

Weekly Wrap of STI

The STI ended 0.31% or 9.90 points higher on Friday to close at 3224.34 to end a mixed week in positive territory as the market shrugged off the impact from the sustained US government shutdown and Brexit chaos.

The STI started the week in decline ending a six-day winning streak following weaker than expected Chinese December trade performance data. However, the impact was short-lived as announcements for more Chinese stimulus, US bank earnings and trade hopes lifted global equity markets in tandem. The local market suffered a blip on Thursday as an unexpected fall in Singapore exports in December spooked investors. Nonetheless, the positive news that the US was considering lifting tariffs and offering a tariff rollback on China helped drive investor sentiment to a positive close for the trading week.

Year to date, the STI index is up by 5.1% while the Catalist index is down by 0.1%.

Week Ahead: 21 January – 25 January 2019

Economic Calendar: China GDP (21 Jan), China Industrial Production (21 Jan), China Retail Sales (21 Jan), Japan BOJ announcement (22 Jan), UK Labour Market Report (22 Jan), US Existing Home Sales (22 Jan), Eurozone PMI Composite (24 Jan), Eurozone ECB Announcement (24 Jan), US Jobless Claims (24 Jan), US Durable Goods Orders (25 Jan),

Company Results: Frasers Centrepoint Trust (21 Jan), Keppel REIT (21 Jan), Mapletree Logistics Trust (21 Jan), Soilbuild Business Space REIT (21 Jan), Keppel Infrastructure Trust (22 Jan), Keppel DC REIT (22 Jan), Mapletree Industrial Trust (22 Jan), Capitaland Mall Trust (23 Jan), Keppel T&T (23 Jan), Mapletree Commercial Trust (23 Jan), Suntec REIT (23 Jan), Ascendas India Trust (24 Jan), Capitaland Commercial Trust (24 Jan), Frasers Logistics & Industrial Trust (24 Jan), Keppel-KBS US REIT (24 Jan), Keppel Corporation (24 Jan), Sabana REIT (24 Jan), Singapore Exchange Limited (24 Jan), Cache Logistics Trust (25 Jan), Mapletree North Asia Commercial Trust (25 Jan)

Companies News

1. Courts Asia received conditional cash offer from Japan retailer Nojima

A wholly-owned subsidiary of Nojima Corporation (“**Nojima**”) made a voluntary conditional cash offer for all the issued and outstanding ordinary shares of Courts Asia Limited (“**Courts Asia**”) at S\$0.205 per share, a 35% premium above the closing price on Jan 16. The offer is conditional upon Nojima receiving sufficient valid acceptances in which it owns more than 50% of the shares. Nojima has received an undertaking from Courts Asia’s majority shareholder Singapore Retail Group (“**SRG**”), which has agreed to irrevocably tender all its 382 million shares or 73.8% stake in the company. Once SRG accepts, the offer will turn unconditional. Nojima has been mulling over entering the consumer appliance retail market in South-east Asia. It believes that synergies can be created between the two entities, including cross-selling to an enlarged customer base, economies of scale, improvement of productivity, cost efficiencies and knowledge sharing.

2. IPS Securex received LOA for S\$19.1 million contract

Catalist-listed security products and integrated security solutions provider IPS Securex Holdings Limited (“**IPS Securex**”) received a letter of acceptance (“**LOA**”) from an undisclosed government agency in South-east Asia for a S\$19.1 million contract. Out of the S\$19.1 million, up to S\$10.1 million is for IPS Securex to supply, deliver, install, commission and test an integrated security solution (“**System A**”) and provide maintenance support services for seven years following its complete implementation, as well as other support and professional services. The balance of up to S\$9 million is an option exercisable by the agency for IPS Securex to perform the same duties as for System A for a second integrated security solution (“**System B**”).

