PIAS

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Contributors

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Protecting My Kids' Happiness: A Cancer Survivor's Take on What Matters Most

Author | NTUC Income

According to the Ministry of Health's statistics, cancer and cardiovascular diseases are the top two killers in Singapore, contributing to about 60 per cent of all deaths each year. What if a critical illness happens to you, especially when you are a parent of young children who depend on you? A cancer survivor shares her story.

Candice Chiew – Former Counsellor and Mum of Two

Happily married with two daughters aged eight and three, Candice was your typical Singaporean supermum. Between her demanding career and caring for her kids, she was always busy.

"My cancer was discovered in February 2019. I started coughing up blood and was eventually diagnosed with stage four Hodgkin's lymphoma.

"Over the following six or seven months, I went through 12 sessions of chemotherapy. Mentally it was really difficult. It felt like I was a burden, and I didn't know how sick I would be, or if I would survive this. After each session, I had to get a booster jab to increase my white blood cells because the treatment kills good blood cells too.

As hard as chemo was, it wasn't as bad as not having the chance to explain to my little one why I had to stop breastfeeding her so abruptly. I also tried to protect my older one from knowing the truth of my illness initially, as she's a natural worrier. But as time went on, I forced myself to give up a lot of control and made a real effort to teach my girls independence. I felt I had to prepare them for the eventuality that I might die.

Unfortunately, a PET scan last September showed that the cancer was still present, so I had to undergo an additional 24 radiotherapy sessions. My latest PET scan in July 2020 showed that I am still living with cancer, so the battle continues.

I had quit my job early on to focus on the treatment, so my husband, a teacher, became the sole breadwinner. Thankfully, I had health and life insurance because the costs of treatment would have wiped out all our savings, and we'd probably be knee-deep in debt.

The 12 chemo sessions cost about $10,000 each, and the booster jabs up to $1,000 each. Add on four PET scans so far, at $2,500 each. The course of radiotherapy was an additional $20,000. And that's not counting all the pre-treatment blood tests, hospital stays, and other miscellaneous costs, all of which were covered by my health insurance.

The life insurance payout has allowed us to maintain our standard of living for the most part. We enrolled my younger girl in the same Montessori kindergarten her big sister attended. Ballet and swimming lessons continue for them too. My children are still young and it's important to me that the things they enjoy are not disrupted.

Most crucially, having insurance freed me from having to worry about working through my illness to keep up with the financial liabilities. I'm very thankful that I made the decision to buy life insurance for myself. The security that I have now, and the ability to still provide for my children (including the little extras that keep them happy) are things that I do not take for granted."

Second Chances

No one can predict when a critical illness might hit. As parents who are responsible for the happiness of little ones, let's not play the odds. Learn more about how to ensure your child's happiness with the right insurance plans for your needs.

This article was first published on The Income Blog.

China To Ride On Post-Pandemic Recovery In 2021

Author | UOB Asset Management

Having been the first to be struck down by the coronavirus (Covid-19) but also the first to pull back to recovery mode, China's economy has seen a near V-shaped recovery after successful efforts at containing virus outbreaks.
The world's second largest economy is expected to grow by 2.3% in 2020 after contracting 6.8% in the first quarter in the aftermath of pandemic which had first hit the city of Wuhan, leading to lockdowns which was later extended to less restrictive basis to other cosmopolitan centres such as Beijing and Shanghai.

Macroeconomic data such as industrial output and the Caixin indices have seen progressive monthly improvements since the third quarter which has prompted Fitch Ratings to raise its forecast for the mainland's economic growth next year in 2021 to 8%, up from its earlier 7.7% forecast in September.

This would be well above Fitch's estimate of China's long-term growth potential of around 5.5%, and achievable from such a low base in 2020 on the back of a significant recovery in Chinese consumption, particularly in the catering industry and other activities that involve social gatherings once more people are vaccinated, the report added.

Its upgrade to 8% GDP growth in 2021 falls within a range of other analysts' expectations. Nomura for instance has projected an expansion of 9% next year while Natixis forecasts growth of 7.8% for 2021.
A December survey by HSBC of nearly 1,000 top global institutional investors and large corporations saw 62% planning to increase their China portfolio by an average of 25% over the next 12 months. Among the equity investors, 71% are looking to increase China exposure.

