

September 6, 2016

**Market Commentary:** The SGD dollar swap curve traded downwards yesterday with swap rates falling 1-4bps lower across all tenors. The US market was closed yesterday due to public holiday.

**New Issues:** Jiayuan International Group Ltd. has scheduled investor road shows on 7 September for a potential USD bond issuance. China Huarong Asset Management Co. Ltd. has also scheduled investor meetings from 6 – 7 September for a potential USD perpetual securities issuance with expected issue ratings of “NR/Baa1/A-“. Korea National Oil has scheduled investor meetings from 6 September onwards for a potential USD bond issuance.

**Rating Changes:** Moody’s downgraded MNC Investama’s corporate family rating to “Caa1” from “B3”, with the rating on review for further downgrade. The rating action reflects the lack of clarity around the funding arrangement for the first amortization payment under Sky Vision’s USD243mn term loan. Moody’s assigned a first time issuer rating to Guotai Junan International Holdings Ltd. (GTJAI) at “Baa2” with a negative outlook. The assignment reflects GTJAI’s: (1) leading position in the niche market of helping mainland individuals trade offshore securities; (2) high proportion of revenue from brokerage and margin loans with low-risk exposures; (3) relatively low leverage; and (4) relatively strong profitability. Fitch downgraded Emeco Holdings Ltd.’s issuer default rating to “CC” from “B-“ with a negative outlook. The downgrade follows the company’s announcement on 31 August that its plan to address its capital structure may include a restructuring or write-down of current outstanding debt. Fitch considered such an outcome as probable and downgraded Emeco’s Issuer Default Rating to reflect this heightened credit risk.

**Table 1: Key Financial Indicators**

	6-Sep	1W chg (bps)	1M chg (bps)		6-Sep	1W chg	1M chg
iTraxx Asiax IG	111	-1	-3	Brent Crude Spot (\$/bbl)	47.49	-1.82%	7.27%
iTraxx SovX APAC	38	-5	-7	Gold Spot (\$/oz)	1,326.40	1.17%	-0.67%
iTraxx Japan	51	-1	-1	CRB	179.99	-3.29%	-0.99%
iTraxx Australia	97	-3	-6	GSCI	347.18	-4.38%	1.51%
CDX NA IG	72	1	1	VIX	11.98	-12.23%	5.18%
CDX NA HY	105	0	0	CT10 (bp)	1.608%	4.12	1.90
iTraxx Eur Main	66	-1	1	USD Swap Spread 10Y (bp)	-14	0	-4
iTraxx Eur XO	309	3	1	USD Swap Spread 30Y (bp)	-53	1	-7
iTraxx Eur Snr Fin	85	-3	-1	TED Spread (bp)	52	0	2
iTraxx Sovx WE	25	-1	1	US Libor-OIS Spread (bp)	38	-1	0
iTraxx Sovx CEEMEA	106	-4	-9	Euro Libor-OIS Spread (bp)	4	-2	-1
					6-Sep	1W chg	1M chg
				AUD/USD	0.760	1.27%	-0.61%
				USD/CHF	0.981	0.34%	0.18%
				EUR/USD	1.115	0.02%	0.51%
				USD/SGD	1.358	0.53%	-0.80%
Korea 5Y CDS	42	-1	-3	DJIA	18,492	0.52%	-0.28%
China 5Y CDS	99	-1	-5	SPX	2,180	0.50%	-0.13%
Malaysia 5Y CDS	118	-1	-9	MSCI Asiax	552	1.42%	3.49%
Philippines 5Y CDS	88	-1	-5	HSI	23,650	3.63%	6.79%
Indonesia 5Y CDS	144	0	-4	STI	2,852	0.79%	0.83%
Thailand 5Y CDS	83	-2	-5	KLCI	1,678	-0.30%	0.84%
				JCI	5,357	-0.26%	-1.17%

Source: OCBC, Bloomberg

**Table 2: Recent Asian New Issues**

Date	Issuer	Ratings	Size	Tenor	Pricing
2-Sep-16	Xi'an Municipal	"NR/NR/BBB"	USD500mn	3-year	2.8%
31-Aug-16	United Overseas Bank Ltd.	"NR/A2/A+"	USD600mn	10-year	CT10+170bps
31-Aug-16	Far East Consortium International	"NR/NR/NR"	USD300mn	5-year	3.75%
31-Aug-16	Haikou Meilan International Airport	"NR/NR/NR"	USD200mn	3-year	5.25%
30-Aug-16	DBS Group Holdings	"NR/A3/BBB"	USD750mn	Perp-NC5	3.6%
30-Aug-16	Chongqing Western Modern Logistic	"NR/NR/BBB"	USD500mn	5-year	CT5+220bps
30-Aug-16	Road King Infrastructure	"BB-/B1/NR"	USD500mn	5-year	4.7%
30-Aug-16	Mitsubishi UFJ Lease & Finance	"A/A3/NR"	USD500mn	5-year	2.25%

Source: OCBC, Bloomberg

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