

Jan 21, 2016

Market Commentary: The SGD swap curve bull flattened yesterday, with the short-end rates traded 4bps lower while the belly-to-longer-end rates traded 6 bps lower. Sellers dominated market flows yesterday on weak overall sentiment. In the broader dollar space, JACI IG corporates spread widened by 7bps to 237bps while the yield on the JACI HY corporates increased by 3bps to 8.15%. 10y UST yield fell by 7bps to 1.98%.

New Issues: China Nonferrous Metal Co Ltd priced a USD500mn 3-year bond at CT3+145bps, tightening from an initial guidance of CT3+170bps. KEB Hana Bank provided an initial guidance of CT5+125bps for a USD 5-year bond they are planning to issue.

Rating Changes: Moody's downgraded Wynn Resorts Ltd (WYNN) to "Ba2" from "Ba1", citing demand challenges in Macau's gaming industry. Moody's is of the view that the industry will pressure Wynn's ability to reduce its consolidated leverage to the level required to maintain a Ba1 Corporate Family Rating. The outlook of Wynn Resorts and three of its primary operating subsidiaries, Wynn Macau LLC, Wynn Las Vegas LLC and Wynn America LLC is negative.

Table 1: Key Financial Indicators

	21-Jan	1W chg (bps)	1M chg (bps)		21-Jan	1W chg	1M chg
iTraxx Asiax IG	162	9	19	Brent Crude Spot (\$/bbl)	27.88	-8.02%	-24.40%
iTraxx Sovx APAC	80	3	6	Gold Spot (\$/oz)	1,099.85	0.83%	2.54%
iTraxx Japan	95	13	20	CRB	156.32	-3.55%	-9.20%
iTraxx Australia	152	12	18	GSCI	271.81	-4.55%	-11.58%
CDX NA IG	111	7	16	VIX	27.59	22.79%	33.29%
CDX NA HY	98	-1	-2	CT10 (bp)	1.982%	-11.03	-22.16
iTraxx Eur Main	99	8	16	USD Swap Spread 10Y (bp)	-14	1	-9
iTraxx Eur XO	395	30	55	USD Swap Spread 30Y (bp)	-48	1	-15
iTraxx Eur Snr Fin	96	12	17	TED Spread (bp)	36	-4	-5
iTraxx Sovx WE	19	1	1	US Libor-OIS Spread (bp)	25	1	1
iTraxx Sovx CEEMEA	219	12	42	Euro Libor-OIS Spread (bp)	13	2	2
					21-Jan	1W chg	1M chg
				AUD/USD	0.693	0.14%	-3.18%
				USD/CHF	1.005	-0.26%	-0.97%
				EUR/USD	1.088	-0.43%	0.09%
				USD/SGD	1.437	0.24%	-1.77%
Korea 5Y CDS	73	6	14	DJIA	15,767	-4.54%	-7.95%
China 5Y CDS	133	12	19	SPX	1,859	-4.09%	-7.29%
Malaysia 5Y CDS	225	20	32	MSCI Asiax	440	-3.59%	-11.13%
Philippines 5Y CDS	134	12	20	HSI	18,886	-5.26%	-13.33%
Indonesia 5Y CDS	263	18	20	STI	2,560	-5.07%	-10.04%
Thailand 5Y CDS	170	18	26	KLCI	1,619	-1.44%	-0.63%
				JCI	4,428	-2.41%	-1.40%

Source: OCBC, Bloomberg

Table 2: Recent Asian New Issues

Date	Issuer	Ratings	Size	Tenor	Pricing
21-Jan-16	China Nonferrous Metal Co Ltd	Nr/NR/NR	USD500mn	3-year	CT3+145bps
20-Jan-16	Bank of Communications Ltd	A-/A2/NR	USD500mn	3-year	CT3+115bps
15-Jan-16	Huaneng Hong Kong Capital Ltd	NR/NR/NR	USD500mn	Perp NC3	4.3%
15-Jan-16	Singapore Technologies Telemedia Pte Ltd	NR/NR/NR	SGD300mn	10-year	4.05%
15-Jan-16	Hsin Chong Construction Group Ltd	NR/NR/NR	USD150mn	3-year	8.5%
15-Jan-16	Hong Kong Airlines International Holdings	NR/NR/NR	USD180mn	3-year	7.25%
14-Jan-16	Korea Midland Power Co Ltd	AA-/Aa2/AA-	USD300mn	5.5-year	CT5+110bps
14-Jan-16	Export-Import Bank of India	BBB-/Baa3/BBB-	USD500mn	5.5-year	CT5+165bps

Source: OCBC, Bloomberg

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