# **SG Market Weekly Update**

# 4 January – 8 January 2021

# SAC

### STI In A Snapshot

The STI closed Friday higher at 2,993.19, up 5.3% or 149.38 points for the week. Markets were positive with US democratic victory in Georgia. Though volatility from the US election and Brexit has passed, investors continue to be cautious with the uneven recovery.

The Singapore markets started the new year positive on Monday, after the Ministry of Trade and Industry said economic contraction slowed in 4Q2020. However, the reality check came in soon after and the STI fell, with concerns over the Georgia Senate runoffs in the US and as the new, more transmissible strain of virus forced tightening of containment measures. On Thursday, the STI saw a positive turn as investors looked to the next US administration after Democrats won control of Congress. Investors shook off the attacks on the US Capitol and focused on hopes for more US Stimulus. The STI continued higher on Friday, extending rally following Wall Street's overnight gains over the democratic victory. Separately, the Crypto market cap surges above US\$1 trillion for the first time.

Year-to-date, the STI is up 5.3%.

# Week Ahead: 11 January – 15 January 2021

| Mon<br>(11 Jan) | CN CPI, CN PPI, US CB Employment Trends Index  |
|-----------------|--|
| Tue<br>(12 Jan) | GB BRC Retail Sales Monitor, US EIA Short-Term Energy Outlook, US JOLTS Job Openings Qian Hu (FY Result) |
| Wed<br>(13 Jan) | EUR Industrial Production, US CPI  |
| Thu<br>(14 Jan) | US Federal Budget Balance, GB RICS, CN Trade Balance, US Import/Export Price Index                       |
| Fri<br>(15 Jan) | GB Trade Balance, EUR Trade Balance, US PPI, US Retail Sales, US Industrial Production                   |

# **Company News**

## 1. DiSa partnered Appriss Retail on product serialisation to better fight fraud

Catalist-listed digital safety solutions firm DISA Limited announced the strategic partnership of its wholly-owned subsidiary, DiSa Digital Safety Pte. Ltd. ("DiSa") with Appriss Retail to fight fraud and abuse of merchandise. Through this partnership, the DiSa Single Scan Serialization (3S) Smart Barcode that identifies each unique item will be incorporated into Appriss Retail's analytics engine for return authorization, Verify. DiSa's 3S Smart Barcode enables the retailer's point-of-sale (POS) to examine each individual item's purchase and return history with a scan. Appriss Retail provides artificial intelligence-based solutions to help retailers protect margin, unlock sales, and cut shrink. Seeing that managing returns can be a challenge to retailers, this partnership would bring about better accounting for serialised products, thus reducing return fraud or abuse especially for high-value merchandise.

# 2. Kori secured 3 projects aggregating S\$81.2 million

Catalist-listed engineering and construction services company Kori Holdings Limited ("Kori") announced the award of 6 contracts across 3 projects, amounting to an aggregate \$\$81.2 million, for the period of September 2020 to January 2021. These projects are for 1) China Railway First Group Co., Ltd, 2) Shanghai Tunnel Engineering Co (Singapore) Pte Ltd and 3) Lum Chang Building Contractors Pte Ltd for works including strutting works and sheet pilling works. The Projects are expected to have a positive impact on the Group's earnings per share and/or net tangible assets per share of the Group for the financial year ending 31 December 2021. Hooi Yu Koh, executive chairman and CEO of Kori Holdings commented that the award of the contracts affirmed their long-standing track record.

# 3. Hyphens Pharma awarded e-pharmacy licence for WellAway Pharmacy

Catalist-listed pharmaceutical and consumer healthcare company Hyphens Pharma International Limited ("Hyphens Pharma") announced that its subsidiary, Pan-Malayan Pharmaceuticals Pte Ltd had been awarded the e-pharmacy licence for its WellAway Pharmacy by the Health Sciences Authority. WellAway Pharmacy aim to work with Singapore medical clinics to bring convenience for medication delivery to residential homes, complementing their telemedicine arm by their medical partners. Lim See Wah, Executive Chairman and Chief Executive Officer of Hyphens Pharma said that with the rise of telemedicine globally, epharmacy and home delivery services can allow patients to receive patients receive essential medications on time.

# 4. Secura secured S\$13.5 million contract

Catalist-listed security guarding services company Secura Group ("Secura"), through its subsidiary Soverus Pte Ltd, had been awarded a \$\$13.5 million contract to provide unarmed security services to a Singapore multinational conglomerate. The 36-month contract runs from Feb 1, 2021 to Jan 31, 2024, with an option for a further one-year extension. In total, Secura's total order sits at around \$\$53.7 million for contracts from security guarding, of which about \$\$25.1 million is expected to be fulfilled by Dec 31, 2021, and the remainder by February 2024. The contract is expected to contribute positively to, but is not expected to have significant impact on, the earnings per share and net asset value per share of the Group for the financial year ending 31 December 2021.

### **Market Snapshot**

| Symbol       | Price  | Change      | 1D %<br>Change | 5D %<br>Change | YTD %<br>Change |
|--------------|--------|-------------|----------------|----------------|-----------------|
| STI          | 2993.2 | <b>86.2</b> | <b>3.0%</b>    | <b>5.3%</b>    | <b>5.3%</b>     |
| SG Mid Cap   | 713.5  | <b>6.4</b>  | <b>0.9%</b>    | <b>2.4%</b>    | <b>2.4%</b>     |
| SG Catalist  | 328.8  | <b>2.5</b>  | <b>0.8%</b>    | <b>4.0%</b>    | <b>4.0%</b>     |
| SG Small Cap | 309.8  | <b>1.5</b>  | <b>a</b> 0.5%  | <b>2.7%</b>    | <b>2.7%</b>     |

## **Singapore Indices**



## **Capital Market News**

# Singapore GDP shrunk 5.8% in 2020, but contraction slowed in Q4 2020

According to advance estimates from the Ministry of Trade and Industry ("MTI"), the full year contraction for 2020 came in at 5.8%. Gross domestic product ("GDP") shrank 3.8% in Q4, an improvement from the 5.6% contraction seen in Q3. On a quarter-on-quarter seasonally-adjusted basis however, the economy grew 2.1%, slowing down from the 9.5% expansion in Q3. Similar to Q3, growth was mostly cushioned by the manufacturing sector, which increased 9.5% in Q4, leading to an overall 7.1% growth for the full year of 2020. This was supported mainly by output expansions in electronics. biomedical manufacturing precision engineering clusters, and outweighed output declines in the transport engineering and general manufacturing clusters. Among the services industries, the information and communications, finance and insurance and professional services sector on the whole was the only one to record growth in Q4 since Q2.

# Share buybacks hit S\$1.03 billion in 2020

The Singapore Exchange ("SGX") said in a market update that the total share buyback transactions amounted to S\$1.03 billion with 100 primary-listed stocks conducting buybacks in 2020. This was an increase of 20% by number of companies, and a significant 75% by consideration from S\$590 million in 2019. Together, the 20 stocks that filed the highest buyback considerations throughout 2020 accounted for 94% of the entire sum of S\$1.03 billion. The 2020 buyback consideration was led by Straits Times Index (STI) stocks DBS, Wilmar International, OCBC, Yangzijiang Shipbuilding and Singapore Technologies Engineering. Motivations for share buybacks can include employee compensation plans, such as share option schemes or employee share purchase plans or long-term capital management, SGX noted in the report. The buybacks could be increased with the market decline and overall macroeconomic developments.

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