

Weekly Wrap of STI

The STI ended 0.52% or 16.53 points higher on Friday to end at 3,211.49 after an interest rate cut, along with other economic stimulus measures, was announced by the European Central Bank (“ECB”), and expectations that the US will follow suit.

The STI opened the week flat and was off to a slow start as China’s decision to cut its reserve requirement ratio was offset by disappointing PPI results. Midweek, the STI surged from raised optimism after China announced tariff exemptions and America’s follow-up to delay tariff hikes, ahead of further negotiations between both nations. While momentum was momentarily halted with reports of rising unemployment and falling retail sales in Singapore, a late week rally from the ECB’s easing package saw the STI close higher.

Year to date, the STI index is up by 4.7%.

Week Ahead: 16 September – 20 September 2019

Economic Calendar: CN Fixed Asset Investment (16 Sep), CN Industrial Production (16 Sep), CN Retail Sales (16 Sep), CN House Price Index (17 Sep), SG Merchandise Trade (17 Sep), US Housing Market Index (17 Sep), US Industrial Production (17 Sep), EU CPI (18 Sep), UK CPI (18 Sep), UK PPI (18 Sep), US Building Permits (18 Sep), UK Retail Sales (19 Sep), UK BoE Interest Rate Decision (19 Sep), US FOMC Forecasts (19 Sep), US Existing Home Sales (19 Sep), US Fed Interest Rate Decision (19 Sep), US Jobless Claims (19 Sep), HK CPI (20 Sep), JP CPI (20 Sep), UK Retail Sales (20 Sep)

Company Results: -

Companies News

1. Kitchen Culture’s subsidiary secured S\$3.7 million contracts

Kitchen Culture Holdings Ltd. (“Kitchen Culture”), a Catalyst-listed kitchen equipment supplier, announced that its wholly-owned subsidiary, KHL Marketing Asia-Pacific Pte Ltd (“KHL”), had successfully secured two contracts worth S\$2.7 million and S\$1.0 million each, lifting the Group’s order book to S\$34.3 million. The contracts are for the supply, fabrication, delivery and installation of kitchen cabinets and wardrobes for two separate residential developments in Singapore, and are expected to be fulfilled over the next 1 – 3 years.

2. Kim Heng Offshore & Marine subsidiary awarded HDD contract

Catalist-listed integrated offshore and marine value chain services provider Kim Heng Offshore & Marine Holdings Limited (“Kim Heng Offshore & Marine”), through its wholly owned subsidiary Kim Heng Marine & Oilfield Pte Ltd, secured a Horizontal Directional Drilling (“HDD”) contract from a repeat, well-established customer following their successful completion of a S\$3.5 million marine civil engineering contract from earlier this year. The Group is expecting a positive contribution from this HDD contract to its earning per share and net tangible assets for the financial year ending 31 December 2019.

3. Reclaims reported higher revenue and profit for 1H2020

Reclaims Global Limited (“Reclaims”), a Catalyst-listed eco-friendly integrated service provider in the construction industry, reported revenue of S\$15.2 million for the half-year ended 31 July 2019 (“1H2020”), a 15.6% increase over revenue of S\$13.1 million in 1H2019, mainly due to significant growth in the excavation services segment, which was partially offset by declines in the recycling segment and logistics and leasing segment. Profit after tax for 1H2020 was at S\$0.5 million as compared to a loss of S\$0.1 million in 1H2019, with an absence of IPO-related expenses cited as one of the main reasons for the improved results.

4. Biolidics to collaborate with Hangzhou Normal University and A*STAR’s GIS

Biolidics Limited (“Biolidics”), a Catalyst-listed medical technology company, announced that it will be collaborating with Hangzhou Normal University to investigate the clinical utility of circulating tumour cells (“CTCs”) as a biomarker for late stage lung cancer. The study will leverage Biolidics’ ClearCell® FX1 System, which is a patented technology that utilises liquid biopsies to test for the presence of CTCs. Biolidics will also be collaborating with the Agency for Science, Technology and Research’s (“A*STAR”) Genome Institute of Singapore (“GIS”) to develop a new liquid biopsy test that predicts the risk of breast cancer relapse based on CTCs and other biomarkers, thereby enabling medical intervention and relapse prevention.

