

## Weekly Wrap of STI

The STI ended 0.19% or 6.43 points higher on Friday to close at 3322.64 to end a largely buoyant week on a positive note.

The STI opened the first trading day of the second quarter on an uptrend as both official and private Chinese purchasing managers' index ("PMI") figures for March not only beat expectations but also turned around three months' of contraction. The positive start to the second quarter continued to gain steam on sentiment that the US Federal Reserve may cut rates on signs of the US economy slowing down. US President Donald Trump added to the calls last week for the US Federal Reserve to "u-turn" their rate hike decision. In addition, market sentiment improved over the week as US-China trade talks look to be near a conclusion. The flurry of positive news saw the STI broke out of the resistance level of 3,300 and ended the first trading week of the second quarter on a robust note.

Year to date, the STI index is up by 8.3% while the Catalyst index is down by 6.2%.

## Week Ahead: 8 April – 12 April 2019

**Economic Calendar:** US JOLTs (9 Apr), EU Emergency Summit on Brexit (10 Apr), UK Monthly GDP (10 Apr), EU ECB Interest Rate Decision (10 Apr), US Core CPI (10 Apr), US EIA Petroleum Status Report (10 Apr), US FOMC Minutes (11 Apr), CN CPI (11 Apr), US Jobless Claims (11 Apr), US PPI (11 Apr), SG GDP (12 Apr), SG MAS Statement (12 Apr), CN Merchandise Trade Balance (12 Apr), EU Industrial Production (12 Apr)

**Company Results:** SPH (9 Apr), First REIT (10 Apr)

## Companies News

### 1. Ying Li International received mandatory unconditional cash offer

State Alpha, a unit of China Everbright Limited ("CEL"), made a mandatory unconditional cash offer for Chongqing-based property developer Ying Li International Real Estate Limited ("Ying Li International") at S\$0.14 per share. The offer was triggered after State Alpha bought about 767.1 million shares, representing about 30% of the shares in the company. Combining with concert parties, State Alpha's stake became 58.91%. State Alpha plans to keep Ying Li International listed and does not plan to exercise any right of compulsory acquisition. The acquisition will result in CEL securing majority control of Ying Li International. The offer price represents a 10.9% premium to the volume-weighted average price of the shares for the three-month period prior, but a 66.1% discount to the company's net asset value per share as at end-2018.

### 2. Sanli secured S\$12.1 million worth of new contracts

Catalist-listed Sanli Environmental Limited ("Sanli") announced new contract wins in Singapore and Myanmar, worth a total of approximately S\$12.1 million. This includes S\$7.8 million operations and maintenance contracts from the Singapore Public Utilities Board and two engineering, procurement and construction contracts from the Myanmar government, worth a total of 4.9 billion Myanmar Kyat or approximately S\$4.3 million. According to the Management, the Singapore contracts reflect the continued confidence the public sector has in Sanli's capabilities while the Myanmar contracts show that the expansion into Myanmar is progressing well. The Group's order book rose to S\$198.0 million.

### 3. ISOTeam strengthened order book with S\$22.0 million in new projects

Catalist-listed ISOTeam Ltd. ("ISOTeam") announced new projects worth a total of S\$22.0 million. The latest contract wins include 5 Repair and Redecoration projects worth about S\$11.91 million, 2 Addition and Alteration projects with a total value of approximately S\$4.29 million, 8 Coating and Painting projects worth about S\$3.38 million, 1 Landscaping project for the designing and building of floating wetlands system worth approximately S\$1.45 million, 1 Mechanical and Electrical project with a contract value of approximately S\$0.70 million and 1 Interior Design project worth about S\$0.27 million. These projects are expected to be completed between May 2019 and January 2021.

