

Weekly Wrap of STI

The STI ended 0.95% down or 24.21 points lower on Friday to end at 2,518.16, as prospects for a gradual re-opening of the world economy looked dimmer after a report the night before revealed that a leading experimental coronavirus drug had disappointed in a clinical trial.

The STI opened higher for the week, tracking rallies in the US and Europe after US officials moved forward with plans to gradually reopen the economy, and closed down lower on Monday. For the rest of the week, the STI inches down 3.69% due to the four-week extension of the “circuit breaker” partial lockdown measures to June and the approaching first-quarter earnings season.

Year to date, the STI index is down by 21.9%.

Week Ahead: 27 April – 1 May 2020

Economic Calendar: Japan BoJ Rate Decision (27 Apr), US CB Consumer Confidence (28 Apr), New Zealand Employment Change (28 Apr), Australia CPI (28 Apr), Europe ECM Bank Lending Survey (28 Apr), US GDP (29 Apr), US Home Sales (29 Apr), US Crude Oil Inventories (29 Apr), US Fed Interest Rate Decision (29 Apr), China Manufacturing PMI (29 Apr), Europe CPI (30 Apr), Europe ECB Interest Rate Decision (30 Apr), UK Manufacturing PMI (1 May), US ISM Manufacturing PMI (1 May)

Company Results: Golden Agri-Resources (27 Apr), Sinarmas Land (27 Apr), UOB-Kay Hian (28 Apr), Elec & Eltek International (28 Apr), DBS Group (30 Apr), Delfi (30 Apr), Yangzijiang Shipbuilding (30 Apr)

Companies News

1. United Global pursues regional ambitions

United Global plans to expand its existing lubricants business organically in the region, focusing on inhouse brands and through partnerships. It is also actively seeking to diversify revenue streams. The partnerships include its 2017 venture with Japan's M-TechX Group to make oil-absorbing, nano-fibre materials for industrial and commercial applications. Other collaborations involve the marketing and distribution of the group's lubricant products in Australia, China and Myanmar. Today, United Global has a market value of more than \$140 million, compared with \$70 million when it listed in 2016.

2. Mary Chia changed Catalyst sponsor 'for commercial reasons'

Mary Chia Holdings announced on Thursday night that SAC Capital Private Limited will be its new continuing sponsor from this Saturday. In line with Catalyst rules, Prime Partners Corporate Finance (PPCF) has confirmed that as at the date of the announcement and based on information made available to it, it is not aware of any non-compliance with Catalyst rules by Mary Chia Holdings that has not been brought to the attention of SAC Capital. PPCF has also made itself available for discussion with SAC Capital, as required by the Catalyst Rules.

3. Wild swings in Biolidics' shares after news of Covid-19 test kit deal

Shares of Biolidics rapidly lost the bulk of their gains accumulated from recent days, after the medtech firm announced that Nasdaq-listed Aytu Bioscience will be the exclusive distributor of its Covid-19 rapid test kit in the United States. Biolidics signed a distribution agreement for its Covid-19 rapid test kit with Aytu for a one-year period, with an option for an additional year. In the US, Aytu will handle all inbound logistics, sales and marketing operations as well as regulatory matters. However, Biolidics retains the right to sell the product directly to certain clinical partners in the country. Aytu is required to purchase from Biolidics an initial 500,000 test kits within one business day from the date of the agreement. Thereafter, within the first three months, Aytu must buy at least 1.25 million of the test kits in order to remain the exclusive distributor.

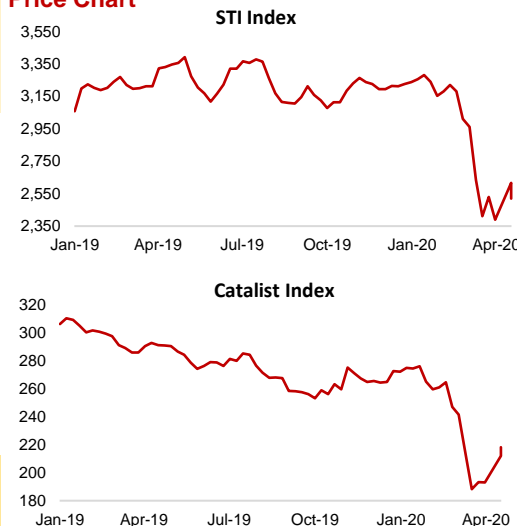
4. Q&M to invest S\$3m to build Covid-19 testing business

Q&M Dental Group is investing S\$3 million to build a new Covid-19 testing business via a joint venture that includes local scientist Ong Siew Hwa. Dr Ong is the founder of Acumen Research Laboratories (ARL), a local biotech company developing rapid, polymerase chain reaction (PCR)-based, culture-independent molecular diagnostic tests, with a focus on infectious diseases. ARL's Acu-Corona 2.0 Diagnostic Test has been given provisional authorisation by the Health Sciences Authority, which means that the test can be supplied to healthcare institutions, private hospitals, medical clinics and clinical laboratories in Singapore. These test kits are now ready to be shipped worldwide. Q&M has purchased 20,000 of these diagnostic tests and intends to work with various agencies to deploy its dentists to assist in conducting tests. Separately, Q&M will form a JV with Dr Ong through three transactions: a business transfer agreement, a joint venture (JV) agreement and an option agreement.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2518.2	▼ 24.2	▼ 1.0%	▼ 3.7%	▼ 21.9%
SG Mid Cap	593.6	▼ 6.8	▼ 1.1%	▼ 3.5%	▼ 21.7%
SG Catalist	218.9	▲ 2.2	▲ 1.0%	▲ 4.4%	▼ 19.6%
SG Small Cap	258.8	▼ 3.4	▼ 1.3%	▼ 4.3%	▼ 27.2%

Price Chart



Capital Market News

Listed firms with FY-end in February, March and April to get reprieve for release of full-year results

Listed firms with financial year-ends of Feb 29 or Mar 31 will get two-month extension, while listed firms with financial year-ends of Apr 30 will get a one-month extension. This waiver was granted in consultation with the Monetary Authority of Singapore, in recognition of difficulties posed by Covid-19 measures.

Issuers will need to notify SGX RegCo by e-mail, at automaticfswaivers@sgx.com, and make announcements via SGXNet. The notification and announcement should include the issuer's relevant financial year-end and an indicative timeline for the release of full-year unaudited financial statements. They should also include confirmation from the Board of Directors that the time extension “will not be in contravention of any laws and regulations governing the issuer and its constitution”, and that the issuer is ensuring adherence to its internal policies with regards to dealing by the issuer and its officers in its securities. No response will be required from SGX RegCo.

SGX RegCo stated that generic disclosures ascribed to Covid-19 not good enough

Issuers should avoid generic statements that they expect their financial results to be materially impacted due to Covid-19 without providing detailed assessment on how their operations would be affected. The impact of businesses due to Covid-19 should be quantifiable and disclosed. For example, disclosure should include the proportion of retail units in a mall that have been shut down due to Covid-19 measures and the capacity at which plants are operating. As a guide on whether a disclosure is warranted, issuers should consider the impact of Covid-19 on their operations, earnings prospects, liquidity, debt covenants and obligations, dividend policies, balance sheets, contractual obligations, etc.