SG Market Weekly Update
8 June – 12 June 2020

Weekly Wrap of STI

The STI experienced a mixed trading week, closing lower by 0.72% on Friday and lower by 2.43% for the week as the US Federal Reserve's comments sent equities around the region lower.

The STI started the week strongly alongside other Asian indices, rising 1.65% on Monday following better than expected job data from US and export data from China. By Tuesday however, the rally ran out of steam and the six-session winning streak ended with the STI closing flat. On Wednesday, equities rebounded slightly but cautiously in anticipation of the US Federal Reserve meeting. The decline resumed and accelerated however, on Thursday and Friday after Fed Chairman Jerome Powell's dour economic outlook dampened optimism of a V-shaped recovery amid concerns of a potential second virus wave in the US.

Year-to-date, the STI index is down 16.70%.

Week Ahead: 15 June – 19 June 2020

Economic Calendar: China Industrial Production (15 June), China Retail Sales (15 June), Australia RBA Meeting Minutes (16 June), Japan BoJ Interest Rate Decision (16 June), UK ILO Unemployment Rate (16 June), German Harmonized Index of Consumer Prices (16 June), US Retail Sales Control Group (16 June), UK CPI (17 June), Canada BoC CPI (17 June), New Zealand GDP (18 June), Australia Unemployment Rate (18 June), Switzerland SNB Interest Rate Decision (18 June), UK BoE Interest Rate Decision (18 June), US Initial Jobless Claims (18 June), Japan National CPI (19 June), European Council Meeting (19 June), UK Retail Sales (19 June), Canada Retail Sales (19 June)

Company: -

Companies News

1. Edition Ltd. updated tenure of aggregate loan principal

Agricultural company Edition Ltd. is currently in discussion with cyber security solutions firm Hyperlync to extend the tenure of the aggregate loan principal of S$1,687,500 to Hyperlync Technologies Limited. This is in relation to the Binding Memorandum of Understanding entered by the Catalist-listed Company with Hyperlync Technologies Limited on 5 June 2018 to acquire a 51% stake in the enlarged share capital of Hyperlync. The proposed acquisition is part of the Company's business strategy to continue investing in the technology sector, which has potential for growth and offers diversification away from the Company's core agriculture business.

2. Kitchen Culture Holdings Ltd. updated proposed disposal of Kitchen Culture (Sichuan) Co., Ltd.

Under the proposed disposal of 60% of the registered capital of Kitchen Culture (Sichuan) Co., Ltd. ("**KCSC**"), the board has handed over the financial records, company seal, financial seal and bank tokens to the Purchaser and received the outstanding sum of RMB6.0 million in KCSC. KCSC is an indirect wholly-owned subsidiary of the Catalist-listed kitchen appliance Company. The Purchaser, a limited liability company, Zhejiang Wanhao Investment Co., Ltd proposed to acquire a 60% stake in KCSC for the nominal consideration of RMB1 and a further capital injection of RMB6million. KCSC had faced challenging market conditions in Sichuan Province, since the start-up of business in 2014. Having not generated a significant amount of sales and recorded losses for more than 5 years, the Board decided to bring in an investor with the possibility to expand further in Sichuan Province. The proposed disposal would divest a loss-making business and allow the Group to conserve its cash and resources to better focus on other operations.

3. Disa Ltd. proposed disposal of company's entire shareholding interest in Equation Energy Pte. Ltd. ("EEPL")

Catalist-listed high value services company Disa Ltd. entered into a conditional sale and purchase agreement (SPA) with Mr George Kho, an acquaintance of Mr Chng Weng Wah, Managing Director and Chief Executive Officer of the Company. Disa Ltd. has agreed to dispose of its entire shareholding interest of 700,000 shares in EEPL to Mr Kho, for an aggregate cash consideration of S$203,100 on the terms and subject to the conditions of the SPA. EEPL was incorporated in Singapore on 6 April as a private company limited by shares and is primarily involved in the business of providing sustainable energy management solutions to the building industry in Singapore. The Company holds 70% of the equity interest in EEPL and the total issued, and paid-up share capital is S$1,000,000 comprising 1,000,000 ordinary shares. The Proposed Disposal is intended to streamline the Group's businesses for better utilisation of available resources, as carried out through its subsidiary, Disa Digital Safety Pte Ltd.

