

## Weekly Wrap of STI

The STI ended 0.20% or 6.67 points higher on Friday to close at 3356.95 as modest gains at the end of the session managed to nudge the index up on a largely unremarkable week.

The STI started the week positively on the back of recent optimistic Chinese macroeconomic data and expected positive US Q1 GDP reading. However, investors were weighed down by sentiment that the Chinese government will slow the pace of policy easing following better-than-expected economic performance. In mid-week, the STI rose tracking the record-breaking market session in US equities but soon returned to cautious trading as a decline in business sentiment in Germany and weak growth data from South Korea reignited worries about global growth. As investors were unsure if the upside surprises from US corporate results are sustainable, this translated to a quiet day on the last trading day of the week.

Year to date, the STI index is up by 9.4% while the Catalyst index is down by 6.0%.

## Week Ahead: 29 April – 3 May 2019

**Economic Calendar:** EU EC Economic Sentiment (29 Apr), US Personal Income and Outlays (29 Apr), CN CFLP Manufacturing PMI (30 Apr), US FOMC Meeting (30 Apr), US Consumer Confidence (30 Apr), US ISM Manufacturing PMI (1 May), UK CIPS/PMI Manufacturing Index (1 May), US FOMC Meeting Announcement (2 May), CN PMI Manufacturing Index (2 May), UK BoE Announcement (2 May), US Jobless Claims (2 May), UK CIPS/PMI Services Index (3 May), US Employment Situation (3 May), US International Trade in Goods (3 May), EU HICP Flash (3 May)

**Company Results:** DBS (29 Apr), Mapletree NAC Trust (29 Apr), Raffles Medical (29 Apr), Thakral Corp (29 Apr), Abterra (30 Apr), Ascott REIT (30 Apr), CapitaLand (30 Apr), CDL Hospitality Trust (30 Apr), Frasers Hospitality Trust (30 Apr), Great Eastern (30 Apr), Versalink (30 Apr), Ayondo (1 May), IREIT Global (1 May), OUE Hospitality Trust (2 May), Frasers Property (3 May), Hi-P International (3 May), Sembcorp Marine (3 May), Starhub (3 May), UOB (3 May)

## Companies News

### 1. Kim Heng announced 138.8% increase in revenue for 1Q2019 to S\$17.7 million

Catalist-listed Kim Heng Offshore and Marine Holdings Limited (“**Kim Heng**”) reported a S\$10.3 million or 138.8% increase in revenue for 1Q2019 to S\$17.7 million. The increase was mainly due to an increase in revenue of S\$9.1 million from the Offshore Rig Services and Supply Chain Management segment, in which more projects were being undertaken and a S\$1.2 million increase in charter income. During the quarter, the Group successfully completed a Marine Civil Engineering contract worth about S\$3.5 million. Correspondingly, Kim Heng recorded a net profit after tax attributable to owners of S\$0.1 million in 1Q2019 as compared to a net loss after tax attributable to owners of S\$3.1 million in 1Q2018.

### 2. United Global extended MOU with Repsol for a further 6 months

Catalist-listed lubricant manufacturer United Global Limited (“**United Global**”) agreed to extend the validity of the non-binding memorandum of understanding (“**MOU**”) entered with Repsol Lubricantes Y Especialidades, S.A (“**Repsol**”) for a further 6 months to 21 October 2019. As part of the MOU, Spain’s Repsol was to conduct a feasibility study into its possible acquisition of an equity stake in United Global’s wholly-owned subsidiary United Oil Company. After which, United Global and Repsol will discuss whether to proceed with the stake purchase and to negotiate the terms and conditions of the agreement.

