

Weekly Wrap of STI

The STI ended 0.53% or 16.66 points higher on Friday to end at 3185.53, tracking gains in the Western markets led by strong results from Tesla and Microsoft, and positive surprise from Singapore's manufacturing output reporting year-on-year growth of 0.1% in September despite expectations for a 4.8% decline.

The STI opened the week higher with growing optimism of a partial trade deal between the US and China to happen by November. Temasek Holdings' partial offer for index constituent Keppel Corporation provided an additional boost, and the STI outpaced other Asian markets in the early-week rally. The gains were slightly offset by continued Brexit woes midweek, with news of yet another potential delay. However, generally positive corporate earnings in the US and Europe during the latter half of the week saw the STI resume its climb to eventually close the week higher.

Year to date, the STI is up by 3.81%.

Week Ahead: 28 October – 1 November 2019

Economic Calendar: EU M3 Money Supply (28 Oct), UK CBI Distributive Trades (28 Oct), US International Trade in Goods (28 Oct), US CB Consumer Confidence (29 Oct), US Pending Home Sales (29 Oct), AU CPI (30 Oct), US GDP (30 Oct), CN CFLP Manufacturing PMI (31 Oct), EU CPI (31 Oct), US FOMC Statement (31 Oct), US Fed Interest Rate Decision (31 Oct), CN/EU/JP/UK/US Manufacturing PMI (1 Nov), US Unemployment Rate (1 Nov)

Company Results: Ascendas Hospitality Trust (29 Oct), Pollux Properties Ltd. (29 Oct), Raffles Medical Group Ltd. (29 Oct), Starhill Global REIT (29 Oct), Ascott Residence Trust (30 Oct), CDL Hospitality Trusts (30 Oct), Far East Hospitality Trust (30 Oct), Frasers Hospitality Trust (30 Oct), Meghmani Organics Limited (30 Oct), TT International Ltd. (30 Oct), Hi-P International Limited (31 Oct), iFAST Corporation Limited (31 Oct), Parkway Life REIT (31 Oct), Ascendas REIT (1 Nov), China Aviation Oil (Singapore) Corporation Ltd. (1 Nov), SIA Engineering Company Ltd (1 Nov), United Overseas Bank Ltd (1 Nov), Willas-Array Electronics (Holdings) Limited (1 Nov)

Companies News

1. Kimly's subsidiary entered into non-binding term sheet for the potential acquisition of a portfolio of food outlets

Kimly Limited ("Kimly"), a Catalyst-listed coffeeshop operator, through its wholly-owned subsidiary Jin Wei Food Holdings Pte. Ltd., has entered into a non-binding term sheet for a proposed acquisition of a portfolio of food outlets. Comprising 4 long term leasehold coffeeshop units, 3 freehold industrial canteen units and 3 short term coffeeshop leases, the acquisition is valued at S\$59 million, of which S\$49 million is to be satisfied in cash and the remaining S\$10 million through the issuance of 40 million new Kimly shares at S\$0.25 per share. As part of the Group's expansion plans, this acquisition would bring its number of outlets up to 81. Kimly is in the process of conducting due diligence and valuation of the properties, and has an exclusivity period of 180 days.

2. Hatten Land announced proposed placement

Catalist-listed property developer Hatten Land Limited ("Hatten Land") entered into a placement agreement with Kingpin Investment Pte Ltd ("Kingpin"), for the allotment and issuance of 56.5 million new shares, or 3.94% of the Company's enlarged share capital, at S\$0.09 per share, a 7.31% discount to the 1-day volume weighted average price prior to the announcement. The proceeds of approximately S\$5.1 million will mainly be utilised as working capital for Hatten Land to finance development projects and general expenses. Kingpin is an unrelated 3rd party wholly owned by Mr. Yang Tse Pin, who has more than 30 years of experience in the building construction and property development industries.

