

Weekly Wrap of STI

The STI ended 0.71% or 21.78 points higher on Friday to close at 3069.71 as it ended 6 straight sessions of losses. The Singapore bourse recovered slightly from a dim economic outlook throughout the week and Thursday's steep sell-off which followed an overnight rout in the US stocks markets.

The STI fell sharply at the start of the week amid worries about rising interest rates and weakness on Wall Street on Friday. STI slipped further as International Monetary Fund cut its China growth forecast owing to escalating tensions between US and China. At mid-week, STI continued its decline as investors were nervous following a surge for the 10-year US Treasury bond yields and prospects of a global economic slowdown. On Thursday, STI crashed to a 20-month low as investors rushed for the exits following a global share rout, led by the US market. On Friday, calm returned to Asian markets as STI was boosted by the better-than-expected Chinese trade data and positive Singapore's economy outlook.

Year to date, the STI index is down by 9.81% while the Catalyst index is down by 26.12%.

Week Ahead: 15 October – 19 October 2018

**Economic Calendar:** US Retail Sales MoM (15 OCT), UK Average Earnings Index & Claimant Count Change (16 OCT), German ZEW Economic Sentiment (16 OCT), US JOLTs Job Openings (16 OCT), UK CPI YoY (17 OCT), EURO CPI YoY (17 OCT), US Building Permits (17 OCT), Australia Employment Change (18 OCT), China GDP & Industrial Production YoY (19 OCT), US Existing Home Sales (19 OCT)

**Company Results:** Keppel REIT (15 OCT), Nico Steel (15 OCT), SPH (15 OCT), First REIT (16 OCT), Keppel Infrastructure Trust (16 OCT), Keppel DC REIT (16 OCT), Qian Hu (16 OCT), Keppel-KBS REIT USD (17 OCT), Keppel T&T (17 OCT), Soilbuild Business REIT (17 OCT), Keppel Corp (18 OCT), Frasers Comm Trust (19 OCT), SGX (19 OCT)

Companies News

1. vCargo Cloud signed tripartite agreement to develop trade solution in Gabon

DeClout Limited 50.01%-owned subsidiary vCargo Cloud ("VCC") inked a Single Electronic Window System ("SEWS") project deal with Gabon Special Economic Zone and Singapore Cooperation Enterprise. The aim of the tripartite agreement is to facilitate trade and increase trade efficiencies for the Special Economic Zone in Nkok, Gabon. The SEWS is a centralized platform that links multiple systems operated by various organization in Nkok. It will build on VCC's CamelONE™ platform to extend the platform connectivity to 15 countries across Asia, Central Asia and Africa. The agreement in Gabon is in line with VCC's strategy to expand the global outreach of the CamelONE™ platform and digitalize global trade by providing a neutral and unified platform that simplifies cross-border trade.

2. Catalyst-listed No Signboard unveiled franchise deal to sell Korean fried chicken

Food and beverage operator No Signboard Holdings ("No Signboard") secured a 10-year exclusive master franchise deal to sell Korean-style fried chicken in Singapore and Malaysia. The deal, which gave No Signboard the right to set up Mom's Touch Chicken and Burger outlets in both countries, was in line with its long-term strategy to diversify its restaurant portfolio. The portfolio of No Signboard currently includes its chain of seafood restaurants, Danish Breweries and Singapore franchise rights to hotpot chain Little Sheep. No Signboard is planning to open 8 Mom's Touch restaurants within three years either on its own or through sub-franchisees.

3. Vividthree signed MOU with Slightly Mad Studios to develop virtual reality game

Vividthree Holdings ("VV3") signed a memorandum of understanding ("MOU") with London-based video game company Slightly Mad Studios ("SMS") to produce a virtual reality arcade game. VV3 and SMS will set up a joint venture, which will allow VV3 to tap on the gaming engine capability of SMS's motorsports racing stimulation game, Project CARS 2. The MOU is VV3's first venture into a virtual reality arcade development, which complements its strategy to build on its content production segment.

