

STI In A Snapshot

The STI closed Friday higher at 3134.65, up 1.3% or 39.43 points for the week. The markets started the week well with a projection of a surge in GDP in the United States but saw fears of inflation resurfacing.

The Singapore market opened higher on Monday, following mixed trading on Wall Street the previous week, led mainly by gains in aviation-related stocks. The STI continued to rise ahead of the Fed policy meeting, despite a decline in Wall Street the previous day which marked an end of the seven-day winning streak. The rise continued after the Fed calmed inflation fears, and projected a surge in US economic growth, causing a jump in markets. On Friday, however, the STI took a hit mirroring Wall Street's sell-off as focus switched back to the rising yields in the United States and worries about inflation that would be caused by an expected strong economic recovery.

Year-to-date, the STI is up 10.2%.

Week Ahead: 22 March – 26 March 2021

Day	Key Events
Mon (22 Mar)	CN PBoC Loan Prime Rate, US Chicago Fed National Activity, US Existing Home Sales
Tue (23 Mar)	SG CPI, GB Average Earnings Index, GB Claimant Count Change, GB Unemployment Rate, US Current Account, US New Home Sales
Wed (24 Mar)	GB CPI, GB PPI, EUR Manufacturing PMI, EUR Markit Composite PMI, GB Services PMI, US Durable Goods Orders, US Manufacturing PMI, US Markit Composite PMI, US Services PMI
Thu (25 Mar)	US GDP, US PCE Prices, US Real Consumer Spending, US KC Fed Composite Index, US KC Fed Manufacturing Index
Fri (26 Mar)	SG Industrial Production, GB Retail Sales, US Goods Trade Balance, US PCE Price Index, US Personal Spending, US Michigan Consumer Expectations, US Michigan Consumer Sentiment

Company News

1. TSH entered into proposed collaboration to distribute CLL's baijiu in Asia

Catalist-listed pub and bar business company TSH Corporation Limited ("TSH") had entered into a non-binding MoU with China Liquor Limited ("CLL") for the purchase, sale, distribution and promotion of CLL's brands of baijiu in Asia. CLL's principal business activities involve the wholesale trade of a variety of goods, as well as the import and export of alcoholic drinks, and in particular, baijiu. Negotiations between the parties are ongoing to settle the terms of the agreements.

2. KBE announced proposed subscription to raise S\$38.1 million

Catalist-listed engineering solutions company Koh Brothers Eco Engineering Limited ("KBE") announced the entry into a share subscription agreement with Penta-Ocean Construction Co., Ltd. ("POC") for the issuance of 810 million new shares at an issue price of S\$0.047 (a 30.56% premium to VWAP on 12 March 2021). This would amount to an aggregate consideration of S\$38.1 million, satisfied in cash. The proposed subscription is intended to strengthen its financial position by increasing the capital base for working capital requirements, in order to bid for more capital-intensive projects and pursue potential growth opportunities. KBE intends for 70% of the net proceeds to be used for general working capital and 30% for business expansion purposes.

3. Silkroad Nickel entered into contract valued over US\$90 million

Catalist-listed mining company Silkroad Nickel Ltd ("Silkroad Nickel") announced the entry into a new offtake agreement with PT Ekasa Yad Resources, a Tsingshan Group company. Under the agreement, Silkroad Nickel would supply an aggregate of 2.7 million metric tonnes of high-grade nickel ore from March 2021 to December 2022, with a minimum quantity of 50,000 metric tonnes per month and an estimated contract value of over US\$90 million based on the benchmark price for nickel ore set by the Indonesian Government. Management commented that the nickel ore is expected to be used to meet the increasing demand from the electric vehicle battery industry. The Group is in the process of investing in its downstream nickel pig iron processing facility in 2021 and intends to use part of the cash flows generated to build its proposed RKEF (Rotary Kiln Electric Furnace) smelter project.

