

Weekly Wrap of STI

The STI ended 1.86% or 48.43 points higher for the week, closing at 2652.94. Apart from the surge in second wave Covid-19 cases primarily in the US, developments throughout the week were largely positive, driven by a slew of better than expected economic data and reopening optimism.

The STI started the week lower following figures of a resurgence in Covid-19 cases over the weekend, notably in the US which undermined sentiment. However, investor sentiment improved across the week after strong Purchasing Managers' Index numbers from China and a better than expected US job report which reaffirmed the economic rebound and robust reopening narrative. Global equity markets continued to cheer the commitment of central banks delivering ample liquidity and unprecedented government stimulus packages. Overall, trading volume was lighter as Singaporean investors shifted their focus to the fast approaching Singapore General Elections.

Year-to-date, the STI index is down 17.7%.

Week Ahead: 6 – 10 July 2020

Economic Calendar: Ger Factory Orders (6 Jul), UK Construction PMI (6 Jul), US Markit PMI Composite (6 Jul), US ISM Non-Manufacturing PMI (6 Jul), AU RBA Interest Rate Decision (7 Jul), Ger Industrial Production (7 Jul), US JOLTs Job Openings (7 Jul), JP Current Account (8 Jul), EU Commission Economic Growth Forecasts (8 Jul), US Crude Oil Inventories (8 Jul), EU group Meeting (9 Jul), CN CPI (9 Jul), Ger Trade Balance (9 Jul), US Initial Jobless Claims (9 Jul), US Continuing Jobless Claims (9 Jul), US PPI (10 Jul)

Company Results: SATS (9 Jul)

Companies News

1. Advancer Global entered into investment agreement to subscribe for 15% shares in Zhe Jiang Zhi Wu Hui Yun Technology

The indirect wholly-owned subsidiary of Catalyst-listed Advancer Global Ltd. ("**Advancer Global**"), Advancer Smart Technology Pte. Ltd. ("**AST**"), had entered into an investment agreement to subscribe for 15% of the total equity interest in the registered capital Zhe Jiang Zhi Wu Hui Yun Technology Co. Ltd. ("**Target Company**") for a total cash consideration of RMB3 million. Following the completion of the Proposed Investment, the Target Company will become an investment in financial assets held by AST. The Proposed Investment will allow Advancer Global to tap on the technological knowledge and know-how of the Target Company which would in the long run complement and create a synergistic value with the Group's building management services. This would allow the Group to further strengthen its service offerings and augment a unique selling proposition for services, giving it a competitive advantage in the building management sector.

2. Koufu to acquire traditional fried food and dough products group for S\$22.04m

Koufu Group Limited ("**Koufu**") had proposed to acquire Deli Asia (S) Pte. Ltd., Delisnacks Pte. Ltd., Dough Culture Pte. Ltd and Dough Heritage Pte. Ltd. (collectively, the "**Target Group**") for an aggregated cash consideration of S\$22.04 million. The Target Group has existing production and warehouse facilities in Singapore and approximately 60 franchised F&B stalls and seven retail kiosks in Singapore. The Proposed Acquisition will provide important synergistic effects for Koufu and will broaden its organic manufacturing capabilities, inject know-how to increase its existing food production and storage processes, and strengthen its supply chain. The acquisition will also help to accelerate the Group's business expansion plan and diversify its income streams. Upon completion of the Proposed Acquisition, Koufu will also be able to gain access to new markets through the supply of frozen and partial fried food products to third party businesses, including supermarkets and exports to overseas markets.

3. BlackGold received LOI from Indian Conglomerate S Lad Group

Catalist-listed coal mining company BlackGold Natural Resources Ltd. ("**BlackGold**") had received a letter of intent ("**LOI**") from S Lad Group for a proposed strategic collaboration on the Group's mining assets and an acquisition of the Company. S Lad Group is one of the oldest and largest suppliers of iron ore from the South Indian State of Karnataka. The LOI is intended to be a basis for further negotiations between the Company and S Lad Group and does not constitute any legally binding obligations on the Parties.

