Singapore equities: First steps in enhancing value

23 September 2025

Overview

- SGX Launches iEdge Singapore Next 50 Index: Tracks 50 largest, most liquid mid-cap stocks beyond STI top 30, using a transparent, rules-based methodology with quarterly rebalancing.
- Diversified Sectors: Real Estate dominates (46%), followed by Industrials (15%), Financials (11%), and Consumer Staples (8%).
- Strong Performance & Yield: On a five-year basis, N50 index lags the main STI but year-to-date return is +24% vs STI's +14%, with projected 2026 earnings growth of 14% and a dividend yield of 5.1%.
- Liquidity Catalysts: MAS's SGD 5 billion EQDP and new ETFs/futures could inject SGD 1.5 billion, boosting valuations and investor interest. We view this structured approach to reinvigorate the market as a long-term positive.

Executive summary

Next 50 Index broadens access and visibility

The Singapore Exchange (SGX) launched the iEdge Singapore Next 50 Index to track the next 50 largest and most liquid companies on the SGX Mainboard, beyond the Straits Times Index (STI) top 30. This initiative is part of a broader Value-Unlock strategy to boost market returns, liquidity, and investor participation, especially in mid-cap stocks. The index uses a transparent, rules-based methodology, requiring constituents to have a minimum market cap of SGD 100 million, daily traded value of SGD 100,000, and at least 15% free float. There are two variants: one weighted by market cap, the other by liquidity. The move aims to provide investors with more diversified exposure and to serve as a funnel for future STI constituents, reflecting SGX's push for a more vibrant and inclusive market ecosystem.

Sector composition, performance, and growth profile

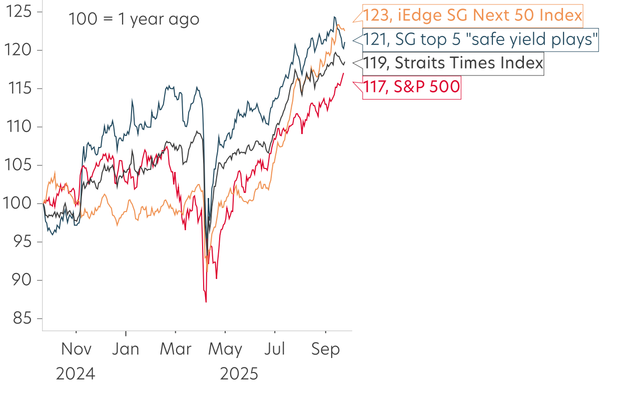
The index is diversified, with Real Estate (mainly REITs) making up nearly half of the weighting (46%), followed by Industrials (15%), Financials (11%), and Consumer Staples (8%). Year to date, the index has outperformed the main Singapore Index (24% vs. 14% in SGD), and the covered companies show higher projected earnings growth (14% in 2026) and a dividend yield (5.1%) than STI constituents. The index's methodology and quarterly rebalancing ensure it remains representative of Singapore's evolving mid-cap landscape, with a cap of 5% per stock to avoid concentration risk.

Catalysts

EQDP fund flows and new products to drive liquidity: The launch coincides with the Monetary Authority of Singapore's SGD 5 billion Equity Market Development Programme (EQDP), which is expected to channel significant capital into Singapore equities, particularly small- and mid-caps.

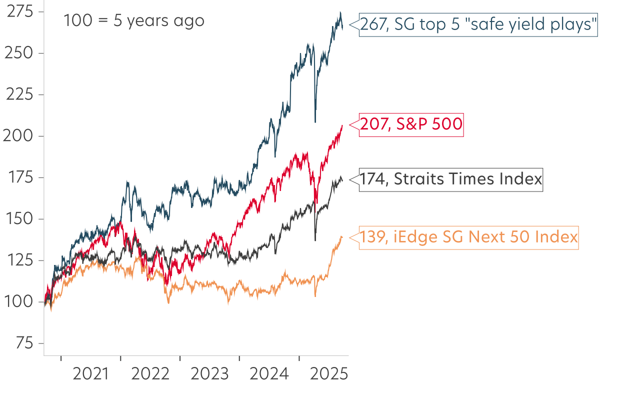
If 30% of EQDP funds are allocated to the SGN50N, it could mean inflows of around SGD 1.5 billion (about nine days' turnover for the index). This, alongside the creation of new ETFs and futures, is expected to boost liquidity, valuations, and investor interest. The government's long-term commitment, combined with global monetary easing, is anticipated to support a market re-rating.

Figure 1: One-year comparative performance



Source: Bloomberg, UOB Private Bank. 5 SG stocks: DBS, UOB, OCBC, CICT, CLAR (equal weight, total return net dividends)

Figure 2: Five-year comparative performance



Source: Bloomberg, UOB Private Bank. 5 SG stocks: DBS, UOB, OCBC, CICT, CLAR (equal weight, total return net dividends)

