SG Market Weekly Update
12 October – 16 October 2020

STI In A Snapshot

The STI closed Friday mostly flat at 2533.02, up 0.00% or 0.06 points for the week. Markets saw a mixed week, as hopes for a United States stimulus dwindles and on poor jobs data and worsening number of Covid-19 cases.

The STI kicked off the week with a gain, ahead of hopes on a phase 3 roadmap. Investors also remained hopeful that the United States would soon pass a coronavirus relief package. On top of that, upbeat China trade data and optimism for upcoming Q3 earnings results continued the upward tilt. However, markets soon saw a slip after a volunteer fell ill during the course of vaccine trials, which led to a vaccine halt. Shares continued to dip despite news on easing of GDP contraction in Q3. On Thursday, the Singapore market tumbled amid global uncertainties, including fears of virus resurgence and worsening US job data. STI rebounded slightly come Friday, ending the week positive, with investors reacting positively to the rise of Singapore's non-oil domestic exports (NODX) by 5.9% YoY.

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

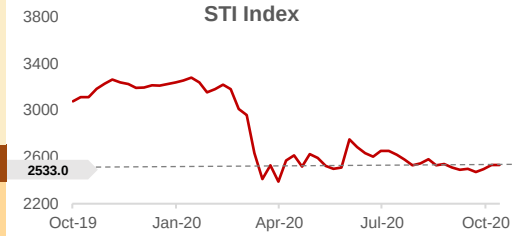
Week Ahead: 19 October – 23 October 2020

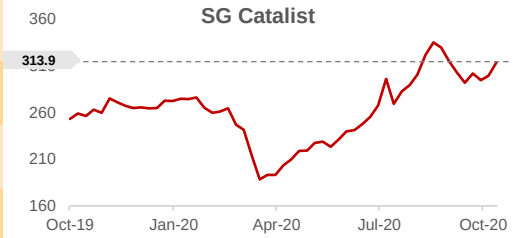
Mon (5 Oct)	JP Trade Balance, CN GDP, CN Fixed Asset Investment, CN Industrial Production Mapletree Logistic Trust (1H Result)
Tue (6 Oct)	US Federal Budget Balance, CN PBoC Loan Prime Rate, US Building Permits
Wed (7 Oct)	GB CPI, GB PPI Input/Output, GB RPI CapitaLand Commercial Trust (3Q Result), Keppel Infrastructure Trust (3Q Result)
Thu (8 Oct)	US Beige Book, GB Retail Sales, GB CBI Industrial Trends Orders, US Existing Home Sales CapitaLand Mall Trust (3Q Result), Mapletree Commercial Trust (1H Result)
Fri (9 Oct)	JP National CPI, SG CPI, EUR Manufacturing PMI, US Manufacturing and Markit Composite PMI iFast Corporation (3Q Result)

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2533.0	▲ 9.40	▲ 0.4%	▲ 0.0%	▼ 21.4%
SG Mid Cap	659.4	▼ 0.58	▼ 0.1%	▲ 0.0%	▼ 13.1%
SG Catalist	313.9	▲ 9.13	▲ 3.0%	▲ 4.8%	▲ 15.2%
SG Small Cap	289.9	▼ 0.05	▼ 0.0%	▼ 0.3%	▼ 18.4%

Price Chart





Company News

1. Kitchen Culture acquired 30% stake in Ooway Technology

Catalist-listed kitchen equipment supplier Kitchen Culture Holdings Ltd. ("**Kitchen Culture**") completed proposed acquisition of 300 ordinary shares, or 30% stake of OOWAY Technology Pte. Ltd. ("**Ooway Technology**"). This was done at a purchase consideration of S$23.9 million. Pursuant to the SPA, Kitchen Culture will allot and issue 90 million Consideration Shares to Ooway Technology, in satisfaction of the purchase consideration. Referring to previous announcements, the partnership is aimed at the provision of FinTech services. These services include credit rating services and integrated supply chain finance solution for merchants operating in Hong Kong on e-commerce trade platform DHgate.com ("**DHG**"), through Camel Financial. Ooway Technology is a credit management platform that performs credit rating and prediction based on corporate behaviour to assess credit risks of merchants selling on DHG's portals using its Behaviour Model of Association Risk System (bMARS).

