SG Market Weekly Update
1 February – 5 February 2021

STI In A Snapshot

The STI closed Friday higher at 2907.11, up 0.2% or 4.59 points for the week. Markets were volatile tracking Wall Street which tumbled at the start of the week with concerns over the trading of GameStop stock, but rebounded with positive earnings releases later on.

The Singapore market opened lower on Monday, tracking Wall Street losses on the back of the trading of "meme stocks" such as GameStop and hedge funds deleveraging. The markets continued its decline as caution prevailed with a declaration of a year-long state of emergency by Myanmar's military. The STI rebounded quickly on Tuesday as the "meme stocks" frenzy purchase trailed off. The markets continued its rally as US stimulus hopes and improvements in vaccination programmes raised optimism. The Singapore market continued its gains, extending global rallies with the positive earnings releases and the improving economic data. The markets as a whole showed optimism with vaccines being rolled out and as virus rates slow down.

Year-to-date, the STI is up 2.2%.

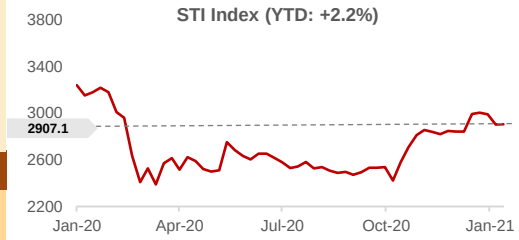
Week Ahead: 8 February – 12 February 2021

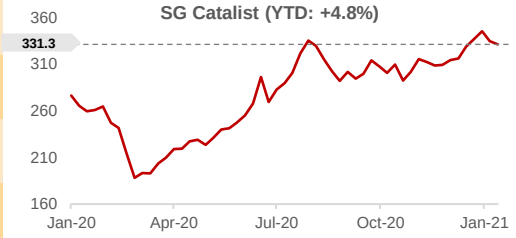
Mon (8 Feb)	CN Trade balance (USD), SG Foreign Reserves (USD), US CB Employment Trends Index (Jan) HPH Trust (FY), Manulife Reit (FY), Vicom Ltd (FY)
Tue (9 Feb)	GB BRC Retail Sales Monitor, US EIA Short-Term Energy Outlook, US JOLTS Job Openings Genting Sing (FY), Karin Tech (1H), SBS Transit (FY)
Wed (10 Feb)	US WASDE Report, CN CPI, CN PPI, US CPI, US Crude Oil Inventories ASL Marine (2Q), DBS (FY), Lendlease Reit (1H), SATS (3Q)
Thu (11 Feb)	US Federal Budget, US IEA Monthly Report, US OPEC Monthly Report, US Initial Jobless Claims Far East HTrust (FY)
Fri (12 Feb)	Chinese New Year US Fed Monetary Policy Report, GB GDP, US Michigan Consumer Expectations

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2907.1	▲ 1.5	▲ 0.1%	▲ 0.2%	▲ 2.2%
SG Mid Cap	708.3	▼ 3.0	▼ 0.4%	▼ 0.3%	▲ 1.7%
SG Catalist	331.3	▼ 1.8	▼ 0.5%	▼ 1.0%	▲ 4.8%
SG Small Cap	312.2	▼ 0.2	▼ 0.0%	▼ 0.0%	▲ 3.4%

Singapore Indices





Company News

1. Advancer Global acquired property management arm of Propnex

Catalist-listed multitude-service provider Advancer Global Limited ("**Advancer Global**") announced that its subsidiary, Newman & Goh Property Consultants Pte Ltd had entered into a sale and purchase agreement for the acquisition of PropNex Property Management Consultants Pte. Ltd. ("**PPMC**"), the property management arm of PropNex Limited. The acquisition is in line with the Group's strategy to expand its range of services within its building management business division, and management aims to achieve synergies between PPMC and their current lines of business. The aggregate consideration of S$1.02 million will be satisfied in two tranches, the first S$0.81 million upon completion of sale shares transfer, and the remaining within the next 12 months of completion.

