

STI In A Snapshot

The STI closed Friday lower at 2528.54, down 2.0% or 16.97 points for the week. Market sentiment for the week was largely lethargic and wimpy, hampered by concerns over US economy's recovery.

The STI opened Monday on a pleasant note as investors anticipated more COVID-19 support measures to be announced by Deputy Prime Minister and Finance Minister Heng Swee Keat. However, markets soon tilted to the negative with investors weighing ongoing US-China trade tensions and crucial US stimulus. STI continued to dip lower despite the stronger retail earnings in US and a strong showing from the US tech sector. This was due to poor global sentiment after Fed minutes update showed that the pandemic could have "considerable" impact on medium term economic outlook, prompting investors to shy away from the market. Globally, China-US trade tension continues to escalate as Trump postponed trade talks with China that was originally scheduled last weekend.

Year-to-date, the STI is down 21.5%.

Week Ahead: 24 August – 28 August 2020

Mon (24 Aug)	SG CPI, GE Import Price Index YoY SATS (1Q)
Tue (25 Aug)	GE GDP, US CB Consumer Confidence, US New Home Sales
Wed (26 Aug)	SG Industrial Production, US Durable Goods, US Crude Oil Inventories GL Limited (FY)
Thu (27 Aug)	CN Industrial Profit, US GDP, US Pending Home Sales, US Initial Jobless Claims, US Fed Speaks Karin Tech (FY)
Fri (28 Aug)	JP Tokyo CPI, US Goods Trade Balance, US Personal Spending, UK BoE Gov Speaks ASL Marine (FY), TLV (FY), Union Steel (FY), Wing Tai (FY)

Company News

1. UG Healthcare successfully completed S\$19.1 million share placement

Catalist-listed glove manufacturer UG Healthcare Corporation ("UG Healthcare") had successfully completed a placement of 7.5 million ordinary shares at S\$2.545 apiece to raise a total sum of S\$19.1 million. According to UG Healthcare, the placement was done to strengthen the group's financial position and flexibility to capitalise on growth opportunities. It plans to use the net proceeds to fund capital expenditure for the growth of the group's business and for general working capital purposes. The placement price represents a discount of approximately 9.90% to the volume weighted average price of S\$2.8247 for trades done on the SGX-ST on 18 August 2020. The placement was more than 2.5 times oversubscribed and the placement shares represent 3.82% and 3.68% of UG Healthcare's existing share capital and its enlarged share capital respectively.

2. IEV awarded a MYR3.4 million contract

Catalist-listed oil and gas engineering group IEV Holdings Limited ("IEV") announced that its 49% associate, IEV (Malaysia) Sdn. Bhd., has been awarded a third advanced inspection solutions contract. The contract was awarded by an oil and gas services provider and is for the provision of ultrasonic scanner technology deployed by a remotely operated vehicle to inspect a subsea gas pipeline located at an offshore oil and gas field in Malaysia. The contract is estimated to have a contract value of approximately MYR3.4 million. Mobilisation of equipment and personnel to commence offshore work is tentatively planned for October 2020. The contract is expected to have a positive impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year ending 31 December 2020.

3. Hyphens Pharma signed exclusive partnership agreement with SUTL

Catalist-listed specialty pharmaceutical and consumer healthcare group Hyphens Pharma International Limited ("Hyphens Pharma") announced that its subsidiary, Ocean Health Pte Ltd ("Ocean Health"), has signed a distribution agreement with SUTL Corporation (Hong Kong) Ltd ("SUTL") to appoint SUTL as an exclusive distributor for Ocean Health® supplement products. Ocean Health is a home-grown health supplements company, which offers a wide range of supplement products at affordable prices. As part of the agreement, SUTL will be granted exclusive rights to distribute Ocean Health® supplement products in the Hong Kong Special Administrative Region, Macau and Duty-Free Channels in China. Hyphens Pharma is hopeful that the partnership will enable to Group to broaden and establish a stronger brand awareness of Ocean Health® in Asia.

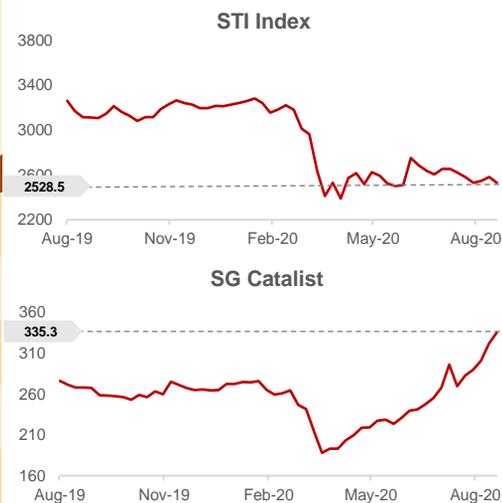
4. Asian Micro Holdings' net profit turned positive despite 11% revenue decline

Catalist-listed compressed natural gas provider Asian Micro Holdings Ltd. ("Asian Micro Holdings") reported a 11% decline in revenue to S\$3.96 million in FY2020. This was due to lower revenue generated from both trading and NGV related businesses by the Singapore subsidiaries. Despite that, the Group recorded a profit of S\$0.35 million for FY2020 as compared to a loss of S\$0.25 million from a year ago. The increase was mainly attributed to a decrease in administrative expenses due to the waiver of directors remuneration and an increase in other operating income due to gain on disposal of plant and equipment, waiver of payable due to strike off of subsidiary and waiver of directors' remuneration.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2528.5	▲ 0.62	▲ 0.0%	▼ 2.0%	▼ 21.5%
SG Mid Cap	644.5	▲ 0.71	▲ 0.1%	▼ 0.6%	▼ 15.0%
SG Catalist	335.3	▲ 8.46	▲ 2.6%	▲ 4.2%	▲ 23.1%
SG Small Cap	291.4	▲ 0.63	▲ 0.2%	▼ 0.9%	▼ 18.0%

Price Chart



Capital Market News

SGX signed agreement with FTSE Russell as new index partner

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.

More Singapore firms set to adopt fintech to boost efficiency

In a survey done by CPA Australia, about 73% of Singapore businesses expect to use at least one fintech product or service in the next 12 months, compared with 67% in the past 12 months. Businesses are looking to improve their operational efficiencies and improve customer experience. Mobile payments and digital wallets were said to be likely to drive fintech adoption, followed by robo-advisory, chat bots and open banking APIs. However, there are a few barriers to adoption cited, including cybersecurity and a lack of fintech understanding within senior management. Chng Lay Chew, Singapore divisional president of CPA Australia, noted that fintech is important to drive companies' cybersecurity strategies as well as invest in systems and people to build up cyber defences. He added that Government support of technology adoption and a friendly regulatory environment will be key influences to fintech usage.