

Weekly Wrap of STI

The STI ended 0.08% or 2.58 points lower on Friday to end flat at 3,144.48 as US-China trade tensions de-escalated and Hong Kong's political unrest eased.

As with other Asian indices, the STI opened the week lower as new tariffs previously announced by both China and the US took effect, with additional tariffs still scheduled to kick in at a later date. However, the Singapore market saw a midweek surge following the Hong Kong government's decision on Wednesday to withdraw the extradition bill, meeting one of the protestors' key demands. The market was further lifted by the news that China and the US had agreed to resume trade negotiations in October as the STI closed 1.2% higher for the week

Year to date, the STI index is up by 2.5%.

Week Ahead: 9 September – 13 September 2019

Economic Calendar: UK GDP (9 Sep), CN CPI (10 Sep), CN PPI (10 Sep), UK Average Earnings Index (10 Sep), UK Labour Market Report (10 Sep), US JOLTS Job Openings (10 Sep), US PPI (11 Sep), EU Deposit Facility Rate (12 Sep), EU ECB Interest Rate Decision (12 Sep), JP PPI (12 Sep), SG Q3 Unemployment Rate (12 Sep), SG Retail Sales (12 Sep), US CPI (12 Sep), US Treasury Budget (13 Sep), US Fed Balance Sheet (13 Sep), US Retail Sales (13 Sep)

Company Results: Ying Li International Real Estate (11 Sep), Sino Grandness Food Industry Group (14 Sep)

Companies News

1. KOP Limited returned to profitability in 1Q2020

Catalist-listed real estate developer KOP Limited announced an unaudited revenue of S\$5,346,000 and profit after tax of S\$426,000 for the 3 months ended 30 June 2019 ("1Q2020"), as compared to revenue of S\$4,899,000 and loss after tax of S\$1,371,000 in the corresponding period of the preceding financial year. The favourable results were mainly attributed to better performance in the Company's Montigo Resorts in Nongsa and Seminyak, coupled with a decrease in legal and professional fees. This marked a return to profitability following 5 consecutive loss-making quarters.

2. Rex International's subsidiary to take part in Norwegian Sea drilling

Catalist-listed oil exploration and production company Rex International Holdings Limited ("Rex International") announced that an operator, PGNiG Upstream Norway AS, had started drilling an exploration well on the Shrek prospect in the Norwegian Sea licence PL838. Previously, Rex International's 90% owned subsidiary Lime Petroleum AS ("LPA") had signed an agreement with DEA Norge to acquire 30% interests in the two licences PL838 and PL838B. The transfer of interests will be effective from 1 January 2019 when regulatory approval is obtained.

3. EcoWise's subsidiary proposed acquisition of industrial land

EcoWise Holdings Limited ("EcoWise"), a Catalist-listed environmental solutions provider, announced that its wholly-owned subsidiary Sunrich Integrated Sdn. Bhd. had entered into an option to purchase with Rahang Rubber Industries Sdn. Bhd. for the proposed acquisition of a piece of industrial land in Senawang, Malaysia, accompanied with a factory building, for RM13 million (approximately S\$4.3 million). The leasehold property has a remaining tenure of about 56 years, expiring on 25 January 2075. Consisting of approximately 2.4 hectares of land, a two-storey warehouse, two units of a single-storey open-side building, a canteen, a guard house and a substation, this internally funded acquisition aims to improve EcoWise's production efficiency through economies of scale, by increasing its production capacity of rubber compound and rethreaded tyres.

4. Synagie secured exclusive cross-border deal with Chef Nic

Catalist-listed e-commerce solutions provider Synagie Corporation Ltd. ("Synagie") secured an exclusive deal with Chef Nic (Hong Kong) Limited ("Chef Nic") to manage and expand online and offline cross-border distribution and sales of its packed food products in Southeast Asia. Chef Nic is a Hong Kong based food company founded by celebrity Nicholas Tse, who personally develops the recipes for the company's products such as artisanal cookies, confectionary products and Chinese delicacies.

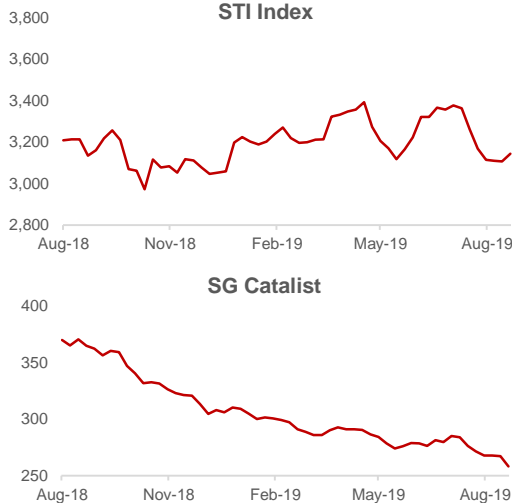
5. Metech proposed private placement cum warrants issue

Metech International Limited ("Metech"), a Catalist-listed e-waste management and recycling company, announced a proposed placement cum warrants issue of up to 22.5 million placement shares at S\$0.153 per share, accompanied by an issue of free, detachable, transferrable and non-listed warrants, on the basis of 1 warrant for each placement share, with each warrant carrying the right to subscribe for 1 new ordinary share at an exercise price of S\$0.153. Assuming all warrants are exercised, the total net proceeds of approximately S\$6.8 million are intended (i) to repay a bond issue due in January 2020; (ii) to fund general corporate activities such as expansion in consulting and management services and/or for strategic alliances; and (iii) for general working capital.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3144.5	▼ 2.6	▼ 0.1%	▲ 1.2%	▲ 2.5%
SG Mid Cap	732.8	▲ 0.3	▲ 0.0%	▲ 1.0%	▲ 7.0%
SG Catalist	258.4	▼ 0.3	▼ 0.1%	▼ 3.4%	▼ 16.5%
SG Small Cap	343.5	▼ 0.8	▼ 0.2%	▲ 1.0%	▲ 4.7%

Price Chart



Capital Market News

Reefknot launched US\$50 million logistics fund

Singapore-based venture capital firm Reefknot Investments ("Reefknot") announced the launch of a global US\$50m fund that will be focusing on Series A or B rounds of logistics and supply chain startups, particularly companies that employed AI, digital logistics and trade finance. As a joint venture between Temasek Holdings and Swiss transport and logistics giant Kuehne + Nagel, Reefknot will be able to draw on their networks and expertise to support and nurture its investee companies.

CDL obtained S\$250m SDG Innovation Loan

Property conglomerate City Developments Limited ("CDL") secured a S\$250 million 3-year revolving credit facility from DBS Bank. The loan aims to promote the United Nations Sustainable Development Goals ("SDGs") by accelerating innovations in sustainability. This SDG Innovation Loan allows for interest rate discounts if CDL manages to meet certain sustainability-related performance targets which contribute positively to the SDGs. Not a stranger to green financing, CDL was the first listed Singapore real estate company to issue a green bond in 2017, and subsequently secured its first green loans in April 2019, each amounting to S\$100 million and S\$500 million respectively.

Esports firm Team Flash raised seed funding

Singapore-headquartered esports firm Team Flash raised S\$1.5 million in seed funding from Singapore-based family office Octava. With a presence in several popular esports titles, the team has amassed total winnings of over US\$620,000 in prize money since 2017. Team Flash intends to utilise the fresh capital to pursue international expansion and secure market leadership in Vietnam. Currently with over 30 esports professionals and content creators in Southeast Asia, the funds will also go towards recruiting more team members in the region, and to launch a dedicated merchandising arm later this year.