Overall Introduction

This study aims to conduct a comprehensive analysis of the Singapore Exchange (SGX), exploring its position in the global financial market, market characteristics, main components, and specific market phenomena such as the risk assessment of low liquidity stocks and the market impact of the "3000-point defense battle."

SGX's Position

Research Question: What is SGX's competitive position in the global and Asian financial markets?

Motivation: Understanding SGX's global position is crucial for assessing its attractiveness and investment potential.

Market Characteristics Overview

Research Question: What are the main characteristics of the SGX market?

Motivation: Understanding market characteristics helps investors make more informed investment decisions.

Main Components

Research Question: What are the main market components of SGX?

Motivation: Analyzing SGX's main components can reveal investment opportunities and market risks by analyzing the market's various industry components.

Sector Heatmap

Research Question: Which industry sectors in SGX are most prominent?

Motivation: Industry heatmaps help identify market trends and investment hotspots.

Dividends

Research Question: What are the dividend policies of companies listed on SGX?

Motivation: Dividend policies reflect the financial health and profitability of companies.

Openness

Research Question: What is the level of openness of SGX to domestic and foreign investors?

Motivation: The level of openness affects the market's liquidity and participation by foreign capital.

The Relationship Between Low Liquidity and Low Risk

Research Question: On the Singapore Exchange (SGX), what is the relationship between low liquidity stocks and their risk-return characteristics? Especially, how does this relationship affect investment strategies and market performance in different macroeconomic environments?

Motivation: The conventional wisdom that low liquidity stocks tend to come with lower risk needs further empirical research support in the context of global economic fluctuations. A deep analysis of low liquidity stocks on SGX not only can provide investors with more precise risk assessment tools but also helps to understand how to formulate effective investment strategies under different economic conditions.

Required Data

Stock Selection: Focus will be on analyzing low liquidity stocks on SGX, especially those with smaller market capitalization and lower average daily trading volumes. A group of high liquidity stocks will also be selected as a control group for analysis.

Sample Period: The plan is to analyze data from the past year.

Approach

Data Collection: Collect daily trading data, financial reports, and related news for the selected stocks through the SGX official website and financial data service providers (such as Yahoo Finance).

Quantitative Analysis: Calculate and analyze liquidity and risk indicators and their relationship with stock returns.

Statistical Model: Use multiple regression analysis to explore the relationships between liquidity, risk, and returns, considering macroeconomic variables as control variables.

Comparative Study: Compare the performance of low liquidity stocks and high liquidity stocks in different macroeconomic environments to identify the impact of liquidity on investment performance.

Preliminary Findings

Low liquidity stocks tend to exhibit low risk during stable market conditions. The relationship between liquidity and stock performance becomes more complex under increased market pressure.

Plans Based on Preliminary Results:

Case Study: Select specific cases of low liquidity stocks to analyze their performance under different macroeconomic conditions and the unique risks and opportunities investors may face.

Strategy Recommendation: Based on the analysis results, provide investors with investment strategy recommendations for low liquidity stocks under different market conditions.

The 3000-Point Defense Battle

Research Question: What impact does maintaining the SGX above 3000 points have on market confidence?

Motivation: Understanding the importance of this psychological and technical threshold is crucial for assessing market sentiment and investor confidence.