SG Market Weekly Update
5 October – 9 October 2020

STI In A Snapshot

The STI closed Friday at 2532.96, up 1.5% or 35.25 points for the week. Markets had a relatively good week following Trump returned to the White House and hopes that talks on a fresh stimulus package will be back on.

The STI rebounded at the start of the week on rationality returning and hopes of Trump's health after the sell-off on Friday when US President Donald Trump was tested positive for Covid-19. In Singapore, Deputy Prime Minister Heng Swee Keat passed a new bill for small firms seeking to restructure and unveiled credit relief measures for SMEs and individuals during the Parliament talk, among other pandemic relief efforts and changes. Markets further rallied on stimulus hopes and Trump's recovery and his return to the White House. In midweek, Trump killed hopes by putting a halt to stimulus talks before reversing his decision hours later and indicating that some form of standalone stimulus would be needed. The STI rose slightly on the renewed optimism, buoyed by the Wall Street rally before losing some steam on the last trading day of the week.

Year-to-date, the STI is down 21.4%.

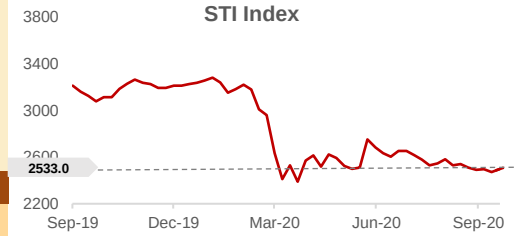
Week Ahead: 12 October – 16 October 2020

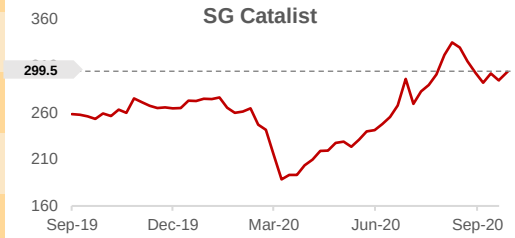
Mon (5 Oct)	UK BOE's Haskel Speaks, JP Bank Lending, JP Core Machinery Orders, JP PPI
Tue (6 Oct)	GB Average Earnings Index, GB Unemployment Rate, US OPEC Monthly Report, US Core CPI SPH (FY Result)
Wed (7 Oct)	JP Industrial Production, US IEA Monthly Report, US PPI, SG GDP, SG MAS Policy Statement
Thu (8 Oct)	CN CPI, CN PPI, UK Autumn Budget, US Initial Jobless Claims, US Crude Oil Inventories Soilbuild Biz Reit (3Q Result)
Fri (9 Oct)	SG Trade Balance, EU CPI, US Retail Sales, US Industrial and Manufacturing Production

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2533.0	▼ 10.2	▼ 0.4%	▲ 1.5%	▼ 21.4%
SG Mid Cap	659.1	▼ 3.3	▼ 0.5%	▲ 0.5%	▼ 13.1%
SG Catalist	299.5	▲ 0.1	▲ 0.0%	▲ 1.7%	▲ 10.0%
SG Small Cap	290.8	▲ 2.0	▲ 0.7%	▲ 1.5%	▼ 18.2%

Price Chart





Company News

1. IEV Holdings entered into a private placement to raise S$200,000

Catalist-listed engineering company IEV Holdings ("**IEV**") announced an issuance of 5,208,333 new ordinary shares to private investor Dato' Willy Chan Foo Weng. At the issue price of S$0.0384, or a 1.5% discount to the last done price on 7th October 2020, the aggregate consideration came to S$200,000. The proposed subscription will raise Chan's stake to 5.58% from his existing 4.57% stake but he has no intent on gaining effective control of the group. Net proceeds of S$85,000 will be used for renovation and refurbishment of its postpartum centres in Singapore and Malaysia and S$100,000 on working capital. The Group is currently in the midst of a strategic review and is looking to dispose its subsea engineering & oilfield services and product business, leaving it with only the healthcare & wellness business.