### 3. Sasseur REIT signed SPA to acquire additional shop units at Hefei Outlets

Sasseur Real Estate Investment Trust (“**Sasseur REIT**”) signed a Sale & Purchase Agreements (“**SPA**”) with a third-party vendor for the acquisition of additional shop units with existing tenancies at the annex block of Sasseur (Hefei) Outlets for RMB98.3 million (approximately S\$19.8 million). This represents a discount of approximately 4.1% compared to the valuation. The shop units have a weighted average lease expiry of 5.4 years. The Acquisition will increase Sasseur REIT’s ownership of the Hefei Outlets from 77.8% to 81.2% by gross floor area. The Acquisition will be funded fully by existing cash and is expected to increase Sasseur REIT’s distribution per unit and net asset value per unit from 5.128 cents and 90.33 cents to 5.179 cents and 90.37 cents respectively.

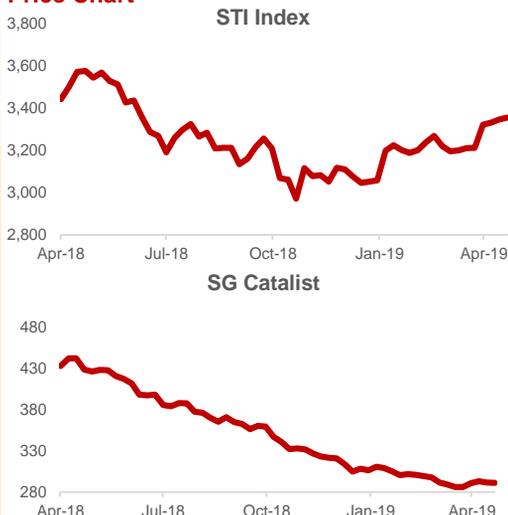
### 4. TalkMed reported 1Q2019 revenue up 40.7% to S\$17.0 million

Catalist-listed medical services provider TalkMed Group Limited (“**TalkMed**”) announced a 40.7% or S\$4.90 million increase in revenue to S\$16.97 million for 1Q2019. The increase was mainly due to the increase in the number of patient visits. Overall, the Group recorded profit after tax of S\$6.26 million for 1Q2019 as compared to S\$5.06 million for 1Q2018. The S\$1.20 million or 23.7% increase was attributable to the increase in revenue which was offset by an increase in employee benefits expense and other operating expenses.

## Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3357.0	▲ 6.7	▲ 0.2%	▲ 0.3%	▲ 9.4%
SG Mid Cap	768.3	▼ 2.5	▼ 0.3%	▼ 0.2%	▲ 12.2%
SG Catalist	291.0	▲ 1.5	▲ 0.5%	▼ 0.1%	▼ 6.0%
SG Small Cap	350.3	▲ 0.5	▲ 0.2%	▲ 0.5%	▲ 6.8%

## Price Chart



## IPO News

### ARA US Hospitality Trust seeking SGX listing

A proposed ARA US Hospitality Trust, a US\$719.5 million spin-off of US hotels under the Hyatt brand from real estate investment group ARA Group, has lodged a preliminary prospectus with the Monetary Authority of Singapore. The proposed business trust will comprise US dollar-denominated stapled securities of ARA US Hospitality Property Trust, which will hold the hotel properties; and ARA US Hospitality Management Trust, which will run the hotels. The business trust’s initial portfolio comprises of 27 Hyatt Place select-service hotels and 11 Hyatt House extended-stay hotels across the United States. The 38 hotels have a total net property income of US\$53.2 million in fiscal 2018 on a weighted average revenue per available room of US\$94. If the listing is successful, this will be the Singapore bourse’s first hospitality trust focused purely on the United States market.

### Eagle Hospitality Trust planning SGX listing

Eagle Hospitality Trust, a US hospitality stapled group, backed by privately-held real estate investment and development company Urban Commons, has lodged a preliminary prospectus to list its portfolio of US hotel assets. Eagle Hospitality Trust has 18 full-service hotel properties across the US in its initial portfolio with an aggregate valuation of about US\$1.27 billion. The issuer has projected a yield of 8.1% to 8.2% for 2020 on the back of strong US macroeconomic and hospitality fundamentals, including robust corporate and leisure-demand drivers and favourable demand-supply dynamics. The offering price range is currently set between US\$0.80 and US\$0.81 per stapled security. Eagle Hospitality Trust’s proposed listing came just two days after ARA US Hospitality Trust lodged its preliminary prospectus.