, colocation, and interconnection solutions to a spectrum of industries, such as cloud, content, financial, network, and IT. The company's global data centre platform, Platform DIGITAL, offers low-latency connections and high-speed data transfer for high-density colocation deployments. The company has also been enhancing its global footprint via strategic M&As over the years.

### Investment Overview

**Leading player in the data centre industry.** Digital Realty is the second largest data centre provider in the world, with c.11% market share in the colocation market, following Equinix's c.13%. Its portfolio comprises over 300 data centres spread across 25+ countries worldwide. The company generates 52%, 32%, 10%, and 6% of its annualised base rent from North America, EMEA, APAC, and Latin America, respectively. Digital Realty's acquisition-driven growth strategy, coupled with the industry's high retention rate feature, reinforces the company's long-term global positioning.

**Rich buildable capacity to support future growth.** Digital Realty has been expanding its global reach via acquisitions over the years, with number of metros increased from 30 in 2015 to the current 50+. The company has a 2,760MW of existing capacity and 3,500 buildable capacity as of 1Q25. The company is guiding for USD3-3.5bn of capex for FY25, supporting expected EBITDA growth of 8%, 11%, and 13% in FY25, FY26, and FY27F, respectively.

**Strong customer ecosystem driven by diversified customer base.** Digital Realty boasts one of the most interconnected ecosystems, serving over 5,000 customers and facilitating more than 200,000 total interconnections within its facilities. Among their customers, 37% are from the cloud sector, 17% from the network sector, 15% from the content sector, and 12% from the financial sector in terms of ARR. The company has been able to acquire more than 100 new logos per quarter since 1Q20, which further strengthens its ecosystem within their campus.

**Maintain BUY with TP of USD213.** Our TP is based on FY25 28x EV/EBITDA, higher than its historical average of 22x, on its strong global expansion capabilities. The target multiple is largely in line with its major peer.

### Risks

**Foreign exchange rate risk.** Around 45% of Digital Realty's revenue is contributed by markets outside of America.

**Customer in-sourcing.** Hyperscale cloud providers – the largest existing tenants of data centres – may opt to move all or significant data centre servers in-house.

Analysts:

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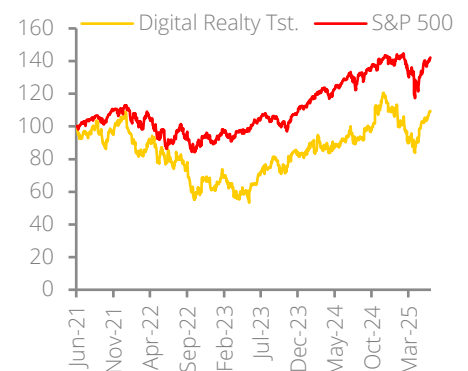
### Key Financial Data

Bloomberg Ticker	DLR US
Sector	Real Estate
Share Price (USD)	176.53
DBS Rating	BUY
12-mth Target Price (USD)	213.00
Market Cap (USD\$b)	60.6
Volume (m shares)	1.9
Free float (%)	99.9
Dividend yield (%)	2.8
Net Debt to Equity (%)	61.0
Fwd. P/E (x)	114.5
P/Book (x)	2.9
ROE (%)	2.0

Closing Price as of 12 Jun 2025

Source: Bloomberg, DBS

### Indexed Share Price vs Composite Index Performance (indexed)



Source: Bloomberg

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# US EQUITY RESEARCH

13 Jun 2025

## Charles Schwab Corp

The Premier Asset Gatherer

### Company Overview

Charles Schwab is a prominent financial services company renowned for its diverse offerings. As a leading brokerage, it facilitates stock, bond, ETF, and options trading. Additionally, it provides comprehensive wealth management services, aiding in financial planning, advisory, and retirement solutions. Schwab's banking arm offers various banking products, including checking and savings accounts. The acquisition of TD Ameritrade strengthened Schwab's position, broadening its reach and enhancing services for retail investors.

### Investment Overview

**The trusted wealth partner.** Charles Schwab is the largest retail broker by client assets, focusing on the fastest sub-segments in the US wealth market – i.e. direct and registered investment advisors. It is well positioned to expand its 12% market share in the US, thanks to its low-cost & comprehensive offerings and outstanding service culture. The acquisition of TD Ameritrade not only brought scale but also best-in-class trading capabilities to the platform, further consolidating its leading position. The online-focused model also enables the company to outperform peers in expense efficiency and ROE.

