

Weekly Wrap of STI

The STI ended 1.04% or 33.61 points lower on Friday to close at 3195.87 to end a volatile week on a negative note as fears of a global economic slow down in the US, China and Europe weighed on the index.

The STI started the week positively on growing optimism for a trade deal between China and the United States, as news that the two were finally closing in on a deal boosted sentiments. However, the sense of relief over a thaw in the trade conflict proved short-lived as broader concerns, such as China's move to lower its gross domestic product target for this year, roiled the markets. There was plenty of gloom in the market as the negative talk of slowing global growth intensified when the Organisation for Economic Cooperation and Development lowered its 2019 global growth forecast from 3.5% to 3.3%. Global growth concerns and the disappointing data releases of the past few days, such as China's weak export data sent markets in Asia and the STI down sharply on Friday.

Year to date, the STI index is up by 4.1% while the Catalist index is down by 5.9%.

Week Ahead: 11 March – 15 March 2019

Economic Calendar US Retail Sales (11 Mar), UK Monthly GDP (12 Mar), UK Parliament Vote On Brexit Deal (12 Mar), US CPI (12 Mar), UK Spring Statement (13 Mar), Eurozone Industrial Production (13 Mar), US Durable Goods Order (13 Mar), US PPI (13 Mar), US EIA Petroleum Report (13 Mar), CN Fixed Asset Investment (14 Mar), CN Industrial Production (14 Mar), US Jobless Claims (14 Mar), US New Home Sales (14 Mar), Eurozone CPI (15 Mar), US Industrial Production (15 Mar)

Company Results: Shanghai Turbo (14 Mar), Alliance Mineral (15 Mar)

Companies News

1. Far East Group to buy M-Tech for S\$7 million cash and 3 million shares

Catalist-listed refrigeration and air-conditioning seller Far East Group Limited ("**Far East Group**") entered into a sale and purchase agreement to acquire 100% stake in M-Tech Air-Con & Security Engineering Pte Ltd ("**M-Tech**") for S\$7 million in cash and the issuance of 2.98 million new shares. M-Tech is in the business of plumbing, non-electrical heating and air-conditioning engineering. The acquisition will translate to a more sustainable income stream for Far East Group as the Group looks to increase its revenue from residential and commercial air-conditioning, and offers value-added services in the areas of energy-efficiency enhancement and building management services.

2. Hatten Land made first expansion into the Australian property market

Hatten Land Limited ("**Hatten Land**") entered into an exclusive land purchase option agreement with Sunvale Development Pty Ltd to acquire a land in Melbourne, Australia for an aggregate consideration of not exceeding A\$15.8 million (approx. S\$15.25 million). This marked the Group's first foray into the Australian property market. Hatten Land has an option which upon exercise subjected to conditions, entitles the Group to acquire the land in Southbank. The Land has been granted a planning permit for the development of a multi-storey building comprising of dwellings, retail premises and offices. The Group intends to develop a mixed-use development comprising of retail and hospitality units.

3. DISA partnered with Bailey Produce to track organic bananas

Catalist-listed DISA Limited ("**DISA**") announced that its subsidiary, Disa Digital Safety (USA), had entered into a partnership with Bailey Produce, a leader in delivering quality organic produce around the globe, to equip its bananas with DISA's FreshCounts Smart Barcode technology. This technology allows the user to digitally track each individual bunch of bananas and will reduce spoilage by monitoring sales along with expiration dates and keep consumers safe by blocking the sale at the register if the item is recalled. This will be the first solution with a national retailer that allows digital tracking through the supply chain to the individual item at store and consumer level.

4. IPS Securex received a LOA of S\$1.09 million

Catalist-listed security products and integrated security solutions provider, IPS Securex Holdings Limited ("**IPS Securex**") announced that its wholly-owned subsidiary had received a Letter of Acceptance ("**LOA**") from a government agency in Southeast Asia for a contract worth approximately S\$1.09 million. Under the LOA, the Group is to supply and deliver an integrated information technology and communication systems solution to the government agency which is expected to be delivered by November 2019.

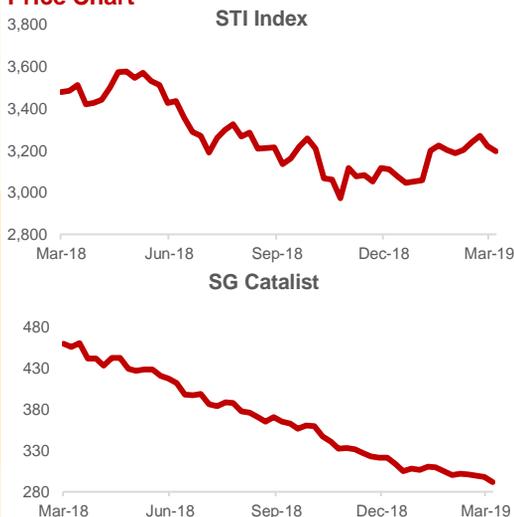
5. Hyphens Pharma's FY2018 revenue up 7.3% to S\$121m

Catalist-listed specialty pharmaceutical and consumer healthcare group, Hyphens Pharma International ("**Hyphens Pharma**") reported a revenue of S\$120.9 million for FY2018 due to an increase in sales from the specialty pharma principals segment and in the proprietary brands segment mainly from the Group's dermatological products. However, Net profit after tax for FY2018 decreased by 11.1% to S\$5.4 million due to the Group's one-off IPO expenses and impairment loss on goodwill of approximately S\$1.0 million in FY2018.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3195.9	▼33.6	▼1.0%	▼0.8%	▲4.1%
SG Mid Cap	743.7	▼7.5	▼1.0%	▼0.4%	▲8.6%
SG Catalist	291.2	▲0.1	▲0.0%	▼2.1%	▼5.9%
SG Small Cap	345.5	▼0.5	▼0.2%	▼0.5%	▲5.4%

Price Chart



IPO News

Fortress Minerals lodged prospectus for IPO

Iron ore concentrate producer Fortress Minerals is seeking IPO listing on the Catalist board. Fortress Minerals is in the business of exploration, mining, production and sale of iron ore concentrate, primarily to steel mills and trading companies in China and Malaysia. For 1HFY19, Fortress Minerals posted a revenue of US\$6.6 million and a net profit of US\$2 million, which is a reversal from the net profit loss of US\$546,000 in 1HFY18. Proceeds from the IPO will be used to further develop the company's Bukit Besi Mine, including continuing and future exploration and geology work, as well as expansion of iron ore processing capacities. The group is also looking at acquisition, joint venture and/or development of new mines in Malaysia or elsewhere. Key risks to the business include a limited operating history and track record, the financial condition and performance of the group being dependent on the Bukit Besi Mine, and not having established a strong sales record.

Cennerv made second bid to list on Catalist

Singapore-based biotech Cennerv Pharmaceuticals ("**Cennerv**") is making a second attempt at an IPO listing on the Catalist board after the lodging of another preliminary offer document. The Company withdrew from a planned listing in September last year citing adverse market conditions. Cennerv's products treat central nervous system disorders such as insomnia, dementia, schizophrenia and autism. Two of its leading products are Phase 2 candidates and three other main products are in the pre-clinical phase. Cennerv has focused on developing these five products and has not generated any revenue in the past three financial years. For 9M18, Cennerv's net loss is S\$1.84 million as compared to a net loss of S\$1.24 million a year ago. Proceeds from its offering will be used to acquire a 60% stake in US drug developer Gemeni Therapeutics, to further develop its products and for working capital purposes.