

Singapore Exchange Q3 net profit falls 22%
Malaysian Insider
23 Apr, 2014

Singapore Exchange Ltd reported a 22% fall in net profit today, hit by a continued slide in share trading volumes, though a steady performance by its derivatives, listings and market data businesses meant it fared better than analysts expected.

SGX posted a net profit of S\$75.8 million (RM195.5 million) for the March quarter, above the S\$73.8 million average of five analysts polled by Reuters.

The exchange, Asia's third largest listed bourse by market value, has been hit by a slide in securities trading volumes following a penny stock crash last October. In March, the volume of securities traded on the exchange was 25% lower than a year ago.

Since that crash the bourse and Singapore's central bank have proposed a series of reforms to try and improve liquidity in the market and reduce the prevalence of penny stocks by raising the minimum share price for a company listed on its main market.

Revenue from share trading and other listed-securities was 32% lower than a year ago at S\$52.3 million, while derivatives was down 2% to S\$52.3 million.

"We are confident that our securities market will recover over time and we remain committed to our long term growth strategies," the exchange said in its outlook statement

SGX's share price is down 3.9% so far this year, underperforming Hong Kong Exchanges and Clearing Ltd which is up 10.7%. – Reuters, April 23, 2014.

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Source: <http://www.themalaysianinsider.com/business/article/singapore-exchange-q3-net-profit-falls-22>