

Jan 04, 2016

Market Commentary: The SGD swap rates bear-steepened, with the curve trading 2bps-8bps higher. The short-end-rates ended 2bps-5bps higher while the increase is more significant around the belly to long-end-rates at 6bps-8bps higher. This move was consistent with what we saw since 18/12/15, with the curve bear steepening (shorter end up 8bps-10bps, longer end higher more than 15bps) post the Fed hike. In the broader Asia dollar space, JACI IG corporates dropped 2bps to 214.9bps (18/12/15: 216.8bps) while JACI HY corporates dipped 8bps to 8.02% (18/12/15: 8.09%).

Table 1: Key Financial Indicators

	<u>4-Jan</u>	<u>1W chg (bps)</u>	<u>1M chg (bps)</u>		<u>4-Jan</u>	<u>1W chg</u>	<u>1M chg</u>
iTraxx Asiax IG	135	-1	1	Brent Crude Spot (\$/bbl)	38.00	0.29%	-11.63%
iTraxx SovX APAC	72	0	4	Gold Spot (\$/oz)	1,063.79	-0.77%	-2.08%
iTraxx Japan	75	1	1	CRB	176.27	0.60%	-4.41%
iTraxx Australia	127	1	3	GSCI	311.65	-0.02%	-7.71%
CDX NA IG	88	-2	6	VIX	18.21	16.96%	24.13%
CDX NA HY	101	0	-1	CT10 (bp)	2.262%	3.19	-0.70
iTraxx Eur Main	78	-1	4	USD Swap Spread 10Y (bp)	#N/A N/A	11	#N/A N/A
iTraxx Eur XO	315	-10	13	USD Swap Spread 30Y (bp)	-38	-2	2
iTraxx Eur Snr Fin	77	5	6	TED Spread (bp)	45	5	23
iTraxx Sovx WE	16	-1	-2	US Libor-OIS Spread (bp)	23	0	7
iTraxx Sovx CEEMEA	184	7	18	Euro Libor-OIS Spread (bp)	11	0	0
					<u>4-Jan</u>	<u>1W chg</u>	<u>1M chg</u>
				AUD/USD	0.722	-0.52%	-1.59%
				USD/CHF	0.999	-1.19%	-0.29%
				EUR/USD	1.086	-1.13%	-0.18%
				USD/SGD	1.424	-1.12%	-1.79%
Korea 5Y CDS	55	-1	3	DJIA	17,425	-1.01%	-2.59%
China 5Y CDS	108	-1	7	SPX	2,044	-0.99%	-2.79%
Malaysia 5Y CDS	182	-5	6	MSCI Asiax	500	-0.82%	-2.26%
Philippines 5Y CDS	109	1	7	HSI	21,446	-3.13%	-4.18%
Indonesia 5Y CDS	233	2	6	STI	2,853	-0.87%	-0.61%
Thailand 5Y CDS	141	5	12	KLCI	1,677	0.82%	-0.31%
				JCI	4,582	1.42%	3.05%

Source: OCBC, Bloomberg

Table 2: Recent Asian New Issues

<u>Date</u>	<u>Issuer</u>	<u>Ratings</u>	<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
14-Dec-15	Industrial & Commercial Bank of China Ltd, London Branch	A/A1/A	USD300mn	3yr	CT3+105bps
14-Dec-15	China National Bluestar Group Co Ltd	BBB/Baa2/BBB+	SGD500mn	Perp NC3	4.5%
10-Dec-15	China Construction Bank Corp	A/A1/A	USD3.05bn	Perp NC5	4.65%
09-Dec-15	Hydoo International Holding Ltd	B/B2/B	USD100mn	3yr	14%
03-Dec-15	Tsinghua Unigroup Ltd	NR/NR/NR	USD450mn	3yr	5.625%
03-Dec-15	Tsinghua Unigroup Ltd	NR/NR/NR	USD350mn	5yr	6.375%
02-Dec-15	Tianjin FTZ Investment Holding Group Co.	Baa2e/BBB+	USD500mn	3yr	CT3+257.5bps

Source: OCBC, Bloomberg

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