



Market Highlights

Q3 2018



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BANKING AND FINANCIAL SERVICES

Hiring in the first half of 2018 has been steady, with particularly buoyant demand in technology and new economy-related sectors and functions. With the continued emergence of innovative and disruptive technologies – this year more than ever – we are seeing tremendous transformation in banking and financial services, with institutions racing to innovate and develop future-proof strategies. Governance and risk management continue to be areas of focus as regulators strive to balance innovation with the preservation of trust in financial systems.

Front Office

Institutional Banking & Global Markets

- Banks are more interested in hiring senior coverage bankers who are industry professionals with deep knowledge of specific sectors and are able to engage clients at a strategic level.
- Banks continue to look at increasing revenue from fee income, moving away from balance sheet lending.
- Product specialists continue to be a focus (e.g. event/structured financing, project/asset financing) as banks try to expand their product offering, providing a one stop shop to clients.
- Risk management is also a focus, with banks having less appetite for complex, high-risk structured deals.
- Global markets remain relatively flat with banks treading carefully, typically only looking at specific replacement hires.

Investment Management

- There is generally fairly cautious interest in investment management hiring.
- Consolidation continues to take place in the industry, with some firms moving their investment and sales functions to Hong Kong.
- Long-only managers continue to experience cost pressures and competition from passive investing and ETFs, leading to limited hiring in investment teams.
- Private credit investments, distressed debt and special situations are all seeing increased hiring interest following developments in Asian markets.
- There is some emerging interest and hiring in the fund of funds space.
- As family offices continue to be set up, there is increasing interest in hiring investment professionals.
- There is also some pickup in intermediary and retail sales, tapping into the retail and private banking/high net worth segment.

- The emergence of quantitative funds has led to some increased hiring of quant portfolio managers.

Retail Banking & Wealth Management

- Improving the customer journey and providing a positive customer experience (CX) has become a top strategic priority.
- Partnerships and ecosystems development has been increasingly active especially since MAS regulations now allow banks in Singapore to conduct or invest in “permissible non-financial businesses”, including e-commerce portals.
- Professionals with strong CX, digital transformation and innovation expertise, with or without prior financial services experience, continue to be in high demand.
- Big data, artificial intelligence and advanced predictive analytics capabilities used to anticipate customer behaviour are no longer optional capabilities; this continues to drive huge spend and high demand for professionals with these skills.
- The priority banking segment has been vibrant with evergreen demand for relationship managers in both onshore and offshore markets.

Private Banking

- There is continued interest in hiring senior private bankers with significant assets under management (AUM), as well as experienced investment advisors and product advisors who can work closely with private bankers to help generate revenue within a short time frame.
- Growth in discretionary portfolio management continues as the industry increases its shift towards fee-based advisory models to cater to more sophisticated investors and wealth transitions to the next generation.
- Digital transformation has been key, with banks racing to develop the latest suites of client and relationship manager-facing digital tools.

Corporate Functions

Finance and Operations

- Finance hiring picked up pace in the second quarter, especially in the areas of business finance / financial planning and analysis.
- As banks in Singapore need to comply with revised reporting standards, especially under MAS Notices 610 and 1003, there has been increased demand for candidates with regulatory reporting experience, especially in project roles.

- Demand in operations remains flat, with more emphasis on transformation and control roles to help banks automate, drive efficiencies and strengthen governance oversight.
- Increasing adoption of artificial Intelligence or robotics process automation in finance and operations has led to increased demand for candidates with this expertise.

Risk and Compliance

- Credit risk hiring remains largely sector specific, including specialised financing, commodities, financial institutions and consumer banking.
- Risk modelling and analytics hiring continues to grow, with demand at the group level to address Basel III, and at a business level to better manage corporate or retail credit portfolios.
- Hiring in market and operational risk has remained flat.
- Non-bank financial institutions (e.g. investment management, insurance) have seen increased hiring to strengthen risk and governance functions.
- With the growth in digital adoption, there has been significant hiring in the area of technology risk, but there is a marked shortage of cybersecurity and digital risk professionals. Overseas candidates have been filling in the gaps.
- Compliance recruitment continues to wane in 2018 as financial services institutions tread the line between putting in place sufficient, strong governance checks and over-expansion of compliance teams.
- There is continued demand for specialised and skilled financial crime compliance professionals, particularly in private banking, due in the main part to regulatory demands (e.g. KYC due diligence, transaction surveillance).

