

### Weekly Wrap of STI

The STI ended 0.35% or 11.06 points lower on Friday to end at 3,115.03 on recession fears stemming from weaker Singapore growth numbers.

The STI tumbled after the market opened on Tuesday following a long weekend break to face rising US-China trade tensions, escalating Hong Kong protests, an Argentine peso crash and slashed growth and export forecasts at home, with Singapore's non-oil domestic exports tumbling 14.6% year-on-year, and a cut in Singapore GDP forecast to between 0% - 1% for the full year. In midweek, the market faced a brief relief rebound following news that US delayed tariffs on certain Chinese imports. However, the rebound soon eased off as recession fear grappled the investors following disappointing economic data from China, Germany as well as the eurozone and an inversion of the US yield curve. An encouraging US retail sales data might have eased worries on Wall Street but sentiment in the local market remained risk-off on global recessionary concerns and stubborn trade disputes as the STI closed lower.

Year to date, the STI index is up by 1.5%.

### Week Ahead: 19 August – 23 August 2019

**Economic Calendar:** Euro HICP (19 Aug), Australia RBA Meeting Minutes (20 Aug), Germany PPI (20 Aug), US Redbook (20 Aug), SG Wholesale Trade Index (20 Aug), UK Public Sector Finances (21 Aug), US Mortgage Applications (21 Aug), US Existing Home Sales (21 Aug), US FOMC Minutes (22 Aug), Euro ECB Minutes (22 Aug), US Jobless Claims (22 Aug), SG CPI (23 Aug), US New Home Sales (23 Aug)

**Company Results:** Health Management International (19 Aug), Lion Asiapac (23 Aug)

### Companies News

#### 1. Union Gas announced 1H2019 results

Catalist-listed Union Gas Holdings Limited (“**Union Gas**”) saw an increase in revenue by 43.5%, rising S\$10.42 million from S\$23.95 million in 1H2018 to S\$34.37 million in 1H2019. This was primarily due to increase in revenue from the sale of liquified petroleum gas (“**LPG**”) cylinders and related accessories to domestic households, arising from a larger domestic distribution network as a result of an agreement with Semgas Supply Pte. Ltd. to acquire its domestic customer base. Revenue from the sale of LPG supply to hawker centers also increased. Over the half year period, revenue from the company's Diesel business also rose due to higher average selling price from an increase in oil prices, and a rise in sales volume. Union Gas incurred larger administrative expenses from additional headcount and salary increments, and higher marketing and distribution costs mainly due to increases in delivery and call centre charges as a result of higher overall LPG sales. Overall, net profit rose 25.7% from S\$3.15 million in 1H2018 to S\$3.96 million in 1H2019.

#### 2. Advancer Global reported S\$34.4 million revenue for 1H2019

Catalist-listed Advancer Global Limited (“**Advancer Global**”), an investment holding company that provides workforce solutions and services in Singapore, reported a 4.8% increase in revenue to S\$34.4 million for 1H2019 due to revenue growth across all of the company's business segments. Net profit attributable to owners of the company decreased to S\$0.5 million, on the back of increased staff costs, increased loss allowance for trade receivables arising from the Group's pest control businesses, and higher depreciation arising from higher capital expenditure. Also contributing to lower net profit was a fall in other operating income, from a decrease in the amount from government credit schemes such as the Wage Credit Scheme. Moving forward, Advancer Global intends to seek opportunity in cross-selling products and services among business units of its clients, and target higher value business segments with technological innovations and IT solutions.

#### 3. Atlantic Navigation Holdings posted US\$0.41 million profit in 1H2019

Catalist-listed Atlantic Navigation Holdings (Singapore) Limited (“**Atlantic Navigation**”), an offshore supply operation principally engaged in the provisioning of marine logistic services (“**MLS**”), and ship repair, fabrication and other marine services (“**SRM**”), posted a net profit attributable to owners of the company of US\$0.41 million. This was a turnaround from its US\$0.47 million loss in 1H2018. Atlantic Navigation's revenue for the MLS segment increased by 25.9%, from 1H2018, as there was a higher rate of utilisation of owned vessels and cross charter vessels from third parties as well as the deployment of new vessels to support long-term charter contracts with a Middle Eastern National Oil Company. Atlantic Navigation noted that the majority of its chartering revenue was from long-term contracts, and as of 30 June 2019, the Group had an outstanding chartering order book of US\$101.9 million with respect to firmed contracts until September 2022.