**Profit rebound underway.** While revenue and profit have been significantly dragged by clients' cash sorting activities (from deposit to higher-yield money market funds) since FY23, we have seen a gradual recovery from 2H24F onwards driven by (1) the continued strong client asset growth leveraging its strong client loyalty and diversified acquisition channels, (2) the stabilizing net interest income amid deceleration of cash sorting, and (3) the planned US\$1bn cost saving via Ameritrade's expense synergy and operation streamlining, which showcases the strong operating leverage of its business model.

**Resilient from tariff concerns.** The market volatility indeed has brought more trading activities and the company also hired more wealth advisors to cater for the increased demand amidst heightened uncertainty. The near-term risk-off sentiment has led to a higher level of transactional cash, enabling the firm to pay down the high-cost supplementary funding, supporting a NIM expansion. Given that c.75% of revenue is more durable in nature (i.e. net interest revenue and asset management fees), we expect resilient performance for Charles Schwab.

**Maintain BUY with TP of USD100.** Our TP is based on a 20x FY26F PE, slightly higher than 5-year historical average (19x), justified by 25% CAGR profit growth during FY24-26F from a low base, also reflecting the slightly improved investor sentiment amid de-escalation of trade tension.

### Risks

Global economic slowdown, prolonged high market interest rates, noticeable contraction in market liquidity, and a substantial correction in global asset valuation.

Analysts:

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Edmond Fok | dbsvhk@dbs.com

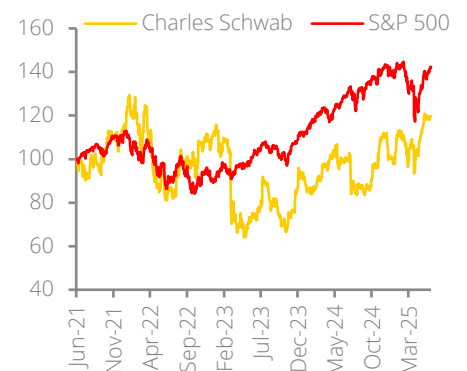
### Key Financial Data

Bloomberg Ticker	SCHW US
Sector	Financials
Share Price (USD)	88.5
DBS Rating	BUY
12-mth Target Price (USD)	100.00
Market Cap (USD\$b)	165.3
Volume (m shares)	4.4
Free float (%)	93.8
Dividend yield (%)	1.2
Net Debt to Equity (%)	35.5
Fwd. P/E (x)	20.6
P/Book (x)	4.1
ROE (%)	16.4

Closing Price as of 12 Jun 2025

Source: Bloomberg, DBS

### Indexed Share Price vs Composite Index Performance (indexed)



Source: Bloomberg

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# US EQUITY RESEARCH

16 Jun 2025

## Uber Technologies

Mobility recovery coupled with delivery margin expansion

### Company Overview

**Uber Technologies, Inc. (UBER)** develops and operates technology applications supporting a variety of offerings on its platform. UBER operates in the US, Canada, LATAM, MENA, Europe, and APAC regions. UBER operates three business models: mobility, delivery, and freight. UBER's market share in mobility and delivery stood at 72% and 24% respectively in the US.

### Investment Overview

**UBER remains the market leader in the mobility segment with a dominant market share of over 70% in the US and Canada, significantly outpacing its closest competitor, LYFT.** UBER's scale advantage, driven by its global presence across 72 countries and over 10,500 cities, positions it favorably compared to regional players. Unlike LYFT, UBER benefits from a diversified business model comprising three key segments: Mobility, Delivery, and Freight. Delivery continues to thrive post-pandemic, with gross bookings in 1Q25 rising 11% y/y to USD15.2bn, maintaining 3x growth compared to pre-pandemic levels. The Freight segment, despite industry-wide headwinds, achieved positive adjusted EBITDA of USD38mn, marking progress toward profitability. UBER's ability to leverage platform synergies between Mobility and Delivery allows it to maximize driver engagement and customer loyalty. However, it remains challenging for drivers to switch between Mobility and Delivery due to the differing skill sets required. Similarly, the Freight business, which connects shippers and truckers, operates independently from Mobility and Delivery, highlighting UBER's ability to manage distinct business ecosystems under one platform.

**Revenue growth and margin expansion to drive EBITDA growth.** UBER delivered 1Q25 adjusted EBITDA of USD1.6bn, doubling from USD759mn in 1Q24, driven by robust mobility demand and cost efficiencies. UBER's EBITDA CAGR of 42% over FY23-25F is marginally below LYFT's 45% CAGR, but it stems from a significantly larger base (UBER's FY23 adjusted EBITDA was 20x higher than LYFT's). The Mobility segment remains the primary EBITDA contributor, expected to grow at a CAGR of 27% over FY23-25F, with EBITDA margins projected to rise from 26% in FY23 to 29% in FY25F. UBER's Delivery segment continues to demonstrate margin improvement, with projected expansion from 12% in FY23 to 18% in FY25F, driven by logistics optimization and subscription adoption (Uber One). This segment is forecasted to achieve an adjusted EBITDA CAGR of 39% over FY23-25F. Group-wide, UBER's adjusted EBITDA margin is expected to expand from 11% in FY23 to 16% in FY25F, as all three segments continue to deliver on profitability targets. In contrast, LYFT's EBITDA margin, which declined to 4% in FY23, is expected to reach 7% in FY25F, reflecting a slower recovery compared to UBER.

