

November 17, 2017

**Market Commentary:** The SGD swap curve traded marginally lower yesterday, with the exception of the 12-year tenor, which traded 1bps higher. Flows in SGD corporates were heavy, with better buying seen in HRAM 3.8%'25s, WINGTA 4.35%-PERPs, RHTSP 4.25%'18s, and mixed interest seen in HRAM 3.2%'21s. In the broader dollar space, the spread on JACI IG Corp traded little changed at 179bps, while the yield on the JACI HY Corp also traded little changed at 6.97%. 10Y UST yields had little reaction to economic data released and the passing of a tax-overhaul bill by House Republicans, but rose 5bps to 2.38%, as block trades triggered a sell-off into the close of the trading session.

**New Issues:** Fragrance Group Ltd has priced a SGD100mn 4-year bond at 4.75%. Barclays Plc has priced a SGD200mn 12NC7 Tier 2 bond at 3.75%, tightening from initial guidance of 4% area. The expected issue ratings are 'NR/Baa3/A+'. JIC Zhixin Ltd has priced a three-tranche deal (guaranteed by China Jianyin Investment Ltd), with the USD500mn 5-year bond priced at CT5+97.5bps, tightening from initial guidance of CT5+125bps; the USD400mn 10-year bond priced at CT10+125bps, tightening from initial guidance of 145bps; and the EUR500mn 3-year bond priced at MS+60bps, tightening from initial guidance of MS+75bps. The expected issue ratings are 'A/A2/A+'. Tongfang Aqua 2017 Limited has scheduled investor meetings for potential USD bond issuance (guaranteed by Tsinghua Tongfang Co Ltd) from 20 Nov. Shenzhen International Holdings Ltd has scheduled investor meetings for potential USD senior perp issuance from 17 Nov. The expected issue ratings are 'NR/Baa2/NR'. Tahoe Group Global (Co) Ltd has scheduled investor meetings for potential USD bond issuance from 17 Nov. The expected issue ratings are 'B-/B2/B-'.

**Rating Changes:** Fitch has assigned Adani Abbot Point Terminal Pty Limited's (AAPT) senior secured notes and upcoming bonds a 'BBB-' rating. The outlooks are stable. The rating reflects AAPT's stable cash flow, but is limited by its reliance on coal.

**Table 1: Key Financial Indicators**

	17-Nov	1W chg (bps)	1M chg (bps)		17-Nov	1W chg	1M chg
iTraxx Asiax IG	79	-3	1	Brent Crude Spot (\$/bbl)	61.11	-3.79%	5.58%
iTraxx SovX APAC	16	0	0	Gold Spot (\$/oz)	1,283.19	0.64%	-0.15%
iTraxx Japan	49	0	-1	CRB	188.25	-1.89%	2.18%
iTraxx Australia	67	-1	-1	GSCI	418.75	-2.43%	3.85%
CDX NA IG	55	-1	1	VIX	11.76	12.00%	14.06%
CDX NA HY	108	0	-1	CT10 (bp)	2.358%	-4.08	5.78
iTraxx Eur Main	52	0	-3	USD Swap Spread 10Y (bp)	0	2	1
iTraxx Eur XO	244	-1	2	USD Swap Spread 30Y (bp)	-24	3	6
iTraxx Eur Shr Fin	52	0	-6	TED Spread (bp)	19	0	-9
iTraxx Sovx WE	4	0	-1	US Libor-OIS Spread (bp)	9	-1	-3
iTraxx Sovx CEEMEA	48	-4	9	Euro Libor-OIS Spread (bp)	3	0	0
					17-Nov	1W chg	1M chg
				AUD/USD	0.760	-0.81%	-3.15%
				USD/CHF	0.992	0.45%	-1.33%
				EUR/USD	1.181	1.26%	0.39%
				USD/SGD	1.354	0.44%	0.14%
Korea 5Y CDS	66	-5	-4	DJIA	23,458	-0.02%	2.00%
China 5Y CDS	62	0	5	SPX	2,586	0.04%	1.03%
Malaysia 5Y CDS	68	-2	2	MSCI Asiax	701	-0.27%	1.43%
Philippines 5Y CDS	67	-3	2	HSI	29,266	0.50%	1.98%
Indonesia 5Y CDS	99	-4	0	STI	3,373	-1.39%	1.31%
Thailand 5Y CDS	49	-2	1	KLCI	1,724	-1.03%	-1.41%
				JCI	6,062	0.67%	1.93%

Source: OCBC, Bloomberg

**Table 2: Recent Asian New Issues**

Date	Issuer	Ratings	Size	Tenor	Pricing
16-Nov-17	Fragrance Group Ltd	Not Rated	SGD100mn	4-year	4.75%
16-Nov-17	Barclays Plc	'NR/Baa3/A-'	SGD200mn	12NC7	3.75%
16-Nov-17	JIC Zhixin Ltd	'A/A2/A+'	USD500mn	5-year	CT5+97.5bps
16-Nov-17	JIC Zhixin Ltd	'A/A2/A+'	USD400mn	10-year	CT10+125bps
16-Nov-17	JIC Zhixin Ltd	'A/A2/A+'	EUR500mn	3-year	MS+60bps
15-Nov-17	Housing and Development Board	'NR/Aaa/NR'	SGD680mn	7-year	2.25%
15-Nov-17	Bank of China Ltd, Paris Branch	'NR/A1/A'	EUR700mn	3-year	3mE+47bps
15-Nov-17	Xinyuan Real Estate Co	'B-/NR/B'	USD200mn	3-year	9.125%
15-Nov-17	Hong Seng Ltd	Not Rated	USD250mn	363-day	8.5%

Source: OCBC, Bloomberg

**Rating Changes (Cont'd):** S&P has assigned Tahoe Group Co Ltd (Tahoe) a 'B' corporate credit rating, while issuing a 'B-' issue rating to its proposed senior unsecured notes. The outlook is stable. The rating action reflects Tahoe's high leverage, weak interest coverage, limited land bank and sellable resources, and average profitability. However, S&P does take into account Tahoe's sizable and fast growing sales, strong brand name and product quality, good geographical diversity of its land bank, and balanced product mix between residential and commercial properties. At the same time, Moody's has assigned a 'B1' corporate family rating to Tahoe and a 'B2' senior unsecured rating to the proposed notes. The outlook is negative due to its high leverage. Fitch has also assigned Tahoe a long-term Issuer Default Rating of 'B' with a stable outlook. Moody's has placed the ratings of subordinated Tier-2 contractual point of non-viability securities (Tier-2 PONV) of DBS Bank Ltd (DBS), DBS Group Holdings Ltd (DBSH), Oversea-Chinese Banking Corp Ltd (OCBC) and United Overseas Bank Limited (UOB) under review for upgrade. The rating action reflects Moody's opinion that the Tier 2 PONV will represent a lower credit risk once the Monetary Authority of Singapore introduces the enhanced bank resolution regime. Moody's has affirmed Binhai Investment Company Limited's (BICL) 'Ba1' corporate family and senior unsecured debt ratings, while changing the outlook to stable from negative. The rating action reflects the stable growth in BICL's gas volumes and a reduced reliance on connected party gas sales. Moody's has affirmed Yuexiu Real Estate Investment Trust's (Yuexiu REIT) 'Baa3' issuer rating and senior unsecured rating, while revising the outlook to negative from stable. The rating action follows Yuexiu REIT's announcement that it will be acquiring a commercial complex in Wuhan, which will be funded by a bank loan.

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