

STI In A Snapshot

The STI closed Friday higher at 2711.4, up 5.2% or 133.7 points for the week. The markets were mostly positive, rallying after Biden's win and the news release of a possible vaccine after Pfizer announced that the trials were over 90% effective.

The Singapore market rallied on Monday, after Democratic party's Joe Biden was declared the President of the United States over the weekend. Biden's win reduced uncertainty in the market that was ongoing for months and Asian markets can potentially benefit from more international cooperation. The STI continued its surge after Pfizer and BioNTech announced on Monday that their Covid vaccine was more than 90% effective. Pandemic hit sectors were buoyed by news of the vaccine. The STI reversed some gains later in the week as optimism from the vaccine announcement dwindled with the markets realising that economic gains would likely be felt from late next year. Ending the week, the STI retreated slightly tracking Wall Street losses on rising Covid-19 cases.

Year-to-date, the STI is down 15.9%.

Week Ahead: 16 November – 20 November 2020

<b>Mon</b> (16 Nov)	JP GDP, CN Industrial Production, CN Retail Sales, CN Unemployment Rate
<b>Tue</b> (17 Nov)	SG Non-oil Exports, SG Trade Balance, US Retail Sales, US Import/Export Price Index, US Industrial Production
<b>Wed</b> (18 Nov)	US API Weekly Crude Oil Shock, GB CPI, EUR CPI, US Building Permits
<b>Thu</b> (19 Nov)	US Initial Jobless Claims, US Philadelphia Fed Manufacturing Index, US Existing Home Sales
<b>Fri</b> (20 Nov)	SG GDP, CN PBoC Loan Prime Rate, GB Retail Sales

Company News

1. Pollux's 1HFY21 net profit increased 4.8x to S\$1.89 million

Catalist-listed property developer Pollux Properties Ltd. ("Pollux") saw its net profit increase 4.8x from S\$0.39 million to S\$1.89 million, with lower finance costs administrative expenses incurred. The Group's revenue in 1H2021 comprised of income from serviced apartment and rental income. Rental income consists of income derived from the leasing of residential units and commercial units. The Group's revenue decreased by S\$3.00 million or 41% from S\$7.38 million in 1H2020 to S\$4.39 million in 1H2021. Despite that, they managed to secure higher net profit due to lower depreciation costs and lower costs of financing with lower interest rates.

2. Clearbridge 3QFY20 net profit turned positive with higher revenue

Catalist-listed medical group Clearbridge Health Limited ("Clearbridge") saw a 9.3% YoY increase in revenue to S\$6.99 million in 3QFY20, from S\$6.39 million a year ago. Net profit turned positive, from S\$6.89 million loss to S\$0.70 profit in 3QFY20. This was mainly driven by the growth of the medical clinics/centres segment. Medical clinics/centres recorded a revenue of S\$3.68 million in 3QFY20, an increase of S\$2.23 million, from S\$1.45 million in 3QFY19. This was mainly due to contribution from the nine dental clinics which were acquired by the Group in late August 2019, provision of the COVID-19 testing related services in the Philippines and distribution of the COVID-19 Antibody test kits.

3. Jiutian Chemical saw 21.8x increase in net profit in 3QFY20

Catalist-listed chemicals manufacturer Jiutian Chemical Group ("Jiutian Chemical") saw revenue increase 9% to RMB267.0 million in 3QFY20. Net profit increased by 21.8x to RMB21.3 million. Revenue increased mainly due to a higher selling price of their core products. The increase in average selling prices of the products were mainly due to continuing recovery of China's economy, a surge in demand for their main products from downstream customers who in turn are experiencing strong growth in both local and export markets for their products and the permanent closure of one of their largest competitors. Jiutian Chemical's gross profit margins increased from 8% in 3QFY19 to 31% in 3QFY20. Share price rallied over the last 2 weeks, before fizzling at the end of the week seeing a 23.5% decline. Jiutian Chemical's share price closed at S\$0.09 on Friday.