Audit

- As digital transformation continues to change the way business is conducted, there is increasing demand for auditors with experience in assessing the impact of new technologies (e.g. digitalisation, robotic process automation, cognitive intelligence) on business processes, management and organisation.
- The accelerated adoption of data analytics and machine learning that enable audits to be more forward looking has also seen increased the hiring of candidates with these skills.
- A rise in outsourcing is driving demand for a more holistic view of third-party risks and their management. This has led to a growing interest in candidates with experience in auditing third-party relationships.
- Regional regulators continue to tighten the guidelines around NBFIs, with insurers and asset managers continuing to build out their audit and governance teams.

Legal

- Hiring in banking has largely been for replacements. Candidates with global markets experience (especially those with ISDA/derivatives backgrounds) remain in demand in a market with short supply.
- Hiring on the buy-side has been more buoyant, with strong demand across private equity, asset management and hedge funds. These roles typically require candidates to cover both legal and compliance; hence there has been more receptiveness to candidates coming from private practice.

TECHNOLOGY

Fintech / Technology Startups

- Singapore has emerged as one of the leading global fintech hubs due to numerous government initiatives. These initiatives include the establishment of the fintech regulatory sandbox, the launch of the Singapore Fintech Festival and the provision of monetary incentives to attract financial institutions to set up their innovation labs in Singapore. The recent success of Money 2020 has also boosted Singapore as a serious player in the global fintech arena.
- Fintech and technology startups have sprung up across the region and have been actively engaging with top candidates from other industries. Candidates from traditional institutions are attracted to the pace of progress and entrepreneurial culture within startups.
- Fintech companies and technology startups are being watched by banks with interest, either as threats or as partners—for collaboration or potential acquisition. In particular, Hong Kong has set the stage for tougher competition for the consumer dollar, with the introduction of virtual banks in the second half of 2018.

Digital and Innovation

- Digital transformation is a particular area of focus. Given the major disruptions across all industries, digital transformation is no longer seen as a “good-to-have” but rather a “must-have” for most organisations. CEOs and key business leaders are looking at overhauling their business models. Initiatives include the introduction of new digital channels and platforms to improve accessibility to customers and improve overall customer experience, as well as using technology to enhance current processes and workflows.
- Chief Digital Officer positions have been created in various shapes and forms. Reporting lines are usually into the CEO or business, given the heavy focus on digitalisation and digitisation by the management and board. They are charged with the responsibility for rethinking the way the business can be run, identifying new opportunities, and anticipating possible disruptors.
- Along with digital transformation, new divisions have been introduced including innovation labs, RPA/AI/IoT/ML teams, ecosystems and partnerships teams. Definition of the roles and responsibilities for these divisions differ greatly among different organisations. For example, some innovation labs are set up to identify and seed potential startups, in the hope of integrating their products into the business in future. Others focus on co-creation and internal development of core concepts and ideas.

Transformation PM/BAs

- Organisations are hungry for change managers and business analysts who can strategise as to how technology can be used in innovative ways to improve both top and bottom lines. They are expected to possess the ability to influence, drive and eventually implement, change.
- Candidates from external consulting firms with strong implementation experience are in demand for these roles.

Data Analytics and Artificial Intelligence

- Quality of data has been greatly enhanced in the last year as organisations have invested heavily in ensuring that data is better captured through more channels with greater accuracy and in a more timely fashion. Centre of Excellence (“COE”) data analytics teams are created within different business units (front office through to corporate functions including finance, risk, audit, compliance and human resources) with the evolution of data-as-a-service (“DaaS”). Data analytics is slowly taking the center stage as a valuable partner to drive business as opposed to its previous supporting role.
- We continue to see demand from first movers (industries from telecommunications through to financial services) for data engineers, data warehouse engineers, data scientists, data visualisation analysts and data business analysts. These organisations are preparing themselves for more advanced analytics, and their focus for talent has shifted to artificial intelligence/machine learning.
- We have observed that other industries, including real estate, manufacturing, commodities and healthcare, have started to crystallise their data strategy and are expressing interest in hiring senior data leaders to drive implementation. These organisations are sector agnostic and will look for leaders with a successful track record in data transformation.
- It will be interesting to see the development of governance structures with the recent announcement of MAS partnering financial industry leaders to develop guidance on the responsible use of data analytics and artificial intelligence.

