

## Weekly Wrap of STI

The STI ended 0.93% or 30.64 points lower on Friday to end at 3,261.11 as the latest escalation in trade tensions sent Asian equities into the red.

The STI started the week slightly lower as investors remained in cautious mood amid the corporate earnings season and for a confirmation in cuts in US interest rates. Following the US Federal Reserve's decision to lower rates by only 25 basis points, and a statement that the move is simply a "mid-cycle adjustment", markets took a beating as market expectations of a downward rate cycle was dampened. On Friday, the Singapore market saw another round of selling after US President Donald Trump announced a new round of tariffs on US \$300 billion worth of Chinese goods which will commence on Sept 1. China's vow to retaliate to new the latest trade provocation sent Asian equities largely lower.

Year to date, the STI index is up by 6.3%.

## Week Ahead: 5 August – 9 August 2019

**Economic Calendar:** CN General Services PMI (5 Aug), SG PMI (5 Aug), UK CIPS/PMI Services Index (5 Aug), AU RBA Announcement (6 Aug), NZ RBNZ Announcement (7 Aug), US EIA Petroleum Status Report (7 Aug), US Jobless Claims (8 Aug), CN CPI (9 Aug), UK GDP (9 Aug), US PPI-FD (9 Aug)

**Company Results:** APAC Realty (5 Aug), Challenger (5 Aug), First REIT (5 Aug), NetLink NBN Trust (5 Aug), EC World REIT (6 Aug), Ho Bee Land (6 Aug), OUE H-Trust (6 Aug), Sasseur REIT (6 Aug), Starhub (6 Aug), Thakral Corp (6 Aug), World Class Global (6 Aug), CapitaLand (7 Aug), China Aviation Oil (7 Aug), Fragrance Group (7 Aug), Haw Par Corp (7 Aug), IREIT Global (7 Aug), OUE Commercial REIT (7 Aug), Perennial Holdings (7 Aug), VICOM (7 Aug), BHG Retail REIT (8 Aug), City Development (8 Aug), Cromwell REIT (8 Aug), Frasers Property (8 Aug), Hong Leong Finance (8 Aug), Hotel Royal (8 Aug), Maxi-Cash (8 Aug), SBS Transit (8 Aug), SingTel (8 Aug), UOL (8 Aug), Venture (8 Aug)

## Companies News

### 1. SLB Development announced FY2019 results

Catalist-listed SLB Development Ltd. ("**SLB Development**") reported a revenue of S\$47.6 million for FY2019 as compared to the restated revenue of S\$154.4 million for FY2018. The decrease in revenue was largely attributable to the lower revenue contribution from the Group's industrial property development project, T-Space@Tampines, which was completed in June 2018. Over the same period, share of results of joint ventures and associates decreased from share of profits of S\$2.5 million in FY2018 to share of losses of S\$7.3 million in FY2019 due to interest incurred and expensed off for the development property projects by the associates and decrease in share of profits from joint ventures due to the completion of Spottiswoode Suites. Overall, SLB Development registered a net loss attributable to owners of S\$5.0 million in FY2019.

### 2. BRC Asia issued positive profit guidance for 3QFY2019 results

Established steel reinforcement supplier and solutions provider BRC Asia Limited ("**BRC Asia**") issued a positive profit guidance announcement for its upcoming financial results. In the announcement, BRC Asia wrote that it is expected to report higher profits for 3QFY2019 and 9MFY2019 based on the preliminary review of the Group's financial results. The improved performance was largely contributed by the commercial and cost synergies from the acquisition of Lee Metal Group and an improving business environment. BRC Asia is expected to release its unaudited financial results on or before 14 August 2019. In relation, SAC Advisors [recently initiated a buy call on BRC Asia](#).