**Exciting 2Q25 guidance with advertising revenue exceeding expectations.** UBER has guided for 2Q25 adjusted EBITDA of USD2.0–2.2bn, with the midpoint of USD2.1bn above consensus estimates of USD2.05bn, reflecting management's confidence in sustained profitability momentum. The company projects Gross Bookings growth of 15%–19% y/y, reaching USD44.0–46.0bn, driven by robust Mobility demand and consistent Delivery performance. Advertising revenue, a fast-growing vertical for UBER, surpassed USD700mn in 1Q25, up 25% y/y, driven by higher ad placements within the Uber Eats app and dynamic ad solutions in Mobility. Management expects ad revenue to continue growing at 20%+ y/y, as more businesses leverage UBER's platform for targeted advertising.

### Risks

Food delivery business might be impacted more from inflationary pressure which might impact EBITDA margins. Freight segment might see slower growth as global freight charges have corrected since mid-2022. Furthermore, UBER operates in a highly regulated industry, and changes in regulations or new regulatory requirements could significantly impact its business.

### Analysts

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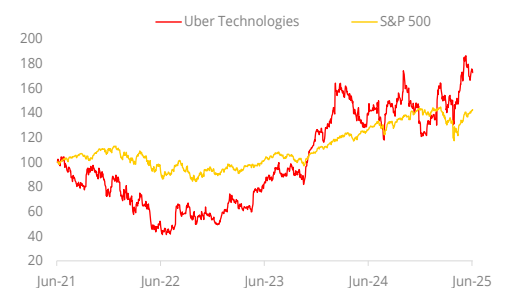
### Key Financial Data

Bloomberg Ticker	UBER US
Sector	Industrials
Share Price (USD)	85.62
DBS Rating	BUY
12-mth Target Price (USD)	105.0
Market Cap (USDbn)	179.0
Volume (mn shares)	18.8
Free float (%)	99.8
Dividend yield (%)	-
Net Debt to Equity (%)	14.7
Fwd. P/E (x)	27.6
P/Book (x)	8.2
ROE (%)	74.4

Closing Price as of 14 Jun 2025

Source: Bloomberg, DBSVI, DBS

### Indexed Share Price vs Composite Index Performance



Source: Bloomberg

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# EUROPE EQUITY RESEARCH

16 Jun 2025

## Mercedes Benz Group

Tariffs to impact "value over volume" strategy

### Company Overview

**Leading European OEM manufacturer well-known for its premium brands and top-notch driving experience.** Key segments based on revenue include (i) cars (>70%), (ii) vans (10%), and (iii) mobility (up to 20%) – in which the latter comprises of services such as leasing, financing packages, subscriptions, and more. Car brands can be categorised into three key groups, namely (i) entry (A-Class, B-Class models), (ii) core (C-Class, E-Class) and (iii) top-end (Mercedes-AMG, Mercedes-Maybach, G-Class, S-Class, EQS Sedan, GLS, EQS SUV). The top three largest markets based on unit sales include China (37%), the US (15%), and Germany (11%). Mercedes Benz's Daimler has a joint venture in China with BAIC Group, known as Beijing Benz Automotive Cooperation (BBAC), with Daimler/BAIC Group holding a 49%/51% stake in BBAC.

### Investment Overview

**A dual-pronged strategy focusing on top-end and EV segments.** Key competitive advantages include its focus on premium, high quality, and high performing cars, backed by its superior driving and customer experience. Mercedes's market leadership in the premium segment is evident by its strong historical EBIT margins of 15%, above that of BMW at 11% and Audi at 12%. Going forward, Mercedes will be focusing on further premiumisation (sales growth of its top-end segment, driving higher ASPs/pricing power, and exiting lower margin products in entry segment), which will help support healthy pricing/mix and margins especially as it ramps up on its EV strategy.

