

Weekly Wrap of STI

The STI ended 0.95% or 29.07 points higher on Friday to close at 3083.60 amid hopes for an improved Sino-US situation despite mixed signals from US trade representative Robert Lighthizer on the status of further tariffs to be placed on Chinese goods.

The STI started the week on a decline extending loss from last week as worries of tightening trade tensions continue to tip the scale for the local market. The fall was further fuelled by fears over weakening demand of Apple's iPhone within the US tech sector. Singapore stocks fell for a fourth straight session on Wednesday, dampened by a mix of external factors including a softer earnings season, falling crude oil prices and rising US interest rates. However, an apparent thaw in the frosty US-China relationship cooled heated markets over the week. Buoyed by signs that China and the US were taking the first steps to de-escalate the bitter trade dispute, the STI snapped a string of losses to end the week higher.

Year to date, the STI index is down by 9.38% while the Catalyst index is down by 30.53%.

Week Ahead: 19 November – 23 November 2018

Economic Calendar: US Building Permits (20 Nov), US Existing Home Sales (21 Nov), US Core Durable Goods Orders (21 Nov), US Leading Indicators (21 Nov), US EIA Petroleum Status Report (21 Nov), Euro ECB Minutes (22 Nov), German GDP (23 Nov), Euro PMI Composite Flash (23 Nov), US PMI Composite Flash (23 Nov)

Company Results: -

Companies News

1. Sanli secured new contracts worth S\$54.3 million

Environmental engineering company Sanli Environmental Limited ("Sanli") boosted its order book to S\$134.3 million with S\$54.3 million worth of new contracts. The most significant win was a sub-contract from Boskalis / Penta-Ocean Joint Venture, for the supply and installation of mechanical (water management) package works for the landmark polder development project at Pulau Tekong. This sub-contract is expected to contribute to Sanli's revenue for the next 4 years. Prior to the contracts win, Sanli had announced a 12.9% increase in revenue to S\$34.7 million for 1HFY2019.

2. UG Healthcare registered 20.8% growth in net profit for 1QFY2019

Catalist-listed UG Healthcare Corporation Limited ("UG Healthcare") announced a 20.8% growth in net profit to S\$1.0 million on the back of an 11.4% increase in revenue. This was attributed to an increase in the volume of gloves produced and sold, which resulted from the commencement of new production lines and higher sales through expansion of distribution networks. Gross margin strengthened to 21.8% for the quarter, demonstrating the effect of the Group's integrated supply chain. UG Healthcare aims to continue to strengthen its integrated supply chain to enhance stable and sustainable earnings growth for the long term.

3. Advancer Global secured contracts totaling S\$12.6 million

Advancer Global Limited ("Advancer Global") announced that it had secured new and renewed contracts totaling close to S\$12.6 million from July to September 2018, of which new contracts made up close to 40% of the total contracts secured. The contracts were generated from the Group's Facilities Management Services Division, of which around 80% of the contracts secured were from the Group's Building Management Services and the remaining 20% was from the Group's Security Services. The length of the contracts varies between 6 months and 24 months, and cuts across various establishments such as commercial sites, condominiums, hotels, hospitals, shopping centres, and private schools.

4. ANH 3QFY18 revenue increased by 84.3%

Atlantic Navigation Holdings ("ANH") recorded a 84.3% increase in revenue to US\$16.2 million for 3QFY2018. The revenue for marine logistics services segment increased 80.6% due to the higher rate of utilization of owned vessels and the deployment of the Group's lift-boats to support long-term contracts with a Middle Eastern National Oil Company. Revenue for the ship repair, fabrication and other marine services segment increased by 245.5% due to the higher level of repairs works undertaken on third party vessels.

5. SK Jewellery's 3QFY2018 net profit increased 101.9% year-on-year

Catalist-listed SK Jewellery Group Limited ("SK Jewellery") announced a 56.8% increase in revenue to S\$60.7 million for 3QFY2018 mainly due to the increase in sales by its subsidiary, SK Bullion Pte Ltd. As a result, the company recorded a 101.9% increment in net profit to S\$1.1 million. SK Jewellery's expansions into the China and Thailand's growing bridal jewellery markets have been progressing as scheduled.

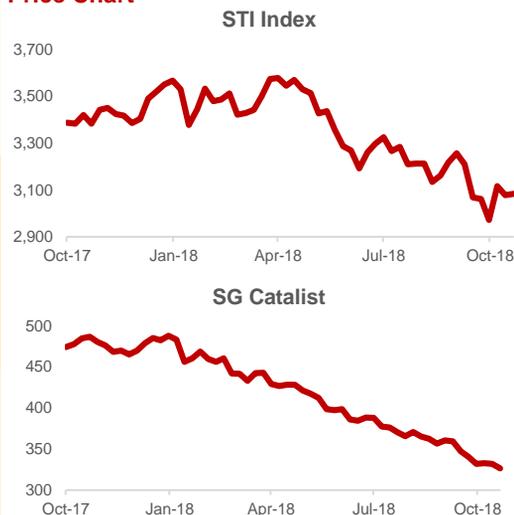
6. MyRepublic opened flagship store in Vivocity

MyRepublic opened its flagship retail store on the second floor of Vivocity. At 958 sq ft, it is MyRepublic's largest retail outlet, and will offer a wide variety of services for new and current customers. The store is a reflection of MyRepublic's growing footprint in Singapore and an opportunity for customers to directly experience what MyRepublic has to offer.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3083.6	▲ 29.1	▲ 1.0%	▲ 0.2%	▼ 9.4%
SG Mid Cap	692.3	▲ 1.4	▲ 0.2%	▼ 0.8%	▼ 9.7%
SG Catalist	326.5	▲ 0.1	▲ 0.0%	▼ 1.6%	▼ 30.5%
SG Small Cap	329.6	▲ 0.2	▲ 0.1%	▼ 1.4%	▼ 18.9%

Price Chart



Capital Market News

1. MAS to launch US\$5 billion fund for private market investments

The Monetary Authority of Singapore ("MAS") is launching a US\$5 billion fund for private market investments, which is to be managed by top global private equity and infrastructure fund managers. There are currently more than 220 private equity and venture capital managers located in Singapore according to a report by Bain & Co. Under the program, MAS will allocate US\$5 billion of its own capital as part of its investment in the private markets asset class. To gain access to the fund, the managers must either be committed to deepening their existing presence in Singapore or establishing a significant one. MAS hopes that the program will help develop a stronger platform for growth finance and infrastructure development, and create a deeper and vibrant private markets ecosystem in Singapore that will strengthen the financing channels to support enterprises.

2. SGX to launch new securities settlement and depository system in December

The Singapore Exchange ("SGX") is launching a new securities settlement and depository framework and system on 10 December, which will reduce settlement cycles from 3 to 2 days (T+2) and enable simultaneous settlement of money and securities. Other improvements in the new settlement and depository system include the streamlining of Central Depository notifications and a new broker-linked balance function for investors. The new settlement cycle will synchronise the Singapore bourse with global markets including Australia, the European Union, Hong Kong and the United State. The benefits of a shorter settlement cycle include reduced credit and counterparty risk, operational process improvements, cash deployment efficiencies, increased market liquidity and lower collateral requirements. It is also expected to help to draw foreign funds.