SG Market Weekly Update
25 November – 29 November 2019

Weekly Wrap of STI

The STI ended 0.21% or 6.69 points lower on Friday to end at 3,193.92, with investors worried that tension caused by President Trump's signing of bills relating to Hong Kong would hinder progress made towards a trade deal.

China's announcement over the weekend that it would improve the protection of intellectual property rights failed to stop the Index from sliding during the first two trading sessions, as investors sought more definitive developments in the ongoing trade talks. This was delivered in the middle of the week, with the announcement that the US and China were in the "final throes" of a trade deal. The brief respite was short lived however, as President Trump subsequently signed the Hong Kong Human Rights and Democracy Act into law – drawing criticism from China and sending the STI lower for the week on fears that a deal would be agreed upon later than initially expected.

Year to date, the STI index is up by 4.1%.

Week Ahead: 2 December – 6 December 2019

Economic Calendar: JP PMI Manufacturing Index (2 Dec), CN PMI Manufacturing Index (2 Dec), Euro PMI Manufacturing Index (2 Dec), US PMI Manufacturing Index (2 Dec), Euro PPI (3 Dec), SG PMI (4 Dec), US ADP Employment Report (4 Dec), Euro GDP (5 Dec), US Jobless Claims (5 Dec), US Factory Orders (5 Dec), US Fed Balance Sheet (6 Dec), US Consumer Sentiment (6 Dec)

Company Results: -

Companies News

1. LHN Limited reported FY2019 results

Real estate management services group LHN Limited ("**LHN**") reported S$111.1 million in revenue for FY2019, a 1.7% increase from FY2018 revenue of S$109.3 million. The Space Optimisation segment saw a 2.7% dip in revenue due to the expiry of sub-leases and renewal of sub-leases at lower rates for industrial properties, and an absence of the one-time revenue contribution of approximately S$3.8 million from the rights to use the *85SOHO* brand in Cambodia. This was partially offset by the commencement of operations of two new properties under the Residential Properties' co-work co-live business. Revenue from Facilities Management grew due to the management of new carparks in Singapore and Hong Kong. The Logistics Services segment saw 12.3% higher revenue from an increase in transportation services provided and an increase in demand for storage and repairs of leasing containers in Thailand. Overall, profit after tax rose by 51.2% to S$8.7 million for FY2019, up from S$5.8 million in FY2018.

2. mm2 to launch video streaming service in Asia

Media content producer mm2 Asia Ltd ("**mm2 Asia**") announced its entry into content streaming services through its wholly-owned subsidiary mm2 Entertainment. Its free-to-use video streaming platform, *mPlay Asia*, is slated to be launched in April 2020 in key Chinese-speaking markets of Singapore, Malaysia, Taiwan and Hong Kong, which have an addressable audience size of over 40 million. The platform will feature Chinese-language short-form content targeted at young professionals, which is optimised for viewing on mobile platforms for flexibility and convenience. mm2 Asia notes that there is strong demand for quality online Chinese content. The company intends to cater to this demand by leveraging on its regional production capabilities and experience in serving regional audiences to deliver content with high production value.

3. Jumbo announced 5.9% growth in FY2019 earnings

Catalist-listed Jumbo Group Limited ("**Jumbo**") reported revenue of S$153.6 million for FY2019, marginally lower than FY2018 revenue of S$153.7 million. Revenue from Singapore grew 3.3% to S$126.4 million, largely due to contributions from four new restaurants. This was offset by lower revenue from China, where revenue fell by S$4.1 million. Costs of sales for FY2019 decreased by 2.5% to S$55.7 million due to better cost control measures, contributing to a 1.4% increase in gross profit to S$97.9 million and raising gross profit margin 1 percentage point to 63.8%. Employee benefits expense decreased by 0.6% despite an increase in the number of restaurants, due to better manpower productivity. As a result, profit attributable to owners off the company increased by 5.9% to S$11.7 million for FY2019.