**1Q25 results miss.** Mercedes reported 1Q25 revenue of EUR33.2bn (-14% q/q, -7% y/y) and Car ASP of EUR54.3k (-4% q/q, -2% y/y), both broadly in line with expectations. However, EPS missed by 8%, coming in at EUR1.74 (-32% q/q, -39% y/y), driven by weaker-than-expected EBIT margins of 6.9% (-1.4pts q/q, -3.9pts y/y), below the 7.9% consensus estimate. The miss was mainly due to weak performance in the Vans division, where deliveries reached 83k units (-8% vs. estimates, -22% q/q, -21% y/y) and EBIT margin fell sharply to 5.6% (vs. estimate of 11.5%, below guidance of 10–12%, -5.4pts q/q, -13.5pts y/y), impacted by negative net pricing. Mercedes' China market continued to decline on a y/y basis but was within expectations, with deliveries of 153k units (-11% q/q, -10% y/y). BEV mix stood at 9.2%, slightly lower than 1Q24's 10.4%, while xEV mix was steady at 19.5% y/y.

**Tariffs to impact 2025 margin guidance by 200–300bps.** Management guided for a potential 300bps impact on Cars EBIT margins and 200bps on Vans, driven by tariffs affecting EU-to-US exports, US-to-China exports, and Mexico-to-US supply chains. This impact implies downside risk to current guidance of 6–8% for Cars (vs. FY24A of 8.1%) and 10–12% for Vans (vs. FY24A of 14.6%), and latest consensus estimates of Cars EBIT margin of 5.0%, and Vans EBIT margin of 10.1%. The assumptions incorporate full-year tariff effects and tactical mitigations (e.g., production shifts to the U.S.), but exclude potential indirect impacts such as softer consumer demand, which could be another headwind to watch especially amid Mercedes' "value over volume" strategy.

**We maintain our Fair Value (FV) rating but lower our TP to EUR40 (from EUR45) as we roll forward our EPS-based valuation.** Our TP is based on 5.5x forward P/E (-0.5 SD below historical mean) on a blended FY25/26 basis. Mercedes currently trades at 6.6x forward P/E, near its historical average.

### Risks

**Demand risks amid concerns of a macroeconomic slowdown, especially in relation to volume sales in China.** Furthermore, there could also be pricing risks and/or execution risks in relation to Mercedes's luxury pivot strategy, especially if macroeconomic outlook worsens. Lastly, we continue to watch for Mercedes's EV strategy execution. As at FY23, Mercedes's BEV mix was at 11%, behind that of BMW's 15% but ahead of VW's 8%. Headwinds in the execution of its BEV transition/strategy and rising competition can also lead to dilution in the BEV market share and BEV margins.

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### Analysts

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### Key Financial Data

Bloomberg Ticker	MBG GR
Sector	Consumer Discretionary
Share Price (EUR)	51.43
DBS Rating	FULLY VALUED
12-mth Target Price (EUR)	40.0
Market Cap (USDbn)	57.3
Volume (mn shares)	1.6
Free float (%)	80.3
Dividend yield (%)	8.4
Net Debt to Equity (%)	-33.8
Fwd. P/E (x)	7.3
P/Book (x)	0.5
ROE (%)	9.4

Closing Price as of 12 Jun 2025

Source: Bloomberg, DBS

### Indexed Share Price vs Composite Index Performance



Source: Bloomberg

The full report and disclaimers are accessible here:



# EUROPE EQUITY RESEARCH

16 Jun 2025

## BNP Paribas

On course to its 2024-26 growth trajectory

### Company Overview

BNP Paribas is a French multinational universal bank and financial services holding company. The bank is organized into three major business areas: (i) Commercial, Personal Banking and Services, (ii) Investment and Protection Services, and (iii) Corporate & Institutional Banking. BNP Paribas is the largest banking group in Europe, and the ninth-largest banking group in the world. It became one of the five largest banks in the world following the 2008 financial crisis.

### Investment Overview

**Diversification is key to its strong market position.** BNP Paribas stands out for its vast global presence, operating in multiple key markets, which diversifies risks and expands its customer base. Its operations are diversified across retail banking, corporate and institutional banking, and investment services. This diversification helps in spreading risk and provides multiple streams of income, which can be particularly advantageous in fluctuating economic conditions.

**Well-equipped for growth.** BNP's strong capital and liquidity positions enable it to withstand economic fluctuations and invest in growth opportunities. It aims to enhance its earnings by streamlining operations for cost efficiency and focusing on high-revenue services like wealth management. Meanwhile, its strategies to leverage current market trends and expand digital banking services will attract new revenue streams. Moreover, its effective risk management and adaptive lending strategies will help it navigate market volatility and optimise interest income.

**Digital innovation is a plus.** The bank's strong focus on digital transformation and technology adoption enhances its customer experience and operational efficiency, while positioning it competitively in the rapidly evolving digital banking landscape.

