SG Market Weekly Update
15 February – 19 February 2021

STI In A Snapshot

The STI closed Friday lower at 2880.64, down 1.5% or 44.84 points for the week. Markets initially rose with the announcement of Budget 2021, but pulled back largely as investors globally took profit as worries about inflation surfaced.

The Singapore markets opened slightly positive on Monday after the Chinese New Year break, following the record gains on Wall Street the previous week. Singapore shares continued higher on positive data, with the Ministry of Trade and Industry maintaining GDP growth forecast at 4% to 6% for 2021. The STI continued to rise on Tuesday ahead of the Budget, in which the S$11 billion budget for Covid-19 relief was announced. However, Singapore shares started its downward trend mid-week as investors globally took profit as worries about inflation surfaced. The profit-taking continued ending the week, following a pullback on weak labour data in the US. Overall, there is a risk-off sentiment in the markets as profit-taking and growing worries about inflation kick in.

Year-to-date, the STI is up 1.3%.

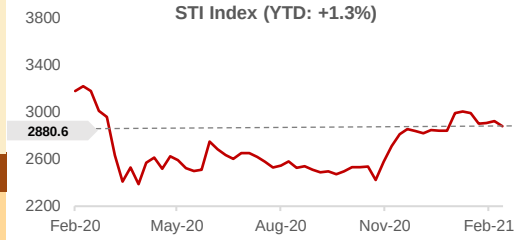
Week Ahead: 22 February – 26 February 2021

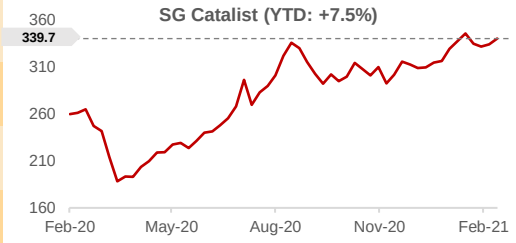
Mon (22 Feb)	US Chicago Fed National Activity, US Leading Index, US Dallas Fed Mfg Business Index Haw Par (FY), MegaChem (FY)
Tue (23 Feb)	SG CPI, EUR CPI, US S&P/CS HPI Composite, US CB Consumer Confidence CSE Global (FY), EC World Reit (FY), Koufu (FY), Sembcorp Ind (FY), Sembcorp Marine (FY)
Wed (24 Feb)	US New Home Sales ARA HTrust (FY), Aspial (FY), CapitaLand (FY), Fragrance (FY), OCBC (FY), Sheng Siong (FY),
Thu (25 Feb)	SG GDP, US Core Durable Goods Orders, US GDP, US Pending Home Sales Frencken (FY), Golden Agri-Res (FY), IREIT Global (FY), Hong Leong (FY), UOB (FY), ICG (FY)
Fri (26 Feb)	SG Bank Lending, SG Industrial Production, US PCE Price Index, US Goods Trade Balance City Dev (FY), Ho Bee Land (FY), Olam (FY), UOL Group (FY), Sasseur Reit (FY), Venture (FY)

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2880.6	▼ 28.2	▼ 1.0%	▼ 1.5%	▲ 1.3%
SG Mid Cap	711.7	▼ 5.5	▼ 0.8%	▼ 0.5%	▲ 2.2%
SG Catalist	339.7	▼ 1.8	▼ 0.5%	▲ 1.8%	▲ 7.5%
SG Small Cap	309.6	▼ 1.4	▼ 0.4%	▼ 0.5%	▲ 2.6%

Singapore Indices





Company News

1. Kim Heng entered into joint venture to expand in Malaysia

Catalist-listed O&M company Kim Heng Offshore & Marine Holdings Limited ("**Kim Heng**") announced that its 51% owned subsidiary, Bridgewater Offshore Pte. Ltd. had formed a joint venture company with RUHM Marine Sdn Bhd ("**RUHM**"), called RUHM Bridgewater Offshore Sdn Bhd ("**JVC**"). The JVC is intended to further expand their offshore marine business into Malaysia on top of their existing operations. The JVC will undertake marketing, operating, maintaining and chartering vessels to customers for use within Malaysia. With this joint venture, the Group is well positioned to capture the potential upturn of the oil and gas industry and would be expected to further enhance the business potential of Kim Heng in Malaysia. RUHM is a major operator of marine service vessels which provides logistic support for offshore, exploration, drilling, construction and other activities related to the offshore petroleum and mining industry in Malaysia.

