

New research service for firms

■ BY DAWN ZENG

Companies signing up

- HG Metal Manufacturing
- Megachem
- Equation Corp
- Serial System
- Eastern Asia Technology
- Noble Group
- Petra Foods
- Riverstone Holdings
- First Reit
- Kian Ann Engineering
- CFM Holdings
- IFS Capital

research house will initiate coverage on them.

That decision will be left to the scheme's management committee, whose members comprise Sias president and chief executive David Gerald, Mr Scully and an independent third party who will be named later.

Secondly, participating companies have to sign a contract agree-

ing not to interfere with the research process and recommendation.

NRA and Sias Research hope that enlisting Sias to administer the scheme will also address concerns about its credibility.

"Sias... is known for promoting corporate integrity and governance and is regarded as an independent organisation by all constituencies including SGX and MAS (Monetary Authority of Singapore)," said Sias Research vice-president Roger Tan.

All research reports will be made available to the public for free and posted on the websites of SNCIR, Sias, Sias Research and NRA Capital.

Mr Gerald said the tie-up was an important milestone and urged investors to tap on this new source of free, independent research to make informed decisions, as "investment without knowledge is a gamble".

Producing reports with an "investment call" is a key feature highlighted by both groups.

Mr Scully emphasised the importance of having a recommendation on the report, which he said was a "form of accountability for analysts".

SINGAPORE companies will soon be able to pay for analyst research to be done on them thanks to a new venture launched by the research arm of the Securities Investors Association of Singapore (Sias) and NRA Capital.

After a soft launch in November last year, the Sias-NRA Corporate Initiated Research (SNCIR) scheme has already signed up 12 companies.

Combined, NRA Capital and Sias Research have over 10 equity analysts and are confident that they can cover up to 150 companies.

The SNCIR scheme was conceived after the Singapore Exchange (SGX) Research Incentive Scheme ended in October 2009.

Participating firms will get one year of analyst coverage by either one or both research houses, depending on their individual choice.

As to how independent the research can be, given that companies are paying for them, NRA Capital executive chairman Kevin Scully assured that there are safeguards.

Firstly, the companies themselves will not get to specify which