

STI In A Snapshot

The STI closed Friday higher at 3157.95, up 0.7% or 23.30 points for the week. The markets rose overall with positive news on Singapore's core inflation and US' vaccination targets but were dragged down by weakness in technology stocks over at Wall Street.

The Singapore market opened lower on Monday, following negative trading on Wall Street the previous week amid caution on tightening of capital requirements for banks. Fears over bond yield rises also caused the decline. The STI eked out some gains with news of Singapore's core inflation in February returning positive for the first time in over a year. Singapore and Malaysia also agreed to work towards vaccine certificates recognition. However, the STI quickly turned negative following weak lead from Wall Street over fears of virus resurgence. Technology shares also showed weakness despite a rally in oil stocks, dragging indices lower. The markets managed to end the week in the black with better-than-expected jobs data and US president Biden's pledge to double his vaccination targets.

Year-to-date, the STI is up 11.0%.

Week Ahead: 29 March – 2 April 2021

Mon (29 Mar)	GB Nation Wide HPI, US Dallas Fed Mfg Business Index SPH Reit (1H Result)
Tue (30 Mar)	US S&P/CS HPI Composite, US CB Consumer Confidence SPH (1H Result)
Wed (31 Mar)	US API Weekly Crude Oil Shock, SG Bank Lending, US ADP Nonfarm Employment Change
Thu (1 Apr)	GB Manufacturing PMI, US ISM Manufacturing Employment, US ISM Manufacturing PMI
Fri (2 Apr)	Good Friday Holiday US Average Hourly Earnings, US Nonfarm Payrolls, US Unemployment Rate

Company News

1. Healthbank entered into S\$3.3 million convertible loan subscription agreement

Catalist-listed Healthbank Holdings ("Healthbank") proposed to issue an aggregate S\$3.3 million in unsecured convertible loan notes to subscribers that would be interest-free and be convertible into ordinary shares. The net proceeds of \$3.3 million would be utilised for business expansion and investment opportunities (\$2.5 million), and working capital purposes (\$0.8 million). The notes are convertible into a maximum of 37.5 million new shares. Healthbank reported net current assets of RMB 9.4 million as at FY2020 ended 31 December. The convertible loan would allow the Group to raise funds for future working capital purposes and further strengthen Company's financial position, which will allow the Group to focus on growth through strategic restructuring and collaborations in new business segments with high growth potential in China, Singapore and the region. The funds raise allow the Group to capitalise on business opportunities arising from the new development and demands emerging from the COVID-19 pandemic.

2. Mary Chia completed debt conversion into 25.5 million new shares

Catalist-listed wellness services company Mary Chia Holdings Ltd ("Mary Chia") announced the completion of proposed debt conversion, pursuant to the allotment and issuance of 25.5 million new ordinary shares. The conversion price of S\$0.15 is a 6.7% discount to VWAP on March 1. The conversion shares represent 12.55% of the existing share capital of the company, and about 11.15% of the company's enlarged share capital after issuance and allotment of the conversion shares. The conversion was done with the aim to strengthen the group's balance sheet and improve its debt-equity position.

3. FJB signed MOU with Aleta Planet for UnionPay virtual debit card

Catalist-listed retailer F J Benjamin ("FJB") announced that it had signed a MOU for a co-branded UnionPay virtual debit card with fintech company Aleta Planet. The FJB-Aleta Planet co-branded card is powered by Aleta Planet's proprietary technology and UnionPay International's platform and would target to make payments faster and offer cash rebates to cardholders. Cardholders would only need to scan their phones against a QR-code to make contactless payments. Chinese tourists with UnionPay cards travelling to Southeast Asia will also find it easier to shop at FJB stores in Singapore, Malaysia and Indonesia. Pre-Covid in 2019, more than 3.6 million Chinese visitors spent over \$3 billion with nearly half on shopping alone. This initiative follows closely behind a recent MOU signed with Lazada to broaden FJB's e-commerce channels.

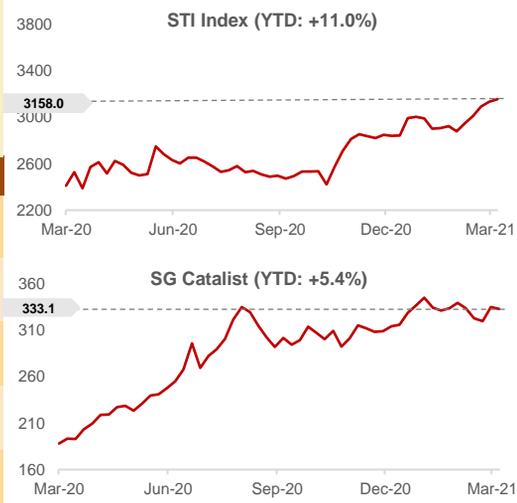
4. HLH proposed joint cooperation to develop manufacturing plant in Cambodia

Property construction company Hong Lai Huat Group Limited ("HLH") announced that its wholly owned subsidiary, HLH Agriculture (Cambodia) Co., Ltd had entered into a joint cooperation term sheet with Joe Green Pte Ltd ("Joe Green") for granting the right to Joe Green's licensee to develop a Light-Weight Concrete Panel Manufacturing Plant in the construction material zone located in its Aoral Eco City project in the Kingdom of Cambodia. HLH management believes that Cambodia's property and real estate industry is still rapidly developing and growing. Joe Green would be supplying the lightweight concrete panel for the Group's ongoing Aoral Eco-City project. The cooperation period will be three years from the date of entry with the option to extend.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3158.0	▲ 16.2	▲ 0.5%	▲ 0.7%	▲ 11.0%
SG Mid Cap	743.4	▲ 4.4	▲ 0.6%	▲ 0.4%	▲ 6.7%
SG Catalist	333.1	▲ 0.4	▲ 0.1%	▼ 1.5%	▲ 5.4%
SG Small Cap	314.7	▲ 1.7	▲ 0.5%	▲ 1.0%	▲ 4.3%

Singapore Indices



Capital Market News

Prolonged Suez canal blockage would cause supply chain disruptions

The Suez canal blockage, caused by the Ever Given container ship getting stuck, is obstructing other ships from passing through the canal. The congestion is holding up goods, causing a supply chain disruption. It is reported that around 10%-12% of world trade flows through the Suez canal. A short-term impact is likely, although it depends on the length of delay. A prolonged delay could cause loss to trade flows in many sectors including but not limited to commodities, food (F&B) and other consumer products. Oil prices have seen steady increases over fears of a prolonged delay. Other commodities may soon see the impact if the delay continues. Transport Minister Ong Ye Kung said that if the delay gets dragged on, PSA may see shipping lines reroute their journeys which would lead to schedule disruptions. Some sectors that may see short-term increase include oil and energy and commodity suppliers. If delays extend, sectors like shipping, logistics and other general trade which may see a higher cost of goods could be negatively affected.

Singapore core inflation up 0.2% in February

The Monetary Authority of Singapore (MAS) and the Ministry of Trade and Industry (MTI) reported that core inflation in February turned positive for the first time after over a year, stemming from an increase in services costs and higher food inflation. Core inflation, which excludes accommodation and private transport, rose 0.2% yoy in February, up from -0.2% in January. Headline inflation, which includes all items, rose 0.7%, up from 0.2% in January, driven by higher private transport inflation. The authorities forecasted that core inflation would be mildly positive in 2021, as higher oil prices lead to a pickup in electricity and gas tariffs, and as the disinflationary effects of government subsidies introduced in 2020 wane. In Singapore, cost pressures are expected to stay low, as wage growth and commercial rents are likely to remain subdued.