

Weekly Wrap of STI

The STI ended 0.55% down or 17.65 points lower on Friday to end at 3,181.03 as sentiment on the Covid-19 virus outweighed the boost from the Singapore government's expansionary Budget.

The STI dipped at the start of the week as the impact of the Covid-19 virus and uncertainty over the Singapore Budget announcement on Tuesday continued to weigh. The index staged a strong rebound however in the next two days as sentiment improved on the strong support given from the government to counter the downturn in the Singapore economy. This all changed on Friday however, when the uncertainty of the full extent of the virus impact on the Singapore economy saw the index trade lower and closed the week lower.

Year to date, the STI index is down by 1.3%.

Week Ahead: 24 February – 28 February 2020

Economic Calendar: China Industrial Production (24 Feb) China Retail Sales (24 Feb), EUR IFO Business Climate (24 Feb), EUR GDP (25 Feb), US New Home Sales (27 Feb), US EIA Crude Oil stocks change (27 Feb), US Core Personal Consumption Expenditure (28 Feb), US Initial Jobless Claims (28 Feb), US GDP (28 Feb), JP CPI (28 Feb)

Company Results: BreadTalk (24 Feb), Raffles Medical (24 Feb), ST Engineering (24 Feb), Cromwell European REIT (25 Feb), City Developments (26 Feb), China Aviation Oil (26 Feb), Venture (27 Feb) Uni-Asia (28 Feb), UOL (28 Feb), Ho Bee (28 Feb)

Companies News

1. Interra Resources JV completed development well in Myanmar

Petroleum exploration and production firm Interra Resources announced that its joint-venture entity, Goldpetrol Joint Operating Company, has completed development well CHK 1220 in the Chauk oil field in Myanmar as an oil producer. Interra has a 60% interest in the Improved Petroleum Recovery Contract of the Chauk field and also owns 60% of Goldpetrol, which is the operator of the field. CHK 1220 was drilled using Goldpetrol's ZJ 450 rig, thus drilling costs were relatively low, Interra said. Interra's share of the cost of drilling was funded from existing funds on hand. Interra said: "CHK 1220 was drilled to a total depth of 3,005 feet in the Chauk South Central fault block as an infill development well between four current oil producers. The primary objective of CHK 1220 is to accelerate production from the multiple oil reservoirs that produce in this fault block. Following production testing, CHK 1220 has been completed through casing perforations over 10 reservoirs totalling 54 feet for 11 barrels of oil per day."

2. Talkmed Q4 net profit rose 19%, declared S\$0.013 dividend

Catalist-listed Talkmed posted a fourth-quarter net profit of S\$10.9 million, up 18.9% from the same period a year earlier on a higher number of patients visits. Revenue in the three months ended Dec 31 last year was S\$22.1 million, up 16.6% from the same period a year earlier. Full-year profit was S\$32.8 million, a 20.5% from 2018 as revenue rose 23.9% to S\$76 million. Fourth-quarter earnings per share was S\$0.0088, up from S\$0.0073 from a year ago. Full-year earnings per share was S\$0.0272, up from S\$0.220 in 2018. A final dividend of S\$0.013/share has been recommended, this is up from the final dividend of S\$0.01065 declared in the preceding financial year.

3. iFast Q4 profit up 14.4% to S\$3m

Digital bank hopeful iFast Corporation on Thursday posted a 14.4% rise in net profit to S\$3 million for the fourth quarter ended Dec 31, 2019 up from S\$2.6 million a year ago. Earnings per share for the mainboard-listed fintech group came in at S\$0.0112 for the quarter, versus S\$0.0098 previously. Revenue was up 20.8% to S\$33.8 million, from S\$28 million a year ago, amid higher contributions from two of the group's main business divisions, supported by optimism over the prospects of a US-China trade deal in the quarter, the company said. The business-to-customer (B2C) segment saw a 21.5% year-on-year increase in revenue to S\$5.5 million, while the business-to-business (B2B) segment posted a 20.7% rise to S\$28.4 million. Directors of the company have proposed a final dividend of 0.90 Singapore cent per ordinary share, subject to shareholders' approval at the company's annual general meeting on April 23. If approved, this final dividend will be paid out on May 19. Overall, the group believes that growth opportunities in Asia's wealth management industry remain substantial, and that it is well-positioned to benefit from these opportunities in the medium to long term. For the full year, net profit slipped 12.8 per cent to S\$9.5 million, from S\$10.9 million a year earlier.

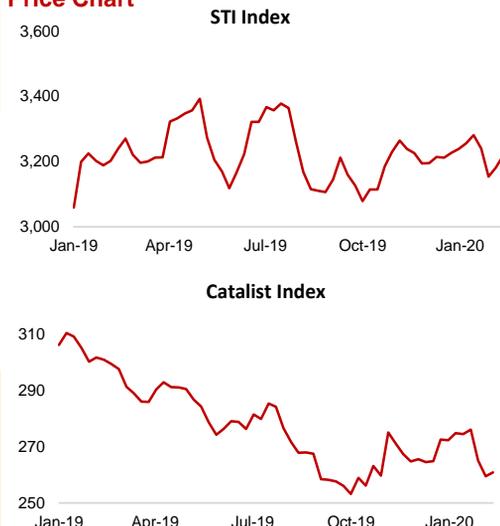
4. ComfortDelGro increased taxi rental rebates by another S\$10m

ComfortDelGro Taxi is providing beleaguered cabbies with about S\$10 million in rental rebates till the end of April 2020, over and above the S\$18 million package which was announced last week, it said on Thursday. Effective from Friday till the end of March 2020, a daily rental rebate of S\$16.50 will be given to each taxi, translating to S\$660 for the period. This will be followed by a daily S\$10 rebate for the entire month of April. In a statement, the transport firm said: "Together with the earlier rebate and government subsidy, ComfortDelGro cabbies will see a daily rental reduction of S\$36.50 till the end of March, S\$30 till the end of April and S\$20 till May 13."

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3220.0	▼17.7	▼0.6%	▼1.2%	▼1.3%
SG Mid Cap	755.6	▼0.7	▼0.1%	▲1.7%	▼2.0%
SG Catalist	260.9	▲1.2	▲0.5%	▲0.5%	▼4.2%
SG Small Cap	356.2	▲0.8	▲0.2%	▲1.6%	▲0.2%

Price Chart



Capital Market News

Government announced S\$4 billion package to help companies with their cash-flow and to keep jobs

Deputy Prime Minister Heng Swee Keat unveiled a special S\$4 billion package to help companies with their cash-flow and to keep jobs aimed at tackling the economic impact of Covid-19. More help went to the tourism, aviation, retail, food services and point-to-point transport services sectors, harder hit by the crisis. Among counters in the local benchmark – the Straits Times Index (STI) – aviation-focused listings were mixed. SATS ended higher after Mr Heng said assistance would be provided to ground handling agents at Changi Airport. Singapore Airlines remained flat though even after the government revealed rebates for aircraft landing and parking charges at Changi. The stock performance of the national carrier however, was weighed down by the decision to temporarily cut flights from now until May. The government's announcement of a 10% property tax rebate for Singapore's two integrated resorts (IRs) did little to Genting Singapore's share price.