

Weekly Wrap of STI

The STI ended 45.19 points higher on Friday to close at 3427.97, due to the easing of trade tensions between the United States and China and window dressing for the end of the first quarter of 2018. For the week, the STI gained 6.58 points or 0.19%.

The STI opened lower on Monday as the trade tariff stand-off between the United States and China continued to weigh on investors' minds. The index began to pick up speed in mid-week as Beijing and Washington continue to hold trade discussions and was ameliorated by North Korea's visit to China. This signalled an easing of trade tensions, allowing the STI to make a mild recovery for the week, and the end of the first quarter.

Year to date, the STI index is up by 0.7% while the Catalyst index is down by 6.0%.

Week Ahead: 2 April – 6 April 2018

Economic: US ISM Employment (2 Apr), China Caixin PMI MFG (2 Apr), UK PMI Manufacturing (3 Apr), China Caixin PMI (4 Apr), Markit US PMI (4 Apr), US Trade Balance (5 Apr), US Initial Jobless Claims (5 Apr), US Unemployment Rate (6 Apr)

Company Results: SPH REIT (6 Apr)

Companies News

1. United Global unit entered into JV in Australia, secured new shareholder

Catalist-listed United Global Limited ("United Global") has entered into a joint venture that will be involved in the importation and distribution of lubricant products in Australia. It was announced that its wholly owned subsidiary, United Oil Company Pte Ltd, entered into a shareholders' agreement with Australian companies, PFR Management Pty Ltd ("PFR") and DP United Pty Ltd ("DP United"), to incorporate a joint venture company in Australia. United Oil will hold a 35% stake, while PFR and DP United will hold 55 per cent and 10 per cent, respectively. In related news, United Global also announced that Pheim Asset Management (Asia) Pte Ltd and Pheim Asset Management Sdn Bhd have agreed to purchase a total of 15 million United Global shares - representing approximately 4.7% of the company - from its controlling shareholder, Wiranto, at S\$0.41 per share.

2. DeClout's vCargo Cloud won Cambodian government contract for trade facilitation platform

vCargo Cloud ("VCC"), a portfolio company of SGX-listed DeClout, has won a contract by Cambodia's Ministry of Economy and Finance to integrate seven government bodies onto a unified online trade facilitation platform. The integrated e-trade solutions provider will develop and implement Phase 2 of Cambodia's National Single Window, following its successful implementation of Phase 1 last year. "VCC's involvement bears testimony to our capabilities and the strong partnership we have forged with the Cambodian government," says Desmond Tay, chief executive officer of VCC.

3. Global Dragon's wholly owned subsidiary acquired a single-storey semi-detached house

Global Dragon Limited (formerly known as TMC Education) announced that its wholly owned subsidiary, GDL Homes Pte Ltd has acquired a single-storey semi-detached house at Jalan Demak for S\$1.65 million. With a remaining leasehold tenure of 46 years, it intends to redevelop the property into a three-story detached house and top up the leasehold tenure to 99 years.

4. Acromec unit eyes renewable energy, inked MOU to build waste-to-energy plant

Acromec announced that its 80 per cent subsidiary, Acropower, has signed a memorandum of understanding ("MOU") with HL Plus for Acropower to build, own and operate an organic waste-to-energy plant on the future poultry farm site of Chew's Agriculture at Neo Tiew Road, off Lim Chu Kang. HL Plus is in the process of acquiring Chew's Agriculture. Under the MOU, Acropower will also build, own, operate and maintain the plant at its own costs, and Chew's Agriculture will charge Acropower an annual rental fee, at rates to be negotiated between both parties.

5. First Fintech to list on SGX, Ayondo debuted at S\$0.24

Global Fintech group Ayondo made its debut on the Singapore Exchange's ("SGX") Catalist board at S\$0.24 apiece on Monday. Ayondo offers social trading services and brokerage services to both business to consumer ("B2C") and business to business ("B2B") clients through two proprietary platforms: WeTrade and Tradehub. According to Business Times, Ayondo's initial public offering ("IPO") drew roughly four-and-a-half times as many applications as there were shares in the public tranche. Ayondo's closing price was S\$0.26.