2. HC Surgical and Medinex entered into MoU for proposed investment into HEPL

Catalist-listed HC Surgical Specialists ("**HC Surgical**") and Medinex Limited ("**Medinex**"), which is controlled by HC Surgical, have proposed to subscribe for new shares in Healthcare Essentials Pte Ltd ("**HEPL**"). Upon completion, both HC Surgical and Medinex would hold 20% interest of the total issued share capital of HEPL each. HEPL is a Singapore-based company that specialises in retail sales of pharmaceutical and medical goods and provision of management consultancy services. In view of that, the investment would help HC Surgical and Medinex to tap into HEPL's expertise in the sale of pharmaceutical and medical goods to their clients.

3. OEL unit set up JV to manufacture HIFU tumour and cancer treatment machine

Catalist-listed property management company OEL (Holdings) Limited ("**OEL**") announced that its wholly-owned healthcare subsidiary, AJJ Health Care Management Pte. Ltd. ("**AJJ**") has incorporated a joint venture company, HIFU Suntec Pte. Ltd. ("**HIFU Suntec**") with Shanghai Suntec. The JV was incorporated to conduct research & development of medical technologies and the manufacturing of HIFU tumour and cancer treatment machine and other medical equipment, which aims to manufacture it as a "Made in Singapore" proprietary brand. As the majority shareholder of the JV Company holding 80% stake, AJJ will be providing financial support and supply chain expertise spanning across the Asia Pacific and European regions. Shanghai Suntec will be responsible for providing the intellectual property and the technical know-how of the HIFU machine and technology.

4. GS Holdings' unit entered into a F&B Joint Venture

Catalist-listed food and beverage company GS Holdings Limited ("**GS Holdings**") indirect wholly-owned subsidiary Hao Kou Wei Pte. Ltd. ("**HKW**") had entered into joint venture agreement with an individual, Xing Zhiyuan, to expand its businesses in the F&B industry. HKW will subscribe for new shares in the JV company, after which it will hold a 51% stake, or a S$10,200 consideration, out of a S$20,000 share capital. The JV Company will principally be engaged in the business of developing, franchising and management of various food & beverage brands, including the central procurement of contractors, equipment, payment systems, supplies, services, utensils and other related products and services, and will be primarily carried out in Singapore with the possibility of its products being sold or franchised overseas.

Capital Market News

IMDA to partner with Swift network to accelerate trade digitalisation

Global financial messaging network Swift and Singapore's Infocomm Media Development Authority ("**IMDA**") have partnered to accelerate trade digitalisation around the world, with the aim of making it more efficient and cost-effective to do cross-border paperless trade. They will combine Singapore's TradeTrust with the Swift community, under a memorandum of intent signed on 5th October 2020. Using distributed ledger technology, TradeTrust will provide proof of authenticity and origins of documents to connect platforms to exchange digital trade documentation. This functions alongside legal harmonisation to recognise these digital documents. IMDA and Swift said in a joint statement that moving manual processes to digitally enabled ones may also shorten trade-processing times and create possibilities for innovation such as new trade-finance offerings. They will work with a group of financial institutions to support the community in its trade digitalisation efforts.

Banks in Singapore banks to create digital trade finance registry to mitigate fraud

14 Banks in Singapore are creating a digital trade finance registry ("**TFR**") in a bid to mitigate fraud and boost transparency in commodity trade finance. This slump in oil prices earlier this year blindsided the oil and commodities trading industry, exposing the financial weakness and alleged irregularities. DBS and Standard Chartered banks are leading a group of 12 other banks to create and conduct a proof of concept for a digital TFR with the aim of providing a secure central database for the banking industry to access records of trade transactions financed across banks in Singapore. Banks are now able to conduct validations only within a single customer entity, or across their individual banking network, with no view of what other banks have financed or undertaken payment obligation against. This information asymmetry is a key gap that can be addressed with a TFR.

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