

## BULLS AND BEARS

# S'pore market inches up on thin volumes

## Investors take breather after recent rise, seek fresh cues for next move

By JONATHAN KWOK

SINGAPORE shares inched up on relatively thin volumes yesterday as investors awaited fresh cues to drive the market.

The benchmark Straits Times Index rose 5.91 points, or 0.19 per cent, to 3,105.84, a move that underlined the recent trend.

The STI has risen by 145.75 points, or 4.9 per cent, since its recent closing low of 2,960.09 on Feb 5, in the process hurdling past the psychological barriers of 3,000 and 3,100 points.

Investors are now taking a breather after the strong rise and seeking cues for their next move.

As a result, turnover was relatively soft yesterday. About 1.89 billion shares changed hands but they were worth only \$846 million.

Investors were also analysing last Friday's Budget statement for hints of where they should allocate their funds.

"Singapore Budget 2014 offered no surprises," said Maybank Kim Eng Research. "Given that most measures were already in the mainstream, we do not anticipate any major implications for the stock market."

Maybank Kim Eng said the Budget will be marginally positive for the health-care and tele-

communications sectors.

Health-care firms will benefit from policy tweaks that make private medical services more affordable for lower- to middle-income groups, said Maybank Kim Eng. And the telecoms sector should benefit from a \$500 million information, communications and technology initiative for small and medium-sized enterprises over the next three years.

"On the other hand, the construction sector is a marginal loser with a \$100 increase in levy on basic-skilled foreign workers to be imposed starting July 2016."

Maybank Kim Eng thinks that the STI will hit 3,500 points by the end of the year.

"Our top five market picks are DBS Group Holdings, Wilmar International, Sembcorp Marine, SIA Engineering Company and

Ezion Holdings."

OCBC Investment Research thinks the Budget will be most positive to health-care firms. It remained "overweight" on the sector, with Raffles Medical Group its top pick.

Raffles Medical was flat at \$3.31 yesterday. It said before markets opened that full-year net profit rose 49.3 per cent to \$84.9 million.

Commodities trader Noble Group inched up one cent to 99.5 cents. It said last Friday that full-year earnings fell by 48 per cent to US\$243.5 million (\$308.7 million) as losses on supply chain assets and from associates spiked. Revenue inched up 4 per cent to a new high of US\$97.9 billion, on record trading volumes.

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