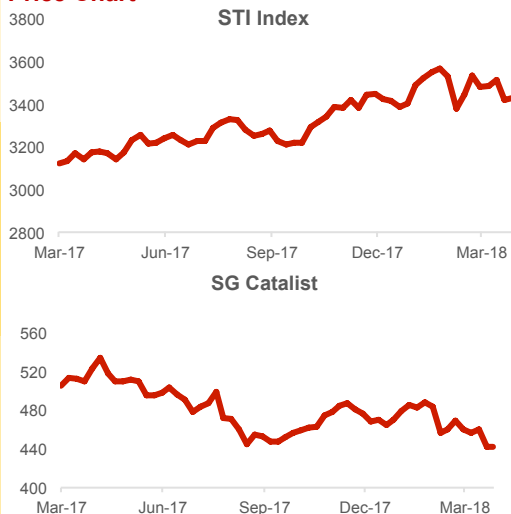
6. Sasseur Reit largest IPO in Singapore this year opened trading debut at S\$0.805

China outlet mall operator Sasseur Real Estate Investment Trust opened at S\$0.805 per unit, above its offer price. It was announced that 1.18 billion units in the trust currently in issue and held by Sasseur Cayman Holding II were listed on SGX's Mainboard. Its IPO attracted applications that represented more than 3.7 times the number of available units in the public tranche. The offering, which was priced at S\$0.80 per unit, comprised 252.8 million placement units and a public tranche of 13.8 million units. For the public tranche, there were 2,832 valid applications for 51.4 million units that represented some S\$41.1 million worth of valid applications. Raising S\$396 million in gross proceeds, it was the largest IPO in Singapore to date this year.

Market Snapshot

| Symbol | Price | Change | 1D % Change | 5D % Change | YTD % Change |
|--------------|--------|-----------|-------------|-------------|--------------|
| STI | 3428.0 | ▲ 45.19 ▲ | 1.3% ▲ | 0.2% ▲ | 0.7% ▲ |
| SG Mid Cap | 753.6 | ▲ 6.42 ▲ | 0.9% ▼ | 0.9% ▼ | 1.7% ▼ |
| SG Catalist | 441.7 | ▲ 0.27 ▲ | 0.1% ▼ | 0.1% ▼ | 6.0% ▼ |
| SG Small Cap | 391.2 | ▲ 1.98 ▲ | 0.5% ▼ | 0.9% ▼ | 3.8% ▼ |

Price Chart



IPO News

1. Lian Beng unit heads for Catalist listing

SLB Development ("SLB"), a property development unit of Lian Beng Group, will be offering its shares to the public as it heads towards a listing on Singapore's Catalist board. According to SLB's preliminary prospectus, SLB has a list of projects and joint ventures on hand with a gross development value of \$892.6 million. A third of this comes from the Rio Casa project in Hougang, where SLB holds a 20% interest. Another local project is Serangoon Ville, where SLB holds 20% of the GDV of \$254.2 million. SLB has also been looking into overseas markets such as UK, Australia and Vietnam. For FY2017 ended Dec 31 2017, SLB posted earnings of \$15.8 million on revenue of \$87.6 million. SAC Capital is the sponsor, issue manager, underwriter and placement agent to SLB.

2. The Orthopaedic Centre plans Catalist IPO as Asian Healthcare Specialists

The Orthopaedic Centre, a group of four orthopaedic specialists with four clinics across Singapore, is planning an initial public offering on the Catalist Board that could raise more than S\$10 million, under the new name Asian Healthcare Specialists ("AHS"). AHS will be issuing new shares through a placement exercise so there is no public tranche. RHT Capital is the issue manager and sponsor for the listing. UOB Kay Hian is the placement agent.

Capital Market News

1. Global IPO proceeds up 28% in Q1 2018: EY report

Global initial public offering ("IPO") activity in the first quarter of the year raised US\$42.8 billion across 287 deals, according to Ernst & Young's ("EY"). Proceeds raised represented a 28 per cent increase on Q1 2017, despite a 27 per cent fall in the number of deals done. Across the Asia-Pacific ("APAC") region, IPO deal activity declined in the first quarter with 157 deals, a 39 per cent fall from the year ago period, and the lowest quarterly total since Q2 2016. Meanwhile, total proceeds for the quarter stood at US\$11.4 billion, down 26 per cent compared to Q1 2017. In the EMEA region, US\$16 billion was raised from 86 deals in the first quarter. Europe accounted for 39 IPOs raising US\$14.7 billion. Emerging markets contributed strongly to overall IPO performance in EMEA, with India's Bombay and National exchanges recording a 14% increase in proceeds raised and a 5% increase on deals done, EY said. In the Americas, US \$15.4 billion was raised across 44 IPOs, an increase of 22% and 29% respectively on the year-ago period.