# SG Market Weekly Update
30 November – 4 December 2020

## STI In A Snapshot

The STI closed Friday lower at 2,839.89, down 0.6% or 15.93 points for the week. Markets rallied on initially from vaccine excitement before retreating as the number of virus cases continued to rise.

The STI opened slightly higher on Monday, following Wall Street gains on Friday. Singapore Q3 corporate profits showed signs of recovery amid rebound in economic activity, further pushing the STI upwards. However, the STI quickly slipped following US markets ending in the red. The Singapore markets managed to inch higher moving towards the end of the week, amid mixed trading regionally and on Wall Street following the release of a report that examined the challenges in Covid-19 vaccine supply chains. While the consensus is that the world can begin to get back to normal and the economy recover from next year, containment measures are crippling businesses and jobs. For the month of November, Singapore's market cap was up 9.5%.

Year-to-date, the STI is down 11.9%.

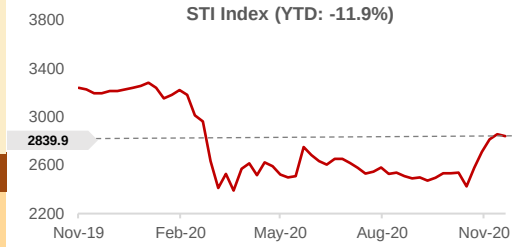
## Week Ahead: 7 December – 11 December 2020

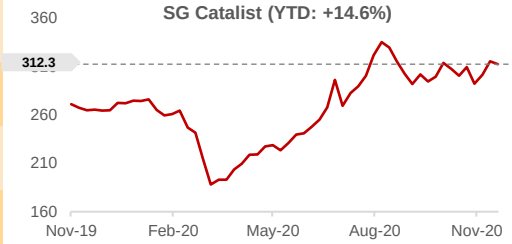
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|---|---|
| **Mon** (7 Dec) | JP Coincident Indicator, JP Leading Index, GB Halifax House Price Index, SG Foreign Reserves |
| **Tue** (8 Dec) | CN Trade Balance, GB BRC Retail Sales Monitor, JP GDP, EUR GDP, US EIA ST Energy Outlook, |
| **Wed** (9 Dec) | CN CPI, CN PPI, CN Caixin Services PMI, US JOLTS Job Openings |
| **Thu** (10 Dec) | GB Manufacturing Production, GB GDP, EUR ECB Interest Rate Decision, US CPI |
| **Fri** (11 Dec) | US WASDE Report, US Federal Budget Balance, US PPI, US Michigan Consumer Expectations<br>ASL Marine (1Q Result) |

## Market Snapshot

| Symbol | Price | Change | 1D % Change | 5D % Change | YTD % Change |
|---|---|---|---|---|---|
| STI | 2839.9 | ▲ 17.6 | ▲ 0.6% | ▼ 0.6% | ▼ -11.9% |
| SG Mid Cap | 690.2 | ▲ 7.2 | ▲ 1.0% | ▼ 1.6% | ▼ 9.0% |
| SG Catalist | 312.3 | ▼ 0.5 | ▼ 0.2% | ▼ 1.0% | ▲ 14.6% |
| SG Small Cap | 298.8 | ▲ 1.4 | ▲ 0.5% | ▼ 0.6% | ▼ 16.0% |

## Singapore Indices




## Company News

### 1. Yinda announced intention to enter into Joint Venture with InterBIO

Catalist-listed communications provider Yinda Infocomm Limited ("**Yinda**") announced that in addition to previous announcement to acquire up to 51% of International Biometric Pte. Ltd. ("**InterBIO**"), it intends to enter into a joint venture with InterBIO to develop and expand InterBIO's identity management, biometric security and software solutions business on an international scale. InterBIO is an identity management biometric software solutions company offering core technologies such as face, fingerprints, and iris biometrics, which are listed in the National Institute of Standards Technology (NIST) benchmarks. The initial issued and paid-up share capital of the joint venture will be S$1 million which will be utilised for working capital purposes and for capital expenditure. Yinda will subscribe for 51% of shares, amounting to S$0.51 million. Yinda sees digitalisation and security efforts as a potential opportunity for growth as the provision of biometric authentication and security solutions can allow businesses to limit the spread of the coronavirus.

