

Local shares take big hit; Sing\$ at new low to US\$



The Singapore dollar has sunk to a six-year low against the US dollar. PHOTO: ST FILE

PUBLISHED JAN 8, 2016, 5:00 AM SGT

[Aaron Low](#) Deputy Business Editor

Local shares hit their lowest level in more than three years as fear from the panicked sell-off in China spread to investors here.

The Singapore dollar also lost ground against the United States dollar, sinking to a six-year low.

Shares took the biggest hit on what has been a dreadful start to 2016. The benchmark Straits Times Index (STI) fell for the sixth consecutive session yesterday, shedding 74.36 points, or about 2.65 per cent, to 2,729.91, a level not seen since late 2012. The STI has declined by 3.73 per cent since the start of this year, and is 23 per cent lower compared with its high in April last year.

And there may be more to come, said Mr Brian Tan, a partner at boutique asset management firm Pilgrim Partners. He said many of the biggest firms here are exposed to both China and commodities, which are undergoing a difficult period.

"The market looks cheap, but it could get even cheaper," he added.



Six-year low to US\$, but Sing\$ still strong against other currencies

The banks, commodity counters and energy firms were among the hardest hit yesterday, with many dropping to multi-year lows.

The Singdollar tumbled against the US dollar. It fell to as low as \$1.4432 to the greenback in trading yesterday, the weakest in six years.

Other currencies, such as the Australian dollar and Malaysian ringgit, also suffered, with analysts warning of a fallout from China's slowing growth on emerging markets.

"Investors will likely remain concerned that China's economy will slow further and that its weaker currency will have spillover effects for the Asian region and global markets at large," noted Rabobank analysts.

Source: <http://www.straitstimes.com/business/local-shares-take-big-hit-sing-at-new-low-to-us>

A version of this article appeared in the print edition of The Straits Times on January 08, 2016, with the headline 'Local shares take big hit; Sing\$ at new low to US\$'. [Print Edition](#) | [Subscribe](#)