2. Secura turned profitable in FY2020 despite revenue decline

Catalist-listed security guarding services company Secura Group ("**Secura**") reported a profit attributable to owners of the Company at S$3.0 million in FY2020, from a net loss of S$4.5 million in FY2019. This was despite a 12.4% decline in revenue, to S$33.9 million. Decline in revenue of S$5.1 million came from the security guarding segment due to loss of contracts; and decline in revenue of S$2.0 million was from the security printing segment due to decrease in demand for printed products in line with nation-wide digitisation initiatives. However, it was partially offset by increases in revenue from the digital forensic, security surveillance and cyber security segments. Other operating income increased by S$3.51 million, from S$1.73 million in FY2019 to S$5.23 million in FY2020. This was primarily due to the jobs support scheme grants which amounted to S$3.80 million for FY2020.

3. SMG remained profitable in FY2020; revenue down 7.7%

Catalist-listed specialist healthcare provider Singapore Medical Group ("**SMG**") reported a 7.7% decrease in revenue from S$94.7 million in FY2019 to S$87.3 million for FY2020 which was due to the lower revenue recorded in the Diagnostic & Aesthetics Business segment and the Health Business segment by S$2.2 million and S$5.4 million respectively. This was mainly because of the deferment of non-essential medical services during the circuit breaker in Singapore from April to June 2020. Profit attributable to owners decreased 36.1% to S$8.7 million in FY2020. Management commented that as patients historically contributed approximately 15% to 20% of the Group's top line, it remains uncertain as to when medical tourists will return to Singapore.

4. Talkmed remained profitable in FY2020; revenue down 18.2%

Catalist-listed medical care services provider Talkmed Group Ltd ("**Talkmed**") remained profitable, posting a profit attributable to owners of the Company of S$22.8 million in FY2020, although it was down 36.3% from S$35.8 million in FY2019. The Group's revenue for FY2020 was $62.1 million, a decrease of $13.8 million or 18.2% from $75.9 million in FY2019. This was due mainly to the decrease in number of patient visits due to Covid-19. Covid-19 also adversely affected the cellular and gene therapy industry and stem cell industry which led to impairment of some of its investments and loans.

Capital Market News

Budget 2021 puts S$11 billion for Covid-19 relief

In the Budget Statement for 2021, Deputy Prime Minister Heng Swee Keat announced the $107 billion plan which includes an $11 billion Covid-19 Resilience Package. In FY2020, Singapore incurred its largest post-independence overall budget deficit of S$64.9 billion amid the Covid-19 pandemic, which amounted to 13.9% of the GDP in FY2020. This year's Budget is expected to have an overall deficit of S$11 billion or 2.2% of GDP. The Covid-19 Resilience Package would set aside S$4.8 billion for public health and safe re-opening measures, including vaccination. Another S$5 billion is in continued support for firms and workers, and the remaining S$1.2 billion is targeted support for specific sectors, such as aviation. This will help safeguard public health and support the workers and businesses that need help, with extra money going towards the hardest-hit sectors. Beyond this crisis, Budget 2021 allocates S$24 billion for economic transformation over the next three years.

Singapore's GDP growth forecast at 4% – 6% for 2021

The Ministry of Trade and Industry (**MTI**) maintained Singapore's GDP forecast at 4% – 6% for 2021. In 2020, the Singapore economy contracted by 5.4%, a reversal from the 1.3% growth recorded in 2019. The outlook for 2021 considered the progress made for the Covid-19 vaccine development and rollout. Growth prospects are, however, weighed down by the resurgence in Covid-19 infections in other countries in the region such as Malaysia and Indonesia. Therefore, Singapore's external demand outlook on balance remains "largely similar" compared to three months ago. Significant uncertainties and risks remain, like the trajectory of the pandemic, the risk of financial system, excessive private sector indebtedness arising from loose monetary conditions, and continued geopolitical uncertainty. Overall, MTI expects Singapore's economy to see a gradual recovery throughout 2021, though with an uneven outlook across sectors.

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