

Weekly Wrap of STI

The STI ended 0.06% or 1.97 points higher on Friday to end nearly flat at 3,222.63 as the Singapore market sentiment remained generally risk-off.

The STI started brightly as investors were buoyed by US President Donald Trump suspending tariff plans on Mexico, possibility of US Federal rate cuts upon the release of weak US job data and Chinese export data coming in above expectation. Despite US President Donald Trump's threats of a no-deal on the trade issue with China, the Singapore market managed to stay largely positive. In midweek, worse-than-expected retail sale growth in April and the lowering of Singapore growth forecast to 2.1% weighed down the Singapore bourse. However, the STI showed resilience and rallied the next day, lifted by real estate and technology counters. This came despite the US President's threat on sanctions to block pipelines that would increase natural gas flow from Russia to Germany. As the week closed, investors took to profit-taking on counters that have rallied and dips on stocks with heavier exposures to Hong Kong as the STI stayed nearly unchanged.

Year to date, the STI index is up by 5.0%.

Week Ahead: 17 June – 21 June 2019

Economic Calendar: AU RBA Meeting Minutes (18 Jun), US Housing Starts (18 Jun), UK CPI (19 Jun), US EIA Petroleum Status Report (19 Jun), UK BOR Announcement & Minutes (20 Jun), UK Retail Sales (20 Jun), US FOMC Meeting Announcement (20 Jun), US FOMC Forecasts (20 Jun), US Jobless Claims (20 Jun), US Philadelphia Fed Business Outlook Survey (20 Jun), EU PMI Composite Flash (21 Jun), US Existing Home Sales (21 Jun)

Company Results: Top Glove Corporation (18 Jun), Del Monte Pacific (21 Jun)

Companies News

1. Synagie to help SMEs in SE Asia penetrate China's social e-commerce market

Catalist-listed e-commerce enabler Synagie Corporation Ltd ("**Synagie**") had signed an agreement with a wholly-owned subsidiary of Hong Kong Main Board listed Weimob Inc ("**Weimob**") to offer its integrated cross-boarder e-commerce and advertising solutions. Weimob is China's leading cloud-based commerce and marketing solutions provider. It is the largest third-party service provider for SMEs in the WeChat ecosystem and offers advertising solutions that covers the entire Tencent ecosystem, Baidu and Q&A platform - Zhihu. Through the agreement, Synagie will leverage on Weimob's e-commerce enablement solutions and deep domain expertise in the China e-commerce market to offer an end-to-end solution that will help SMEs in Singapore and SE Asia to grow their online cross-border business and fulfil cross-border orders to consumers in China. Synagie's end-to-end solution will cover the entire commerce value chain from setting up SMEs' WeChat official account to digital store management, content translation, digital marketing and smart supply chain. Synagie is targeting for this China social e-commerce solution to go live by 3Q2019.

2. Aoxin Q&M proposed modifications to non-compete undertakings

Catalist-listed Aoxin Q&M Dental Group Limited ("**Aoxin Q&M**") and its controlling shareholder Q&M Dental Group (Singapore) Limited ("**Q&M Singapore Group**") has both proposed to amend the existing non-compete agreement. The terms of the proposed modifications are aimed at allowing Q&M Singapore Group to participate in projects in the Northern PRC Region and Aoxin Q&M to participate in projects in the Southern PRC Region. The proposed modifications will allow Aoxin Q&M to enter into a joint venture with its controlling shareholder, which will help the Company to manage the risk exposure and capital requirements resulting from its expansion plans, and to continue to expand its footprint in the Northern PRC Region. The proposed modifications are subjected to approval from shareholders from both companies.

3. Accrelist opened its 5th medical aesthetics clinic

Catalist-listed Accrelist Ltd. ("**Accrelist**") set up its 5th clinic under the newly established Accrelist Medical Aesthetics brand at Clementi Mall. This marked significant organic growth for the Group following the acquisition of the Refresh Laser Clinic network last year and put its growth plans on track, with presence in almost all regions of Singapore. Moving forward, the Group aims to add three clinics in Malaysia this year.

4. Revez Corporation listed on Catalist board following RTO deal

Creative technology provider Revez Group had successfully listed on the Catalist board of the Singapore Exchange following the completion of a reverse takeover deal worth S\$42.7 million, involving Jason Holdings. Revez Corporation, formerly Jason Holdings, resumed trading and opened at S\$0.148 Singapore cents. Revez Group was established in 2010, offering a multi-disciplinary blend of technology and creative media in handling public and private-sector projects. Moving forward, Revez Corporation's business will specialise in the design and development of solutions tapping new technology, immersive multimedia, artificial intelligence, Internet of Things, and information and communications technology.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3222.6	▲ 2.0	▲ 0.1%	▲ 1.8%	▲ 5.0%
SG Mid Cap	757.2	▲ 0.3	▲ 0.0%	▲ 2.2%	▲ 10.6%
SG Catalist	279.1	▼ 0.7	▼ 0.3%	▲ 1.0%	▼ 9.8%
SG Small Cap	347.9	▼ 0.4	▼ 0.1%	▲ 1.5%	▲ 6.1%

Price Chart



IPO News

ST Group Food Industries planning Catalist IPO

Australian-headquartered franchisee ST Group Food Industries had lodged a draft prospectus for listing on the Singapore Exchange Catalist board. The Group owns exclusive franchise and licence rights to the PappaRich, NeNe Chicken, Hokkaido Baked Cheese Tart, Gong Cha, Ippudo and iDarts brands across Australia, New Zealand and Malaysia. The shares will be sold by way of a placement and will have no public offer. Two master franchisors, Chikaranomoto Global Holdings of Ippudo brand and Hyein Foods of NeNe Chicken, will be joining as cornerstone investors. The Group reported a net profit of A\$1.9 million for the half-year ended June 30 2019, and a revenue of A\$25 million, a 36.7% increase from the corresponding period a year ago. Proceeds from the share sales will be used to expand the group's franchise network, introduce new brands and concepts, expand its existing central kitchen and corporate office in Australia, and to set up a new central kitchen and corporate office in Malaysia.

Capital Market News

UOBVM to launch second impact fund

UOB Venture Management ("**UOBVM**") , the private equity investing arm of UOB, made a soft launch of its second impact vehicle, Asia Impact Investment Fund ("**AIIF II**"). The fund will make equity investments of US\$1 million to US\$15 million and take minority stakes in the investee companies. The fund will be a doubled bottom-line fund, aiming to achieve both impact and financial returns. Previously, AIIF I gathered US\$55 million to invest in education, healthcare and agriculture sectors in Asia. AIIF II will seek similar strategy and invest in the areas of financial inclusion, affordable housing, clean energy, water and sanitation. Through the AIIF II, the UOBVM aims to develop and sustain responsible growth by providing financing to entrepreneurs and companies which are committed to working with low-income communities.