SG Market Weekly Update
23 March – 27 March 2020

Weekly Wrap of STI

The STI ended 1.66% up or 41.20 points higher on Friday to end at 2,528.76 as stocks surged after the government announced a S$48 billion relief package to cushion the impact of the Covid-19 pandemic.

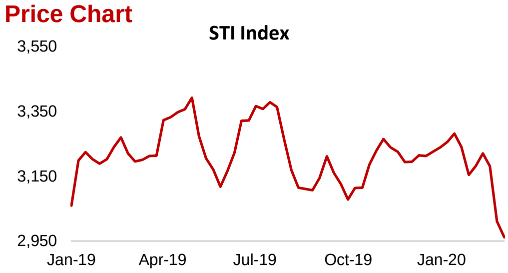
The STI opened lower for the week as the index continued to suffer from the rise in the worldwide Covid-19 cases. For much of the week however, the STI recovered and regained ground as governments scrambled to launch fiscal stimulus packages to deal with the economic crisis brought about by the Covid-19 outbreak. On Thursday, the Singapore government announced that they will be drawing on past reserves and announced a S$48 billion relief package sent stocks higher.

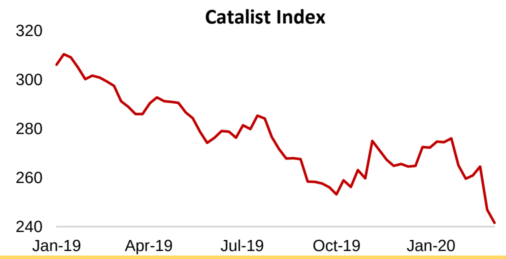
Year to date, the STI index is down by 22.2%.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2528.8	41.2	1.7%	4.9%	22.2%
SG Mid Cap	721.2	6.4	0.9%	2.3%	17.2%
SG Catalist	193.2	4.7	0.7%	2.2%	22.9%
SG Small Cap	335.8	5.1	1.5%	0.1%	15.5%

Price Chart





Week Ahead: 30 March – 3 April 2020

Economic Calendar: EU Business Climate (30 Mar), Japan Unemployment rate (30 Mar), Japan Retail trade (30 Mar), China NBS Manufacturing PMI (31 Mar), UK Q4 GDP (31 Mar), EU CPI - Mar (31 Mar), China Caixin Manufacturing PMI (31 Mar), US ADP Employment change (1 Apr), US Non-Farm Payroll (3 Apr), US Unemployment rate (3 Apr), US ISM Non-Manufacturing PMI (3 Apr)

Company Results: -

Companies News

1. Cromwell E-REIT completed purchase of German properties, sells 12 other assets

Cromwell European Real Estate Investment Trust ("**Cromwell E-REIT**") has completed two deals - the acquisition of three light industrial/logistics properties in Germany and the sale of 12 assets in other European countries - its manager said on Wednesday. The three acquired properties sit on freehold land in the cities of Pforzheim, Bretten and Königsbach-Stein, all within Germany's third-largest state Baden-Württemberg. The REIT completed the purchase under a sale and leaseback arrangement. The acquisition cost is about 40.9 million euros (S$63.8 million), comprising the purchase price of 38 million euros, the acquisition fee payable to the manager in cash, as well as professional and other fees and expenses. The German portfolio will be fully let to subsidiaries of Felss Group, for a term of 15 years under lease agreements with no break clause. Felss Group's business is in cold forming steel technology and manufacturing machine tools and components. Meanwhile, the 12 light industrial/logistics properties - in France, Denmark and the Netherlands - were sold to The Blackstone Group through a master sale and purchase agreement for a price of 65.7 million euros. The total cost of this disposal is about 700,000 euros, comprising the disposal fee payable to the manager as well as professional and other fees and expenses. The portfolio was disposed of via an asset sale for the five Dutch assets and two Danish properties, and via a sale of shares of the French companies that own the five assets in France.

2. Chip Eng Seng unit bagged S$433m contract from PUB

The Public Utilities Board ("**PUB**") has awarded the Tuas Water Reclamation Plant contract worth S$433 million to Sembcorp Design and Construction, a wholly-owned subsidiary of mainboard-listed real estate group, Chip Eng Seng. The contract relates to building works to be undertaken at the Tuas Water Reclamation Plant as part of Phase 2 of the Deep Tunnel Sewerage System project. The works under the contract include the construction of biosolids building and digesters, the supply and installation of biosolids treatment and biogas handling equipment, and the testing and commissioning of the facilities, said the firm in regulatory update on Thursday. Construction is expected to be completed by 2025. The contract requires Sembcorp Design and Construction to operate and maintain the facilities a year after completion. The contract is expected to "contribute positively" to the net tangible assets and earnings per share of the company for the current financial year ending Dec 31, 2020.

3. DBS Group postponed AGM

DBS Group on Thursday said it would defer its annual general meeting ("**AGM**") that was originally due on March 31. This comes as the government has imposed stricter measures to enforce safe-distancing in social settings given the novel coronavirus outbreak. From 11:59pm on March 26, all events and mass gatherings must be deferred or cancelled, regardless of size. The regulators had also said this week that legislative amendments are being proposed for Parliament sitting in April 2020 in relation to the conduct of meetings. This should include allowing listed companies the flexibility to hold meetings solely by virtual means. With this, pre-registrations previously opened by DBS to watch the webcast and for physical attendance on March 31 have ceased. "DBS will update shareholders of the new date for the AGM and the procedures for participation after the legislative amendments to facilitate the holding of the meeting have been passed, and the necessary arrangements have been put in place in order to implement the safe distancing measures imposed by the Ministry of Health."DBS' last general meeting was held on April 25, 2019 and saw a turnout of more than 1,000 shareholders.

Capital Market News

SGX Regco's need for speed

The Singapore Exchange (SGX) is looking to tweak its regulatory approach. This comes three years after the bourse operator established a new subsidiary — Singapore Exchange Regulation ("**SGX RegCo**") — to undertake all of its regulatory functions. During that period, SGX RegCo introduced new measures and revamped existing ones to better ensure the listing compliance and corporate governance of locally-listed companies. This was in response to a string of corporate scandals that has wiped out a vast amount of shareholder wealth. CEO Tan Boon Gin says SGX RegCo now intends to focus on quickening the pace of taking enforcement on errant companies. This, he says, would play better to SGX RegCo's strengths as a frontline regulator, given that it has certain limitations to the kinds of enforcement that it can impose at the "exchange level". In comparison, other regulators have the statutory authority to impose civil penalties, criminal fines and jail terms, Tan notes. This particularly refers to MAS, the Accounting and Corporate Regulatory Authority (Acra) and the Commercial Affairs Department (CAD). Hence, increasing the se-verity of penalties and fines, of which he believes the market is clamouring for, would be better left in the hands of these regulators, he says. In other words, Tan is convinced that SGX RegCo should prioritise the speed of enforcement rather than its severity. "So my conclusion is that there is always a trade-off between speed and severity of punishment," he tells The Edge Singapore in an interview. Tan says SGX RegCo's swift enforcement will continue to uphold the protection of shareholder interests. For example, this will be in the form of notices of compliance (NOCs) issued against companies that are showing any irregularities in its operations. "This is what I mean by leveraging on our strengths (that is) speed," he says.