

Weekly Wrap of STI

The STI ended 0.21% or 6.89 points higher on Friday to end at 3,321.40 as index rebalancing helped the Singapore shares to post modest gains.

The STI started the week in cautious mood as investors remained concern by the US-China trade tensions. The market started to rally however, as sentiment was given a lift on high expectations of a more dovish Fed. The combination of a US stock rally, news that the US and China would meet at the G-20 summit and the US Federal Reserve taking on a more dovish stance on interest rates had equity markets surging in Singapore and around the region. However, the rally seemed to have ease off at the end of the week as the STI spent most of Friday's session flat, attributed to a combination of opportunistic profit-taking by investors and worries over US-Iran relations. Yet, the Singapore bourse still managed to close higher for the week as index rebalancing helped to nudge STI over the top near the end of the day and post an overall 3.1% gain for the week.

Year to date, the STI index is up by 8.2%.

Week Ahead: 24 June – 28 June 2019

Economic Calendar: SG Industrial Production (25 Jun), US Consumer Confidence (25 Jun), US New Home Sales (25 Jun), US Durable Goods Orders (26 Jun), US International Trade in Goods (26 Jun), US EIA Petroleum Status Report (26 Jun), CN Industrial Profits (27 Jun), EU EC Economic Sentiment (27 Jun), US GDP (27 Jun), US Jobless Claims (27 Jun), JP Industrial Production (28 Jun), EU HICP Flash (28 Jun), UK GDP (28 Jun)

Company Results: Second Chance Properties Ltd (27 Jun), AnAn International (28 Jun)

Companies News

1. Kim Heng signed MOU with Hung Hua Construction and Thaitan Drilling

Catalist-listed integrated offshore and marine value chain services provider Kim Heng Offshore & Marine Holdings announced that its wholly owned subsidiary had signed a Memorandum of Understanding ("MOU") with marine construction company Hung Hua Construction Co. ("Hung Hua Construction") and Horizontal Directional Drilling ("HDD") specialist Thaitan Drilling Co. Ltd ("Thaitan Drilling") to establish a long-term business cooperation. The MOU is in relation to the operations between the three parties relating to HDD projects and marine construction projects. The MOU will remain in force for a period of one year, and renewable as mutually agreed by the parties.

2. Mercurius Capital entered into JV agreement with Apex Development

Catalist-listed Mercurius Capital Investment Limited ("Mercurius Capital") entered into a joint venture ("JV") agreement with Thailand-listed real estate developer Apex Development Public Company Limited ("Apex Development"). Pursuant to the JV agreement, Mercurius Capital will buy a 50% stake in 99.99%-owned Apex Development subsidiary, Grand Bay Hotel Co., Ltd ("Grand Bay") and also to jointly develop the Sheraton Phuket Grand Bay Resort in Phuket, Thailand, with Grand Bay as the joint venture vehicle. Mercurius Capital will pay 335 million baht plus half of the construction and development costs for the Sheraton resort incurred after March 31 up until the date on which the final tranche of the sale shares is transferred for the acquisition. Mercurius Capital will conduct private placement exercise(s) and public offerings to fund the acquisition.

3. TrickleStar made SGX Catalist board debut

Energy savings products maker TrickleStar Limited ("TrickleStar") made a positive debut on the Singapore Exchange's ("SGX") Catalist board, opening at 26.5 Singapore cents and closing the day at 34 Singapore cents. The closing price represented a 30% gain on its initial public offering price of 26 Singapore cents. With a market capitalisation of about S\$21.3 million, TrickleStar's listing brings the total companies listed on the Catalist board to 218, with a combined market capitalisation of about S\$10 billion. TrickleStar is in the business of designing and supplying energy-saving products. Its portfolio of products includes advanced powerstrips, load controllers, energy meters, energy monitors and surge protectors. Out of the S\$2.4 million proceeds raised through the placement of 15 million new shares, S\$0.4 million will be used to scale and establish new sales channels. S\$1 million will be used for product development and acquisitions and another S\$1 million is for general working capital. Listing expenses is expected to cost S\$1.5 million.

