SG Market Weekly Update

21 September – 25 September 2020

STI In A Snapshot

The STI closed Friday lower at 2472.28, down 1.0% or 25.43 points for the week. Market was mostly negative during the week, dampened by the slew of problems including Covid-19 resurgence, diminishing hopes on US stimulus and volatility from an impending election.

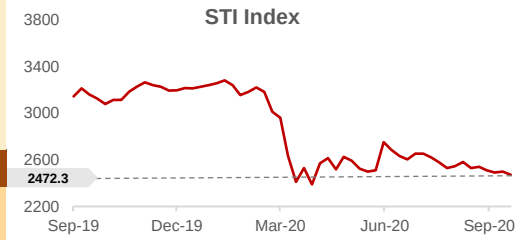
The STI started the week flat with Asian markets seeing mixed performance, before declining amid resurgence of Covid-19 across the globe and announcement of new restrictions in some countries. Markets continued to a struggle, tracking Wall Street losses with September sell-off resuming and a lack of US stimulus bringing concerns about economic recovery. This was exacerbated by the China-US spat whereby both parties played the blame game. A surprising set of industrial production figures released on Friday pushed Singapore stocks higher, but overall the STI still ended the week down. The approaching US elections is set to continue to plague the markets with volatility and fear, with market unease increasing over fears of an extended battle over the US election result.

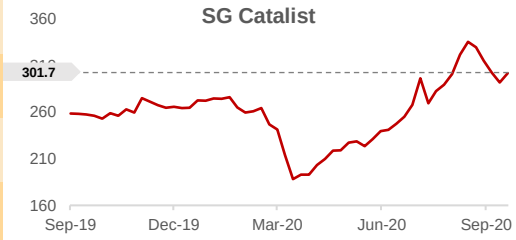
Year-to-date, the STI is down 23.3%.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2472.3	▲21.46	▲0.9%	▼1.0%	▼23.3%
SG Mid Cap	651.8	▲1.43	▲0.2%	▼1.8%	▼14.0%
SG Catalist	301.7	▲0.25	▲0.1%	▲3.3%	▲10.8%
SG Small Cap	285.7	▼0.58	▼0.2%	▼1.9%	▼19.6%

Price Chart





Week Ahead: 28 September – 2 October 2020

Mon (28 Sep)	EU ECB President Lagarde Speaks, US Dallas Fed Manufacturing Business Index
Tue (29 Sep)	JP Tokyo CPI, EU ZEW Economic Sentiment, US Goods Trade Balance, US CB Consumer Confidence
Wed (30 Sep)	JP Industrial Production, JP Retail Sales, CN Composite PMI, CN Caixin Manufacturing PMI, SG Bank Lending, GB GDP, EUR CPI, US ADP Nonfarm Employment Change, US GDP
Thu (1 Oct)	JP Tankan Large Manufacturers/Non-Manufacturers Index, EU Leaser Summit, GB Manufacturing PMI, EU Unemployment Rate, US Initial Jobless Claims, US ISM Manufacturing PMI
Fri (2 Oct)	US Nonfarm Payrolls, US Labor Force Participation Rate, US Unemployment Rate, US Factory Orders, EU CPI

Company News

1. Advancer Global proposed subscription of majority stake of SRE Global

Catalist-listed workforce solutions company Advancer Global Limited ("**Advancer Global**") announced the subscription of 82% of total issued and paid-up share capital of SRE Global Pte. Ltd. ("**SRE**") for a consideration of S$615,000 on the basis of S$1 per ordinary share. SRE provides residential and commercial property services, such as valuations and appraisals, consultancy, management and other agency services. The main bulk of the use of proceeds would be for the expansion of business operations. Based on the management accounts of SRE for the 6 months ended 30 June 2020. SRE recorded a profit after tax of S$227,813 and net tangible asset value of S$332,813 as at 30 June 2020.

