SG Market Weekly Update
26 October – 30 October 2020

STI In A Snapshot

The STI closed Friday lower at 2423.84, down 4.5% or 113.55 points for the week. Markets end in the red amid global sell-off this week, as the US presidential election draws near and votes turn against current US president Donald Trump.

The STI started the week off flat, before declining as investors become increasingly pessimistic about the passing of a stimulus package. Brexit's 31st October deadline added to worries. Losses continued on through the week, tracking the Wall Street tumble amid the pre-election worries. Sentiments continued to be impacted by the Covid-19 cases surge, bringing economic gloom. New lockdowns and restrictions in some parts of the world continued to raise worries, and prospects of recovery dimmed further in the US markets. Despite a Wall Street rebound, Friday saw the STI slumping further amid weaker openings from many index counters. Globally, spiking virus cases continue to spin worries, and the upcoming presidential election will be a major moving factor in the markets.

Year-to-date, the STI is down 24.8%.

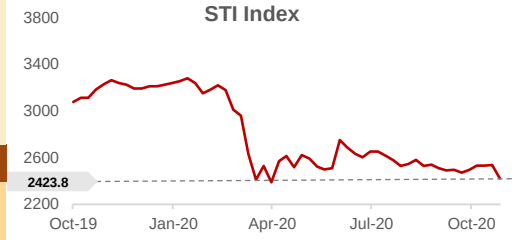
Week Ahead: 2 November – 6 November 2020

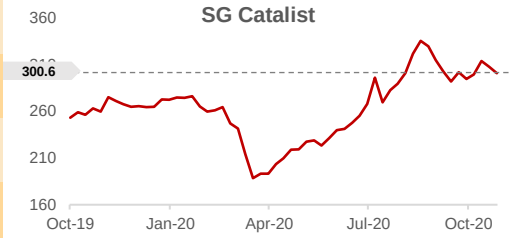
Mon (2 Nov)	CN Caixin Manufacturing PMI, EUR Manufacturing PMI, US PCE Price Index, US ISM Mfg PMI Lippo Malls Tr (3Q)
Tue (3 Nov)	US Presidential Election, SG Manufacturing PMI, US Non-Manufacturing PMI, US Factory Orders Frasers Cpt Tr (FY), Pan Ocean (3Q), SIA Engineering (1H)
Wed (4 Nov)	US ADP Nonfarm Employment Change, US ISM Non-Manufacturing PMI, US Crude Oil Inventories Great Eastern (3Q), ParkwayLife Reit (3Q), UOB (3Q)
Thu (5 Nov)	SG Retail Sales, GB BoE Interest Rate Decision, US Initial Jobless Claims, US ISM Non-Mfg PMI DBS (3Q), FSL Tr (3Q), OCBC (3Q)
Fri (6 Nov)	US Fed Interest Rate Decision, US FOMC Conf., US Nonfarm Payrolls, US Unemployment Rate FrasersL&C Tr (FY), Frasers L&I Tr AUD (FY), NetLink NBN Tr (1H), SIA (1H), SingPost (1H)

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2423.8	▼ 26.84	▼ 1.1%	▼ 4.5%	▼ 24.8%
SG Mid Cap	627.3	▼ 8.97	▼ 1.4%	▼ 4.3%	▼ 17.3%
SG Catalist	300.6	▼ 5.77	▼ 1.9%	▼ 2.2%	▲ 10.4%
SG Small Cap	275.1	▼ 1.50	▼ 0.5%	▼ 3.7%	▼ 22.6%

Price Chart





Company News

1. Mary Chia proposed acquisition of 80% stake in Monsoon Hairdressing; proposed placement shares

Catalist-listed wellness services company Mary Chia Holdings Ltd ("**Mary Chia**") had entered into a sale and purchase agreement with owner of Monsoon Hairdressing group ("**Monsoon**") to buy an 80% stake in five of its companies for S$3.05 million. Mary Chia seeks to achieve synergies with this acquisition. Monsoon provides hairdressing services and products, which is complementary to Mary Chia's current beauty and wellness offerings. Separately, I concept Global Growth Fund has agreed to subscribe for 5.56 million of new ordinary shares in Mary Chia at the issue price of S$0.144 per share, a 10% discount to VWAP, amounting to a total of $0.80 million in gross proceeds. Part of the net proceeds would be used to fund the purchase of stake of Monsoon group. The rest of the consideration would be payable in cash across a span of 9 months after completion date.