Cybersecurity

- Digital banking and cybersecurity are usually discussed in the same breath. With the exponential growth in digital banking, it is no surprise that cybersecurity continues to be one of the most discussed technology topics. With the evolution of malware and new attacks, traditional perimeter protection tools and approaches on security can no longer keep up. As a result, we have observed more investment into new approaches including the use of data analytics to improve the accuracy and efficiency of threat detection, attack analysis and prevention.

- We anticipate that organisations in key sectors (financial services, telecommunications, transport, healthcare, and energy) will take more proactive measures in hiring qualified security professionals in response to the new proposed cyber security bill by the Cyber Security Authority (“CSA”).
- Apart from updating security policies and building out cyber security teams, organisations are also actively renewing core infrastructure to host new technologies and incorporate regulatory requirements. There will be continuous demand for strong hands-on technical specialists in network security, endpoint security, data protection, application security and penetration testing.

COMMERCE

B2C Industries – FMCG, Consumer Healthcare and Retail

FMCG/ Consumer HealthCare

In light of shifting consumer profiles, Consumer Packaged Goods (CPG) companies have been undergoing a series of organisation restructurings and brand portfolio adjustments and acquisitions to optimise operating spend as well as tapping into fast-growing categories. Within the food and beverage category, companies are refocussing their brand and product offerings towards healthy, organic, sustainable products to meet market demands. Personal care companies are extending their product lines to “premium-ise” offerings as consumers become more sophisticated and more willing to spend on niche and unique products.

An influx of digital consumption has also influenced how brands communicate to consumers and how products are distributed globally. CPG companies have started to invest heavily in building digital capabilities for both short- and long-term impact. As companies move into a full omni-channel commerce business model, we see companies looking to hire candidates with strong exposure to digital and analytics across all functions: sales, marketing, business intelligence and supply chain.

Retail

Brands, from luxury to mass and cosmetics, are focusing on elevating the omni-channel experience. To win in the market they are further optimising the product mix offering, both online and offline, providing seamless customer service and ensuring that they are providing convenient shopping solutions to consumers. With most companies jumping onto the bandwagon, there has been a strong demand in the digital/ tech and e-commerce functional hiring.

At the same time, we also see a trend of principal brands acquiring distributor businesses. As more and more cosmetics players enter the already crowded Asia market, hiring activity is robust across retail categories and functions, especially in the beauty space.

Hiring in functions such as e-commerce, CRM and digital marketing continues to be substantial and now employers are more receptive to hiring candidates directly from marketing agencies, without brand exposure. Specialised functions such as shopper marketing and market research, especially at the regional and global level, are also gaining popularity. Talent from brick and mortar stores focussed on retail operations, sales management (regional distributor / franchise

management, domestic market), training / education, store design and visual merchandising are still in demand as both brand principals and distributors continue to experiment with ways to excite consumers in 2018.

Health & Life Science

Emerging markets like China, the Middle East and Russia will increasingly influence the global strategy for the pharmaceutical industry as a whole. International biopharma companies race to capture the growing middle class in these markets and we can expect increased regulations and national programs as a response to this growth e.g. reform of the China Food and Drug Administration (CFDA) is in full stride, resulting in a wave of new product launches. As price pressures continue all round, efficiency and innovation take centre stage in drug research and development, medical device design and go-to-market strategies. This provides a cue for strategic collaborations with technology companies such as Google, Amazon, Samsung, and China's BAT (Baidu-Alibaba-Tencent).

Moreover, the sophisticated use of AI and predictive analysis will accelerate the R&D process, thus fuelling precision medicine. Specific to diagnosis, we can expect hi-tech wearable devices and mobile apps. Machine learning will propel digital health and the user experience.

On a global scale, as companies compete for market share, mergers and acquisitions seem the fastest route to take. Success or failure heavily depends on how well these companies manage the integration and the disruptions resulting from these alliances.