2. iX Biopharma secured Israel patent for WaferiX™

Catalist-listed specialty pharmaceutical company iX Biopharma Ltd ("**iX Biopharma**") announce that it has been granted a patent in Israel for its WaferiX™ drug delivery technology. The patent will expire on 11 October 2033 and will provide key intellectual property protection for the Company's WaferiX™ delivery technology platform in Israel. Further, it received a notice of allowance from the US for the patent which will expire on 26 October 2030. WaferiX™ is a multiple drug carrier platform technology that allows pharmacologically active compounds, to be administered sublingually (i.e. placed under the tongue) to be rapidly transported into the blood vessels for instantaneous therapeutic effect, such as for acute or breakthrough pain as well as male erectile dysfunction.

3. Acromec acquired remaining stake in Golden Harvest Engineering

Catalist-listed specialist engineering services provider Acromec Limited ("**Acromec**") announced the acquisition of the remaining 40% stake in Golden Harvest Engineering ("**Golden Harvest**") for S$550,000. Upon completion, Golden Harvest will become a wholly-owned subsidiary. Golden Harvest mainly provides maintenance services and minor installation works for the air-conditioning and mechanical ventilation systems of buildings. Existing clients of Golden Harvest include owners of retail and commercial buildings Acromec said that Golden Harvest's business complements the company's, which would further enhance the group's existing maintenance segment business, thereby increasing our recurring business base.

4. VOM proposed sale of facilities management arm as part of restructuring

Catalist-listed marine company Viking Offshore and Marine Limited ("**VOM**") entered into a binding term sheet to sell its facilities management arm, Viking Facilities Management & Operations Pte. Ltd. ("**VFMO**"). The sale is done for a consideration of S$12.1 million in cash less assets and liabilities to Kinghaus Engineering Pte. Ltd. This sale is part of the court-supervised process to reorganise its liabilities to repay debts to creditors and pay professional fees related to its restructuring, amongst others.

5. Rex partnered Equinor in Norwegian Sea drilling

Catalist-listed oil exploration and production company Rex International Holding Limited ("**Rex**") announced that they have partnered Equinor Energy AS ("**Equinor**"), a leading operator in a drilling an exploration well in the Norwegian Sea. This is pushing ahead with Rex's business model, which is the 'just-in-time' farm-in strategy in Norway, coupled with the use of RVD to de-risk their assets.

Capital Market News

Singapore core inflation for August eased marginally to -0.3%

Singapore's core inflation, which excludes private road transport and accommodation costs, for August came in at -0.3% compared to July's decade-low -0.4%. The Monetary Authority of Singapore ("**MAS**") and the Ministry of Trade and Industry ("**MTI**") attributed the moderation in the pace of decline to smaller falls in the costs of services, retail and other goods, as well as electricity and gas. Amid weak global conditions stemming from low oil prices and a cap on international food commodity price increases, external sources of inflation are likely to remain benign. Domestic consumer demand is expected to remain dampened due to the weak economic sentiment, while the accumulation of spare capacity will curb overall cost pressures. MAS and MTI are expecting both core and headline inflation to average between -1% and 0% in 2020. Economists are expecting the MAS to maintain its policy of a neutral bias, or a zero appreciation in the S$NEER, at its next policy review slated for October.

Covid-19 pandemic should accelerate digital transformation in Singapore

The Minister for Trade and Industry Chan Chun Sing said that the Covid-19 crisis has been a "Covid catalyst" in spurring digital transformation, showing that it will allow firms to not only survive but thrive in a crisis. The Covid-19 situation has highlighted the need for businesses to adopt digital transformation to remain relevant and competitive. The Singapore Business Federation (SBF) and the Infocomm Media Development Authority (IMDA) have renewed a memorandum of intent, reaffirming their commitment to drive digital transformation among the Singapore business community. Some efforts include promoting adoption of digital business-to-business technologies, helping companies leverage digital economy agreements to operate across borders; and supporting the development of digital platforms and outreach to small and medium-sized enterprises.

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