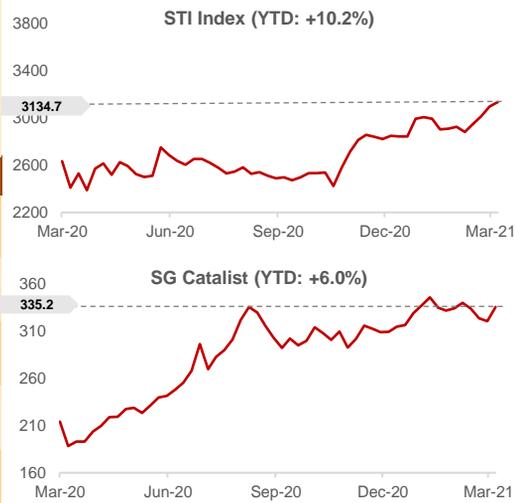
4. SOG entered into JV to establish a Postpartum Confinement Centre in Johor

Catalist-listed women's and children's health and wellness company Singapore O&G Ltd. ("SOG") announced the entry into a joint venture agreement (JV) with LYC Mother & Child Centre Sdn Bhd ("LYCMC") to incorporate a Special Purpose Vehicle (SPV) for the purpose of setting up a postpartum confinement centre. The confinement centre would have up to 130 beds in Johor, Malaysia, and would be 51% and 49% owned by LYCMC and SOG respectively to provide postpartum confinement care and related services catering to both the Malaysian and Singaporean customers who wish to spend their post childbirth confinement period in Johor. Management commented that the increase in demand for postpartum confinement and related services in the Singapore and Malaysia market, and the affordability and the close proximity to Singapore makes Johor the ideal location. The JV also provides for the establishment of similar centres in Malaysia, as may be agreed in the future.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3134.7	▲ 3.0	▲ 0.1%	▲ 1.3%	▲ 10.2%
SG Mid Cap	739.6	▲ 3.9	▲ 0.5%	▲ 1.8%	▲ 6.2%
SG Catalist	335.2	▲ 0.6	▲ 0.2%	▲ 4.7%	▲ 6.0%
SG Small Cap	311.4	▲ 1.0	▲ 0.3%	▲ 1.8%	▲ 3.2%

Singapore Indices



Capital Market News

Non-oil domestic exports rose 4.2% in February

Singapore's non-oil domestic exports (NODX) grew 4.2% in February, following the 12.7% expansion in January and 6.8% expansion in December 2020. The increase in NODX was mainly due to shipments of non-electronic products, such as non-monetary gold, specialised machinery and petrochemicals. On a yearly basis, non-electronic NODX rose by 3.3% in February, compared to a 12.5% expansion in the previous month. Electronic NODX grew by 7.4%, after an expansion of 13.5% in January, driven largely by the shipments of personal computers, telecommunications equipment, and diodes and transistors. The overall increase in NODX was to emerging markets, which expanded 45.7%, to Cambodia, Laos, Myanmar and Vietnam bloc, the Caribbean and South Asia markets. NODX to Singapore's top 10 markets declined as a whole, dragged down by the European Union, Japan and United States, though exports to China, South Korea, Taiwan and Hong Kong grew.

New private home sales declined 60.5% in February

Urban Redevelopment Authority ("URA")'s figures showed that Singapore developers sold 645 new private homes in February, 60.5% decline MoM over January's 1,632 units. February marked the lowest monthly sales since May 2020's 487, which was due to fewer new launches. Developers launched 167 units for sale in February against 2,600 in January. The sharp drop in sales can be attributed to Chinese New Year, a period when developers usually hold back launches, said Lee Sze Teck, Huttons Asia director of research. However, despite slower activity, wealthy buyers piled into the market with 45 new homes being sold for at least S\$3 million, 10 of which cost more than S\$5 million. It is anticipated that the primary market sales volume will pick up again when property developers release more units for sale, after the large number of units released in the 3-month period from November 2020 to January 2021.