

STI In A Snapshot

The STI closed Friday lower at 2545.51, down 0.6% or 13.59 points for the week. Market sentiment for the week was largely negative, hampered by poor earnings releases, including the three local banks and further dampened by US-China tensions and slowing jobs growth globally.

The STI opened the week on a gloomy note as the virus forced new lockdowns around the globe, bringing fears of a virus resurgence. In mid week, the STI rebounded following a global tech rally and on hopes that US law-makers will reach a consensus on new round of fiscal stimulus. However, the momentum was soon halted as Trump went against China tech companies, causing friction between US and China to once again heighten. Investors around Asia waited on the sidelines ahead of fiscal stimulus updates and key US data. For the week ahead, US and China are set to announce key production and sales data and many Singapore companies will be releasing their earnings results.

Year-to-date, the STI is down 21.0%.

Week Ahead: 10 August – 14 August 2020

Day	Events
Mon (10 Aug)	CN CPI, EU Sentix Investor Confidence, US JOLTS Job Openings
Tue (11 Aug)	JP Bank Lending, SG GDP, UK Average Earnings Index, US PPI UG Healthcare (FY), Lendlease REIT (FY), Koufu (1H), Roxy-Pacific (1H), Delfi (1H), Wilmar (1H)
Wed (12 Aug)	UK Industrial & Manufacturing Production, UK GDP, US Crude Oil Inventories, US CPI VICOM (1H), Haw Par (1H), China Sunshine (1H), United Hampshire US REIT (1H), OKP (1H)
Thu (13 Aug)	US Import/Export Price Index, US Initial Jobless Claims, AU Employment Change, US Budget Hong Leong Asia (1H), AP Oil (1H), SBS Transit (1H), Frencken (1H), City Dev (1H), UOL (1H)
Fri (14 Aug)	CN Industrial Production, CN Retail Sales, US Retail Sales, US Industrial Production Comfort Delgro (1H), Fuxing China (1H), Cromwell European REIT (1H), Sasseur REIT (1H)

Company News

1. Increase in revenue brought a 178% increase in net profit for Moya Holdings

Catalist-listed water treatment holding company Moya Holdings Asia Ltd. (“**Moya Holdings**”) reported a 26% increase in revenue from S\$92.2 million in 1HFY2019 to S\$115.9 million in 1HFY2020. The increase was mainly due to an increase in service concession construction revenue, water sales, finance income under service concession arrangements from their subsidiaries. Gross profit increased by S\$6.4 million to S\$52.1 million in HY2020 mainly due to the increase in sales and reduction in costs from cost efficiency programmes implemented by the Group over the years. Finance costs also decreased by S\$1.2 million due to a decrease in bank loans as a result of repayment. Overall, the Group’s net profit increased by S\$11.2 million, from S\$6.2 million in 1HFY2019 to S\$17.4 million in 1HFY2020.

2. Tricklestar turned profitable for 1HFY2020 due to lower expenses

Catalist-listed energy-saving products company Tricklestar Ltd. (“**Tricklestar**”) posted a positive net profit despite a 1.3% decrease in revenue to US\$6.50 million. The fall in revenue was mainly due to the COVID-19 pandemic which reduced the demand for their products. Despite this, the group managed to seize an overall net profit, due to a lower administrative, selling and distribution expenses cost. This came about from a decrease in research, testing and amortisation expense. Furthermore, they had previously incurred a one-off US\$1.19 million IPO expense in 2019, which largely led to its net loss in 1HFY2019. Overall, net profit for 1HFY2020 came to US\$506,711, as compared to a net loss of US\$298,836 in 1HFY2019 due to lower expenses.

3. Net profit of Natural Cool increased by 127% despite a fall in revenue

Catalist-listed air-conditioning and food company Natural Cool Holdings Ltd. (“**Natural Cool**”) posted an increase in net profit despite a 25.2% revenue decline to S\$50.3 million for 1HFY2020. The drop in revenue was due to a slowdown of business activities during the “Circuit Breaker” period. As compared to 1HFY2019, the Aircon Division reported a decrease in revenue of S\$18.1 million while the Food Division made its maiden contribution of S\$1.8 million to the Group’s revenue as the investment was completed in July 2019. Overall, net profit for Natural Cool came to S\$125,000 in 1HFY2020, up 127% from S\$55,000 previously, largely due to government grants from the Jobs Support Scheme and foreign worker levy rebates as part of Singapore’s efforts to mitigate the COVID-19 impact.

4. Synagie proposed to dispose e-commerce business

Catalist-listed eCommerce company Synagie Corporation Ltd. (“**Synagie**”) announced that it is planning to dispose its e-commerce business to a consortium of investors, including Alibaba Singapore, for S\$61.7 million. This sale is to shift their focus onto its insurtech business. In fiscal 2019, the insurtech segment brought in S\$3.1 million or 16% of Synagie’s revenue while posting an operating loss of S\$ 282,000. In comparison, the e-commerce business brought in 79% of the Group’s revenue at S\$15.4 million but posted an operating loss of S\$7.0 million. The sale price translates to about 20.1 Singapore cents per share, which is 106.3% of the stock’s closing price on July 29. Synagie is planning to distribute 18 cents per share to shareholders from the sale proceeds, if the deal is approved - nearly equivalent to its current share price.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2545.5	▼13.6	▼0.5%	▲0.6%	▼21.0%
SG Mid Cap	644.4	▼4.8	▼0.8%	▲0.6%	▼15.0%
SG Catalist	300.7	▼0.7	▼0.2%	▲3.8%	▲10.4%
SG Small Cap	295.7	▼2.3	▼0.8%	▲1.3%	▼16.8%

Price Chart



Capital Market News

SGX to pioneer Asia’s first international REIT futures

Singapore Exchange (“**SGX**”) is pioneering Asia’s first international REIT futures based on indices tracking diverse REITs listed in Singapore, Hong Kong, Malaysia and Thailand, on the back of rising global investor demand for real estate related investment products and trading solutions. Both the SGX FTSE EPRA Nareit Asia ex-Japan Index Futures and SGX iEdge S-REIT Leaders Index Futures will be launched on 24 August 2020. The FTSE EPRA Nareit Global Real Estate Index series is a widely followed global benchmark, with an estimated US\$340 billion of assets under management actively benchmarked or passively tracking the indices. The iEdge S-REIT Leaders Index is the most liquid index-basket representation of the Singapore REIT market and one of the most widely referenced in SGX’s suite of indices. Singapore is the largest REIT market in Asia ex-Japan, with 44 REITs and property trusts with a combined market capitalisation of S\$98 billion.

Research institute to support digital financial services needs in Asia

The Monetary Authority of Singapore (“**MAS**”), the National Research Foundation and the National University of Singapore will jointly set up a research institute that supports the needs of digital financial services in Asia. Called the Asian Institute of Digital Finance (“**AIDF**”), the research institution will begin operation by the end of the year. AIDF will pursue foundational and interdisciplinary research projects which cover fundamental digital infrastructure, performance optimisation of business processes and advanced application development research on cyber, fraud and anti-money laundering challenges. The institute will also develop financial services to meet sustainability and resiliency needs in focus areas such as digital assets and ledger technology, artificial intelligence and machine learning, digital finance platforms, green finance technology and next-generation financial services on 5G networks.