### 3. ISOTeam strengthened order book with S\$20.26 million worth of new projects

Catalist-listed ISOTeam Ltd. ("**ISOTeam**") kicked off FY2020 with S\$20.26 million in new contracts. These contracts include Repairs and Redecoration projects with a collective value of S\$12.99 million for a total of 63 blocks in Sengkang and Pasir Ris; Coating and Painting jobs worth S\$4.03 million for an estate in Bukit Batok; Interior Design projects, Mechanical and Engineering projects, Addition and Alteration project and Landscaping project with a cumulative value of \$3.24 million. These projects are expected to be completed between 2019 and 2021. SAC Advisors recently [initiated a buy call on ISOTeam](#) and these slew of projects will likely to further strengthen ISOTeam future earnings.

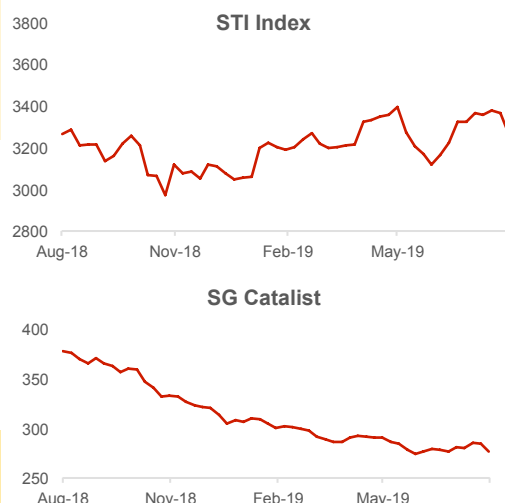
### 4. Delong CEO revived cash offer as SIC censured advisers in failed 2018 buy-out

Delong Holdings Limited ("**Delong**") CEO Ding had once again made a voluntary conditional cash offer of S\$7 a share in a bid to privatise the company as the Securities Industry Council ("**SIC**") ruled that an aborted buy-out attempt in late 2018 breached Singapore's takeover code. Previously, Ding bought a 15.04% stake in Delong at a higher price of S\$7.42 a share less than 6 months before the buy-out offer at S\$7 a share. Under Singapore's takeover code, Ding was thus obliged to make a cash offer to shareholders at an offer price of S\$7.42, but did not do so.

## Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3261.1	▼ 30.6	▼ 0.9%	▼ 3.1%	▲ 6.3%
SG Mid Cap	752.4	▼ 2.7	▼ 0.4%	▼ 2.1%	▲ 9.9%
SG Catalist	276.5	▼ 4.5	▼ 1.6%	▼ 2.7%	▼ 10.7%
SG Small Cap	349.7	▼ 0.2	▼ 0.1%	▼ 0.7%	▲ 6.6%

## Price Chart



## Capital Market News

### SAC Capital set up fund management arm

Singapore-based corporate finance house SAC Capital launched a fund management arm to offer funding for small and medium-sized enterprises. The new arm, called SAC Investment Management ("**SACIM**") is 75% owned by SAC Capital, 15% by Japanese investor Tokusui Corp and 10% by SACIM chief executive Gerald Cheong. SACIM has set a target of S\$50 million for its maiden fund. So far, it is close to hitting S\$20 million in committed capital and plans to raise the remaining S\$30 million over the next one year. SACIM will provide funding at the pre-listing and pre-trade sale stages. According to Mr Cheong, the capital committed will be used to invest in a companies in selected sectors such as education, healthcare, fast-moving consumer goods and entertainment. He also added, "We invest in companies that are mature and profitable, and they should also have a clear and identifiable exit strategy through an IPO or trade sale. We would consider all sectors except for mining and oil and gas, because we are not familiar with them."

### Startup Aspire raised US\$32.5 million

Singapore-based startup Aspire raised US\$32.5 million in a Series A funding round, led by MassMutual Ventures Southeast Asia, a US\$50 million Southeast Asia fund of the US-based MassMutual Ventures. The startup, backed by US seed accelerator Y Combinator, serves small businesses with inclusive financial services products. Aspire currently operates across markets such as Thailand, Indonesia, Singapore, Vietnam. It is building a scalable marketplace of banking infrastructure that leverages third party financial service providers to create a digital banking experience for its SME customers. The fund raised will be used by Aspire to boost its financial product offering and strengthen its local presence. The company claims it has seen a 30% month-on-month growth since its inception and expects to open more than 100,000 business accounts by next year.