With this in mind, job seekers who straddle both the pharma and tech worlds will be heavily in demand. Agile, adaptable and digitally savvy candidates will do well as the boundary lines between pharma and technology continue to blur. The more entrepreneurial (and millennial?) applicants will seek out both large and mid-sized companies who have deeper investments in technology, as well as smaller but burgeoning biotech companies. Specific therapeutic areas of immune-oncology, diabetes and cardiology will continue to be of significant interest.

B2B Industries – Industrial, Chemical, Flavour & Fragrance and Semiconductor

In the fourth quarter of 2017, a new Industry and Transformation Map (ITM) was laid out for Singapore's energy and chemicals sector that aims to create \$12.7 billion in value-add and 1,400 new jobs by 2025. We have seen the drive by companies to adopt advanced manufacturing technologies across the industry such as robotics and the Internet of things, leading the charge for digital transformation. They have also been building capabilities such as applied research or platform strategies to accelerate innovation and shorten the go-to-market process –to help better tailor products and solutions to customers' needs, and capture growth in the region. This has allowed niche players that strongly focus on consumer demand to challenge the market that was traditionally dominated by large producers.

With digital transformation and blockchain technology gaining importance in the global economy, we are seeing more B2B industries hiring technically sound candidates with strong commercial acumen to lead their digital transformation roadmap. The demand for candidates with digital marketing expertise, especially in social media, has greatly increased, although it still lags behind the traditional powerhouses of financial services and technology.

Disruptive innovation has had a significant impact on the food industry, especially in packaged food. As consumers continue to demand quick and affordable access to fresh groceries and cooked food through online delivery services, large F&B companies producing packaged goods are facing a huge challenge in decreasing demand and sales. This has resulted in food ingredient companies and flavour houses supporting the F&B companies to relook at their strategies and realign their focus to include local players and start-ups, while creating personalised nutrition to meet the needs of the diverse markets in Asia Pacific. We are seeing a greater demand for candidates with strong regional category management experience and a strategic mindset to direct the business to one with a greater focus on consumer insights.

Globalisation has altered the chemicals industry with new competitors, markets, and regulatory issues changing industry dynamics. In light of these changes, many firms are moving towards mergers and acquisitions to remain competitive and drive growth. Such activities typically result in duplication of work and redundancy, especially in the support functions, but new roles, particularly in commercial areas, are created to drive growth and synergy in the new entity. Candidates with the flexibility to succeed in different markets and with strong business development skills are therefore in great demand.

Singapore continues to be an attractive location for chemical and nutrition companies to establish their Asia HQs, thanks to its talent pool, ease of doing business, political stability and security. However, with China being such a huge market in itself, more MNCs are establishing separate hubs for China, and for the rest of Asia in Singapore. Due to the diverse cultures within Southeast Asian markets, we are also seeing a trend towards companies localising their sales teams, empowering them to make quicker, market-driven decisions. This has resulted in a higher demand for in-country commercial careers, especially in the SEA region, with companies decentralising decision making and taking advantage of lower labour costs compared to Singapore and China.

Growth forecasts for the semiconductor industry have improved in 2018. Since the first quarter of 2018, the market has been much more robust compared to the last three years. The memory market remains healthy in 2018, with the three major memory companies, (Samsung, SK Hynix and Micron Technology) all reporting continued strength in the DRAM market. The other major semiconductor companies within the non-memory space are cautious in their revenue predictions for the upcoming quarters. The overall outlook for key electronic equipment has not changed significantly since the start of the year. Increased optimism for the semiconductor market in 2018 is mainly due to the memory market's continuing momentum. This has led to high demand for engineers with a strong leadership track record who can lead their companies' continued growth.

Energy and Commodities

Oil

For the first time in four years, Brent crossed the \$80 per barrel mark, amidst global concern about U.S sanctions on Iran. Alternative clean energy remains a real threat to oil revenues and the forecast for the price of oil in the next 2-5 years is predicted to stabilise at around \$60-\$65 per barrel. Who knows?