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### Risks

**As a global bank, BNP is subject to a wide range of regulatory requirements and volatility of financial markets worldwide.** Meanwhile, it is also exposed to geopolitical events and uncertainties, which can affect market stability and economic conditions in the regions where it operates.

Analyst

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### Key Financial Data

Bloomberg Ticker	BNP FP
Sector	Financials
Share Price (EUR)	76.48
DBS Rating	BUY
12-mth Target Price (EUR)	97.0
Market Cap (USDbn)	100.1
Volume (mn shares)	2.3
Free float (%)	93.3
Dividend yield (%)	6.3
Net Debt to Equity (%)	58.7
Fwd. P/E (x)	7.6
P/Book (x)	0.7
ROE (%)	9.6

Closing Price as of 12 Jun 2025

Source: Bloomberg, DBS TH

### Indexed Share Price vs Composite Index Performance



Source: Bloomberg

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# CH/HK EQUITY RESEARCH

13 Jun 2025

## China Merchants Bank

Higher sensitivity to supportive policies

### Company Overview

China Merchants Bank Co Ltd is a China-based company mainly engaged in banking business. The Company operates three segments. The Wholesale Finance Business segment provides financial services to corporate clients, government agency clients, and interbank clients, including loan and deposit services, settlement and cash management services, trade finance and offshore business, investment banking services, borrowing, repurchase, asset custody services, and others. The Retail Finance Business segment provides financial services to individual customers, including loan and deposit services, bank card services, wealth management, private banking, and other services. The company also operates the Other Businesses segment.

### Investment Overview

**Benefitting from leading position in wealth management (WM) business.** As of the end of FY24, CMB's retail assets under management (AUM) reached Rmb14.93tn, rising 12% y/y, with the bank maintaining its leading market share in wealth management (WM) products. Despite a c.14% y/y decrease in fee income in FY24, we anticipate positive y/y growth for CMB in FY25F. This positive outlook reflects end of y/y impact of fee rate cuts and a more active Chinese capital market YTD, supporting both fee income and the WM business.

**Expect c.5.3% earnings CAGR for FY24-27F, with FY25/26F earnings largely unchanged.** While net interest margin (NIM) is expected to continue on a downward trend, the pressure in FY25F will be lower than in FY24, supported by lower funding costs and higher interest rate expectations in China. Despite policies to encourage consumption, retail credit demand may take time to recover. We expect a strong recovery in the medium term for the company and expect earnings growth to recover to mid-single digit in FY26/27F.

**Higher sensitivity to supportive policies.** Compared with SOE banks, which are more defensive, CMB's share price performance tends to be more sensitive to China's economic growth and policy support expectations. It is more retail-focused with strength in WM. As such, we expect CMB's share price to outperform peers in the near term, following a stronger China/HK market and a series of stimulus policies aimed at supporting consumption and the property sector.

**Reiterate BUY with TP unchanged at HKD52.2.** Our earnings forecasts are largely unchanged. Our H-share valuation is based on dividend discount model (DDM) methodology assuming 12.8% cost of equity (COE) (prev. 15.5%; to reflect lower concerns about China banks' systematic risk), 1% terminal growth, and 13.5% return on equity (ROE) (prev. 16%; to reflect our latest ROE assumptions). Our TP implies 1.05x FY25F P/BV, vs. its five-year average of c.1.35x.

### Risks

China economic slowdown; retail asset quality deterioration.

### Analysts

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Ken Shih | kenshih@db.com

### Key Financial Data

Bloomberg Ticker	3968 HK
Sector	Financial
Share Price (HKD)	52.10
DBS Rating	BUY
12-mth Target Price (HKD)	52.20
Market Cap (USDbn)	160.3
Volume (mn shares)	0.1
Free float (%)	75.5
Dividend yield (%)	4.2
Fwd. P/E (x)	8.3
P/Book (x)	1.4
ROE (%)	14.5

Closing Price as of 12 Jun 2025

Source: Bloomberg, DBS HK

### Indexed Share Price vs Composite Index Performance



Source: Bloomberg

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# CH/HK EQUITY RESEARCH

13 Jun 2025

## Hysan Development

Investments bearing fruits

### Company Overview

Hysan Development Co Ltd is a company principally engaged in the properties leasing. The Company operates its business through four segments. The Retail segment engages in the leasing of space and related facilities. The Office segment engages in the leasing of office space and related facilities. The Residential segment engages in the leasing of residential properties and related facilities. The Property Development segment engages in the development and sale of properties.

### Investment Overview

**Dominant commercial landlord in Causeway Bay.** Hysan Development is the largest commercial landlord in Causeway Bay, boasting a portfolio of 4.5msf office, retail and residential space. Since 2022, Hysan Development has taken initiatives to rejuvenate its Lee Gardens portfolio and solidify its position as a luxury retail hub. Lee Garden Eight should increase its portfolio size by c.30% and create synergies with its existing portfolio upon its scheduled completion in 2H26.

