

Weekly Wrap of STI

The STI ended 0.1% up or 2.35 points higher on Friday to end at 2,614.60, in line with other Asia markets, which were mostly up due to optimism over the United States' plans to reopen the economy, as well as slightly better than expected China gross domestic product (GDP) data.

The STI opened lower for the week, as the coronavirus outbreak continues to keep markets on edge. The STI rebounded on Tuesday amidst trade data from China and news that key US states are working on reopening protocols, and fell by midweek despite the overnight rally on Wall Street. For the rest of the week, the gains on STI were subdued as the coronavirus continues to sour investor sentiments.

Year to date, the STI index is down by 18.9%.

Week Ahead: 20 April – 24 April 2020

Economic Calendar: China PBoC Interest Rate Decision (20 Apr), Reserve Bank of Australia Monetary Policy Meeting (20 Apr), UK Average Earnings Index (21 Apr), UK Claimant Count Change (21 Apr), EU ZEW Economic Sentiment (21 Apr), Canada Retail Sales (21 Apr), US Home Sales (21 Apr), UK CPI (22 Apr), Canada CPI (22 Apr), US Crude Oil Inventories (22 Apr), UK Retail Sales (23 Apr), EU Manufacturing PMI (23 Apr), US Initial Job Claims (23 Apr), US Consumer Sentiment Index (24 Apr)

Company Results: -

Companies News

1. Kitchen Culture signed MOU to acquire Chinese AI firm

Kitchen Culture Holdings signed a non-binding memorandum of understanding (MOU) with Chinese firm Ooway Technology, setting out key areas of understanding for its proposed acquisition of Ooway Technology subsidiary. Incorporated in China, Ooway has established a platform which uses machine learning and artificial intelligence to quantify corporate behaviour as credit value. With this system, Ooway provides credit-rating services for importers and exporters in China. The proposed acquisition gives the group an opportunity to explore new areas of business opportunities and to expand its footprint into other sectors. The purchase consideration has not been set yet, but could be paid for by cash or through a share issuance.

2. Chip Eng Seng subsidiary raised its stake in Invictus International School for S\$10.3m.

CES WL, a wholly-owned subsidiary of mainboard-listed property developer Chip Eng Seng Corp (CES), has raised its stake in Invictus International School for some \$10.3 million, increasing its stake in Invictus to about 39.7%, while White Lodge Education Group Services reduced its stake to 43.4%. White Lodge Education is a 70% owned subsidiary of CES. Invictus is an independent co-educational international primary school under CES' education business. CES now has a 70.1% effective interest in Invictus, up from 55.4%. In February, CES announced that it is working to open Invictus in Phnom Penh, Cambodia, by end-June, while Invictus International School Singapore has inked a long-term lease for a new campus.

3. BreadTalk offeror met compulsory acquisition threshold

BreadTalk offeror had amassed acceptances representing about 97.77% of the total number of shares in BreadTalk. The company's founder and chairman George Quek is making an offer to buy back all of the issued ordinary shares at 77 cents a piece through BTG Holding, which he owns with his wife Katherine Lee and Minor International, a hospitality and leisure company listed in Thailand. The offeror thus intends to exercise its right to compulsorily acquire all the shares of the shareholders who have not accepted the offer under the same offer terms of S\$0.77 per share.

4. Q&M reclassified final dividends as 'interim' to facilitate payout

Q & M Dental Group (Singapore) had proposed a special dividend of two Singapore cents per share and a final dividend of 0.42 Singapore cent per share, subject to shareholder approval at an annual general meeting (AGM) on May 6. The AGM has since been deferred, however, so Q & M has reclassified both dividends as interim dividends to give shareholders certainty as to when they can receive their money. An interim dividend only requires the board's approval.

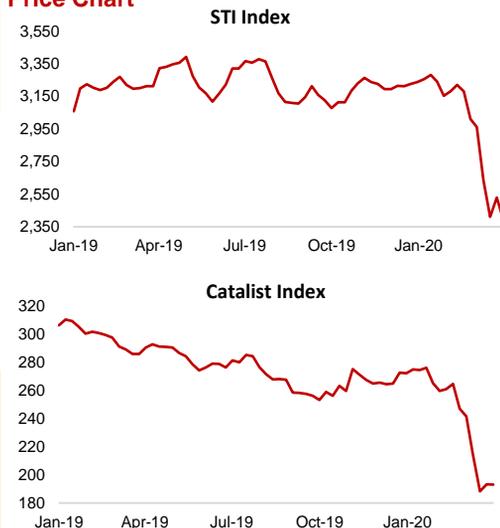
4. Some outlets of Maxi-Cash resume business during circuit breaker period after government exemption

Maxi-Cash has reopened 24 of its 38 stores after receiving permission from the authorities to resume business, as customers raised concerns that the closure of pawnshops would remove an avenue for urgent access to cash during the Covid-19 pandemic. Pawnbrokers that are members of the Singapore Pawnbrokers' Association will waive the 1-month interest of up to 1% on all pledges pawned on or before April 6 upon their redemption or renewal. Pawn tickets expiring on or before May 4 will be automatically granted a month's extension from their expiry.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2614.6	▲ 2.4	▲ 0.1%	▲ 1.7%	▼ 18.9%
SG Mid Cap	615.0	▲ 8.9	▲ 1.5%	▲ 4.1%	▼ 18.9%
SG Catalist	209.7	▲ 1.3	▲ 0.6%	▲ 3.1%	▼ 23.0%
SG Small Cap	270.3	▲ 5.7	▲ 2.1%	▲ 8.3%	▼ 24.0%

Price Chart



Capital Market News

SGX to close CDP customer service centre from April 18 amid Covid-19 precautions

The Singapore Exchange (SGX) will close the Central Depository (CDP) customer service centre at The Metropolis until further notice. All CDP services will be provided through the Internet, phone and mail. Individual shareholders should apply for rights issues via automated teller machines as banks have temporarily closed a number of branches. They should not go to bank branches to purchase cashier's orders needed for paper form applications. To receive cash distributions directly into their designated bank account, CDP customers should sign up for CDP's direct crediting services, given that CDP will progressively stop providing physical cheque services.

Regulators issue updated guidelines for virtual shareholder meetings

Listed companies that need "certain essential persons" to be in the same physical location to facilitate a virtual general meeting can now do so, provided that there are no more than six people at the venue, and safe-distancing measures are complied with. Under MTI's exemption, key persons could include the chairman of the meeting, the CEO, the company secretary, a cameraman or other technical administrator, the share registrar or the scrutineer. However, the issuer or its service providers must notify MTI of the date, time and venue of the meeting no later than one day before it takes place.

Issuers whose annual general meetings are due to be held during April 16 to July 31 can still choose to defer the meetings by up to 60 days, as previously announced by ACRA and SGX RegCo. But those who wish to go ahead should follow the authorities' latest guidance.