

### STI In A Snapshot

The STI closed higher at 3184.58, up 0.1% or 2.86 points for the week. Markets inched up slightly after a mixed week, which started off with positive data releases in Singapore and the US, but saw investors trading with caution towards the end of the week.

DPM Heng Swee Keat announced his decision to step down as the leader of the 4G PAP leadership team, indicating that he will not be the next Prime Minister of Singapore. In the next cabinet reshuffle, to take place in about two weeks, he will also step down as the Minister of Finance.

Jardine Matheson's impending privatisation of Jardine Strategic, expected to be completed by end April, will see Jardine Strategic delisted from SGX and removed from the STI. FTSE Russell announced that it will be replaced by Frasers Logistics and Commercial Trust, to be included in the index from 13 April. With this addition, there will be seven REITs in the STI with a combined market cap of ~S\$58.5bn.

Year-to-date, the STI gained 12.0%.

### Week Ahead: 12 April – 16 April 2021

Day	Key Events
<b>Mon</b> (12 Apr)	JP Bank Lending, JP PPI, EUR Retail Sales
<b>Tue</b> (13 Apr)	US Federal Budget Balance, GB Retail Sales Monitor, GB Industrial Production, GB Manufacturing Production, US OPEC Monthly Report, US Retail Sales, US CPI, CN Trade Balance
<b>Wed</b> (14 Apr)	US GDP, EUR Industrial Production, US Export/Import Price Index
<b>Thu</b> (15 Apr)	US NY Empire State Mfg Index, US Philadelphia Fed Mfg Index, US Philly Fed Employment, US Retail Sales, US Industrial Production, US Manufacturing Production, US Business Inventories
<b>Fri</b> (16 Apr)	US TIC Net Long-Term Transactions, SG Non-Oil Exports, CN GDP, CN Industrial Production, EUR CPI, US Building Permits, US Housing Starts, US Michigan Consumer Expectations

### Company News

#### BlackGold to acquire Mongolian energy construction and mining group for S\$1bn

Catalist-listed Indonesia-focused coal mining company BlackGold Natural Resources Limited entered into a non-binding term sheet with MGL Development Pte. Ltd. ("MGL") to acquire the Tengri Coal and Energy Pte. Limited Group of companies ("TEC Group"). The purchase price of S\$1bn will be adjusted based on the valuation of TEC Group set out in an independent valuation report and would be satisfied by way of share issuance to MGL, the owner of TEC Group. Blackgold's current market cap is ~S\$18.3m. Management sees the acquisition as transformational which allows them to gain access to Mongolia, a resource-rich country with vast quantities of untapped mineral resources. According to Mongolia's Energy Ministry, around 80% of the electrical supply is produced domestically and 20% is imported. Coal is the primary source of electricity generation in Mongolia, accounting for an estimated 85% of the total electricity generation in the country.

#### Acromec secured 3 EPC projects totalling S\$17.02m

Catalist-listed specialist engineering service provider Acromec Limited announced that it had secured three engineering, procurement and construction (EPC) contracts, worth S\$17.02m. The largest of the three contracts has a value of S\$11.0m, for the installation of the ventilation system at SIT's new campus. The project is expected to commence in 3Q of FYSep21 and complete in 2Q of FYSep23. The remaining contracts with a value of S\$3.95m and S\$2.07m are for healthcare customers. The second project involves the supply and installation of ventilation systems, and the third project involves the design and build of a medical centre with an operating theatre at Orchard Road. Both projects are scheduled to commence from 3Q FYSep21 and complete by end FYSep21. The contracts are expected to contribute positively to FYSep21 EPS and NTA.

#### iX Biopharma signed cooperation agreement with CRPCG to enter the China market

Catalist-listed pharmaceutical company iX Biopharma Ltd entered into a strategic cooperation framework agreement with China Resources Pharmaceutical Commercial Group Co., Ltd. ("CRPCG"), to engage in all-round co-operation in respect of iX Biopharma's pipeline of innovative sublingual pharmaceutical and nutraceutical products in China. CRPCG will undertake the full scope of operation in China including registration, manufacturing, distribution and promotion of these products. CRPCG is part of the HK-listed China Resources Pharmaceutical Group, which is the second largest pharmaceutical manufacturer and one of top three pharmaceutical distributors by revenue in China.

#### Trendlines received non-binding LOI for the acquisition of one of its portfolio company

Catalist-listed technology incubator The Trendlines Group Ltd. announced that it received a non-binding letter of intent (LOI) from a public corporation to acquire one of its portfolio company. Based on the LOI, in the event that a definitive agreement is signed, Trendlines' minimum share of the sale proceeds in cash is estimated to be approximately S\$19m. If completed, the deal is expected to have a material positive impact on Trendlines' NTA and EPS for the financial year ending Dec 31, 2021. Trendlines is seeking a dual primary listing and securities offer on the Tel Aviv Stock Exchange in Israel.

### Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3184.5	▼ 1.9	▼ 0.1%	▲ 0.1%	▲ 12.0%
SG Mid Cap	766.2	▲ 0.1	▲ 0.0%	▲ 1.3%	▲ 10.0%
SG Catalist	346.3	▼ 0.9	▼ 0.3%	▲ 3.0%	▲ 9.6%
SG Small Cap	327.3	▼ 0.4	▼ 0.1%	▲ 2.3%	▲ 8.4%

### Singapore Indices



### Capital Market News

#### Econ Healthcare prices Catalist IPO at S\$0.28

Econ Healthcare is offering 50m new shares at S\$0.28 each, valuing it at a market cap of S\$72m on an enlarged share base of 257m. At S\$0.28, it is priced at FYMar20 PE of 14.4x and P/B of 3.0x, and 17.8x PE and 3.7x P/B after adjusting for the new shares. Econ Healthcare provides medicare and nursing home services in Singapore, Malaysia and China with total capacity of 1,376 beds. The offer will close on April 15.

#### US proposed global corporate minimum tax rate

Treasury Secretary Janet Yellen proposed a global minimum corporate tax rate of 21%, which, if passed, could impact financial hubs such as Singapore, Hong Kong and Switzerland. On the other hand, the OECD member states and G20 countries are working on the Base Erosion and Profit Shifting (BEPS) Project, to counter tax avoidance by multinationals, with a proposal expected in mid 2021. The suggested minimum tax rate is 10% to 12.5%.

#### Singapore Mar Manufacturing PMI rose to 50.8

Mar PMI edged 0.3-pt higher from Feb, which marked the 9<sup>th</sup> month of expansion for the manufacturing sector and a level last seen in Mar 2019. Electronics sector PMI recorded a slower expansion of 50.6, down 0.2-pt. We believe this might reflect a cautious outlook amidst shortage in the supply of semiconductors.

#### Singapore Feb retail sales index rose 5.2% yoy

This was the first positive growth since Jan 2019. The yoy gain was partly lifted by CNY festive celebrations in Feb 2021, while it took place in Jan 2020. Apparel & footwear and watches & jewellery posted the biggest gains of 31.6% yoy and 34.1% yoy respectively. Supermarkets and hypermarkets sales stayed elevated at 13.6% yoy. Feb 2021 retail sales were still 3.7% lower than Feb 2019 (pre-COVID). Taking away the seasonal effect, Jan-Feb 2021 sales were -1.2% vs Jan-Feb 2020, and -8.6% vs Jan-Feb 2019. In particular, sales at department stores were -24.3% vs Jan-Feb 2020, and -37.6% vs Jan-Feb 2019, hurt by the absence of tourists.