

Weekly Wrap of STI

The STI ended 1.81% or 55.54 points higher on Friday to close at 3116.4 amid global optimism on easing trade tensions. Ironically, the week started off with worries over trade tensions as global stock indices including the STI fell. The rhetoric of US tariffs on all Chinese imports added to the negative sentiment from the previous week. In mid-week, market sentiment however staged a complete turnaround after President Trump forecasted a good trade deal with China. Similar optimism continued to drive the STI into the green at Friday's close. The observed optimism is unusual given the lack of material details and considerable uncertainty in the mid-term elections next week.

Year to date, the STI index is down by 8.42% while the Catalyst index is down by 29.18%.

Week Ahead: 05 November – 09 November 2018

Economic Calendar: China General Services PMI (05 Nov), UK CIPS/PMI Services Index (05 Nov), US PMI Services Index (05 Nov), US ISM Non-Manufacturing Index (05 Nov), US TD Ameritrade IMX (06 Nov), US FOMC Meeting Begins (07 Nov), US Jobless Claims (08 Nov), US FOMC Meeting Announcement (09 Nov), China CPI (09 Nov), UK Monthly GDP (09 Nov), US PPI FD (09 Nov), UK Merchandise Trade (09 Nov), US Wholesale Trade (09 Nov)

Company Results: BreadTalk Group (05 Nov), DBS Bank (05 Nov), Frasers Logistics & Industrial Trust (05 Nov), Manulife US REIT (05 Nov), CSE Global (07 Nov), EC World REIT (07 Nov), OUE Hospitality Trust (07 Nov), Perennial Holdings (07 Nov), VICOM Ltd (07 Nov), Best World International Ltd (08 Nov), BHG Retail REIT (08 Nov), City Developments Limited (08 Nov), ETC Singapore (08 Nov), Genting Singapore (08 Nov), Hi-P International Ltd (08 Nov), Ho Bee Land (08 Nov), OUE Commercial REIT (08 Nov), SBS Transit (08 Nov), SIA Engineering (08 Nov), Singtel (08 Nov), Thakral Corporation (08 Nov), Comfort DelGro (09 Nov), Frasers Property (09 Nov), Hotel Royal Limtied (09 Nov), Lippo Malls Trust (09 Nov), Mewah International (09 Nov), StarHub Ltd (09 Nov)

Companies News

1. DISA smart lock solutions equipped on Samsung Galaxy tablets

Catalist-listed DISA Limited ("DISA") announced that Samsung's Galaxy Tab A 8.0" model, launched last year, is now fully equipped with Digital Safety ("DiSa") Smart Lock Protection. Samsung is utilizing Smart Locks and Smart Barcodes on the Tab A 8.0" to remove all benefits to shoplifters and to duly reject current and future return fraud attempts. The installation of the smart lock, which occurs during manufacturing, renders the tablet non-functional until it is purchased by the consumer. If stolen, the tablet remains locked and useless to the offender. The 360-degree smart solution is paired with DiSa's 3S (Single Scan Serialization) Smart Barcodes which eliminates return fraud and provides itemized history and tracking capabilities.

2. Hong Lai Huat Group signed JV with Royal Group

Hong Lai Huat Development Pte Ltd, a subsidiary of mainboard-listed Hong Lai Huat Group ("HLH"), signed a joint venture agreement with Royal Group of Companies Limited to launch its second mixed development project in Phnom Penh, Cambodia. The project is located in the Toul Kuok district, an affluent area featuring decent residential and commercial development prospects. Built on 8,221 square metres of freehold land, HLH estimated a project built up area of 80,000 square metres and the market launch to be in the next 3 months.

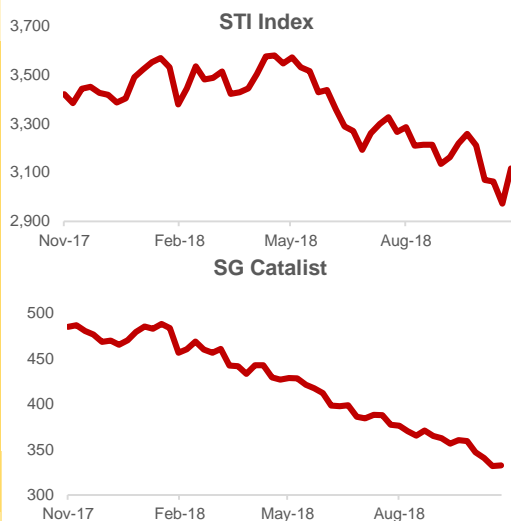
3. IFAST's 3Q profit up 29.5%, plans to list HK-China operations

IFAST Corporation ("iFast") has weathered volatile market conditions and its loss-making China operations to post a 29.5% increase in 3Q net profit to S\$2.6m. iFast attributed this to growth in its business and asset under administration ("AUA") for its business-to-business and business-to-consumer divisions. AUA had increased 18.7% year-on-year to reach a new high of S\$8.50 billion as at end-September 2018. iFast has been working towards structure that could, in the medium to long term, to have its Hong Kong and China businesses organized as a separate and standalone listed subsidiary. An interim dividend of 0.75 cents per share has also been proposed, same as last year.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3116.4	▲ 55.5	▲ 1.8%	▲ 4.9%	▼ 8.4%
SG Mid Cap	705.5	▲ 6.7	▲ 1.0%	▲ 1.0%	▼ 8.0%
SG Catalist	332.8	▲ 0.7	▲ 0.2%	▲ 0.2%	▼ 29.2%
SG Small Cap	335.3	▲ 3.9	▲ 1.2%	▲ 0.6%	▼ 17.6%

Price Chart



Capital Market News

1. SGX RegCo proposed changes to exit offers and voting requirements for de-listing

The Singapore Exchange Regulation ("SGX RegCo") proposed that future delisting offer prices to fulfill an additional requirement of "fairness". Currently, delisting offer prices only need to be "reasonable", but need not be "fair". Prior to this, corporate governance experts and minority shareholders have highlighted their vulnerability to delisting squeeze-outs by controlling shareholders at unattractive prices. Introducing the "fair" requirement will alleviate the issue by reducing uncertainty in interpreting offers. The "reasonable" requirement is ambiguous as it includes undetermined matters other than the value of offeree securities. Such matters include, but are not limited to, the market liquidity of the securities and the existing voting rights in the offeree company held by the offeror. By contrast, offers are deemed "fair" if the price offered is equal to or greater than the value of the securities offered. Separately, SGX RegCo is also mulling new de-listing voting requirements to protect minority shareholders. In particular, they are considering whether controlling shareholders should vote. Under present rules, approval only need to be received from 75 per cent of the shareholders present, with not more than 10 per cent disagreeing with the move. In de-listings, interests of controlling and public shareholders are newly diverged. Using the prior ownership structure to represent voting power can risk drowning out the views of public minority shareholders.