### 2. Lifebrandz entered into subscription agreement to issue 125 million shares

Catalist-listed multi-faceted solutions company Lifebrandz Ltd ("**Lifebrandz**") announced the receipt of the listing and quotation for the subscription shares on Catalist. Lifebrandz had entered into a subscription agreement with I Concept Global Growth Fund ("**I Concept**") and Liw Chai Yuk ("**LCY**") for the subscription of 125 million shares at an issue price of S$0.004 (equivalent to the VWAP on 25 November). This amounts to an aggregate cash consideration of S$0.50 million. Net proceeds sit at S$0.46 million. Due to Covid-19 and social distancing measures, Lifebrandz had decided to restructure the Group's business and raise funds from new investors with a view to ensure that the Company has sufficient working capital to remain a going concern. Thus, the net proceeds are intended for the repayment of existing and outstanding liabilities to external creditors, repayment of ML Loans and working capital purposes.

### 3. SPCH proposed 40% acquisition of KCS

Catalist-listed paincare medical services group, Singapore Paincare Holdings ("**SPCH**") announced the proposed acquisition of 40% of KCS Anaesthesia Services Pte. Ltd. ("**KCS**") for S$2.40 million, payable in cash on SPA completion and would be funded by their IOPO net proceeds. KCS is in the business of providing anaesthesia services and procedures. For FY2020, KCS saw a profit before tax and net profit after tax of S$1.27 million and S$1.07 million respectively. The proposed acquisition is part of the Group's strategy to expand its business locally to become a one-stop centre for pain care treatment. The Group believes that the acquisition of a stake in the Target Company would allow the Group to include the provision of anaesthesia services and procedures, which is complementary to the Group's existing pain care services.

### 4. Silkroute Nickel acquired 99% stake in PT ATSM

Catalist listed mining company Silkroad Nickel Ltd ("**Silkroute Nickel**") announced that its wholly owned subsidiary, Silkroad Metal Industries Pte. Ltd. ("**SMI**"), has entered into a SPA to acquire 99% equity interests in PT Anugrah Tambang Smelter ("PT ATSM") for US$20,000. This is in pursuit of its strategy of becoming an integrated nickel mining company.

## Capital Market News

### MAS Stability Review shows worsening leverage risk but simulations suggest resilience to cash flow shocks

In the annual Financial Stability Review by the Monetary Authority of Singapore ("**MAS**"), it is found that as leverage risk continues to worsen on weaker earnings and rising debt, firms are at a greater risk of failing to meet their debt obligations. Even as firms ease short-term refinancing concerns through higher cash holdings, there is increased risk on debt sustainability in the longer term amid the slow and uneven economic recovery ahead. Debt ratios have risen to 163% in Q2 2020, as a result of an increase in corporate debt and a fall in GDP. The median interest coverage ratio (ICR) of SGX-listed firms fell from 2.0 in Q2 2019 to 1.1 in Q2 2020. Sectors hard hit by the pandemic – such as construction, hotels and restaurants, multi-industry, commerce, and manufacturing – saw median ICRs of below one in Q2. However, overall, MAS's simulations suggest that Singapore's corporate sector remains largely resilient to cashflow shocks.

### Singapore issues first digital bank licences

The Monetary Authority of Singapore ("**MAS**") awarded the two Singapore digital full bank licenses to the Grab-Singtel consortium and consumer Internet company Sea, as expected by market watchers. However, surprisingly, only two out of the three digital wholesale bank licences up for grabs were awarded by MAS to China's Ant Group, and a consortium comprising China's Greenland Financial Holdings, Linklogis Hong Kong, and Beijing Co-operative Equity Investment Fund Management This brings the total number of digital banks to four altogether. From early 2022, the four digital banks will emerge onto Singapore's banking scene. Covid-19 crisis marks digital finance as the way forward. They will also start a new chapter in Singapore's banking liberalisation story as regulators inject diversity and innovation into the financial sector. MAS stressed that these awards are "strictly merit-based".

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