**Rejuvenation works and portfolio expansion to bode well for long-term rental value.** Upon full completion of rejuvenation works at Lee Gardens portfolio, luxury retail tenants will occupy 40% more space than before with the newly renovated and expanded maison flagships. This, coupled with the completion of Lee Garden Eight scheduled in 2H26, should further strengthen Hysan Development's leading position in the precinct, pointing to higher rental values in the longer run. Elsewhere, Lee Gardens Shanghai is seeing growing contribution, led by improving occupancies.

**Higher long-term valuation justified.** Hysan Development should see growing dominance in Causeway Bay led by portfolio expansion and rejuvenation works. This should underpin its long-term rental growth, which should warrant a higher stock valuation.

**BUY with a TP of HKD14.41.** The stock is trading at an 79% discount to our current assessed NAV, >1.5SD below its 10-year average of 58%. We believe headwinds facing the Hong Kong commercial sector have been largely priced in. Our TP is derived by assigning a target discount of 75% (c.1.5SD below its 10-year average) to our Dec-25 NAV estimate

### Risks

Any further deterioration in leasing demand for office and retail properties in Causeway Bay could drag Hysan Development's earnings and share price performance. Any prolonged high-interest rate environment could adversely affect its earnings and valuation.

### Analysts

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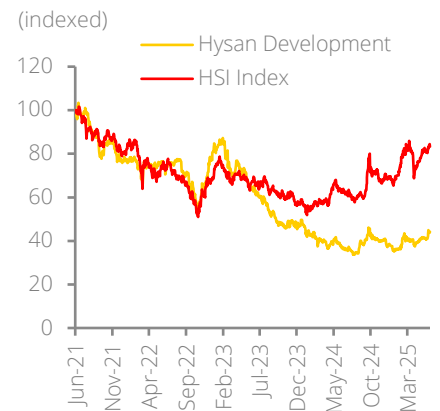
### Key Financial Data

Bloomberg Ticker	14 HK
Sector	Real Estate
Share Price (HKD)	13.82
DBS Rating	BUY
12-mth Target Price (HKD)	14.41
Market Cap (USDbn)	1.8
Volume (mn shares)	2.0
Free float (%)	57.1
Dividend yield (%)	7.8
Net Debt to Equity (%)	0.3
Fwd. P/E (x)	9.4
P/Book (x)	0.2
ROE (%)	2.9

Closing Price as of 12 Jun 2025

Source: Bloomberg, DBS HK

### Indexed Share Price vs Composite Index Performance



Source: Bloomberg

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# CH/HK EQUITY RESEARCH

13 Jun 2025

## Tianqi Lithium Corp

Joining forces with industry leaders

### Company Overview

Tianqi Lithium Corp is a China-based company principally engaged in the development of hard rock lithium mineral resources, the processing and sales of lithium concentrates, and the production and sales of lithium chemical products. The Company operates three segments. The Lithium Compounds and Derivatives segment is primarily engaged in the production and sales of lithium compounds and derivatives. The Lithium Concentrate segment is primarily engaged in the mining, production and sales of lithium concentrates. Other segment is primarily engaged in investment and other businesses. The Company's lithium chemical products include battery-grade and industrial-grade lithium hydroxide, battery-grade and industrial-grade lithium carbonate, lithium chloride and lithium metal, which are widely used in multiple end markets, primarily including new energy vehicles, electric ships, energy storage systems, aircraft, ceramics, and glass.

### Investment Overview

**Capitalising on global peer network for expansion.** Headquartered in the Sichuan province, Tianqi has access to abundant upstream resources that can be converted into lithium compound products for the China market. As a close partner to major miners Talison and SQM, Tianqi is well positioned to penetrate overseas markets.

**Lithium market imbalance underpins growth outlook.** Contrary to concerns over an oversupplied market, we believe projects for new capacity will continue to be delayed, possibly resulting in more steady lithium product prices ahead. This would benefit Tianqi, given that its product ASP tracks closely to the market price, and it is delivering superior-to-peers GP margin.

**Acquisition of new resources to add long-term value.** Tianqi's strengthened financials post completion of the HK IPO could facilitate its inorganic expansion. We are positive on Tianqi's latest acquisition of a lithium mine in Australia, which would add additional resources and drive long-term value for the company.

**Utilising hedging instruments to reduce operational risks posed by lithium price fluctuations.** The company has started utilising commodities futures as hedging instruments to address the negative effects of lithium price fluctuations. The total contract value is limited to be below RMB0.8bn.