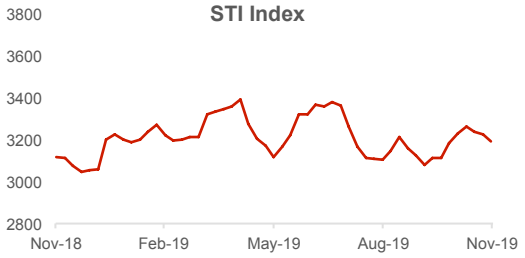
4. Biolidics entered agreement with Sysmex to develop cancer diagnostic test

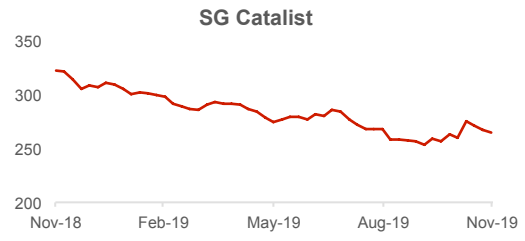
Medical technology company Biolidics Limited ("**Biolidics**") announced that it entered into an agreement with Sysmex Corporation ("**Sysmex**") to develop a cancer diagnostic test. Sysmex is listed on the Tokyo Stock Exchange and is a leading supplier of haematology products. Since 2016, both companies have been collaborating in research and development. Biolidics' and Sysmex's systems are upstream and downstream analytical technologies respectively – resulting in complementary synergies in combining both technologies for cancer diagnostics. Under the agreement, both companies will develop a laboratory-developed test ("**LDT**") with an established workflow process, which will be validated by SAM Laboratory, an internationally accredited clinical laboratory owned by Clearbridge Health Limited, the controlling shareholder of Biolidics. Upon validation, Biolidics will commercialise and market the LDT in Asia, excluding Japan.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3193.9	▼ 6.7	▼ 0.2%	▼ 1.0%	▲ 4.1%
SG Mid Cap	744.5	▼ 1.8	▼ 0.2%	▼ 0.0%	▲ 8.7%
SG Catalist	264.8	▼ 1.8	▼ 0.7%	▼ 1.0%	▼ 14.5%
SG Small Cap	353.4	▲ 2.4	▲ 0.7%	▲ 1.1%	▲ 7.8%

Price Chart





Capital Market News

SGX RegCo opened public consultation to review Minimum Trading Price rule

Singapore Exchange Regulation ("**SGX RegCo**"), the regulatory arm of the Singapore Exchange ("**SGX**"), highlighted in a news release the various tools and measures it currently has in place to address the risk of market manipulation, and noted that these have resulted in a decline in the number of alerts triggered for market manipulation. As a result, SGX RegCo has proposed removing the Minimum Trading Price ("**MTP**") rule which was also implemented to address manipulation risk. Under the MTP framework, a company would be placed on the SGX watch-list it its share price is below S$0.20 and its market capitalisation is below S$40 million. The company would have 3 years to exit the watch-list, failing which it may be delisted. Public consultation to review the MTP rule will be open till 27 Dec 2019, and SGX RegCo will not add companies to the MTP watch-list until and unless it is determined that the MTP framework should be retained in its current form.

RegTech startup Tookitaki raised an additional US$11.7 million in Series A funding

Singapore-based regulatory technology ("**RegTech**") startup Tookitaki raised an additional US$11.7 million in its series A funding round, bringing total funding amount for the round to US $19.2 million. The extended round was co-led by Fintech-focused venture fund Viola Fintech, SIG Asia Investment, and joined by Nomura Holdings' VC arm Nomura Incubation Investment. Other existing investors also participated. Tookitaki provides machine learning-based anti-money laundering and reconciliation software to financial institutions, which are more efficient and accurate than traditional rule-based software. Funds raised will enable Tookitaki to enhance its product offerings, drive technological innovation as well as hire more engineers, data scientists and other support staff in offices in Singapore, India and the United States.

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