2. IEV expands into second confinement centre in Klang Valley, Malaysia

Catalist-listed engineering and healthcare services company IEV Holdings ("**IEV**") announced that their indirect wholly-owned subsidiary, Healthpro Life Sdn. Bhd. ("**Healthpro**") had entered into a three-year, renewable, lease arrangement for the proposed development of a confinement centre ("**Mines2 Centre**"), as part of the Group's expansion plans for its Healthcare and Wellness Sector. Securing the property for their second postpartum care facility moves them one step closer to providing a one-of-a-kind postpartum care facility for more mothers, and they seek to have tailor-made programmes for each customer who engages their services.

3. Aspen attained grant for glove manufacturing license; considering switch to Mainboard SGX

Catalist-listed property developer and soon-to-be glove maker Aspen Group Holdings ("**Aspen**") attained approval by the Ministry of International Trade and Industry, Malaysia (MITI) for the production of Nitrile medical grade and natural rubber medical grade examination gloves. The glove unit, Aspen Glove, is a joint venture company created by Aspen and global capital market investor CMY Capital. Separately, Aspen announced plans to transfer its listing to the Singapore Exchange's (SGX) mainboard. Aspen on Monday said transferring its listing to the mainboard will boost its visibility in the market to help future fundraising efforts. This will allow the company to better tap capital markets - both equity and debt - to maximise the group's growth potential. The counter surged 25% on news, to 27.5 Singapore cents at market close on Tuesday.

4. Jiutian completed placement of 170 million shares to raise S$10.3 million

Catalist-listed chemical-based products manufacturer Jiutian Chemical Group Limited ("**Jiutian**") announced the allotment and issue of 170 million new ordinary shares at an issue price of S$0.0603 per share, amounting to an aggregate S$10.251 million in consideration. With the new ordinary shares, the total issued and paid-up share capital increased to 1,988,444,000 Shares, with the placement shares amounting to 8.55% of total shares. The placement was done to strengthen Jiutian's financial position and for general working capital purposes, including investments in asset enhancement and improvement in the future if they arise.

Capital Market News

Nanofilm made SGX Mainboard debut at S$2.59, rose 12.4% at close

Nanotechnology solutions provider Nanofilm Technologies International Limited ("**Nanofilm**") made its debut on the Singapore Mainboard, SGX, at the IPO price of S$2.59. The IPO is priced at around 46 times earnings based on its fully diluted, adjusted earnings per share of 5.57 Singapore cents for the financial year 2019. About S$190.9 million of the S$470.1 million raised will go to the company for capital expenditure on development, building of new machinery, purchase of new machinery, research and development and engineering. Proceeds will also go towards construction, refurbishment and renovation of new and existing production facilities, and general corporate and working-capital purposes. Some cornerstone investors in the Nanyang Technological University spin-off company include subsidiaries of Temasek Holdings, Malaysia's Employees Provident Fund Board, Aberdeen Standard Investments (Asia) and Lion Global Investors. The IPO of 77.2 million shares comprised an international placement of 73.4 million shares to investors – 22.9 times subscribed – and a public offer of 3.9 million shares, which were subscribed 30.6 times over. Overall, the offering had a subscription rate of 23.3 times.

DBS planning for Crytocurrency exchange

DBS has plans to launch a digital currency exchange, and is in the midst of seeking regulatory approval. The platform would list four top cryptocurrencies, Bitcoin, Ether, Ripple, and Bitcoin Cash, against multiple fiats, including the Singapore dollar, US dollar, Hong Kong dollar, and Japanese yen. The exchange will allow companies - small and medium-sized enterprises and large corporates alike - to raise capital, via security tokens, through the digitisation of their securities and assets. Companies searching for a regulated option to raise private capital from qualified investors can tap on DBS Digital Exchange to securitise real assets into tradeable digital tokens.

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