Figure 3: Singapore Next 50 Stocks list

Company	Mkt cap (USDbn)	Crncy	Buy/Hold/Sell*	Cons Px target	Last px	Est Yield (%)	Est P/E (x)	Est P/B (x)	Est ROE (%)
Yangzijiang Financial Holding	3.31	SGD	1/0/0	1.25	1.22	2.3	17.2	1.0	5.7
CapitaLand Ascott Trust	2.74	SGD	7/2/1	1.08	0.92	6.6	20.4	0.8	4.0
ComfortDelGro Corp	2.52	SGD	9/0/0	1.73	1.49	5.6	13.8	1.2	8.8
NETLINK NBN TRUST	2.89	SGD	6/1/0	1.00	0.95	5.7	36.5	1.6	4.3
Keppel REIT	3.00	SGD	10/5/1	1.02	0.99	5.6	23.0	0.8	3.0
Suntec Real Estate Investment	3.00	SGD	5/6/4	1.28	1.31	4.9	23.4	0.6	2.7
Keppel Infrastructure Trust	2.18	SGD	2/1/0	0.48	0.46	8.7	25.6	2.0	8.6
Parkway Life Real Estate	2.11	SGD	6/1/0	4.76	4.14	3.7	24.4	1.6	8.9
ESR-REIT	1.75	SGD	5/1/0	2.99	2.79	7.7	32.1	1.1	7.0
iFAST Corp	2.15	SGD	6/0/0	9.87	9.07	0.9	27.5	7.3	29.4
Capitaland India Trust	1.23	SGD	4/0/0	1.38	1.17	6.4	16.5	0.8	5.3
Sheng Siong Group	2.50	SGD	6/2/0	2.29	2.13	3.2	21.5	5.5	26.5
Lendlease Global Commercial	1.16	SGD	6/1/0	0.68	0.61	6.1	19.7	0.8	5.4
NTT DC REIT	1.03	USD	2/0/0	1.18	1.00	N/A	N/A	N/A	N/A
AIMS APAC REIT	0.87	SGD	2/1/0	1.44	1.36	7.1	11.7	1.1	9.1
CapitaLand China Trust	1.03	SGD	1/2/0	0.78	0.76	6.7	17.3	0.7	4.0
Singapore Post	0.75	SGD	1/1/0	0.51	0.43	0.5	107.5	N/A	0.8
SIA Engineering Co	2.91	SGD	3/1/1	3.46	3.33	2.7	22.2	2.1	9.7
Olam Group	3.00	SGD	0/0/0	N/A	1.02	N/A	N/A	N/A	N/A
Raffles Medical Group	1.44	SGD	4/2/0	1.17	1.00	2.4	26.3	1.7	6.5
Starhill Global REIT	1.00	SGD	3/0/1	0.58	0.56	6.8	13.3	0.8	5.2
UMS Integration	0.79	SGD	5/0/0	1.74	1.42	3.7	21.2	2.4	11.2
First Resources	2.02	SGD	6/0/0	1.93	1.67	6.8	7.5	1.3	19.9
StarHub	1.54	SGD	4/8/1	1.20	1.15	5.5	16.2	3.6	22.0
CDL Hospitality Trusts	0.80	SGD	2/4/6	0.79	0.81	5.7	40.5	0.6	1.2
UOB-Kay Hian Holdings	1.91	SGD	0/0/0	N/A	2.51	N/A	N/A	N/A	N/A
Far East Hospitality Trust	0.98	SGD	4/2/1	0.66	0.62	6.0	19.8	0.7	3.0
Digital Core REIT	0.65	USD	5/0/0	0.72	0.50	7.2	20.0	0.6	3.2
Food Empire Holdings	1.09	SGD	5/0/0	2.93	2.65	3.8	21.1	3.6	13.2
Boustead Singapore	0.67	SGD	0/0/0	N/A	1.74	N/A	N/A	N/A	N/A
Frencken Group	0.49	SGD	6/0/0	1.87	1.46	2.0	15.1	1.3	9.2
Riverstone Holdings	0.90	SGD	3/1/0	0.85	0.78	6.1	15.6	2.4	15.4
Yanlord Land Group	1.17	SGD	0/2/0	0.54	0.78	0.0	N/A	N/A	-1.0
Hong Leong Asia	1.44	SGD	3/0/0	2.74	2.47	1.7	15.7	1.7	11.3
CSE Global	0.42	SGD	5/0/0	0.85	0.75	3.2	14.4	1.9	13.6
Propnex	1.40	SGD	4/1/0	1.92	2.42	3.7	23.0	12.7	57.0
Sasseur Real Estate Investment	0.68	SGD	6/0/0	0.88	0.69	8.8	11.5	0.8	7.1
Centurion Corp	1.07	SGD	5/0/0	1.94	1.64	2.4	12.3	1.1	10.2
China Aviation Oil Singapore	0.92	SGD	2/0/0	1.48	1.37	3.4	10.7	0.9	8.4
Geo Energy Resources	0.50	SGD	2/0/0	0.47	0.45	2.9	8.8	N/A	7.5
Banyan Tree Holdings	0.41	SGD	0/0/0	N/A	0.61	N/A	N/A	N/A	N/A
Pan-United Corp	0.66	SGD	3/0/0	1.29	1.22	3.0	17.7	2.9	17.5
China Sunsine Chemical	0.62	SGD	2/0/0	0.75	0.83	N/A	10.0	1.0	10.0
SBS Transit	0.79	SGD	0/0/0	N/A	3.24	N/A	N/A	N/A	N/A
Wee Hur Holdings	0.53	SGD	2/0/0	0.90	0.74	1.8	18.4	2.2	9.9
Nanofilm Technologies	0.43	SGD	0/1/2	0.63	0.85	0.7	211.3	1.4	2.7
BRC Asia	0.93	SGD	3/0/0	4.36	4.33	4.8	13.4	2.3	18.0
Samudera Shipping Line	0.42	SGD	0/0/0	N/A	0.99	N/A	N/A	N/A	N/A
COSCO SHIPPING	0.43	SGD	0/0/0	N/A	0.12	N/A	N/A	N/A	N/A
Aztech Global	0.41	SGD	0/4/0	0.59	0.69	5.4	14.9	1.6	10.5

Source: Bloomberg, iEdge, UOB Private Bank. Data as of 22 September 2025. * consensus Buy/Hold/Sell ratings

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