

June 22, 2016

Market Commentary: The SGD swap curve traded downwards yesterday, trading 4-5bps lower across all tenors. Flows in the SGD corporates were moderate with better buying seen in GEMAU 5.5%'19s and mixed interest seen in STANLN 4.4%'26s and OLAMSP 6%'22s. In the broader dollar space, the spread on JACI IG Corporates decreased by 2bps to 228bps, while the yield on JACI HY Corporates decreased by 2 bps to 6.98%. 10y UST increased by 2bps to 1.71%.

News Issues: Astrea III Pte. Ltd (Singapore) has set its final guidance on its proposed 3-tranche USD/SGD bond deal that is to be priced later today. The final guidance for its Class A-1, A-2, B and C notes are 3.9%, 4.65%, 6.5% and 9.25% respectively.

Rating Changes: S&P affirmed its long term credit rating of "AA-" on DBS Bank Ltd. (Singapore). The affirmation reflects S&P's expectation of DBS's financial profile to stay resilient over the next 18-24 months despite challenging external conditions. Likewise, S&P also affirmed its long term credit rating of "AA-" on OCBC Ltd. (Singapore), reflecting S&P's view that the bank is likely to maintain its strong business position, adequate capital and earnings, adequate risk position, as well as strong funding and liquidity positions in the next 18-24 months, despite ongoing external headwinds. Fitch assigned a "BB+" rating on Jiangsu Hanrui Investment Holding (Hanrui) Co. Ltd.'s long term default rating and senior proposed notes with stable outlook. The assignment reflects the credit-link with Fitch's assessment of Zhenjiang Municipality's credit profile. The link shows strong oversight and supervision of Hanrui by the Zhenjiang municipal government, integration of multi-year funding for the company with the municipal budget, and the strategic importance of Hanrui's public-sector construction projects and social housing construction to the municipality.

Table 1: Key Financial Indicators

	22-Jun	1W chg (bps)	1M chg (bps)		22-Jun	1W chg	1M chg
iTraxx Asiax IG	140	-7	-6	Brent Crude Spot (\$/bbl)	50.62	1.59%	3.90%
iTraxx SovX APAC	52	-2	-2	Gold Spot (\$/oz)	1,269.95	-1.69%	1.67%
iTraxx Japan	68	-1	-3	CRB	193.08	0.45%	4.82%
iTraxx Australia	128	-3	-5	GSCI	380.16	0.26%	3.50%
CDX NA IG	79	-7	-5	VIX	18.48	-9.85%	21.58%
CDX NA HY	103	1	1	CT10 (bp)	1.706%	9.29	-13.25
iTraxx Eur Main	79	-8	0	USD Swap Spread 10Y (bp)	-12	1	2
iTraxx Eur XO	341	-31	7	USD Swap Spread 30Y (bp)	-47	1	1
iTraxx Eur Snr Fin	104	-11	6	TED Spread (bp)	37	-2	2
iTraxx Sovx WE	29	0	3	US Libor-OIS Spread (bp)	25	-3	3
iTraxx Sovx CEEMEA	129	-5	-13	Euro Libor-OIS Spread (bp)	8	0	0
					22-Jun	1W chg	1M chg
				AUD/USD	0.746	0.65%	3.20%
				USD/CHF	0.962	-0.10%	2.82%
				EUR/USD	1.125	-0.10%	0.26%
				USD/SGD	1.343	0.72%	2.61%
Korea 5Y CDS	60	-3	-4	DJIA	17,830	0.88%	1.88%
China 5Y CDS	123	-6	-3	SPX	2,089	0.65%	1.78%
Malaysia 5Y CDS	158	-10	-4	MSCI Asiax	499	1.25%	4.94%
Philippines 5Y CDS	112	-5	-1	HSI	20,668	1.38%	4.11%
Indonesia 5Y CDS	189	-10	-3	STI	2,789	0.76%	0.93%
Thailand 5Y CDS	116	-6	-7	KLCI	1,638	0.71%	0.55%
				JCI	4,879	1.18%	3.54%

Source: OCBC, Bloomberg

Table 2: Recent Asian New Issues

Date	Issuer	Ratings	Size	Tenor	Pricing
20-June-16	Wuxi Construction & Development Inv. Co. Ltd.	BBB-/NR/BBB+	USD300mn	3-year	CT3+240bps
17-June-16	SGSP Australia	NR/NR/NR	AUD350mn	7-year	Swap+182bps
16-June-16	Korea Land & Housing Corp.	NR/NR/NR	USD200mn	12-year	2.47%
16-June-16	China Development Bank	AA-/Aa3/NR	USD1bn	3-year	CT3+90bps
16-June-16	Zhongrong International Bond 2016 Ltd.	BB-/NR/NR	USD500mn	3-year	6.95%
13-June-16	Biostime International Holdings Ltd.	BB-/Ba3/NR	USD400mn	5NC2	7.25%
13-June-16	QBE Insurance Group Ltd.	BBB-/NR/BBB	USD524mn	30NC10	5.88%
13-June-16	Fraser Centrepont Trust	NR/BBB+/NR	SGD50mn	5-year	2.76%

Source: OCBC, Bloomberg

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