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Singapore firm's stock swings stand out among tiny US IPOs



Multi Ways Holdings soared on its first trading day on the NYSE American exchange, before dropping over the next two days. PHOTO: REUTERS

NEW YORK - In a lacklustre start to the year for stock markets, the initial surge in a small supplier of construction equipment from Singapore is striking.

Multi Ways Holdings soared in its first day as a public company on the NYSE American exchange for small-cap stocks on April 3, making it one of the top-performing stocks to debut amid the dearth of deals so far in 2023.

The stock soared as much as 553 per cent to US\$16.33 at one point in its debut on Monday before falling more than 40 per cent over the next two days. It closed on Wednesday at US\$6.48, still more than double its IPO price of US\$2.50.

The 18 other firms based in the Asia-Pacific region to list in the United States this year are on average trading below their offering prices following muted debuts.

The swings in Multi Ways' share price is reminiscent of the go-go days when the stock market generated eye-popping rallies that abruptly ended in swift declines. Extreme volatility among tiny, new stocks is nothing new for investors, as IPOs frequently experienced gut-wrenching trading in their opening days and weeks on US exchanges during last year's market doldrums.

"The company doesn't comment on specific stock price-related matters," a spokesman said in an emailed statement, adding that the listing is "indicative of the growing market interest for compelling companies from the Asean region".

Set up in 2002, Multi Ways is a supplier of a wide range of heavy construction equipment for sales and rental in Singapore and the region.

Multi Ways raised just US\$15 million (S\$19.9 million) in the US\$18 million offering, continuing a trend of only very small firms opting for initial public offerings (IPOs) thanks to ongoing market volatility, as bigger companies wait for signs of stability. US IPOs and secondary offerings raised just US\$23 billion last quarter in the worst start to a year since the wake of the 2008 financial crisis, according to data compiled by Bloomberg.

"Once there is evidence of a more stable market with higher certainty, investor confidence should return, and prominent companies that have postponed IPO plans may restart, albeit at more modest valuations," said Paul Go, global IPO leader at EY, in a report. "Despite positive economic indicators, sentiment remains cautious, with investors being selective in a buyers' market, seeking profitable and sustainable business cases."

Among companies that went public via IPOs this week, Hong Kong-based paper packaging firm Millennium Group International Holdings fell from its US\$4 pricing. And Ispire Technology, a branded e-cigarettes and cannabis vaping products company with significant operations in Hong Kong, rose 7.9 per cent in its debut before wiping out gains on Wednesday.

A China-based company that provides advisory services, Top Kingwin, is slated to be among the next stocks to go public in the US this week. The company's IPO is expected to price as soon as Wednesday. BLOOMBERG

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