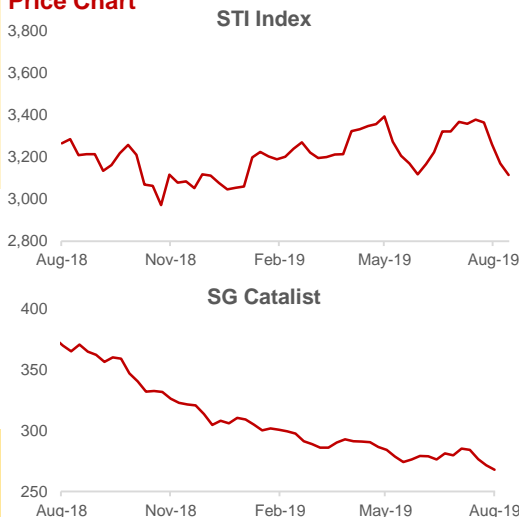
#### 4. Aoxin Q&M Dental Group reported 1H2019 revenue growth of 9%

Catalist-listed Aoxin Q&M Dental Group Limited (“**Aoxin Q&M**”) reported a 9% year on year rise in revenue to RMB64.9 million for 1H2019, driven by growth in its dental equipment and supplies distribution segment. The Group's other two segments of dental and laboratory services remained stable. The Group saw a loss of RMB5.95 million, in part due to a significant increase in employee benefits expense by 33%. This arose from higher headcount as part of the Group's expansion in its distribution business, and the setting up or acquisition of several new medical facilities since May 2018.

### Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3115.0	▼ 11.1	▼ 0.4%	▼ 2.2%	▲ 1.5%
SG Mid Cap	727.0	▲ 3.8	▲ 0.5%	▼ 1.0%	▲ 6.2%
SG Catalist	267.9	▼ 1.2	▼ 0.5%	▼ 1.6%	▼ 13.5%
SG Small Cap	341.9	▲ 0.2	▲ 0.1%	▼ 0.2%	▲ 4.2%

### Price Chart



### Capital Market News

#### Secretlab gets funding from Heliconia Capital

Singapore-based gaming chair startup Secretlab received funding from Temasek Holdings subsidiary Heliconia Capital Management (“**Heliconia**”). Heliconia took up a minority stake in the company, making it Secretlab's first external investor. The funding amount was undisclosed. Funds raised will contribute to the company's research and development and procurement initiatives, as well as to help Secretlab to attract talent and global partnerships. Additionally, Secretlab's co-founder Ian Alexander Ang noted that the company would benefit from Heliconia's long-term strategic insights and extensive contacts. Secretlab was founded in 2014 by two competitive gamers dissatisfied with then available chair options. The company's first product was launched in May 2015, and it has since sold over 200,000 chairs worldwide.

#### Fintech investments in Singapore surge to US\$453 million in 1H2019

According to research by Accenture, financial technology (“**fintech**”) investments in Singapore for 1H2019 increased by more than 200% year on year, from US\$118 million in 1H2018, to US\$453 million in 1H2019, with the number of deals increasing by 55% to 48. This ranked Singapore third in terms of funds raised in the Asia-Pacific region, behind China and India, and ahead of Australia. Approximately 28% of total funds raised went to insurance technology firms, 27% went to payment firms and a quarter went to lending firms. Notable investments include funding rounds for Deskera, a cloud-based enterprise software provider, GoBear, a financial comparison platform, and e-commerce website Shopback. Globally, fintech investment deal value fell 29% compared to 1H2018, mainly due to the lack of a large deal such as Ant Financial's US\$14 billion funding round in the first half of last year. Excluding this large transaction, global fintech investment value would have risen 28%.