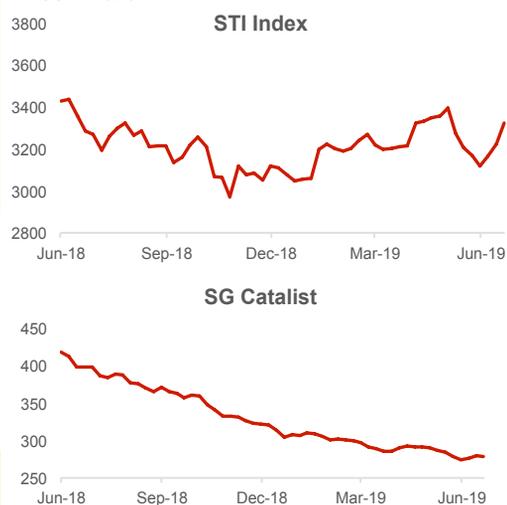
4. Hyphens Pharma became an exclusive distributor for Syntellix in Vietnam

Catalist-listed specialty pharmaceutical and consumer healthcare group Hyphens Pharma International Limited ("Hyphens Pharma") signed an exclusive distribution agreement with Syntellix AG ("Syntellix") for the marketing and distribution of its products in Vietnam. Syntellix is a Germany-based company that specialises in the research and development, and sales of cutting-edge bioabsorbable metal implants. Hyphens Pharma has started to launch the MAGNEZIX® implants in Vietnam. MAGNEZIX® implants are used to keep broken pieces of bones together for healing and growth. Its innovative characteristic is in its ability to be dissolved and reabsorbed within the human body due to its unique magnesium alloy compound.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3321.4	▲ 6.9	▲ 0.2%	▲ 3.1%	▲ 8.2%
SG Mid Cap	772.8	▲ 2.4	▲ 0.3%	▲ 2.1%	▲ 12.9%
SG Catalist	278.8	▼ 1.2	▼ 0.4%	▼ 0.1%	▼ 9.9%
SG Small Cap	348.1	▲ 0.0	▲ 0.0%	▲ 0.0%	▲ 6.1%

Price Chart



Capital Market News

Novena Global Healthcare to set up US\$150 million healthcare investment fund

Singapore-based aesthetic healthcare firm Novena Global Healthcare secured US\$20 million in investment from Sinopharm Capital and Cedarlake Capital Group. The investment will be used to grow the Group's existing business in China and South-east Asia while leveraging on Sinopharm Capital's network and resources for its China expansion. Sinopharm Capital is an equity investment institution with a focus on healthcare, established by its management team and the China National Pharmaceutical Group Corporation (Sinopharm) while Cedarlake Capital is an international private equity firm that specialises in cross-border investment and advisory. Together, the three parties will also be setting up a new US\$150 million Sino-Singapore healthcare investment fund to invest in companies in South-east Asia that are involved in medical services, biomedical projects, mature drugs and precision medicine.

Accelerating Asia to close US\$5 million fund

Singapore-based Accelerating Asia, an Enterprise Singapore supported initiative, is expected to reach the first close of its pre-seed venture capital fund in July. Investors in this fund comprise of angels, family offices and individual investors. The US\$5 million worth of fund raised will be invested in over 40 high-growth regional startups. The first group of startups selected for the accelerator programme comprises of startups specialising in Big Data, e-commerce, human resources, logistics, software-as-a-service, transportation and remittances. These startups come from all over Asia, including Bangladesh, Malaysia, Indonesia, Pakistan, Singapore, the Philippines and Vietnam. They each received S\$100,000 in funding, office space in Downtown Singapore, and perks such as Amazon Web Services, Hubspot, and Tribe Theory subscriptions. The pre-seed fund supports the investment in the form of a simple agreement for future equity note.