

Weekly Wrap of STI

The STI ended 0.05% or 1.49 points lower on Friday to close at 3188.68, marking another day of decline to finish the week in the red.

The STI failed to recover from the sell-off in the early week as geopolitical uncertainties and on the trade front and China's slowing economy continued to weigh on the index. Despite a brief rally on Thursday following a news that the US Fed will be patient in further interest rate hikes this year - which lifted most real estate investment trusts - market sentiment continued to be weighed down by US-China trade talks.

Year to date, the STI index is up by 3.9% while the Catalist index is down by 3.0%.

Week Ahead: 4 February – 8 February 2019

Economic Calendar: SG Manufacturing PMI (4 Feb), US International Trade (5 Feb), US ISM Non-Manufacturing PMI (5 Feb), US EIA Petroleum Status Report (6 Feb), Eurozone ECB Non-Monetary Policy Meeting (6 Feb), US Jobless Claims (7 Feb), China Foreign Trade (7 Feb), SG Foreign Trade (7 Feb), UK BoE Interest Rate Decision (7 Feb)

Company Results: SIA Engineering (8 Feb)

Companies News

1. Miyoshi entered into a non-binding memorandum of understanding (MOU) with MediaMac to discuss potential business collaborations in Philippines

Catalist-listed Miyoshi Limited ("**Miyoshi**"), a leading precision engineering company, has entered into a non-binding MOU with MediaMac Pte Ltd ("**MediaMac**") to commence discussions on cooperating in the anodising business within the Philippines. The MOU sets out the preliminary intentions of both parties to negotiate on a proposed collaboration, which will potentially complement Miyoshi's existing business in metal finishing and electroplating.

2. Trittech awarded RMB123 million tender for public-private partnership in China

Catalist-listed Trittech Group Limited ("**Trittech**") announced that its indirect wholly-owned subsidiary Anhui Clean Environment Biotechnology Co., Ltd ("**Anhui Clean Environment**") has been awarded a tender for a public-private partnership project relating to the construction of a new sewage treatment plant with capacity of 20,000m³ a day in China's Jixian county, Heilongjiang province. The project will be undertaken by a project company jointly incorporated by the Jixian Country Economic Development Zone Management Committee, the local government, and a Consortium including Heilongjiang Textile Design Institute and Anhui Clean Environment. The Consortium will hold an 80% equity stake in the project company and will be entitled to 100% of the profit, while the Management Committee will hold a 20% equity stake, contributing approximately RMB78 million towards the project's funding under a construction-operation-transfer basis. The Consortium will fund the remaining amount based on its share of equity interest. The project's duration is 12 years and is not expected to have any material impact on the consolidated earnings per share and net tangible assets per share of Trittech for the current financial year ending 31 Mar 2019.

3. Japan Foods Holding entered into a joint venture agreement with Minor Food Group to conduct franchising business and operate existing restaurant brands

Catalist-listed Japan Foods Holding ("**Japan Foods**") and Minor Food Group (Singapore) ("**Minor Food**") have entered into a binding joint venture agreement following their initial MOU announcement on 7 Dec 2018 to incorporate joint venture company Dining Collective Pte Ltd ("**Dining Collective**") in Singapore. Dining Collective will be mainly engaged in the business of developing, managing and operating restaurants specialising in Japanese cuisine in Thailand and China, and Thai cuisine in Japan. Both Japan Foods and Minor Food will each hold 50% equity interest in Dining Collective and contribute S\$99,999 each in equity, totaling an issued and paid up share capital of S\$200,000 divided into 200,000 ordinary shares. Japan Foods and Minor Food have also agreed to provide a shareholder's loan aggregating S\$2,300,000 towards the working capital of Dining Collective. The incorporation is not expected to have any material impact on the net tangible assets per share and earnings per share of Japan Foods for the current financial year ending 31 Mar 2019. The success of this joint venture will enable both companies to leverage on their strengths and industry experiences in operating across geographies like China, Japan and Thailand, and allow Japan Foods and Minor Food to tap on their respective expertise in Japanese and Thai cuisine.

4. Singapore Medical Group launched telehealth platform HiDoc to bridge the gap between patients and specialists

Catalist-listed Singapore Medical Group has launched its subsidiary HiDoc Pte. Ltd ("**HiDoc**"), a two-way communication platform that provides telehealth and video conferencing services to patients while giving accredited specialists access to patient health records. HiDoc aims to improve the quality and efficiency of follow-up healthcare by delivering the diagnosis promptly using video conferencing. HiDoc and DBS Bank have also entered a strategic partnership to provide users with a superior experience, which includes simplifying payment processes on HiDoc through DBS PayLah!. Starting with Singapore, HiDoc plans to expand its regional footprint by leveraging on DBS's broad customer base.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3188.7	▼ 1.49	▼ 0.05%	▼ 0.42%	▲ 3.91%
SG Mid Cap	730.42	▼ 1.85	▼ 0.25%	▲ 0.26%	▲ 6.69%
SG Catalist	300.24	▼ 1.66	▼ 0.55%	▼ 1.61%	▼ 3.00%
SG Small Cap	345.36	▼ 0.38	▼ 0.11%	▲ 0.35%	▲ 5.31%

Price Chart



IPO News

Reclaims Global seeks Catalist listing on SGX

Reclaims Global Limited ("**Reclaims**"), an eco-friendly integrated service provider in the construction industry specialising in recycling, excavation services as well as logistics and leasing, has lodged a preliminary prospectus on 30 Jan for a planned IPO on SGX Catalist board. Incorporated in Singapore, Reclaims has built an established reputation and a proven track record for effective execution and timely delivery of services especially in the public sector. Proceeds from the IPO will go towards financing future business plans that include a continued focus on the consistent pipeline of public sector projects, expansion of existing operational capacity to prepare for larger and more deals, extension of its recycled product range through the invention of an attractive sustainable replacement for plywood, and growth through strategic alliances and joint ventures with foreign civil engineering firms.

Capital Market News

SGX to tighten audit rules on listed companies

The Singapore Exchange Regulation (SGX RegCo) has proposed to order for a second audit on listed companies in exceptional circumstances, increasing the thoroughness of the audit process to detect and address accountancy oversights. This serves as a response to growing controversies surrounding accounting firms over their audit lapses that have triggered a loss of investor confidence in the profession's credibility and Singapore's capital market. More recently, auditors have come under greater scrutiny after EY Hong Kong became embroiled in a criminal probe over the collapse of Singapore-listed Noble Group. To renew public trust in companies and their audited financial statements, SGX also plans to have all listed companies appoint either a Singapore-based auditor, or have a Singapore-based auditor jointly sign off on the year-end audit conducted by a foreign auditor. SGX has also entered into a MOU with the Singapore Accountancy Commission to promote the integrity of business valuations involving listed companies following shareholders' uncertainties over the valuations of Vard Holdings' delisting and ISR Capital's purchase of Madagascar's mining asset.