3. ecoWise unit enters into MOU to explore food processing, food recycling

Catalist-listed environmental solutions firm ecoWise Holdings (“**ecoWise**”) announced that its indirect wholly owned subsidiary ecoWise Technologists and Engineers entered into a non-binding memorandum of understanding (“**MOU**”) with Shin Tai Ho & Co to explore opportunities and expand its respective businesses into food processing and food recycling segments. Shin Tai Ho & Co is a Singapore ship chandler that handles the distribution of food to various outlets including cruises. The proposed collaboration will allow the two parties to leverage on each other’s strengths and venture into businesses that incorporate high-technology food processing, manufacturing and recycling methods.

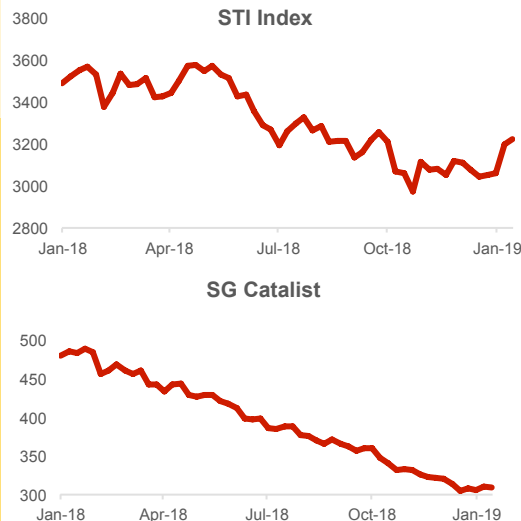
4. GS Holdings entered into JV agreement to expand into F&B business

Catalist-listed centralised dishwasher firm GS Holdings Limited (“**GS Holdings**”) entered into a joint venture (“**JV**”) agreement with individual Zhang Li Ying to expand into the food and beverage (“**F&B**”) business. The JV, known as Wish Hospitality Holdings, will principally be engaged in the procurement and management of F&B business, distribution, wholesale, trading, retail, import and export of food products and equipment, and the provision of other related products and services. GS Holdings and the JV partner will hold an 80% and 20% stake respectively.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3224.3	▲ 9.9	▲ 0.3%	▲ 0.8%	▲ 5.1%
SG Mid Cap	716.4	▲ 2.4	▲ 0.3%	▲ 0.6%	▲ 4.6%
SG Catalist	309.2	▲ 2.0	▲ 0.7%	▼ 0.4%	▼ 0.1%
SG Small Cap	342.7	▲ 1.7	▲ 0.5%	▲ 0.9%	▲ 4.5%

Price Chart



IPO News

Grand Venture registered IPO

Local manufacturer Grand Venture Technology (“**Grand Venture**”) registered its offer document for IPO on the Catalist board. Grand Venture provides engineering, assembly and testing services used in semiconductor manufacturing and the analytical life science industry. It has facilities in Singapore, Malaysia and China. The company is looking to raise about S\$13.2 million and is eyeing expansion into the medical sector with the proceeds. The IPO will comprise a public tranche of 800,000 shares and a placement tranche of 42,118,000 shares at 27.5 cents each. On a side note, investment holding company Sunshine Power has entered into an agreement with Grand Venture to subscribe for 5,095,000 shares at the same price. Grand Venture intends to start trading on Jan 23.

Capital Market News

MAS unveiled S\$75 million grant to attract listings

The Monetary Authority of Singapore (“**MAS**”) is launching a S\$75 million grant for equity market Singapore (“**GEMS**”) to help enterprises seeking to raise capital through Singapore’s equity market. GEMS will have three components - a listing grant to facilitate listings on the Singapore Exchange by co-funding initial public offering costs, a grant to enhance Singapore’s research coverage by grooming equity research talent, and a fund to support crowd-sourced initiatives that will help drive the development of Singapore’s equity research ecosystem. The quantum for listing grants will vary depending on the enterprise sector and its market capitalisation. The most generous funding is for enterprises in the “new technology” sector with a market capitalisation of at least S\$300 million which could receive co-funding of 70% of eligible listing expenses, capped at S\$1 million. For enterprises from all other sectors, GEMS will co-fund 20% of listing expenses, capped at S\$200,000. The grant does not apply to REITs and business trusts.