SG Market Weekly Update
16 March – 20 March 2020

SAC CAPITAL

Weekly Wrap of STI

The STI ended 4.32% up or 99.74 points higher on Friday to end at 2,410.74 as the index tracked the higher closing in US markets the night before,

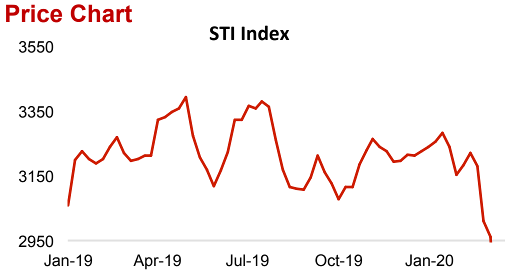
The STI opened higher on Monday tracking the higher US close last Friday, by mid-day however, the STI turned south as concerns over the government's worldwide response to the Covid-19 virus weighed. In mid-week however, the STI traded sharply lower as the fiscal stimulus announced by governments around the world failed to stem the fear of the Covid-19 spread in Europe. On Friday, the STI recovered some ground on short-covering by traders but this still failed to recover the loss suffered for the week. For the week, the STI fell 8.5%.

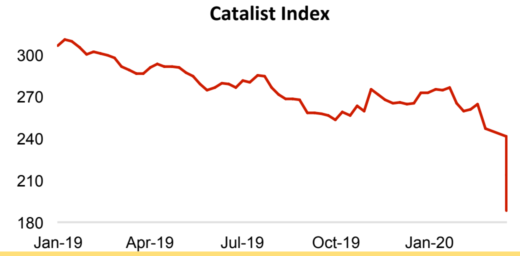
Year to date, the STI index is down by 25.2%.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2410.7	99.7	4.3%	8.5%	25.2%
SG Mid Cap	541.0	22.9	4.4%	14.6%	28.7%
SG Catalist	188.2	0.3	0.2%	12.1%	30.9%
SG Small Cap	223.0	17.6	8.6%	19.6%	37.3%

Price Chart





Week Ahead: 23 March – 27 March 2020

Economic Calendar: Singapore February CPI (23 Mar), Hong Kong February CPI (23 Mar), Japan Manufacturing PMI (23 Mar), French Manufacturing PMI (24 Mar), German Services PMI (24 Mar), European Manufacturing PMI (24 Mar), US New Home Sales (24 Mar), US Manufacturing PMI (24 Mar), German Ifo Business Climate Index (24 Mar), US Core Durable Goods Order (25 Mar), US Crude Oil Inventories (25 Mar)

Company Results: -

Companies News

1. Starburst bagged S$40.9 million contract for firearms training facility in SE Asia

Catalist-listed Starburst Holdings announced that its subsidiary, Starburst Engineering, has clinched a S$40.9 million contract to build a firearms training facility in South-east Asia. This is the group's largest contract win to date. Starburst Engineering will design, supply, deliver and install range specialist and associated works for the new facility, scheduled to be completed by February 2022. The contract will be carried out over two years, and is expected to have a positive impact on net tangible assets and earnings per share of the group for the financial year ending Dec 31, 2020. Edward Lim, executive chairman of Starburst, said: "This contract marks an exciting start for us in 2020, and serves to further validate our capabilities and reputation as a top-tier provider of in-house integrated solutions in the regional defence sector." Demand for military equipment and facilities is on the rise, as governments across the globe double down on military modernisation amid increasing global security concerns.

2. MeGroup broadened revenue stream with car subscription platform provider, Flux

The Malaysian-based automotive company will lease its unsold cars to car subscription services provider Flux. Flux is a Mobility-as-a-Service provider who offers car subscriptions in Malaysia via their online platform. This collaboration provides the Group an additional income stream and at the same time monetise its unsold inventory. It also feeds into a growing demand for an alternative, flexible car leasing service, other than the conventional hire, purchase or loan options.

3. Manulife US REIT inked 2 tenancy deals in New Jersey

Manulife US REIT has secured a US real estate enterprise as a long-term tenant at its Plaza office building in Secaucus, New Jersey. The new tenant signed the lease for roughly 53,000 square feet for its headquarters, with a 12-year tenure and positive rental reversion. The tenant has a portfolio of more than 260 properties, primarily on the East Coast. Separately, insurer AXA renewed about 40% of its expiring 100,000 sq ft lease at Plaza in January. This was a result of right-sizing exercise by AXA, the manager announced. As a result of the new lease deal and AXA's renewal, 3.5% of leases by net lettable area (NLA) and 3.9% by gross rental income will expire in 2020 vs. 5.7% by NLA as at Dec 31, 2019. It has executed about 138,000 sq ft of leases, or 2.9% of its portfolio by NLA as at March 13, 2020 with tenures averaging 7.8 years and rental reversions of 8.1%. Its portfolio has an occupancy rate of 96.4% and weighted average lease expiry by NLA of 5.7 years as at March 13.

4. Sasseur REIT's China malls reopened to higher sales

Sasseur REIT's manager announced "encouraging" first-day reopening sales at its outlet malls, which have reopened since they were shuttered amid the coronavirus outbreak. The four malls in China took in sales totalling 11.5 million yuan (S$2.3 million) on their respective reopening dates, a 129% increase from the corresponding dates a year ago. The Kunming property was first to reopen on March 11, followed by the Hefei mall on March 13 and the Chongqing and Bishan malls on March 15. The REIT's manager closed the malls in late January for periods ranging from 44 to 49 days in response to the Covid-19 outbreak. The REIT manager announced that while there will be an impact to the REIT's sales performance for 1Q2020 due to the closures, its sponsor – Sasseur Cayman Holdings – will ensure the REIT continues to receive the fixed component of the restaurant rent according to the entrustment management agreement. The REIT will also receive the variable component of the resultant rent, which is pegged to actual sales.

Capital Market News

SGX rolled out S$5m to provide support, relief measures amid outbreak

The Singapore Exchange (SGX) is rolling out a S$5 million care package to provide support and relief measures amid the Covid-19 outbreak. To be parceled out over a period of 12 months, the SGX Care Package comprises a S$1.5 million contribution to national healthcare-support programmes including The Courage Fund facilitated by the National Council of Social Service and its fundraising arm, the Community Chest. The remaining S$3.5 million will be used to support Singapore-listed companies as well as SGX employees and contract staff, in particular frontline staff such as cleaning and security crew. "As a key part of Singapore's financial market infrastructure, we are committed to ensuring uninterrupted operations at all times - this means taking the lead to do more for those who are putting their lives and jobs at risk, as well as companies and individuals who keep businesses and markets running," SGX chief executive officer Loh Boon Chye said. SGX said it has been working with the wider capital markets industry since early February to understand their practical difficulties. Its regulatory subsidiary, Singapore Exchange Regulation, announced on Feb 27 that it would give issuers two more months to hold their annual general meetings. The SGX Care Package announced on Monday will provide additional support to listed companies. SGX, which has operations in 10 cities around the world, has also suspended all large-group events at its premises, with mandatory temperature screening and health and travel declarations for visitors. Its staff have been operating in split-sites to minimise contact, accelerating the use of digital tools to enhance their workflow.