



Equity Capital Markets Watch

Singapore: 2019 year in review
#StrategyandGrowth



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An encouraging year for Singapore IPOs in 2019: PwC analysis

2019 has been an encouraging year for the Singapore capital market amidst the global uncertainties. Singapore saw a total of 11 Initial Public Offerings (IPOs) on the Singapore Exchange (SGX) with 4 listings on the Mainboard and 7 on the Catalist Board with total fund raised at S\$3.07 billion and S\$60 million respectively.

These results were published in PwC's "Equity Capital Markets Watch: Singapore 2019, year in review" which analysed the capital markets performance of SGX from 1 January til 30 November 2019. Over the 11

months, 4 real estate investment trusts (REITs) listed on the Mainboard, raising S\$3.07 billion and contributing to a whopping majority (98.1%) of total funds raised during the period.

Tham Tuck Seng, Capital Markets Leader, PwC Singapore said:

“It is an encouraging year for IPO performance in Singapore. The IPO funds raised increased by more than four-fold compared to the previous year, despite the subdued IPO activities across other major exchanges like the New York Stock Exchange, NASDAQ and the London Stock Exchange.”

The first day closing performance saw seven of 11 IPOs closing above IPO price while three closed below IPO price, a similar result to the IPO performance of 2018. Despite the macroeconomics challenges, PwC found that companies have reported positive earnings results, indicating that investor confidence in SGX-listed companies remains strong.

Today, the SGX have taken many strides to maintain its competitiveness in the region through programmes such as the SGX Fast Track programme which was launched to reward companies with good corporate governance with incentives in the form of prioritised clearance for selected corporate-action submissions. They have also partnered with NASDAQ and Tel-Aviv Stock Exchange to raise opportunities for companies, particularly those in the technology and healthcare sectors to fund their growth in Asia and globally, allowing companies to a dual-listing or a simultaneous IPO on both exchanges.

While SGX has put in much effort to draw companies looking to list, they are also facing increasing competition from regional bourses such as those in Hong Kong, Malaysia and Thailand, which are also making efforts to draw from the same pool. The Stock Exchange of Hong Kong (HKEx) continues to attract companies with its perception on higher valuations and liquidity as compared to the SGX, with nine Singapore companies listing on the HKEx in 2019. However, of the nine Singapore companies, only two counters remained above IPO price as at 30 November 2019.

Bursa Malaysia and The Stock Exchange of Thailand have also taken strides to attract more domestic and regional IPOs, competing with SGX.

Tham Tuck Seng, Capital Markets Leader, PwC Singapore concludes:

“SGX will always remain relevant in the region because of the way it has traditionally positioned as the gateway to Asia. Investors continue to recognise Singapore as a global financial and wealth management centre as well as a market-oriented business hub. We should therefore, continue to see companies wanting to expand into this region, raising capital and trading securities and derivative products in Singapore.

“Looking forward, I expect 2020 to be a busier year for IPOs in Singapore. REITs and business trusts will continue to anchor the Singapore’s capital market as investors search for yield, given the expected continuation of trade tension, geopolitical events and the forecasted low interest rate environment. We expect more local companies seeking listings on Catalist and a few larger size Mainboard listings in healthcare and food and beverage sector which are traditionally known to be “strongest” of the sectors in SGX.”

Ends

Notes to editors

All 2019 figures are from 1 January 2019 to 30 November 2019.

Read the Equity Capital Markets Watch: Singapore 2019, year in review: [pwc.com/sg/ecm-watch](https://www.pwc.com/sg/ecm-watch)

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