2. UG Healthcare delivered record growth in revenue and net profit for 1HFY21

Catalist-listed disposable gloves manufacturer UG Healthcare Corporation Limited ("**UG Healthcare**") tripled its revenue y-o-y to S$159.4 million in 1HFY21 on the back of higher volume produced and sold as a result of better efficiency and increased production capacity, as well as higher average selling prices of both nitrile and natural latex gloves in the key markets. Gross profit increased approximately 10.2 times from S$9.8 million in 1HFY20 to S$99.2 million and gross margin increased from 18.4% to 62.2% in 1HFY21. Overall, the Group's net profit attributable to shareholders increased from S$0.8 million in 1HFY20 to S$54.9 million in 1HFY21. Production capacity expansion of additional 500 million pieces of gloves per annum is on track to come on stream in March / April 2021, and additional 1.2 billion pieces per annum after July 2021 onwards. The Board has declared special cash dividend of 0.105 Singapore cents per share for 1HFY21.

3. Neo Group to acquire snack manufacturer Royale International

Catalist-listed food solutions provider Neo Group Limited ("**Neo Group**") announced the proposed acquisition of Singapore snack manufacturer Royale International Food Industries Pte. Ltd. ("**Royale International**") through its fully-owned subsidiary, Thong Siek Global Pte. Ltd. ("**TSG**"). This would be satisfied for an aggregate consideration of S$1.02 million, fully payable in cash. Management of Neo Group commented that the proposed acquisition is a strategic move to gain foothold and diversify into the snack food business which they see as fast-growing. With their manufacturing capabilities under TSG, they would lower manufacturing costs and can enjoy economies of scale. Royale International has a selection of ready-to-east snacks like potato chips, fish skin and soy-based snacks.

4. Lasseters saw 5.5% increase in topline in 1HFY21

Catalist-listed entertainment property and entertainment company Lasseters International Holdings Ltd ("**Lasseters**") saw a 5.5% increase in revenue to AUD$24.6 million in 1HFY21 ended 31 December 2020. Overall, net profit attributable to owners came to AUD$3.1 million, from an AUD$1.6 million loss. The Group attributed it to the Australian government's support on wage subsidies and other tourism initiatives which supported their land-based hotel and casino operations in some areas. Its gaming sector which increased 37.9% was the main support, seeing the Covid closures during the pandemic. Despite higher revenue, total expenses declined by 14.1% to AUD$19.2 million in its efforts to contain costs, resulting in a reduction of employee benefits expenses.

Capital Market News

Enterprise Singapore approved loans worth S$18 billion in 2020

In 2020, Enterprise Singapore ("**ESG**") worked with financial institutions to approve around 32,000 loans worth S$18 billion for 21,000 enterprises, in the midst of the Covid-19 pandemic. 87% of recipients under the Temporary Bridging Loan Programme and enhanced SME Working Capital Loans were micro and small enterprises, largely from the wholesale trade, construction, manufacturing, professional services, and retail sectors. There was a 54% increase in support for transformation, innovation and internationalisation. In 2021, ESG will focus on a "hybrid approach" that taps digital platforms, and to innovate to meet new needs and compete beyond pricing. Chairman of ESG, Peter Ong, highlighted that opportunities will be found in emerging growth areas of advanced manufacturing, agritech, and edtech; the sustainability trend; and China and South-east Asia.

Singapore aims to attract frontier firms for "Manufacturing 2030"

According to Minister for Trade and Industry Chan Chun Sing, the government would continue to invest in the manufacturing ecosystem, build research capabilities, and promote Industry 4.0 adoption. This is aimed at attracting companies at the frontier of manufacturing, to secure Singapore's spot in global value chains. Under the "Manufacturing 2030" plan, Singapore aims to grow its manufacturing sector by 50% of its current value - currently S$106 billion - while maintaining its current share of about 20% of GDP. On top of that, the government will also invest in research to encourage innovation, with the research, Innovation and Enterprise (RIE) 2025 plan having set aside S$25 billion for basic and applied research, with manufacturing as an identified priority, in addition to healthcare, sustainability and the digital economy. Centres of Innovation have also been set up to develop new Industry 4.0 technologies.

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