



News Release

25 November 2021

SGX and CAI launch index to capture long term aviation and travel-related growth as borders reopen

- This marks the first-of-its-kind collaboration between an index provider and airport group, where deep knowledge of the aviation industry is translated into an index format

Singapore Exchange (SGX) and Changi Airports International (CAI) today jointly launched the iEdge-GateEq Aviation and Travel Index which aims to capture global aviation and travel-related long term growth, as borders reopen and travel restrictions ease.

Developed by SGX as part of the SGX iEdge product suite and in collaboration with GateEq, a strategic initiative of CAI which is the consultancy and investment arm of Changi Airport Group, the market capitalisation-weighted index covers the top 50 listed companies worldwide with revenue derived from the six sectors defined by GateEq, namely Airport Infrastructure and Services, Airlines, Original Equipment Manufacturer (OEM) and System Providers, Air Freight and Logistics, Travel and Booking Services, and Hospitality.

This index is constructed to be tradable, with efficient liquidity and replicability. SGX will review the index constituents quarterly, using the index methodology to screen a universe of stocks researched by GateEq.

The advent of COVID-19 has led to an unprecedented impact on the aviation industry as global passenger volume plummeted. However, the International Air Transport Association (IATA) has forecasted a recovery where global passenger numbers are expected to surpass pre-COVID-19 levels by 2024, depending on countries' border reopening and quarantine mandates. Nevertheless, global vaccination efforts and the recent reopening of key markets like the U.S. and Europe, as well as other regional markets like Australia, Argentina, Thailand and Singapore should boost confidence for air travel recovery and its growth thereafter.

Based on the iEdge-GateEq Aviation and Travel Index, travel and aviation stocks displayed high volatility since March 2020 as countries were grappling with border closures and reopening. The index has since reached pre-COVID-19 level in October 2021, driven by a rally in hospitality, travel and booking related stocks, while airlines and air freight stocks remain as laggards.

Ng Kin Yee, Managing Director and Head of Data, Connectivity and Indices, SGX, said, "We are delighted to partner CAI on this aviation and travel index launch. As borders reopen and travel restrictions ease, the aviation and travel sector is one that is keenly watched by investors seeking to capture post-pandemic growth. While growth across the industry may be uneven, we hope that this

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index will serve as a yardstick and source of insight for investors and the wider industry, and we certainly look forward to this ongoing partnership with CAI.”

Eugene Gan, CEO of CAI, said, “Notwithstanding CAI having established a global footprint covering multiple airports across different regions, we believe this is the first occasion in the world where an airport group is working with a leading index market provider to provide such a unique solution for the financial market. We are excited to work with SGX in this new partnership and to launch the index at this opportune moment as borders reopen.”

For details on the index methodology, please visit: <https://www.sgx.com/indices/products/iegatenr>

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About Singapore Exchange

Singapore Exchange is Asia’s leading and trusted securities and derivatives market infrastructure, operating equity, fixed income, currency and commodity markets to the highest regulatory standards. It also operates a multi-asset sustainability platform, SGX FIRST or Future in Reshaping Sustainability Together (sgx.com/first).

SGX is committed to facilitating economic growth in a sustainable manner leveraging its roles as a key player in the ecosystem, a business, regulator and listed company. With climate action as a key priority, SGX aims to be a leading sustainable and transition financing and trading hub offering trusted, quality, end-to-end products and solutions.

As Asia’s most international, multi-asset exchange, SGX provides listing, trading, clearing, settlement, depository and data services, with about 40% of listed companies and over 80% of listed bonds originating outside of Singapore. SGX is the world’s most liquid international market for the benchmark equity indices of China, India, Japan and ASEAN. Headquartered in AAA-rated Singapore, SGX is globally recognised for its risk management and clearing capabilities. For more information, please visit www.sgx.com.

About Changi Airports International

Changi Airports International (CAI) is a leading consultant, manager and investor in the global aviation market. As a strategic partner, CAI designs integrated solutions that enable its clients and partners to fulfil their potential of being world-class airports.

CAI has extensive global experience that spans over 20 countries and more than 60 airports, including Singapore Changi Airport. Some of its projects include Tom Jobim International Airport in Brazil, the very first aerotropolis in India, four airports in Russia, Fukuoka Airport in Japan, and Clark International Airport in the Philippines.

CAI is committed to being a valued partner in the global aviation market, creating airports of the future and delivering sustainable value to our partners and investee airports. CAI is a wholly owned subsidiary of Changi Airport Group. For more details, visit www.cai.sg.

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About GateEQ

GateEq is the financial market solution from a new diversification strategy developed by Changi Airports International (CAI). "GATE" stands for "Global Aviation and Travel Ecosystem" and aims to create and develop innovative solutions for the global community through collaboration with leading business partners across different fields and disciplines. "Eq" represents "Equity" and focuses on solutions for the financial market.

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