SG Market Weekly Update
10 September – 14 September 2018

Weekly Wrap of STI

The STI ended 0.95% or 29.65 points higher on Friday to close at 3161.42 on abating trade tension after the US initiated a restart in talks with China on trade.

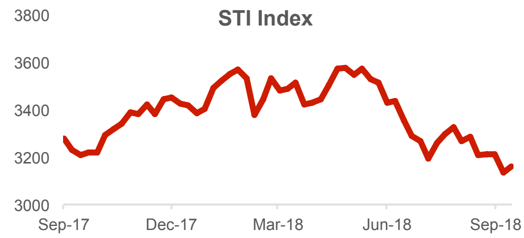
US Treasury Secretary Mnuchin initiated a new round of trade talks with China, this time by directly engaging China's top economic official, Liu He. Market sentiment improved albeit cautiously as this bought some relief to the seemingly imminent US$200 billion tariffs. However the gains were muted as US President Donald Trump continued to pile on the pressure with provocations on social media that the US$200 billion in tariffs would proceed as planned. In emerging markets, Turkey's central bank exceeded expectations with a rate hike of 625 basis points, bringing relief to the Turkish Lira. Despite this, investors continued to remain on guard in emerging markets as Argentina continued efforts to fend off currency speculators but faced new difficulties. The IMF's US$3 billion disbursement to Argentina was put on hold but Argentina requested for payments to be sped up 2 weeks ago.

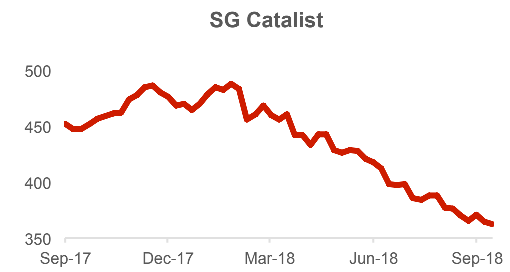
Year to date, the STI index is down by 7.1% while the Catalist index is down by 22.8%.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3161.4	▲ 29.7	▲ 0.9%	▲ 0.9%	▼ 7.1%
SG Mid Cap	716.8	▲ 3.7	▲ 0.5%	▲ 0.3%	▼ 6.5%
SG Catalist	362.6	▲ 0.6	▲ 0.2%	▼ 0.7%	▼ 22.8%
SG Small Cap	353.2	▲ 1.1	▲ 0.3%	▼ 1.2%	▼ 13.2%

Price Chart





Week Ahead: 17 September – 21 September 2018

Economic Calendar: Euro CPI (17 Sep), RBA Meeting Minutes (18 Sep), BoJ Monetary Policy Statement and Press Conference (19 Sep), UK CPI (19 Sep), ECB Draghi Speech (19 Sep), SNB Interest Rate Decision and Policy Statement (20 Sep), OPEC Meeting (20 Sep), Canada CPI & Retail Sales (21 Sep)

Companies News

1. Lian Beng Group ended FY18 with mixed results

Lian Beng Group ("**LBG**") reported mixed results for FY18. Revenues decreased by 13.4% from S$281.7 million to S$243.9 million in FY17 and FY18 respectively. The decrease was caused by its Property Development segment whose sales dropped by S$52.4 million. Upbeat results in other segments partially alleviated the drop. Correspondingly, gross profit fell by 17.2% from S$74.9 million in FY17 to S$62.0 million in FY18. On the other hand, other operating income increased from S$14.3 million in FY17 to S$54.3 million in FY18. This resulted in a 9.7% decrease in profit after tax from S$62.8 million in FY17 to S$56.6 million in FY18. LBG's cash holdings increased to S$209.2 million and the it remains on the lookout for attractive tenders. Its construction order book stood at S$947 million with a steady flow of activities through FY2022.