China remains under-represented in most global investment portfolios despite a surge of inflows which saw foreign holdings in Chinese onshore equities more than doubled over the past two years to more than $400 billion.
There are even some suggestions that investors should now consider Chinese equities as a standalone allocation rather than be a part of global or emerging market strategies to reap the full benefits of diversification and returns. Another tailwind will be the likely rise of Chinese household assets participating in onshore equities.
US-China tensions will obviously be an ongoing bugbear from time to time. Being tough on China has become popular and marked by bouts of sabre-rattling especially under the Trump administration. However, we believe the US will stop short of an all-out trade war with China with the new Biden administration which will likely take a more measured and multi-lateral rather than unilateral approach in future negotiations.

Furthermore, the contentious relations have also spurred China to accelerate its technology and industrial upgrade, creating investment opportunities in certain sectors and stocks.

Investment themes and opportunities in the post-Covid 19 landscape for China

While global economies and aggregate demand have struggled in their recovery efforts, massive monetary and fiscal stimulus policies will continue to prop up asset prices.

The US will continue to look inward in its attempts to 'decouple' from China with its own supply chains. Other countries will inevitably be drawn in and perhaps be forced to take sides. The trend of de-globalisation or what we term "economic involution" could become more dominant. In this context, China however stands out as an attractive investment destination for several reasons

First, it is its ability to implement efficient and effective governance with a longer term perspective on policies. The state is not hostage to the need for short-term political quick fixes arising from elections.
Secondly, the domestic market is simply immense with multiple and diverse demand drivers with adequate buffers from short-term setbacks or cyclical downturns and sectoral corrections.
Third, China still has ample policy ammunition with positive real rates and modest deficit and fourth, it continues to open up to the rest of the world.

We see three main investment opportunities on the post-pandemic front for China.

Firstly, medical infrastructure development will accelerate. As the government will be issuing 1 trillion yuan in pandemic special bonds to fund local public health infrastructure, sectors that benefit are those in medical devices, vaccine development, innovative drugs and related industries.

Second is consumption upgrade given China's huge and diverse domestic demand. Its Internet economy has developed by leaps and bounds, and the pandemic has spawned a jump in online games, entertainment and consumption. There are also other consumption upgrades in traditional goods, services and changing patterns of consumption among millennials.

Thirdly, the US attempts to contain China's technology advance has spurred China to accelerate in its own technology and industrial upgrade. The technology sector represented by 5G, semiconductor chips, new energy, and advanced manufacturing is progressing rapidly. We seek investment opportunities in these sub-sectors where China has certain competitive advantages.

In these aspects, China A shares representation in global indices will also rise significantly. Valuations are not extended and the market is still cheaper compared to most developed nations. China, having positive interest rates and modest deficit, also still has ample policy ammunition to tackle future contingencies.

To find out how you can participate in the China's growth trend via the information technology, consumer staples, healthcare, industrials and materials sectors, please refer to the United China A-Shares Innovation Fund.

UOB Asset Management

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Global investors see China stocks bull run lasting well into 2021
https://www.reuters.com/article/china-stock-outlook/global-investors-see-china-stocks-bull-run-lasting-well-into-2021-idUSL4N2IG1U4
Fitch upgrades its China growth forecast for 2021
https://www.cnbc.com/2020/12/10/fitch-upgrades-its-china-growth-forecast-for-2021.html

PIAS Investment Outlook (Q1 2021)

Author | Mavis Tan, Investment Strategy, Partnership Management, Professional Investment Advisory Services Pte Ltd.

