SG Market Weekly Update
25 January – 29 January 2021

STI In A Snapshot

The STI closed Friday lower at 2902.52, down 3.0% or 89.01 points for the week. Markets were volatile this week as investors grew wary of stock bubbles and amid moderate earnings, but some US tech stocks trended up nevertheless.

The Singapore markets started Monday in a slightly positive territory, with eyes on the US stimulus push. The markets quickly declined as stimulus worries resurfaced, and Wall Street grew increasingly concerned over stock bubbles, which caused a pullback. Despite that, the STI went slightly positive mid-week, amid mixed earnings expectations. On Thursday, the STI slid, following Wall-Street's sell-off overnight, and extensions of global lockdowns. On Friday, Singapore markets opened positive following Wall Street's slight rebound, before plunging amid the sell-off, as moderate earnings and yet with high valuations led investors to remain cautious. Furthermore, the International Monetary Fund and the Fed's cautionary tones weighed down on markets.

Year-to-date, the STI is up 2.1%.

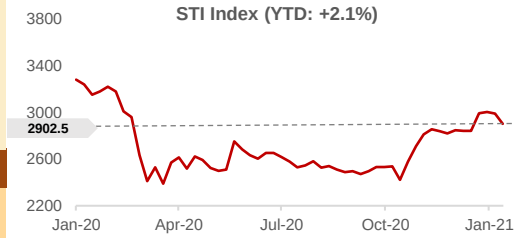
Week Ahead: 1 February – 5 February 2021

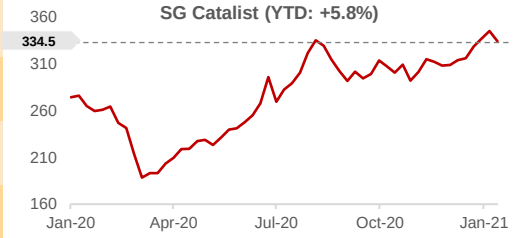
Mon (1 Feb)	CN Caixin Manufacturing PMI, GB Manufacturing PMI, US ISM Manufacturing PMI Elite Com Reit GBP (FY Result)
Tue (2 Feb)	SG Manufacturing PMI, US ISM NY Business Conditions, US ISM-New York Index Ascendas Reit (FY Result)
Wed (3 Feb)	US ADP Nonfarm Employment Change, US Markit Composite PMI, US ISM Non-Mfg PMI
Thu (4 Feb)	GB BoE Interest Rate Decision, US Nonfarm Productivity, US Unit Labor Costs, US Factory Orders SIA (3Q Result), UG Healthcare (1H Result)
Fri (5 Feb)	SG Retail Sales, GB Halifax House Price Index, US Nonfarm Payrolls, US Unemployment Rate iFAST Corp (FY Result)

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2902.5	▼ 17.8	▼ 0.6%	▼ 3.0%	▲ 2.1%
SG Mid Cap	710.3	▼ 1.7	▼ 0.2%	▼ 1.2%	▲ 2.0%
SG Catalist	334.5	▲ 0.2	▲ 0.1%	▼ 3.1%	▲ 5.8%
SG Small Cap	312.1	▼ 1.1	▼ 0.4%	▼ 2.3%	▲ 3.4%

Singapore Indices





Company News

1. Yinda to diversify into identity-management technology solutions; proposed $20.9 million placement

Catalist-listed communication solutions and services provider Yinda Infocomm Limited ("**Yinda**") announced the diversification into the biometrics-driven identity management technology industry with the proposed acquisition of 51% stake in International Biometrics Pte Ltd ("**InterBio**") and proposed investment in TECH5. Yinda announced they had signed a sale and purchase agreement to acquire 51% stake in InterBio for S$35 million. In addition, Yinda had agreed on extending a US$2.5 million term loan to TECH5, a Swiss biometric matching solutions company, which is convertible into equity into TECH5 and a preferential licensing agreement to integrate and distribute TECH5's biometric technology solutions. Separately, Yinda had announced the proposed placement of 167.4 million shares for S$0.125 (a discount to VWAP on 21 January), to raise gross proceeds of S$20.9 million for the purpose of funding of business opportunities.