2. Aspial invited noteholders to sell or exchange 2018, 2019 notes

Aspial Corporation ("**Aspial**") is inviting holders of its 5.5% notes due in November 2018 or 5.05% notes due in June 2019 to either sell these to the company or exchange them for new notes. Aspial said the invitation is part of its strategy "to improve its debt position and to reduce negative carry", by using part of the cash proceeds from its real estate business to buy the existing notes before their respective maturity dates. The offer is for all of the outstanding S$74 million worth of 2018 notes and up to S$10 million of the outstanding S $123.5 million of 2019 notes. As an incentive for noteholders to participate in the invitation, the company will pay an early exit fee of 0.1 per cent of the principal amount of the relevant tender offered notes, for noteholders who offer to sell by 10am on Sept 28, 2018, the expiration deadline. For noteholders who wish to stay invested in the group, they have an opportunity to exchange their existing notes for new ones. The new notes, expected to be issued on Oct 9, 2018 and due on Oct 9, 2021, will have a higher 6.25 per cent interest rate per annum, payable semi-annually. To "recognise and reward noteholders who have supported and will continue to support the group through their investments", Aspial will pay a one-time fee of 0.5 per cent of the principal amount of the relevant exchange offered notes to noteholders who offer to exchange their notes by the expiration deadline.

3. Oxley Holdings transferred 25% of Cambodian joint venture's capital

Oxley Holdings Ltd's wholly-owned subsidiary, Oxley Asset Management Pte Ltd **("OAM")**, transferred 25% registered capital of its Cambodian joint venture, Oxley-Worldbridge Asset Management **("OWAM")**, to Worldbridgeland Asset Management Co., Ltd **("WAM")**. After the transfer, both OAM and WAM will own half of OWAM each. Payment for the transfer has not been settled but is expected to be delivered within the next 2 weeks.

4. Sasseur REIT inked partnership with cornerstone investor to boost sales network

THE manager sponsor of Sasseur real estate investment trust ("**Sasseur**") - which owns four retail outlet malls in China - on Wednesday said that it has signed a partnership with one of its cornerstone investors to boost sales channels. Through a "memorandum of strategic partnership", the Reit sponsor Sasseur Cayman Holding will work with Secoo Holdings ("**Secoo**") to expand the channels to sell luxury goods in China via an "omni-channel network". Such networks refer to multiple channels that include physical and online store presence. Secoo is an integrated online platform for upscale goods, said Sasseur. In a media statement, Anthony Ang, CEO of Sasseur Reit's manager, said: "The partnership with Secoo ... adds a new dimension to our usual offline channel of outlet malls while sharpening our competitive advantage in the industry. As we seek to jointly explore new marketing opportunities centring on upscale lifestyles, we are committed to deliver a better shopping experience for our consumers, with the aim of solidifying revenue growth for Sasseur Reit."

Capital Market News

1. Singapore remained as top Asian destination for US capital

In 2017, Singapore remained as the top spot for US direct investments in Asia. Inflows of US$15 billion were observed to put the total book value of US investments in Singapore at US$273.4 billion. Despite Singapore's small size, its value of US investments exceeds that of China and Japan at US $107.6 billion and US$129.1 billion respectively. Data on Singapore investment flows to the US were mixed in terms of year-on-year changes. During the period, there was much uncertainty in the US regarding the prospect of tax law changes. In terms of annual increases in investment flows to the US, Singapore also ranked among the top 3 along with Japan and South Korea. In terms of geographical regions, Latin America overtook Asia Pacific to become the second largest recipient of US investments.

2. Southeast Asian startup exits grew for the 3rd consecutive year

The number of exits staged by Southeast Asian starups has grown for 3 years in a row. According to a report by venture capital firm Monk's Hill Ventures and startup community platform Slush Singapore, 185 exits are expected to take place this year. This is an increase from 164, 144, and 74 exits in each of the previous three years. In terms of unicorn startups, the region has 8 under its belt which is split evenly between Singapore and Indonesia. Elsewhere in Asia, South Korea has 3 firms, while Japan, Australia and Hong Kong has 1 each. China is uncontested at the top of the list with 90 firms with India coming in second at 10 firms. So far, many exits have been China-led but chief of Malaysian venture capital firm 1337 Ventures, Bikesh Lakhmichand, expects a change in dynamic with the entrance of more global private equity firms. He noted that more startups have embarked on acquisitions but the challenge in valuation has delayed exits.