While year-on-year business sentiments have been positive, companies remain prudent on hiring needs, and exercise significant caution on external hiring. As a result of continuous growth in North Asian and Southeast Asian demand for crude and petrochemicals, we have also observed companies focusing their efforts on building talent in relation to these desks. Functions that continue to remain in demand include short term trading analytics, trade and structured finance and risk.

Coal, Gas and Power

With a significant decline in traditional oil margins, this has led more traders to move into the LNG market, which tends to offer higher margin opportunities. LNG trading in Singapore has taken off significantly, with many major players viewing Singapore as the preferred location for the Asian LNG trading hub over other locations including Japan and China.

Power consumption increased steadily in Southeast Asia and is predicted to double by 2035. Despite the increasing anti-coal rhetoric, coal will continue to dominate the region's power generation sector in the medium term, particularly in high-growth markets like Indonesia, Vietnam, Malaysia and Philippines.

Demand for talent in business development, origination, corporate finance, freight operations continues to hold steady.

Metals and Mining

China continues to be the big influence on metals commodity markets in 2018. Metals and minerals have been buoyant. Helped by solid economic growth, metals have returned 24 percent in 2017, according to the S&P GSCI Industrial Metals Total Return index. In steel, a shift away from environmentally polluting mills to ones that are more efficient, will fuel a need for high-grade iron ore, boosting the profitability of the big suppliers such as BHP Billiton, Vale and Rio Tinto.

Agriculture and Food Production

Tensions over the China-US trade war have reshaped the buying patterns of agricultural products, particularly soy beans, a bulwark of world food supplies. China, in its retaliation against US tariffs, has already stopped importing soy beans from the US and this is hurting major players including US-listed Bunge.

Prospects in the international agriculture sector are dim as foreign markets retaliate against US trade policies, leading the market to be extremely volatile and unpredictable. Farmers are expected to feel the most impact due to the increasing likelihood of an occurrence of the La Nina weather phenomenon as well as the trade policies over which they have no control.

Integrated food producers with significant downstream and manufacturing capabilities beyond trading continue to battle increased competition to defend market share. Those who have demonstrated efficiencies in supply chain and production through rationalisation efforts have seen these efforts pay off. Demand for finance talent with corporate development and working capital management capabilities will continue as players seek to maximise their return on investment and increase profit margins.

Human Resources

The hiring outlook for HR professionals has seen an improvement in most industries throughout the first half of 2018. There has been a strong demand in particular for talent development and management skills set. The major challenge faced by most organisations is increasingly retention. Therefore, there is a bigger focus on how HR can help recruit and retain people and add value to the business. This has prompted a stronger emphasis on investing in L&D and e-learning tools to continue to provide a development path for employees within their organisations.

Digital technologies are not only transforming businesses but also the HR function. Organisations are increasingly looking at HR analytics to develop a data-driven talent strategy and this has resulted in newly created positions such as HR analytics and workforce planning.

HR transformation roles continue to be on the rise due to the need to deliver forward-thinking capabilities which in turn can help companies respond more timely and effectively to changes in the business environment. Consequently, organisations are keen to hire HR professionals with strong commercial acumen who demonstrate cross-functional abilities and provide strategic business leadership. Senior HR professionals leading regional portfolios remain in high demand. In an era of constant change and disruption, there is a growing need for HR professionals who have solid experience in organisational design, HR transformation and change. Compensation and benefits (C&B) specialists also remain in relatively high demand. However, there is a shortage of seasoned C&B specialists. Some of the key HR mandates anticipated for the second half of 2018 are within the HR functions of talent management, leadership development and total rewards.

Commerce Finance

The hiring outlook for finance recruitment within commerce and industry remains optimistic as we move into the second half of the year. Based on the latest MOM labour report, unemployment is also at its lowest since March 2016. Also, based on latest EDB surveys, employers are bullish about business prospects in the upcoming months. We expect continued hiring in the services sectors, such as disruptive technology, info communications and media, healthcare, real estate and professional services. There is a growing demand for digitally-savvy finance business partners as organisations are digitalising their businesses. Likewise, there is continued emphasis on expertise in business intelligence and data mining. Employers are increasingly seeking geographically mobile professionals to assume key leadership positions, especially in emerging markets. As organisations go through transformation and change management, finance professionals have to demonstrate the capabilities to take on special projects.