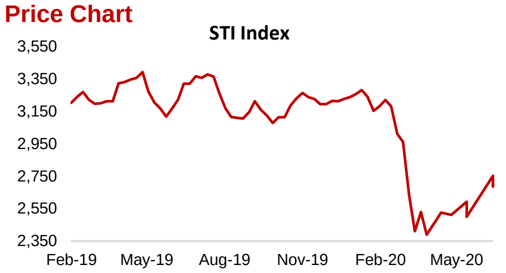
4. ISOTeam bagged S$32.5m in new contracts amid 'gloomy backdrop'

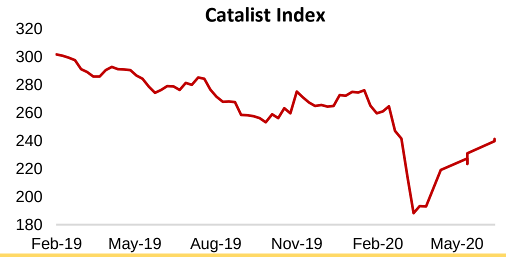
Catalist-listed building-solutions firm ISOTeam said it has secured S$32.5 million in new projects, bringing its total tally of new contracts in FY2020 so far to S$139.17 million. As it is, Singapore's construction sector is expected to contract sharply by 10.3% this year in real terms according to Fitch Solutions. The contract wins are led by public-sector projects, which the group expects to be the case in the near- to mid-term. This comes as the government tries to spur recovery in the construction and its related sectors with more projects in maintenance and upgrading programmes. ISOTeam's latest projects, include two mechanical and electrical projects with a total contract value of around S$15.2 million. They are expected to be fulfilled between 2020 and 2024 and be completed by February 2024. The group will also helm three addition-and-alteration projects, including a neighbourhood-renewal programme and works to eight blocks in Yishun Avenue 6 and Avenue 11. These projects have a total contract value of around S$10.12 million and are expected to be done by November 2021.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2684.6	▼ 19.6	▼ 0.7%	▼ 2.4%	▼ 16.7%
SG Mid Cap	644.6	▼ 5.7	▼ 0.9%	▼ 2.9%	▼ 15.0%
SG Catalist	241.2	▲ 0.2	▲ 0.1%	▲ 0.6%	▼ 11.5%
SG Small Cap	291.5	▼ 3.7	▼ 1.3%	▼ 3.4%	▼ 18.0%

Price Chart





Capital Market News

1. ETF, securities turnover climbed in May amid optimism over economic stimulus: SGX

Optimism over economic stimulus, as more countries emerged from Covid-19 lockdowns, partly drove increases in market turnover value for exchange-traded funds (ETFs) and securities in May. The reopening of economies around the world also lifted sentiment in equity markets, even as the pandemic continues to cloud global growth outlook. The market turnover value for ETFs in May surged 73% year on year to S$302 million, as the SPDR Straits Times Index ETF traded nearly three times higher year on year at S$88 million, on the back of S$57 million in net inflows during the month. Total securities market turnover value rose 17% year on year to S$27.2 billion, while securities' daily average value on the bourse climbed 37% year on year to S$1.51 billion. With calmer Asian equity markets, institutional investors sought to reposition their portfolios to capture potential growth opportunities.

2. SGX to share fundraising expertise with co-working space provider Ucommune

The Singapore Exchange (SGX) said it is partnering China's largest co-working space provider Ucommune to share its fundraising knowledge with the latter's global members. "The strategic partnership will allow SGX to support Ucommune's members in understanding equity and debt capital raising, as well as tapping international funding via Singapore's capital markets." As part of the services provided to its global members, Ucommune will engage with companies to identify those who are exploring fundraising options. SGX will in turn share best practices, educate and assist suitable companies within the Ucommune community to gain access to capital, it said. Both parties will jointly organise roundtable meetings with potential investors, roadshows, as well as listing and fundraising briefings. These would provide businesses with relevant insight into investment and financing activities and accelerate the pace of Chinese enterprises entering the international market.