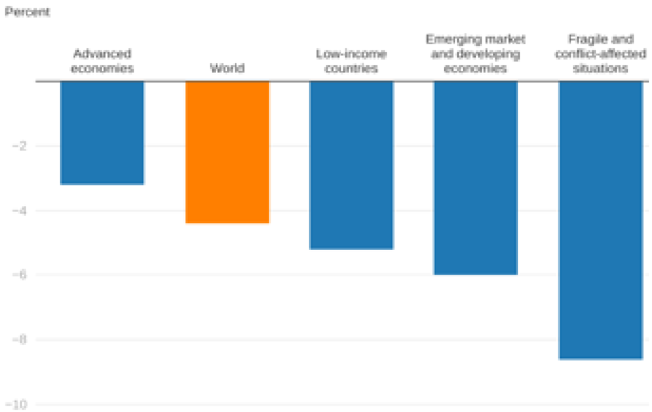
As 2020 was defined by Covid-19 and lockdowns, 2021 could be a year of recovery and reopening, with the much-anticipated vaccinations now rolling out in countries globally. Britain averted a no-deal Brexit with agreements concluded on the 11th hour while Biden is set to take office with a Democratic-dominated Congress after runoff elections in Georgia. Although turmoil and Trump's impeachment followed, **political uncertainties had been largely lifted with expectations of a smooth leadership transition, policymakers signaling more stimulus, amidst carbon-neutral plans, sustainability and innovations. These renewed market confidence boosted risk appetites and pushed global equities to newer heights (Chart A).**

Lockdown or not, the pandemic had spurred an era of digital acceleration and changes the way we work, play and pay. Businesses go through a natural selection where digitalization and sustainability define their survival in the months of lockdown. As the world continues its digital transformation, we favour countries with the focus to innovate and disrupt, with generous fiscal and monetary budgets, in the likes of US and Japan. Elsewhere, despite the recent resurgence of infections, China had enjoyed the First-Out advantage of effective pandemic control in the large part of 2020 and the only major economy with positive GDP growth last year. China's export momentum continued with accelerating volumes for 7 consecutive months, with encouraging gains from products such as technology and work-from-home appliances. While China is less-reliant on stimulus, its New Infrastructure policy is aimed at developing next-generation technologies. **The growth forecasts of economies are still expected to intertwine with the lasting impairment from the pandemic as well as monetary and fiscal ammunition of the country to bolster its recovery (Chart B).**

MSCI AC World Index (Chart A)

Source: Thomson Reuters Datastream, January 2021

Gaps with Pre-pandemic projections by 2022 (Chart B)



Source: World Bank, January 2021

Potential headwinds include vaccine distribution hiccups and mutations of the coronavirus that may grab the headlines. The efficient implementation of vaccinations remains the underlying crux to global recovery with surging infections still holding back the US and Europe. Although Biden's $1.9trillion relief proposal and a Fed nodding to continued policy support had further fueled market optimism, an eventual smaller stimulus package and/or a premature monetary tightening may also impact sentiments. **With the backdrop of high valuations, we are also cautious of short-term retracements, albeit a healthy one, for the sustainable long-term growth of the equities market.**

On Sino-US tensions, the delisting and retaliations of blacklisting would continue to weigh on the bilateral ties between the 2 largest economies of the world. Although we do not expect the strained relationship to reverse overnight, it remains to be seen how Biden's administration would handle it. Elsewhere, while much of the trade uncertainties surrounding Brexit had receded, some issues remain, particularly the treatment of financial services. In Asia, China cemented its influence in the region with the inking of the Regional Comprehensive Economic Partnership (RCEP) trade deal with 14 Asian Pacific countries, making it the biggest trading bloc in history. The Comprehensive Agreement on Investment (CAI), concluded in-principle just before 2020 ends, also signifies another big milestone for the EU-China trade relations, opening up further foreign direct investments and technology transfers. **Globalization may have taken a step back, but regional cooperation would continue to be an important driving force for economies and commerce.**

Despite growth stocks leading the major indices to greater heights, the tug-of-war between Value and Growth strategies persists as the rotation to Value stocks has been observed with vaccine optimisms. We expect whipsaws to continue as the equities market makes sense of the surging virus cases and restrictions, while vaccinations rollout globally, bringing global reopening a step nearer. However, we believe that **active management should continue to capture alpha as managers discern between winners and losers of the dynamic markets. We also would like to re-emphasize the importance of a well-diversified portfolio with a long-term view and participation of the market.**

Source | Figures extracted from Thomson Reuters Datastream and World Bank

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