

Weekly Wrap of STI

The STI ended 0.48% or 15.14 points higher on Friday to close at 3198.65 to cap off a positive week, which saw the STI rise for 5 consecutive sessions amid the ongoing uncertainties.

The STI started the week strong on the back of US-China trade hopes and was further boosted mid-week when the US Federal Reserve hinted at a slower pace of interest rate hikes. The sense of optimism over trade talks between the US and China ending on a positive note continued to support the local bourse higher even as the other regional exchanges remain muted from the ongoing US shutdown. In mid-week, US Federal Reserve Chairman Jerome Powell's perceived dovish speech supported the positive mood on the local bourse, further pushing the STI up and ending the first full trading week of January in the green.

Year to date, the STI index is up 4.2% while the Catalist index is up by 0.3%.

Week Ahead: 14 January – 18 January 2019

Economic Calendar: China Merchandise Trade Balance (14 Jan), Eurozone Industrial Production (14 Jan), UK Parliament Vote on Brexit (15 Jan), Eurozone Merchandise Trade (15 Jan), US PPI-FD (15 Jan), UK CPI (16 Jan), US Retail Sales (16 Jan), US EIA Petroleum Status Report (16 Jan), Singapore Merchandise Trade (17 Jan), US Housing Starts (17 Jan), US Jobless Claims (17 Jan), Eurozone CPI (17 Jan), Japan CPI (18 Jan), UK Retail Sales (18 Jan), US Industrial Production (18 Jan)

Company Results: First REIT (16 Jan), Frasers Commercial Trust (18 Jan)

Companies News

1. NauticAWT to diversify its business with 4 acquisitions

Catalist-listed NauticAWT Limited ("**NauticAWT**") entered into a non-binding memorandum of understanding for the proposed acquisition of a majority stake in the issued capital of Astral Nanotec Pte. Ltd., Bacten Pte. Ltd., Antimicrobial Engineering Sdn. Bhd. and One Mart Pte. Ltd.. The proposed acquisition is an opportunity for NauticAWT to diversify into the healthcare technology, environmental enhancement products and e-commerce businesses to broaden its income and revenue. If successful, NauticAWT will be involved in a new business which is substantially different from its existing business in the Ports and Offshore and Renewables segments. It is also envisaged to change the existing risk profile.

2. Rich Capital to acquire two construction firms for up to S\$43.98 million

Catalist-listed property developer Rich Capital Holdings Limited ("**Rich Capital**") entered into a conditional share purchase agreement to acquire Rich-Link Construction Pte. Ltd. And Rich-Link Builders Pte. Ltd. Both companies are registered contractor with the Building Construction Authority of Singapore. Based on an independent valuation, the two companies are valued within the range of S\$53.5 million to S\$62.9 million and the consideration at S\$43.78 million is at a 17.8 per cent discount to the lower bound of the valuation range. The proposed acquisition would allow Rich Capital to expand into the construction business and gain from cost synergies when developing its own properties.

3. HC Surgical posted an 22.3% increase in revenue for 2QFY2019

Catalist-listed HC Surgical Specialists Limited ("**HC Surgical**") recorded an S\$0.84 million increase in revenue to S\$4.63 million in 2QFY2019, an 22.3% increase as compared to 2QFY2018. This was mainly due to increased revenue contributions from its new and existing subsidiaries. Net profit attributable to owners of the Company increased 1.6% year-on-year to S\$1.3 million in 2QFY2019. HC Surgical has also declared an interim dividend of one cent per ordinary share.

4. OUE Lippo Healthcare to expand into Myanmar healthcare

OUE Lippo Healthcare Limited ("**OUE Lippo Healthcare**") entered into a sale and purchase agreement with PT Waluya Graha Loka to acquire 40% of Yoma Siloam Pun Hlaing Limited ("**YSHPH**") and 35% of Pun Hlaing International Hospital Limited ("**PHIH**"). The consideration for the proposed transaction is US\$19.5 million. Upon completion of the acquisition, both YSHPH and PHIH will be joint venture companies with First Myanmar Investment ("**FMI**"), which is part of the enlarged Yoma. Together, OUE Lippo Healthcare and FMI will be joint venture partner in the management and operation of a healthcare portfolio of three hospitals, one medical centre and two clinics. The proposed acquisition will give OUE Lippo Healthcare presence in the key cities of Yangon, Mandalay and Taunggyi and grow into a Pan-Asia healthcare network.

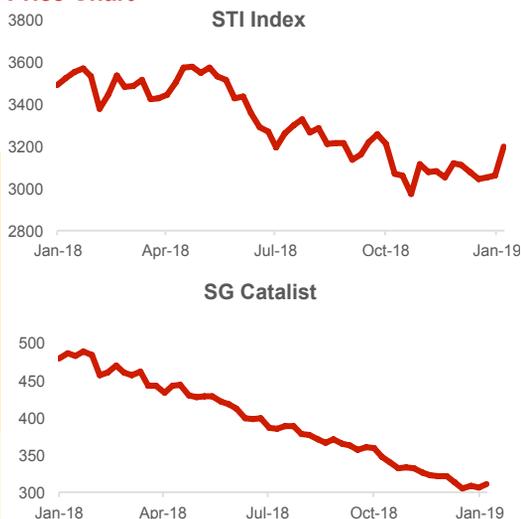
5. Silkroad Nickel signed mining exploration deal worth over S\$90 million

Catalist-listed Silkroad Nickel Ltd. ("**Silkroad Nickel**") entered into a new long-term mining exploration agreement with Sinohydro Corporation Limited ("**Sinohydro**") and PT. Sepco II Indo ("**PT. Sepco**") to produce at least six million committed tonnes of nickel ore under a five-year fixed price exploration agreement. Silkroad Nickel is responsible for the completion of all land acquisitions and applications of necessary licences and permits.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3198.7	▲15.1	▲0.5%	▲4.6%	▲4.2%
SG Mid Cap	712.4	▲2.1	▲0.3%	▲3.4%	▲4.1%
SG Catalist	310.4	▲2.1	▲0.7%	▲1.4%	▲0.3%
SG Small Cap	339.7	▲2.5	▲0.7%	▲2.6%	▲3.6%

Price Chart



Capital Market News

EDB to go into risk-sharing venture financing

The Singapore Economic Development Board ("**EDB**") is looking to help firms to get involved in the start-up ecosystem by supporting corporate venture capital. The EDB will work with big corporates to set up corporate venture arms and evaluate deals, while taking part in financing. The aim is to complement Singapore's venture capital market and put additional resources into the start-up ecosystem. Another key theme for the EDB is to take a fresh look at old industries as advances in technology change the business calculations. By playing host to cutting-edge manufacturing activities, Singapore wants to become a platform for the testing of new business models. Also, the EDB wants to put more focus on digitalisation. The EDB is aiming to attract "systems integrators" - firms that bring together solutions and systems - and help match them with local industry players. For its part, the EDB is developing a way to help firms decide what technology to adopt based on their priorities, i.e. revenue versus margins.

SGX inked 3rd inter-governmental agreement with China

The Singapore Exchange ("**SGX**") signed a new strategic cooperation agreement with the China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity ("**CCI**") Administrative Bureau. The agreement builds on existing partnerships between SGX and the State-Owned Assets Supervision and Administration Commission as well as Financial Affairs Office of the Chongqing Municipal Government to help Chongqing companies access international capital funding for business expansion. SGX said that the agreement would facilitate access to innovative cross-border financial services for enterprises from Western China, and also support Chongqing in its central role in catalysing business opportunities under the CCI.