

STI In A Snapshot

The STI closed Friday higher at 3,004.87, up 0.4% or 11.68 points for the week. Markets were mixed with the US unveiling the US\$1.9t economic plan to bolster its economy, which saw the initial optimism turning into concerns as investors weighed the effects.

The Singapore markets started the week softer as investors anticipated information on Biden's stimulus package plan. The STI saw further pullback on Tuesday following a Wall Street decline as investors got worried about high valuation of equities. That quickly got pushed to the back of the minds on Wednesday as the STI gained traction, with investors choosing to focus on more government stimulus and coronavirus vaccines in 2021. Markets saw some volatility as US President Trump got impeached again, and got banned from social media sites. Globally, stocks continued higher as markets rose with focus placed on Biden's stimulus plan and Singapore seeing an increasing number of people getting vaccinated. The STI crossed the 3,000 mark for the first time since late March 2020.

Year-to-date, the STI is up 5.7%.

Week Ahead: 18 January – 22 January 2021

Mon (18 Jan)	SG Non-Oil Exports, CN Fixed Asset Investment, CN GDP, CN Industrial Production
Tue (19 Jan)	GB Labour Productivity, EUR ZEW Economic Sentiment
Wed (20 Jan)	US TIC Net Long-term Transactions, GB CPI, EUR CPI ESR-REIT (FY Result)
Thu (21 Jan)	EUR ECB Interest rate Decision, US Building Permits, US Philadelphia Fed Mfg Index CapLand IntCom T (FY Result), Soilbuild Biz Reit (FY Result)
Fri (22 Jan)	SG URA Property Index, GB Retail Sales, US Mfg PMI, US Existing Home Sales Sabana Reit (FY Result), SGX (1H Result)

Company News

1. Aspen secured US\$100m in sales for its glove-making unit

Catalist-listed property developer and glove-maker Aspen (Group) Holdings Limited ("Aspen") announced that their glove-making unit, Aspen Glove Sdn. Bhd. had entered into a sales and distribution agreement with a distributor for the offtake of its entire 2021 production, estimated to be 1 billion pieces of nitrile and/or rubber gloves to be produced from 1 May 2021 to 31 December 2021. The sales value amounted to US\$100 million with Aspen getting paid a US\$2 million cash deposit, or 2% of the value of sales. Aspen announced that with the need to manage and negotiate sales relieved, focus now would be shifted to accelerate their expansion plans.

2. SLB saw 0.9% increase in profit in 1HFY21

Catalist-listed property developer SLB Development Ltd ("SLB") saw a 0.9% increase in net profit attributable to owners to S\$5.5 million in 1HFY21 ended 30 November 2020. This was despite a 4.9% decline in revenue, which was mainly due to the implementation of safe management measures at work sites to contain the spread of Covid-19, thus causing a slowdown in the construction progress of the Group's development projects. However, share of results from joint ventures and associates, together with a decrease in finance costs by 48.3% to S\$1.1 million in 1HFY21, buoyed their earnings. The improvement came as development profits were recognised from some projects where more units were sold. Net asset value was 17.92 Singapore cents a share, an increase from 17.33 Singapore cents on May 31, 2020. While the Group expects possible delay in the completion for some of the development projects, SLB stated that necessary initiatives would be taken to mitigate the financial impact caused.

3. HC Surgical posted 130.8% increase in profit in 1HFY21

Catalist-listed medical services group HC Surgical Specialists Limited ("HC Surgical") saw a 12.4% increase in revenue to S\$11.0 million in 1HFY21, attributable mainly to the increase in the number of patients after the circuit breaker measures were lifted. Other income also increased by S\$0.24 million from government grants and higher dividend income, partially offset by decrease in interest income. Profit attributable to owners increased 130.8% to S\$5.0 million in 1HFY21. Management commented they are uncertain if this trend would continue, but highlighted they would further explore opportunities to improve its financial position. In December 2020, the Group obtained its medical license from the Ministry of Health for its Toa Payoh specialist clinic, which it believes will widen its reach to the heartlands population.