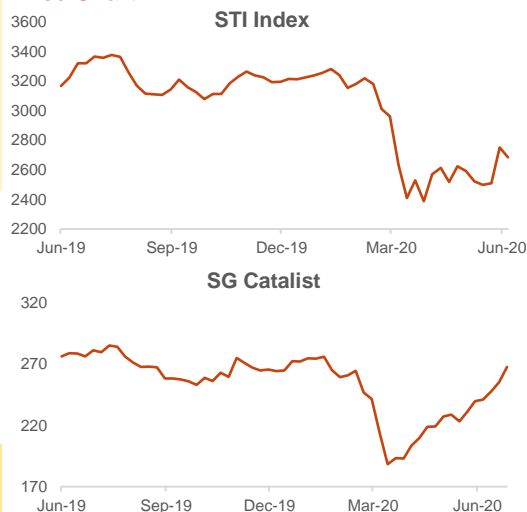
4. Ecowise announced half year results

Catalist-listed Ecowise Holdings Limited ("**Ecowise**") announced a revenue of S\$23.11 million for 1HFY2020. This was S\$3.94 million of 14.6% lower as compared to 1HFY2019. The decrease in revenue was due to lower revenue recorded by the (i) Renewable Energy segment attributable to decrease in collection fee from tree and wood waste and (ii) Resource Recovery segment attributable to decrease in sales of retreaded tyres and rubber compounds. The decrease was partially offset by an increase in revenue recorded by Integrated Environmental Management Solutions segment attributable to increase from technical support services rendered. Overall, the Group recorded net profit of S\$0.61 million as compared to a net loss of S\$1.01 million from a year ago.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2652.9	▲16.3	▲0.6%	▲1.9%	▼17.7%
SG Mid Cap	645.6	▲2.6	▲0.4%	▲0.6%	▼14.9%
SG Catalist	267.8	▲2.3	▲0.9%	▲4.9%	▼1.7%
SG Small Cap	293.0	▲0.0	▲0.0%	▲0.5%	▼17.6%

Price Chart



Capital Market News

SGX to buy rest of BidFX for US\$128m in cash

The Singapore Exchange ("**SGX**") will buy the remaining 80% stake in BidFX from other shareholders for about US\$128 million cash, in a move that will expand its reach beyond foreign exchange ("**FX**") futures into the global FX over the counter ("**OTC**") market when the transaction is completed in July. BidFX is a cloud-based FX trading platform for institutional investors. SGX first acquired a 20% stake in BidFX in March 2019, planning to bring together FX futures with OTC markets. The FX market is the largest financial market in the world, with average daily turnover in the OTC market amounting to US\$6.6 trillion by traded volume, according to BIS Triennial Central Bank Survey 2019. By comparison, the size of the exchange traded FX derivatives market is only about 2% of the OTC market. This presents significant opportunities for SGX to build on its dominance in Asian FX futures to expand into a much larger global OTC FX market.

SGX to launch FTSE Taiwan Index futures on July 20

THE Singapore Exchange ("**SGX**") is introducing a futures contract on the FTSE Taiwan RIC Capped Index ("**FTSE Taiwan**"), enabling investors to gain exposure to a broad representation of large and mid-cap Taiwan stocks. The SGX FTSE Taiwan Index futures contract will be launched on July 20. International investors own some 40% of Taiwan's equities, making its market an important part of any Asian investment portfolio. The Taiwan economy is also the seventh largest in Asia and occupies a key position in the global industrial and technology value chain. The FTSE Taiwan index covers nearly 80% of Taiwan's listed companies by market capitalisation and offers strong correlation with other major Taiwan benchmark indices. The futures contract will provide global investors with an "effective and cost-efficient way" to invest in the Taiwan stock market across Asian, European and US time zones.