

## Weekly Wrap of STI

The STI ended the shorter trading week on Friday flat and 1.23% lower for the week to end at 2,591.88 tracking below the rest of the Asian indices. The STI was closed on Thursday in lieu of Vesak Day.

The STI started the week sharply lower on the first trading day of the month, retreating 2.3% on Monday as countries in the region reported record-low factory output in April amid fears of a slowdown. By Tuesday however, the STI started to rebound in-line with global indices as certain US states and Europe detailed plans to re-open their economy. Easing tensions between the United States and China also pushed global indices higher as trade negotiators on both sides began negotiations. The recovery however, failed to retrace the STI's loss for the week.

Year-to-date, the STI index is down 19.58%.

## Week Ahead: 11 May – 15 May 2020

**Economic Calendar:** German Harmonized Index of Consumer Prices (11 May), China CPI (12 May), UK GDP (12 May), UK Industrial Production (12 May), Australia Budget Release (12 May), US CPI ex Food & Energy (12 May), Japan GDP (13 May), New Zealand RBNZ Interest Rate Decision (13 May), Australia Unemployment Rate (14 May), US Initial Jobless Claims (14 May), New Zealand Budget Release (15 May), German GDP (15 May), US Retail Sales Control Group (15 May), Canada Retail Sales (15 May)

**Company Results:** Wilmar (11 May), Cromwell European Reit (12 May), EC World REIT (12 May), UOL (12 May), Frasers Property (13 May), LHN (13 May), Sesseur REIT (14 May), SIA (14 May)

## Companies News

### 1. Lum Chang to build resort, indoor attraction for Mandai project

Lum Chang Building Contractors (LCBC), a wholly owned subsidiary of mainboard listed Lum Chang Holdings, has won a tender for the Mandai rejuvenation project, from Mandai Park Development. The scope of the contract includes the construction of an arrival node, a transport hub, a nature-themed indoor attraction and a resort. This latest award brings the outstanding value of construction works yet to be reported as LCBC's revenue to about S\$1.8 billion.

### 2. CapitaLand's lodging, development businesses most hit by Covid-19

CapitaLand's lodging business saw first-quarter fee income dropped 9% year on year to S\$54.2 million, while revenue per available unit (revPAU) fell 22% to S\$84 from S\$108 the year before, according to the group's Q1 business update on Monday. The full extent of impact on revPAU is not ascertainable yet, but the group remains positive on the sector's longer-term prospects. The group's business parks, logistics and multifamily properties have remained relatively resilient. Under its development segment, the group recorded sales of close to 900 million yuan (S\$180 million) in March for its residential segment, which was more than the combined sales value for January and February.

### 3. Singapore eDevelopment inked agreement for proposed US\$50m share swap

Catalist-listed Singapore eDevelopment on Monday said it has entered into a share exchange agreement with Document Security Systems (DSS) under a proposed US\$50 million share swap. Under the agreement, Singapore eDevelopment is selling 100 per cent of its subsidiary Impact BioMedical to DSS in return for DSS shares. About US\$3.1 million will be paid by way of the issuance of 14.5 million new DSS shares, representing about 18.93% of the total issued and paid-up share capital of DSS on an enlarged basis. The remaining US\$46.9 million will be paid by way of an allotment and issuance of perpetual convertible bonds to Global BioMedical.

### 4. iFast rode on the back of Covid-linked trading boom

As investors took advantage of the market correction in March this year to increase their stock holdings, mainboard-listed fintech firm iFast Corporation benefited from the increased market activity. For the three months ended March 31, 2020, iFast generated record revenue and profits. For the quarter, non-recurring net revenue, which includes transaction fees for unit trusts, bonds, stocks, exchange-traded funds and forex conversions, rose 96 per cent to S\$4.83 million. This translates to about a quarter of total revenue.

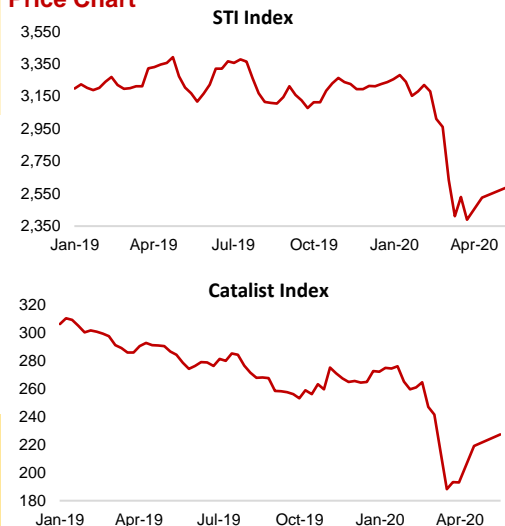
### 5. Jumbo Group issued profit warning

Jumbo Group is expected to report a significantly lower profit after tax year-on-year for H1 FY2020, owing to the impact of Covid-19 across its markets. The decline in revenue, coupled with the minimal reduction in rental expenses and less-than-proportionate decrease in staff costs led to a much-depressed bottom line for the second quarter of FY2020, and consequently a significantly lower profit for H1 FY2020. While its working capital position remains healthy with minimal bank borrowings, the group's key priority is to preserve cash to support working-capital requirements until the Covid-19 situation improves.

## Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2591.9	▲ 0.3	▲ 0.0%	▼ 1.2%	▼ 19.6%
SG Mid Cap	615.6	▼ 2.4	▼ 0.4%	▲ 0.4%	▼ 18.8%
SG Catalist	227.3	▲ 4.1	▲ 1.8%	▲ 3.6%	▼ 16.5%
SG Small Cap	273.0	▲ 2.7	▲ 1.0%	▲ 2.3%	▼ 23.2%

## Price Chart



## Capital Market News

### 1. Shareholders should be updated on key milestones in a general offer: SGX RegCo

Shareholders should be updated when the offeror has achieved the 75% acceptance condition, and when the issuer has lost free float. Under the 75% acceptance condition, the offeror must receive acceptances from independent shareholders - or shareholders excluding the offeror and parties acting in concert with it at the close of the general offer. Citing market feedback, SGX RegCo also raised the point that market purchases from independent shareholders, purchased on and from the date the general offer was made, can be taken into account when computing whether the 75% acceptance condition has been fulfilled.

### 2. AMTD International, SGX inked long-term strategic partnership

AMTD International, a Hong Kong-headquartered financial services firm that debuted on the Singapore Exchange (SGX) early last month, has entered into a long-term strategic partnership with the bourse operator to promote the development of Singapore's capital markets. The firm will work with SGX to meet a growing need for improved capital market access to Singapore and beyond, and strengthen connectivity between Singapore, Asean, the Guangdong-Hong Kong-Macau Greater Bay Area, the rest of China, and the Middle East. AMTD International parent AMTD Group has built a multi-dimensional, cross-sector ecosystem named SpiderNet to connect and promote collaboration between its partners, including shareholders, clients, government bodies, academic institutions, and industry associations. AMTD International and SGX will also jointly explore using distributed ledger technology for the issuance and servicing of fixed income securities in Singapore, as well as the wider adoption of blockchain in capital markets, international payments and settlements, and trade finance.