3. Medtecs 3QFY20 revenue increased 636% YoY

Catalist-listed medical apparel manufacturer Medtecs International Corporation ("**Medtecs**") reported a 636% increase YoY in 3QFY20 revenue, to US$124.6 million. This was due to the Covid-19 disease that triggered a surge in global demand for personal protective equipment (PPE). Management said that the strategies adopted, including "Source and Sell Globally", use of e-commerce platforms, the development of their own *CoverU* line of PPE and their long-term relationships allowed them to swiftly execute their sales. The Board expects market demand to remain strong amid the ongoing COVID-19 pandemic, and increasing daily confirmed cases. Overall, net profit increased from US$0.43 million to US$84.6 million for the 9 months ended 30 September 2020, an increase of over 19.8 times.

4. Hengyang Petrochemical acquired remaining 35% in Hengyang Holding

Catalist-listed petrochemical storage company Hengyang Petrochemical Logistics Limited ("**HPLL**") announced the completion of acquisition of the remaining 35% of Hengyang Holding Pte Ltd ("**HHPL**"), making HHPL now the wholly-own subsidiary of HPLL. This is done for a consideration of RMB 36 million, fully payable in cash. HPLL can now consolidate a higher percentage of HHPL's financial results and performance in the future, and improve profitability and enhance shareholder's value in the long term. Overall, NTA per share increased from RMB 201.0 cents, to RMB 302.4 cents post completion of acquisition. HPLL intends to finance the acquisition through internal resources.

2. Yinda Infocomm proposed subscription of up to 76 million new ordinary shares

Catalist-listed communication solutions and services provider Yinda Infocomm Limited ("**Yinda Infocomm**") announced the receipt of listing and quotation notice from SGX for the 76 million subscription shares on Catalist. The subscription shares represent 50.0% of the Company's existing issued and paid-up share capital of 152 million Shares and approximately 33.3% of the Company's enlarged issued and paid-up share capital of 228 million Shares after the proposed subscription. The aim of the proposed subscription is to strengthen the financial position, improve its cash flow and to pursue new business opportunities as and when they arise.

Capital Market News

MAS kept monetary policy settings unchanged at October meeting

The Monetary Authority of Singapore ("**MAS**") kept monetary policy settings unchanged at its half-yearly meeting. Previously, the MAS lowered the mid-point of the band and cut its rate of appreciation to zero in end-March. This time, the width of the band in which the Singapore dollar nominal effective exchange rate (SGDNEER) is unchanged, and is allowed to float. MAS stated that this was because core inflation would be expected to stay low, and an accommodative policy stance will remain appropriate for some time. External inflation will likely be low in the coming quarters, on the back of weak demand, while domestic cost pressures will also "stay subdued". The forecast for both headline inflation and core inflation were narrowed to between -0.5% and 0 for the full year, from a forecast range of -1% to 0 before. Overall, the monetary policy settings will complement fiscal policy efforts to mitigate the economic impact of Covid-19 and ensure price stability over the medium term.

Singapore's yearly GDP shrank by 7% in Q3, but grew by 7.9% QoQ

Singapore's saw a rebound from the deep contraction during circuit breaker period, but economic growth continued to be negative. Gross domestic product ("**GDP**") grew by 7.9 per cent in Q3, on a quarter-on-quarter seasonally-adjusted basis. This was a 13.2% increase from Q2, when Singapore was on a partial economic shutdown due to the Covid-19. According to the Ministry of Trade and Industry (MTI), the improved performance of the Singapore economy in Q3 came on the back of the phased reopening of the economy following the circuit breaker. Q3's better performance came largely from the manufacturing sector, which expanded by 2% YoY. Gains came mostly from output expansions in the electronics and precision engineering clusters, which were in turn driven by robust global demand for semiconductors and semiconductor manufacturing equipment.

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