**Maintain BUY call with TPs of HKD35.** As the company continues to reduce operational risks and diversify its product mix and lithium resources, we expect its profitability to recover, and we maintain our BUY call with TPs of HKD35.

### Risks

Oversupply risk, overseas mining business risk, and/or unexpected lithium price competition.

Analyst

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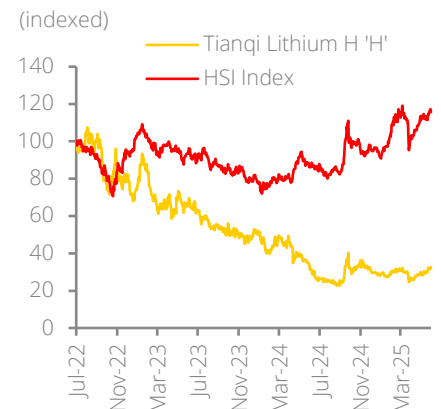
### Key Financial Data

Bloomberg Ticker	9696 HK
Sector	Materials
Share Price (HKD)	26.80
DBS Rating	BUY
12-mth Target Price (HKD)	35.00
Market Cap (USDbn)	6.9
Volume (mn shares)	0.0
Free float (%)	55.4
Dividend yield (%)	0.0
Net Debt to Equity (%)	0.1
Fwd. P/E (x)	18.9
P/Book (x)	1.0
ROE (%)	(16.9)

Closing Price as of 12 Jun 2025

Source: Bloomberg, DBS HK

### Indexed Share Price vs Composite Index Performance



Source: Bloomberg

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# SINGAPORE EQUITY RESEARCH

17 Jun 2025

## Mapletree Logistics Trust

Aiming to become a pan-Asian giant

### Company Overview

Mapletree Logistics Trust is a Singapore-based logistics real estate investment trust (REIT). The principal activity of the Company and its subsidiaries is to invest in a diversified portfolio of income-producing logistics real estate and real estate-related assets in Asia Pacific that provides its unitholders with a stable distribution stream. It owns a portfolio of approximately 163 properties, comprising 52 properties in Singapore, nine in Hong Kong SAR, 30 in China, 18 in Japan, 18 in South Korea, 12 in Australia, 15 in Malaysia, seven in Vietnam and two in India. Its properties include 15 Botero Place, 213 Robinsons Road, 28 Bilston Drive, 365 Fitzgerald Road, Acacia Ridge Distribution Centre, Chengdu DC Logistics Park, Mapletree (Wuxi) Logistics Park, 1 Wang Wo Tsai Street, Bossini Logistics Centre, Mapletree Logistics Park Chakan, Aichi Miyoshi Centre, Celestica Hub, 1 Genting Lane, Mapletree Logistics Centre - Baekam 1 and Mapletree Logistics Centre, among others.

### Investment Overview

**Unique Asian E-commerce exposure with a focus on domestic demand.** Mapletree Logistics Trust ("MLT") is one of Asia's leading logistics focused REIT with a unique regional platform and a rising ASEAN exposure. While recent US-China trade war has raised business uncertainty and could impact expansionary prospects in the medium term, we note that MLT's exposures are substantially domestic focused (c.85% of portfolio revenue), implying that the REIT is unlikely to be directly impacted by the tariff war.

**Aiming for sustainable returns.** Given uncertainty in the market, the manager has conservatively looked to preserve capital by holding back payment of undistributed gains (estimated at c. SGD 19mn), a practice that the REIT has been on over the past years. This strategy will result in a dip in DPU but towards a more sustainable level, backed by cashflows. Therefore, we have adjusted our earnings to reflect MLT's FY26F/27F DPU to be on a core basis (ex-divestment gains) coupled with slight adjustments to our currency assumptions. This resulted in a -11% y/y drop in DPU to 7.1Scts in FY26F and 7.2Scts in FY27F.

**Maintain BUY, TP adjusted to SGD 1.55.** At current price, MLT remains attractive with a yield in excess of 6.0% and a P/B of 0.95x. In the event of a turn in interest rates, we expect allocations in the S-REITs to accelerate going forward and with increased positioning into sectors that can weather through economic downshifts. On the back of this, we believe MLT remains well placed to deliver attractive total returns at current levels.

### Risks

**Rise in interest rates.** The manager has hedged the majority of its debts into fixed rates but is expected to see increased cost of funds when these loans are rolled over in the coming year.