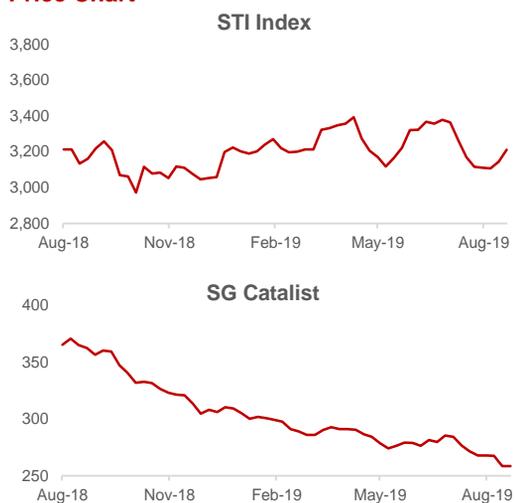
5. Alpha Energy’s rights issue oversubscribed

Catalist-listed oil and gas firm Alpha Energy Holdings Limited’s (“Alpha Energy”) 2-for-1 rights issue was 134.22% subscribed with total applications for 2,018,152,215 shares, at S\$0.014 per share. 1,503,591,554 rights shares, being the maximum available number of shares available for subscription under the rights issue, were issued and quoted on Catalist on 13 September 2019. The gross proceeds of S\$21.1 million will go towards the repayment of a term loan, professional fees and expenses, undertaking fees, the Company’s development works for its Mustang Project (a prospective oil field in Alaska), and general working capital.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3211.5	▲ 16.5	▲ 0.5%	▲ 2.1%	▲ 4.7%
SG Mid Cap	742.0	▲ 5.5	▲ 0.7%	▲ 1.3%	▲ 8.4%
SG Catalist	258.3	▲ 0.1	▲ 0.1%	▼ 0.0%	▼ 16.6%
SG Small Cap	346.2	▲ 0.4	▲ 0.1%	▲ 0.8%	▲ 5.6%

Price Chart



IPO News

Trans-Cab revived IPO plans

Singapore taxi operator Trans-Cab Services Pte Ltd (“Trans-Cab”) is once again attempting an initial public offering (“IPO”) on the Catalist board, with anonymous sources claiming that the Company is seeking a valuation as much as S\$200 million. The sources also reported that Trans-Cab is targeting a listing in the first quarter of 2020, although deliberations are still at an early stage and details are subject to change. With a fleet of over 3,000 vehicles, Trans-Cab is Singapore’s second-largest taxi operator behind Mainboard-listed ComfortDelGro Corporation Ltd. In the face of strong competition from ride-railing companies Grab and Gojek, Trans-Cab is looking to diversify its business by expanding into car financing and leasing. The Company was previously eyeing a valuation of S\$456 million during its first IPO attempt in 2014, which was called off after information on outstanding insurance premiums was uncovered.

Capital Market News

Hoow Foods raised S\$1.7 million seed funding

Singapore-based food technology start-up Hoow Foods Pte. Ltd. (“Hoow Foods”) raised S\$1.7 million in a seed funding round led by Killiney Group, joined by TRIVE Ventures, Innovate360 and other angel investors. Founded in 2018 by 4 National University of Singapore alumni, Hoow Foods specialises in developing healthier and reformulated versions of popular “unhealthy” foods without compromising on taste and texture. Their low calorie ice cream brand “Callery’s” was successfully launched last year and is currently available from FairPrice Finest, RedMart and honestbee. Killiney Group, which operates a multi-national traditional coffee shop chain, aims to draw on Hoow Foods’ expertise in food innovation through this strategic partnership. The funds are intended to go towards expanding Hoow Foods’ team and R&D capabilities.