2. Livingstone to raise S$1 million in gross proceeds in placement

Healthcare services provider Livingstone Health Holdings Limited ("Livingstone") (formerly known as Citicode Ltd.) had announced the placement of up to 5 million placement shares at S$0.20 to raise S$1 million in gross proceeds, which would be used to fund their expenses in the reverse takeover. Audited FY19 revenue and profit to owners from continuing operations sit at S$6.19 million and S$0.42 million respectively. Unaudited 6MFY20 revenue and profit to owners from continuing operations sit at S$6.49 million and S$0.90 million respectively. Livingstone offers services such as orthopaedic surgery, anaesthesiology and pain management, aesthetics and wellness, internal medicine, and family medicine services. Livingstone has 15 medical doctors practising at 12 medical clinics and 1 medical spa located throughout Singapore.

3. Biolidics launched Covid-19 antigen kit and received CE marking

Catalist-listed Covid-19 test kit maker Biolidics Limited ("**Biolidics**") announced that they had launched a SARS-CoV-2 antigen test kit and received the CE marking for its ClearEpi ART SARS-CoV-2 antigen test kit, which is an indication that ClearEpi ART complies with the relevant EU safety, health and environmental protection requirements, which allows Biolidics to market and sell the ClearEpi ART in the European Union. The raw materials of ClearEpi ART are sourced from JOYSBIO (Tianjin) Biotechnology Co, Ltd, which Biolidics have a distribution agreement with. Management indicated that since Serology tests and antigen tests can produce test results quickly at lower costs compared to polymerase chain reaction tests, they decided to manufacture their own range of antigen test kits seeing that there is a growing demand for them.

4. CSF proposed placement of 290 million shares to raise S$6.09 million

Catalist-listed food producer China Star Food Group Limited ("**CSF**") announced the entry into subscription agreements to issue 290 million shares at an issue price of S$0.021 (VWAP on 22 January), amounting to an aggregate sum of S$6.09 million. The purpose of the proposed placement is to partially fund the construction of phase 1 of the project that will be undertaken by Fujian Zixin Biological Potato Co., Ltd. On top of that, net proceeds will be used for working capital purposes and to strengthen the financial position.

Capital Market News

SGX launched ESG derivatives under the SGX FIRST initiative

The Singapore Exchange ("**SGX**") launched its pioneering suite of environment, social and governance ("**ESG**") derivatives under the SGX FIRST (Future in Reshaping Sustainability Together) sustainability agenda. The SGX FIRST initiative, which was announced in December 2020, is a multi-pronged expansion of SGX's sustainability capabilities and supports the introduction of new ESG-focused products, services and platforms. The suite of four new derivatives are developed in partnership with FTSE Russell. SGX commented that these derivatives provide a combination of improved ESG profile while maintaining risk and return characteristics largely similar to benchmark equity indices. The new contracts seek to offer investors more choice in promoting the integration of ESG factors into institutional investment portfolios.

Headline inflation flat; core consumer prices fall in December

According to the Department of Statistics (Singstat) consumer price index (CPI) figures, Singapore saw core consumer prices fall further in December, even as the headline measure moved out of deflation. The 2020 full-year core and headline inflation both came in at -0.2%, down from 1% and 0.6% respectively in 2019. The divergence from previous -0.1% core and headline inflation estimates were mainly due to an increase in private road transport costs. The Monetary Authority of Singapore (MAS) and the Ministry of Trade and Industry (MTI) kept their 2021 inflation estimates unchanged, with only minor revisions to their outlook for the coming quarters. MAS and MTI maintained their 2021 forecasts for core inflation to average 0% to 1%, and headline inflation to be between -0.5% and 0.5%. It is expected that external inflation picks up in the quarters ahead amid a recovery in global oil prices. They added that the extent of the increase will be capped by persistent negative output gaps in Singapore's major trading partners.

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