

Weekly Wrap of STI

The STI ended 0.29% or 9.30 points higher on Friday to close at 3212.88 in a week in which the index spent much time trading water.

The STI opened the week amidst worrying concerns about the global economic slowdown. On the back of disappointing purchasing managers' index figures from the US and Europe which led to an inversion of US three-month and 10-year treasury yield spreads for the first time since 2007, the Asian markets faced a broad sell-off. As the week progressed, concerns over the state of the global economy eased a little to give investors across the region some confidence about heading back to the market. However, the Singapore bourse drifted without any catalyst to spark trading interest. The rapid and persistent decline in bond yields continued to unnerve investors over the global economic outlook. The market continued its lacklustre trading as the last trading day of March went out with a whimper as investors looked in vain for inspiration.

Year to date, the STI index is up by 4.7% while the Catalist index is down by 7.6%.

Week Ahead: 1 April – 5 April 2019

Economic Calendar: CN PMI Manufacturing Index (1 Apr), UK Manufacturing PMI (1 Apr), US Retail Sales (1 Apr), US ISM Mfg Index (1 Apr), EU CPI (1 Apr), US Durable Goods Orders (2 Apr), AUS RBA Interest Rate Decision (2 Apr), UK Services PMI (3 Apr), CN General Services PMI (3 Apr), US EIA Petroleum Status Report (3 Apr), US Jobless Claims (4 Apr), EU Retail Sales (5 Apr), US Employment Situation (5 Apr)

Company Results: SPH REIT (5 Apr)

Companies News

1. DiSa launched warranty programme against e-wallet cyber theft in a tie-up with M1

Catalist-listed digital security company DiSa Limited (“DiSa”) launched a first-of-its kind integrated phone warranty programme to protect phones users against cyber theft. M1 will be the first telco in Singapore to offer DiSa’s Cyber Theft Warranty programme to its phone users when it is launched in April. In the event if phone users suffer any financial losses resulting from theft of their e-wallets, they can make a claim on DiSa’s website for an amount up to the retail cost of the phone. Each phone under the warranty programme will be tagged with DiSa’s 3S smart barcode, which prevents invalid returns and point-of-sale activation, protecting against retail theft. The programme provides monetary relief from cyber theft arising from security breaches, but does not cover other phone-related losses.

2. TEHO International set up own wire rope rigging facility in Houston

Catalist-listed TEHO International Inc Ltd. (“TEHO International”) announced that its wholly-owned subsidiary, TEHO International (USA) (“TEHO USA”), had significantly expanded its operations in the United States by setting up its own wire rigging facility at Houston (Texas). TEHO USA had been relying on contractors and outsourcing to meet customer’s demand for wire ropes and a third-party warehouse to manage the logistics for its synthetic rope inventory. The New Facility will now anchor and propel the Group’s growth in the Americas. TEHO International now has 3 rigging facilities in Rotterdam, Singapore and Houston and 4 stock points in Algeciras, Dubai, Panama and Shanghai.

3. Kim Heng secured fabrication jobs with at an aggregate value of S\$7 million

Integrated offshore and marine value chain services provider Kim Heng Offshore & Marine Holdings Limited (“Kim Heng”) announced that the Group has secured various fabrication jobs with a total value of approximately S\$7 million from a well-established customer. Completion of these fabrication jobs is scheduled to take place over six months commencing from first quarter for the financial year ending 31 December 2019.

4. Sysma secured S\$20 million Nassim Road bungalow contract

Catalist-listed construction company Sysma Holdings (“Sysma”) announced that its wholly-owned subsidiary, Sysma Construction, secured a S\$20 million contract to build a two-storey bungalow with an attic and a swimming pool at 54 Nassim Road. The contract is expected to commence in April 2019 following approval from relevant authority and will run for a period of 16 months. This is Sysma Construction’s second major contract in the past three months, following a S\$18.6 million contract for the erection of a 2-storey detached dwelling house at 28 Jalan Kampong Chantek. The company’s order book stands at about S\$80.9 million as at end-March 2019.

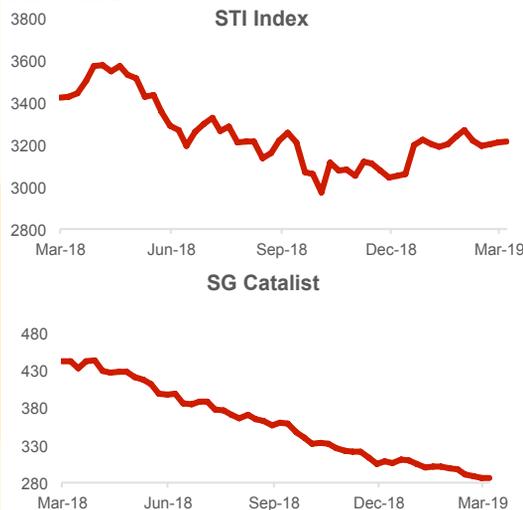
4. Fortress Minerals’ IPO debuted marginally higher

Catalist-listed Fortress Minerals commenced trading on the 27th March 2019 and closed at S\$0.215 on the first day of trading, up from its initial public offering (“IPO”) price of S\$0.20. It had placed 75 million new shares priced at S\$0.20 per share to raise a total of S\$15 million. Out of the shares placed, 51.25 million shares were subscribed by cornerstone investors such as First Grand Investment and Teambuild Construction. The Fortress Minerals listing brings the total number of companies listed on Catalist to 218, with a combined market capitalisation of about S\$10 billion.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3212.9	▲ 9.3	▲ 0.3%	▲ 0.0%	▲ 4.7%
SG Mid Cap	758.6	▲ 0.9	▲ 0.1%	▲ 0.4%	▲ 10.8%
SG Catalist	286.0	▲ 1.3	▲ 0.5%	▼ 0.0%	▼ 7.6%
SG Small Cap	346.0	▼ 1.1	▼ 0.3%	▼ 0.3%	▲ 5.5%

Price Chart



IPO News

Alliance Healthcare planning IPO in Singapore

Integrated healthcare group, Alliance Healthcare Group, is planning an initial public offering (“IPO”) on the Catalist board to fund its business expansion. The Group consists of four main business segments, namely managed healthcare solutions, GP clinic services, specialist care services and pharmaceutical services. The Group did not disclose the amount to be raised, but proceeds from the deal will go into expanding its network of self-owned GP clinics, specialist care services and medical facilities in Singapore, as well as to pursue growth through acquisitions, joint ventures and strategic alliances. It is also intending to invest in technology systems and to expand its pharmaceutical services business to become a regional supplier in South-east Asia. In its latest FY2018 results, Alliance Healthcare’s profit after tax stood at S\$3.48 million, up from S\$1.74 million a year ago. Its revenue for the full year came in at S\$33.82 million, up from S\$29.44 million in FY2017.

Capital News

Singapore to invest S\$724 million in digital technologies, cell therapy and food security

According to a statement by the National Research Foundation, Singapore is to invest S\$724 million in digital technologies, cell therapy manufacturing and food security to transform the city-state into an innovation-led economy. Of the S\$724 million, S\$500 million will be invested in digital technologies, covering areas such as artificial intelligence, supercomputing, robotics, and capabilities in digital trust and computational law. S\$80 million will be invested in cell therapy manufacturing to develop Singapore as a pharmaceutical manufacturing centre. The last S\$144 million in food security will aim to develop Singapore’s capacity to produce 30 per cent of its nutritional needs by 2030.