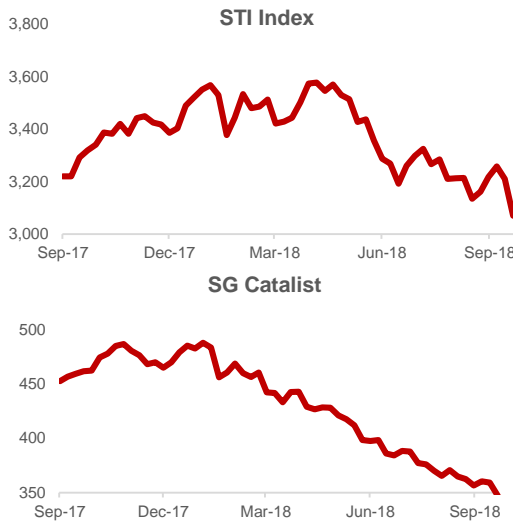
4. New reporting standards affected SLB Q1 results

Diversified property developer SLB Development Ltd. ("SLB") 1Q results were affected following a change in reporting standards. SLB reported a revenue of S\$23.0 million for the quarter as compared to the full S\$220.7 million in revenue from T-Space @ Tampines sales based on the new completion of contracts method. SLB also recorded a net loss of S\$2.8 million after the adoption of new reporting standards as compared to a net profit of S\$11.4 million before the restated numbers. SLB was also further hit by losses from joint ventures and associates. The Spottiswoode Suites project was completed in June last year and the newly launched Affinity @ Serangoon and Riverfront Residences have incurred marketing costs but have yet to contribute revenue. Moving forward, SLB is expecting progressive contribution of revenue from T-Space @ Tampines and the industrial Mactaggart Foodlink development. It is also expected to complete a joint acquisition of a freehold industrial property by 2018 and to launch a jointly-held residential site and a wholly-owned industrial site by 2019. SLB is optimistic that it will remain resilient with its diversified portfolio.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3069.2	▲ 21.8	▲ 0.7%	▼ 4.4%	▼ 9.8%
SG Mid Cap	703.9	▲ 4.2	▲ 0.6%	▼ 3.5%	▼ 8.2%
SG Catalyst	347.2	▲ 2.2	▲ 0.6%	▼ 3.4%	▼ 26.1%
SG Small Cap	337.7	▲ 3.9	▲ 1.2%	▼ 3.7%	▼ 17.0%

Price Chart



Capital Market News

1. New way for bondholders to chase default losses after change in Singapore law

Change in the Singapore Insolvency, Restructuring and Dissolution Act on Oct 1 gave liquidators a new tool to retrieve funds for bondholders and other creditors by seeking funding from investors who are unrelated to the case. These investor would be able to obtain part of the proceeds in exchange for funding the cost of pursuing claims. The legal change was aimed to strengthen the legal framework for debt workouts. The change has also attracted more litigation-finance experts, such as Sydney-based Litigation Capital Management to set up operation in Singapore.

2. Singapore-based ONE Championship closed US\$166 million Sequoia-led financing round

Martial arts organization, ONE Championship, raised US\$166 million in the latest Series D funding round. Led by US venture capital firm Sequoia Capital, other new notable investors include Temasek Holdings and Greenoaks Capital, adding to earlier investments from Sequoia India, Mission Holdings and Heliconia Capital Management. The total capital base now stands at in excess of US\$250 million. Its live martial arts events are broadcasted to 1.7 billion potential audiences in 138 countries.

3. MAS to enact law to regulate fintech players

By passing the Payment Services Bill into law, the Monetary Authority of Singapore ("MAS") aims to prevent shadow banking from emerging among the payment start-ups. The proposed payment legislation will compel large mobile wallet operators with an average daily e-money float of more than S\$5 million to ringfence their e-wallet funds. They will also not be allowed to loan that money out to others. The Payment Services Bill, to be passed in 2019, sets to regulate entities in the payment sector in a move to prevent fintech firms from operating as unregulated banks