4. Sanli stayed in the black with S\$0.17 million NPAT in 1HFY21

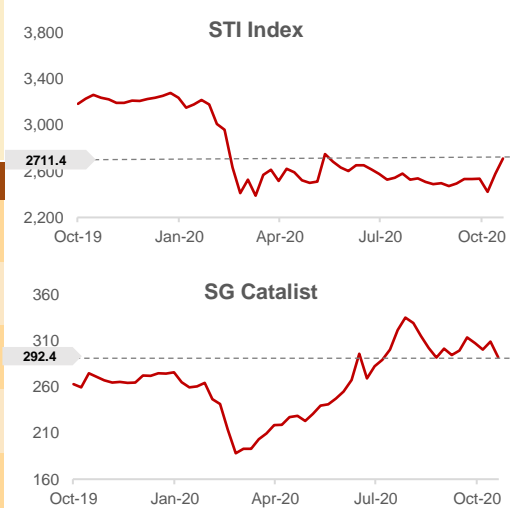
Catalist-listed environmental engineering company Sanli Environmental Limited ("Sanli") saw a slight decrease of revenue by 4.5% YoY to S\$25.82 million in 1HFY21. In line with this, net profit decreased to S\$0.17 million, from S\$0.22 million. The decline in the Group's turnover was mainly attributed to the decrease in contribution from its Engineering, Procurement and Construction segment of S\$1.3 million, or 6.4%, as a result of the enforcement of the Circuit Breaker lockdown measures starting in April 2020. This was partially offset by a 2.0% rise, or S\$0.1 million, in revenue from the Operations and Maintenance segment. This was due to the Covid-19 situation which delayed execution of projects. However, the public sector water and waste management industry will remain a stable source of business opportunities for the Group in light of the government's continued focus on the sustainable water supply for Singapore. Sanli boasts a strong balance sheet, with a S\$10.3 million net cash position.

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Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	2711.39	▼ 0.51	▼ 0.02%	▲ 5.15%	▼ 15.87%
SG Mid Cap	657.22	▼ 0.97	▼ 0.15%	▲ 1.49%	▼ 13.34%
SG Catalist	292.37	▲ 8.98	▲ 3.17%	▼ 5.51%	▲ 7.34%
SG Small Cap	287.71	▼ 0.12	▼ 0.04%	▲ 1.68%	▼ 19.06%

Price Chart



Capital Market News

Higher due-diligence standards to boost internal controls for IPO managers and Sponsors

The Association of Banks in Singapore (ABS) issued enhanced listings due diligence guidelines that will take place with immediate effect for issue managers and full sponsors which advise firms seeking to list on the Singapore Exchange (SGX). Higher standards for due diligence work will be conducted during an initial public offer (IPO), reverse takeover and listing process. The changes revolve around three key aspects. The assessment of a company's internal controls to meet its business needs and challenges as a listed company, sustainability and viability of its business such as challenges posed by the prevailing economic climate, and compliance issues, notably in a regulated area and higher risk jurisdiction. Should there be any issues such as material breaches or non-compliance of rules, the issue manager should consider appointing its own separate legal adviser to advise on the matter.

MAS launched S\$35 million grants to help smaller financial institutions go digital

The Monetary Authority of Singapore ("MAS") on Monday announced the launch of a S\$35 million Productivity Solutions Grant ("PSG") to help smaller financial institutions adopt digital solutions for "more streamlined data reporting" to the regulator. The PSG will co-fund up to 30 per cent of qualifying expenses for the adoption of digital solutions from pre-approved managed service solution providers, capped at \$250,000 per project. Regulatory reporting solutions may include software-as-a-service and/or end-to-end solutions such as data sourcing, validation and ongoing technical support. These technologies will facilitate more efficient processes for the preparation and submission of data, in line with regulatory requirements. Smaller financial institutions are defined as those with not more than 200 employees, according to MAS. The grant is currently applicable to banks and will be subsequently expanded.