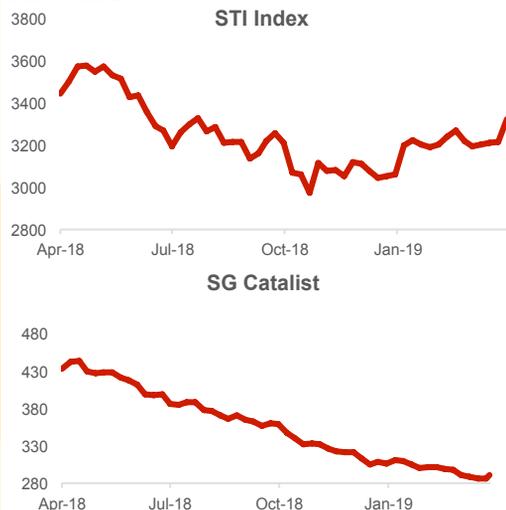
### 4. SLB obtained approval for extended deadline for Lian Beng to sell assets

Catalist-listed property player SLB Development ("SLB") obtained regulatory approval for its controlling shareholder Lian Beng Group ("Lian Beng") to be given a one-year extension to dispose of competing business in Australia and Singapore. The unfavourable property market conditions have resulted in Lian Beng unable to divest competing business by April 2019. The Singapore Exchange has agreed to afford Lian Beng an extension to divest the properties provided that some conditions are satisfied. Lian Beng is "cautiously optimistic" that the recent removal of certain lending restrictions in Australia will increase the chances of the properties being sold. Should Lian Beng's Australian properties undergo development before they are divested, the first right of refusal will be granted to SLB to purchase Lian Beng's stakes in the special-purpose vehicles that own these properties. This will result in the property development activities being undertaken by SLB.

## Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3322.6	▲ 6.4	▲ 0.2%	▲ 3.4%	▲ 8.3%
SG Mid Cap	772.3	▼ 0.5	▼ 0.1%	▲ 1.8%	▲ 12.8%
SG Catalist	290.4	▼ 0.4	▼ 0.1%	▲ 1.5%	▼ 6.2%
SG Small Cap	349.1	▲ 1.9	▲ 0.5%	▲ 0.9%	▲ 6.4%

## Price Chart



## IPO News

### US-based Eagle Hospitality Trust planning IPO in Singapore

Eagle Hospitality Trust, backed by Los Angeles-based property investor and developer Urban Commons, began gauging investor interest ahead of a planned initial public offering ("IPO") that could raise up to US\$575 million. This would make it the first pure-play US hospitality trust to list in Singapore, with a market cap of US\$750 million upon its debut. Eagle's assets span the 11 US markets of Los Angeles, Denver, Orlando, New York, San Francisco, Dallas, Houston, Atlanta, San Bernardino, Sacramento and Salt Lake City. Its portfolio of 18 hotels is valued at US\$1.27 billion. Portfolio occupancy was 73.6% in 2018, above the US lodging market average of 66.1%. Eagle's sponsor Urban Commons has spent US\$189 million to undertake major refurbishments on 90.4% of the portfolio since 2013. Revenue per available room is projected to grow by 14.5% in 2019 and 2.9% in 2020. The stapled hospitality trust is promising an indicative dividend yield in the high 7% or 8% range for 2019.

## Capital News

### Top 5 S-REITs averaged 20% returns in Q1

Singapore bourse operator Singapore Exchange ("SGX") said the top 5 performing Singapore real estate investment trusts ("S-REITs") achieved an average return of 20% in the first quarter of 2019. The strong showing by S-REITs came from growing investor interest due to the uncertain outlook in US-China trade talks, and the hunt for higher yields amid volatile global equity markets. The top 5 REITs by return in Q1 are: Sasseur Reit (25.0%), CapitaLand Retail China Trust (19.4%), Keppel-KBS US Reit (18.2%), Mapletree Logistics Trust (17.6%) and Mapletree North Asia Commercial Trust (17.6%). Together, they averaged a total return of 19.6% in the quarter, while their one-year total returns averaged 11%.