3. iX Biopharma secured India patent for WaferiX technology

iX Biopharma Ltd ("iX Biopharma"), a Catalyst-listed specialty pharmaceutical company, announced that it was granted a patent in India for its WaferiX drug delivery technology, expiring on 26 October 2030. WaferiX is a drug carrier matrix produced via iX Biopharma's proprietary freeze-drying technique. It enables safe, convenient and rapid delivery of pharmacologically active compounds, such as ketamine and sildenafil, by being placed under the tongue. The patent in India marks another key Asian market in which the Group has secured intellectual property rights, which include China, Singapore, South Korea, Malaysia, Indonesia and Japan.

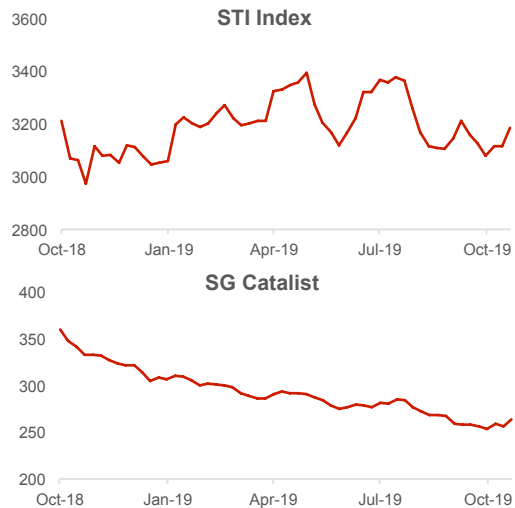
4. MeGroup renewed agreement with major Japanese automotive player

Catalist-listed Malaysia-based automotive parts maker MeGroup Ltd. ("MeGroup") announced that its wholly-owned subsidiary Menang Nusantara Sdn. Bhd. renewed its technical assistance agreement with Hirotani Co., Ltd. ("Hirotani"), a leading Japanese developer of "noise, vibration and harshness" components for automobiles. The agreement allows MeGroup to leverage on Hirotani's expertise in manufacturing such components, so that it may continue bidding for future manufacturing projects. The renewal extends the agreement, which started on 1 August 2014, for another 5 years beginning 1 August 2019.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3185.5	▲ 16.7	▲ 0.5%	▲ 2.3%	▲ 3.8%
SG Mid Cap	749.1	▲ 0.4	▲ 0.1%	▲ 1.2%	▲ 9.4%
SG Catalyst	263.2	▲ 5.4	▲ 2.1%	▲ 2.7%	▼ 15.0%
SG Small Cap	340.1	▼ 1.1	▼ 0.3%	▲ 0.0%	▲ 3.7%

Price Chart



Capital Market News

OCBC aims to expand on sustainable finance

Local bank Oversea-Chinese Banking Corp. ("OCBC") is seeking to grow its sustainable financing portfolio to a size of S\$10 billion by 2022. OCBC reported that it was already almost halfway towards that goal, and is looking to expand its current sustainable financing team of 5. Last year, the Asia Pacific Loan Market Association ("APLMA") laid out principles that aim to increase transparency on the use of proceeds and environmental impact of projects, prompting OCBC and other Asian banks to initiate on green loans, which is lending focused on environmentally-focused projects. OCBC's largest publicly disclosed green loan from this year was a S \$785 million 5-year term loan extended to Frasers Property. Structured under the APLMA's framework, the loan refinanced a new wing of the Northpoint City project in Singapore, which uses low emissivity double-glazed glass and recycled water for toilet flushing.

SGX to license Global Internet Index to Nikko AM

Nikko Asset Management ("Nikko AM") will be licensing the iEdge-FactSet Global Internet Index ("Global Internet Index") from SGX, with the intention of adopting and listing it as an exchange-traded fund. With US\$224 billion of assets under management as at 30 June 2019, Nikko AM is one of Asia's largest asset managers. The iEdge-FactSet series of indices is a joint development between SGX and FactSet, featuring thematic indices such as Asia Healthcare Select and Global Cybersecurity. The Global Internet Index is focused on tracking internet technology trends, such as internet and data services, general internet and online services, internet support services, financial software and services, virtual reality and engineering software business segments and online retail. As at the September 2019 rebalance, the index' largest constituents are Alibaba Group Holding, Alphabet, Amazon, Facebook, Netflix and Tencent Holdings at 10% each.