

Weekly Wrap of STI

The STI ended 0.12% or 3.80 points higher on Friday to close at 3,273.50 in a week that the market was largely on the edge about the ongoing trade situation between the US and China.

The Singapore bourse started the week on a rude awakening following a Sunday's tweet by US President Donald Trump that he would raise existing tariffs on US\$200 billion worth of Chinese goods. While mood was slightly improved by news that Chinese Vice-Premier would continue to go ahead with trade talks, the worries over the potential trade talk breakdown between the two nations continued to send the STI sliding throughout the week. On Friday, the Singapore market had some reprieve as investors gained confidence that the US and China would still be able to work towards a trade deal.

Year to date, the STI index is up by 6.7% while the Catalyst index is down by 7.4%.

Week Ahead: 13 May – 17 May 2019

Economic Calendar: EU Industrial Production (13 May), UK Labour Market Report (13 May), CN Fixed Asset Investment (14 May), CN Industrial Production (15 May), CN Retail Sales (15 May), EU GDP Flash (15 May), US EIA Petroleum Status Report (15 May), US Industrial Production (15 May), US Retail Sales (15 May), EU Merchandise Trade (16 May), US Housing Starts (16 May), US Jobless Claims (16 May), EU HICP (17 May), SG Merchandise Trade (17 May)

Company Results: APAC Realty (13 May), Cromwell REIT (13 May), KrisEnergy (13 May), NetLink NBN Trust (13 May), Sasseur REIT (13 May), SBS Transit (13 May), UG Healthcare (13 May), ComfortDelGro (14 May), Golden Agri-Resources (14 May), Hiap Hoe (14 May), MDR (14 May), Olam International (14 May), Raffles Infrastructure (14 May), Starco (14 May), TT International (14 May), United Engineers (14 May), Aoxin Q&M (15 May), ASL Marine (15 May), China Everbright (15 May), City Development (15 May), IREIT Global (15 May), Sembcorp (15 May), Singtel (15 May), SinoCloud (15 May), ST Engineering (15 May), Yuuzoo (15 May), SIA (16 May), SATS (17 May)

Companies News

1. IPS Securex received LOA with S\$1.09 million

Catalist-listed security products and integrated security solutions provider IPS Securex Holdings Limited ("IPS Securex") was awarded a Letter of Acceptance ("LOA") 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 a government agency in Southeast Asia by November 2019.

2. Maxi-Cash announced 1Q2019 results

Catalist-listed Maxi-Cash Financial Services Corporation Ltd ("Maxi-Cash") reported 1Q2019 revenue of S\$46.6 million. The profit increased by 54.1% to S\$2.8 million for 1Q2019, due to decrease in other operating expense such as foreign loss. Going forward, Maxi-Cash will continue to explore new business opportunities and manage operating costs.

3. ICG entered into conditional placement agreement

Mainboard-listed International Cement Group Ltd ("ICG") entered into a conditional placement agreement with Ms Wu Xinghui for the subscription of up to 200,000,000 new ordinary shares at an issue price of S\$0.045 per placement share. Ms Wu Xinghui will subscribe for 80,000,000 new ordinary shares in a confirmed tranche and is granted a call option to subscribe for a further 120,000,000 new ordinary shares. The consideration for the placement shares issued under the confirmed tranche is S\$3,600,000 and the consideration for the Placement Shares issued under the call option is S\$5,400,000. The placement proceeds will be used for general working capital requirements of the Group.

4. GKE to construct a new ready-mix cement plant in Cenxi City, China

Catalist-listed GKE Corporation Limited ("GKE") entered into an agreement through its wholly-owned subsidiary, Wuzhou Xing Jian Readymix Co., Ltd ("Wuzhou") with the municipal government of Cenxi City, China to construct a new ready-mix cement plant in Longmu Village. Wuzhou will invest RMB48 million (approximately S\$9.7 million) for the construction and it is expected to take about 15 months to complete after the land use rights are officially granted to Wuzhou. The project will be funded through internal resources and the issuance of 100 million new shares at S\$0.07 apiece to three investors.

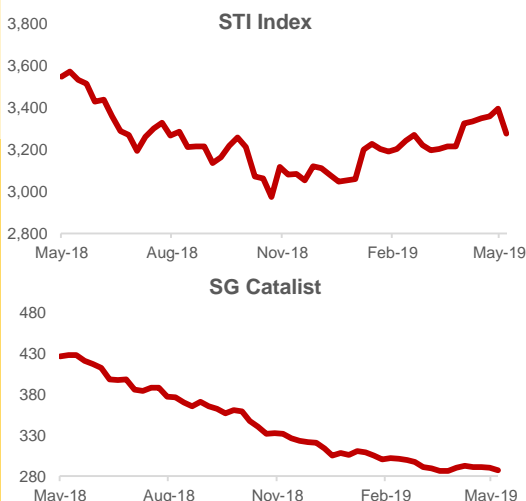
5. RE&S announced 3Q2019 results

Catalist-listed RE&S Holdings Limited ("RE&S") reported a 0.6% increase in revenue to S\$35.5 million for 3Q2019. The increase was attributable to the 10.5% growth in the Quick-Service Restaurants segment, notably from Kurita Japanese Market and Ichiban Bento concepts. At the same time, other operating income increased 45.4% to S\$0.8 million due to compensation from landlord. As a result, profit after tax for 3Q2019 increased 44.8% to S\$1.2 million.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3273.5	▲ 3.8	▲ 0.1%	▼ 3.5%	▲ 6.7%
SG Mid Cap	748.4	▼ 0.5	▼ 0.1%	▼ 2.7%	▲ 9.3%
SG Catalist	286.7	▼ 1.5	▼ 0.5%	▼ 1.3%	▼ 7.4%
SG Small Cap	340.5	▼ 0.4	▼ 0.1%	▼ 2.2%	▲ 3.8%

Price Chart



Capital Market News

Singapore to launch new corporate structure for investment funds

Singapore is launching a new corporate structure called the Variable Capital Company ("VCC") for investment funds with an aim to spur more inflow of private capital into the country. The new structure aims to encourage fund managers to base their funds and run their fund management activities in Singapore. The new structure is open to both open-end and closed-end funds, traditional and alternative strategies. A Bill to legalise the VCC structure was passed in October last year. The Government estimated then that the framework could create over 1,000 new jobs for the fund management industry in the first two years of its introduction. The investment management sector has grown 15% year-on-year between 2012 and 2017 to reach a total of \$3.3 trillion of assets under management. Assets under management in the Asia-Pacific are expected to almost double from 2017 to about S\$41 trillion in 2025 and Singapore is expected to benefit from this trend.

GoBear raised over US\$30 million in capital

Singapore-based financial comparison platform GoBear raised over US\$30 million from Dutch venture capital fund Wavis Participaties and financial services provider Aegon N.V. to bring total funds to US\$80 million. Founded in 2015, GoBear lists a variety of products across loans, credit cards and insurance on its platform. It has over 40 million users in Hong Kong, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. Its partners include financial institutions, banks and insurance providers like Allianz Worldwide Partners, Citibank, FWD Insurance and Standard Chartered Bank. The funds raised will be used to develop its product and technology, expand its partner network, and fill key roles. This involves improving the platform's search and match function, and may involve partnerships with and investments into relevant technology companies.