

Singapore Hospital Sector – Foreign patient volumes likely staged a strong rebound in September

Parkway Holdings [PWAY SP] S\$2.41, OUTPERFORM

Raffles Medical [RFMD SP] S\$1.39, OUTPERFORM

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- Singapore's Ministry of Health reported a total of 8,954 private hospital admissions for September. Total admissions of 26,900 for Q3 (July – Sep) translates to a 1% YoY increase over the same period last year, reinforcing our view that in-patient volumes in the private hospitals have stabilized.
- Monthly tourist arrivals (which are positively correlated to foreign patient volumes) in September stood at 799,000, a 7.1% increase YoY. This is the first increase in 2009. Indonesian and Malaysian visitor arrivals, which make up the core of foreign patients seeking treatment in Singapore, posted strong increases of 27% and 51%, respectively.
- The sector has **outperformed** the market strongly over the last month, with Parkway and Raffles outperforming the STI index by 19 ppt and 2 ppt, respectively. We see further upside, however, as valuations return to mid-historical range levels. We expect the Singapore hospitals to post decent earnings numbers as we approach the start of the Q3 reporting season. Raffles Medical kicks off the reporting season on 5 Nov, while Parkway, which remains as our preferred hospital pick, is due to report on 11 Nov.

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12 Months Recommendation History

Security Name	Date	Recommendation
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Raffles Med Grp		NO CHANGE

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