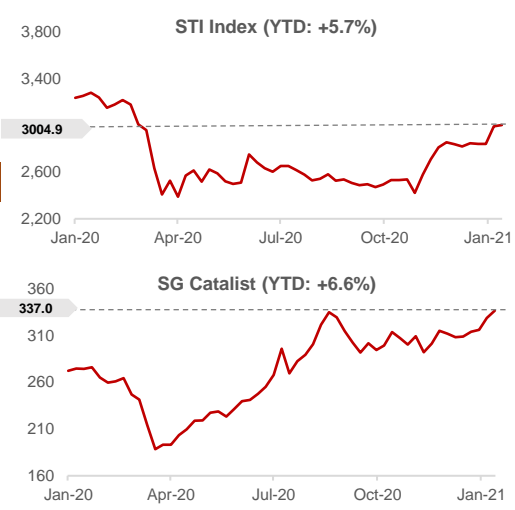
4. GKE reported 261.1% increase in profit in 1HFY21

Catalist-listed warehousing and logistics solutions company GKE Corporation Limited ("GKE") announced a 9.2% increase in revenue to S\$60.1 million in 1HFY21, mainly due to higher revenue contributed by ready-mixed concrete manufacturing plant of Wuzhou Xing Jian, coupled with an increase in storage revenue from their third party logistics segment. Gross profit increased by 41.9% from S\$10.2 million in 1HFY20 to S\$14.5 million in 1H FY21. The Group's gross margin improved from 18.6% in 1HFY20 to 24.2% in 1HFY21, mainly due to better cost management of the ready-mixed concrete manufacturing plant and higher utilisation of warehousing space.

Market Snapshot

Symbol	Price	Change	1D % Change	5D % Change	YTD % Change
STI	3004.9	▲ 4.9	▲ 0.2%	▲ 0.4%	▲ 5.7%
SG Mid Cap	730.9	▲ 4.3	▲ 0.6%	▲ 2.4%	▲ 4.9%
SG Catalist	337.0	▲ 0.5	▲ 0.1%	▲ 2.5%	▲ 6.6%
SG Small Cap	318.1	▲ 3.6	▲ 1.1%	▲ 2.7%	▲ 5.4%

Singapore Indices



Capital Market News

SGX looking into listing special purpose acquisition companies

The Singapore Exchange ("SGX") is looking into the possibility of listing special purpose acquisition companies (Spacs). Spacs, also known as blank-cheque companies, are shell companies which raise capital through an initial public offering (IPO) for the purpose of acquiring an existing firm. Singapore Exchange Regulation (SGX RegCo) chief executive officer Tan Boon Gin said the exchange has noticed the popularity of Spacs listings in other markets. The popularity of Spacs increased last year with US\$78 million raised in the US. Spacs can provide a faster time to market, and more certainty in terms of price and execution, which allows for more opportunities to be captured. On top of that, it can bring valuable companies public and overall, can benefit the mergers and acquisitions (M&A) space domestically and regionally. According to Mr Tham, the quality of companies to be acquired by Spacs would be a concern, but it can be mitigated by having proper rules and listing requirements.

Singapore and Malaysia committed to free flow of goods

The Minister for Trade and Industry Chan Chun Sing said that Singapore and Malaysia have agreed on a commitment to keep supplies flowing in from across the Causeway, for the benefit of both countries. This is despite the latest movement control and state emergency in Malaysia. During a media conference, he pointed out that Singapore has continued to diversify its supply sources, build up stockpiles and, boost local production of essential supplies. This is in anticipation of potential disruptions that may be caused by unforeseen external developments. Mr. Chan assured that Singapore's supply chain is resilient enough to withstand any potential disruptions going forward. According to him, the government is quietly confident but not complacent and it is reviewing the resilience of Singapore's supply chains daily for all food items and essential products.