### Analysts

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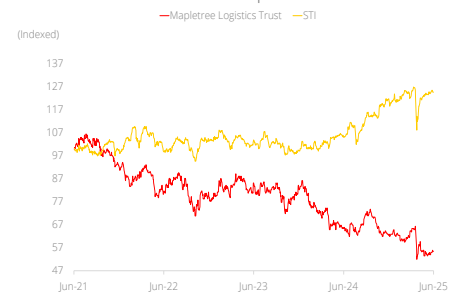
### Key Financial Data

Bloomberg Ticker	MLT SP
Sector	Real Estate
Share Price (SGD)	1.12
DBS Rating	BUY
12-mth Target Price (SGD)	1.55
Market Cap (USDbn)	4.38
Volume (m shares)	7.2
Free float (%)	45.8
Dividend yield (%)	7.2
Net Debt to Equity (%)	0.7
Fwd. P/E (x)	17.6
P/Book (x)	0.9
ROE (%)	3.7

Closing Price as of 13 Jun 2025

Source: Bloomberg, DBS

### Indexed Share Price vs Composite Index Performance



Source: Bloomberg

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# INDONESIA EQUITY RESEARCH

17 Jun 2025

## PT Telkom Indonesia (Persero) Tbk

Compelling yield amidst rising caution

### Company Overview

PT Telkom Indonesia (Persero) Tbk is an Indonesia-based telecommunication company. The Company is engaged in information and communication technology (ICT) services and telecommunications networks. The Consumer segment is engaged in providing fixed voice, fixed broadband, and digital services. The Mobile segment provides cellular services, including voice and SMS, mobile broadband, as well as mobile digital services including IoT, big data, financial services, music, gaming and digital advertisement. Its Enterprise segment offers ICT and smart platform services, including connectivity, IT services, data centers and cloud, business process outsourcing, devices, satellite business and digital services. Its Wholesale and International Business segment offers domestic and international wholesale traffic, network, and digital platforms and services, as well as tower and managed infrastructure and network. The Other segment comprises digital services and property management.

### Investment Overview

**Pricing rationalisation to support ARPU.** Starter pack prices have recently been hiked to IDR19.9k-35k across all mobile operators, with improved data yields of around IDR6,600/GB, above reload yields of IDR4,000–5,000/GB. We believe this rationalisation in pricing will support mobile ARPU stabilisation starting in 2Q25F and ease investor concerns over prolonged pricing pressure. While TLKM's ARPU is still projected to decline by -5.5% y/y in FY24F, mainly due to its earlier push into the mass market through low-cost starter packs (IDR10k/3GB) and modest 4-5% tariff hikes on reloads, the recent pricing adjustments signals that the most aggressive competition phase is likely behind us.

**Our FY25/26F EBITDA trimmed by c.4%/8%; EBITDA to grow at a 2% CAGR in FY24-26F.** We revise down our FY25/26F EBITDA forecasts for TLKM by approximately 4% and 8%, respectively, as we take a more conservative view on ARPU and subscriber growth. While the recent starter pack price adjustments indicate a more rational competitive environment, we recognise that overall mobile sector growth remains uncertain, particularly given TLKM's ongoing strategy to prioritise defending its lower- to mid-income subscriber base. Accordingly, we lower our ARPU growth assumption to +2% y/y for FY25F and +1% y/y for FY26F (previously +3-4%). As a result, we now project TLKM's consolidated EBITDA to grow at a +2% CAGR over FY24-26F.

**Maintain BUY with a lower TP of IDR3,100.** We lower our TP for TLKM to IDR3,100, based on a 4.5x FY25F EV/EBITDA multiple (-1SD from the five-year historical average). Despite cutting our earnings forecasts, we maintain our BUY rating as we believe much of the downside risk is already priced in, with the stock having declined by c.10% YTD. At the current level, TLKM trades at a compelling 4.0x FY25F EV/EBITDA while offering an attractive dividend yield of approximately 9%.

### Risks

Prolonged pressure on purchasing power. We believe weak ARPU in FY24F, apart from intensifying competition, was also driven by weak purchasing power. That said, sustained economic challenges could weigh on consumer purchasing power, limiting subscriber ability to absorb higher mobile and FBB prices.

### Analysts

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### Key Financial Data

Bloomberg Ticker	TLKM J
Sector	Communication Services
Share Price (IDR)	2,740
DBS Rating	BUY
12-mth Target Price (IDR)	3,100
Market Cap (USDbn)	16.7
Volume (mn shares)	81.1
Free float (%)	47.9
Dividend yield (%)	6.2
Net Debt to Equity (%)	0.3
Fwd. P/E (x)	10.8
P/Book (x)	1.9
ROE (%)	17.0

Closing Price as of 16 Jun 2025

Source: Bloomberg, DBS, DBSVI

### Indexed Share Price vs Composite Index Performance



Source: Bloomberg, DBS, DBSVI

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