

October 6, 2017

**Market Commentary:** The SGD swap curve traded mostly downwards yesterday, with swap rates trading 1-3bps across most tenors. The 20-year tenor rose by 3bps. Flows in SGD corporates were heavy, with better buying seen in OUESP 4.25%'19s, and mixed interest seen in OUECT 3.03%'20s, VIBGSP 7.5%'20s. In the broader dollar space, the spread on JACI IG Corp traded little changed at 185bps, while the yield on JACI HY Corp rose 1bps to 6.87%. 10Y UST yields rose 3bps to 2.35%, after durable goods and factory orders came in stronger than expected, initial jobless claims came in lower than expected, the Federal Reserve Bank of San Francisco President John William's statements appeared hawkish to the market, and a report of the stalled push for Catalan independence caused EGBs to sell-off, causing a further rise in yields of 10Y USTs.

**New Issues:** GSH Corporation Limited has priced a SGD70mn 3-year bond at 5.15%.

**Rating Changes:** Fitch has withdrawn the 'BB-' expected rating on PT Tunas Baru Lampung Tbk's (TBLA) senior unsecured notes as TBLA does not intend to proceed with the bond issue.

Table 1: Key Financial Indicators

	6-Oct	1W chg (bps)	1M chg (bps)		6-Oct	1W chg	1M chg
iTraxx Asiax IG	78	-4	-1	Brent Crude Spot (\$/bbl)	56.88	-1.15%	4.94%
iTraxx SovX APAC	18	-1	-2	Gold Spot (\$/oz)	1,268.89	-0.85%	-4.90%
iTraxx Japan	45	-1	1	CRB	182.94	-0.03%	-0.03%
iTraxx Australia	69	-4	-1	GSCI	398.70	-0.37%	1.60%
CDX NA IG	53	-2	-5	VIX	9.19	-3.77%	-20.98%
CDX NA HY	108	0	1	CT10 (bp)	2.348%	1.44	24.34
iTraxx Eur Main	56	-1	2	USD Swap Spread 10Y (bp)	-5	0	-1
iTraxx Eur XO	245	-8	10	USD Swap Spread 30Y (bp)	-33	0	1
iTraxx Eur Snr Fin	59	0	8	TED Spread (bp)	29	1	-2
iTraxx Sovx WE	5	0	0	US Libor-OIS Spread (bp)	13	-1	-3
iTraxx Sovx CEEMEA	38	-3	-4	Euro Libor-OIS Spread (bp)	3	0	0
					6-Oct	1W chg	1M chg
				AUD/USD	0.779	-0.56%	-2.63%
				USD/CHF	0.979	-1.06%	-2.25%
				EUR/USD	1.171	-0.89%	-1.75%
				USD/SGD	1.365	-0.53%	-1.11%
Korea 5Y CDS	70	-4	-1	DJIA	22,775	1.76%	4.44%
China 5Y CDS	58	-4	-2	SPX	2,552	1.67%	3.51%
Malaysia 5Y CDS	65	-4	-6	MSCI Asiax	673	1.89%	2.46%
Philippines 5Y CDS	64	-2	0	HSI	28,379	3.15%	2.30%
Indonesia 5Y CDS	100	-4	-2	STI	3,262	1.30%	0.91%
Thailand 5Y CDS	49	-4	-5	KLCI	1,759	0.20%	-0.76%
				JCI	5,902	1.04%	1.34%

Source: OCBC, Bloomberg

Table 2: Recent Asian New Issues

Date	Issuer	Ratings	Size	Tenor	Pricing
5-Oct-17	GSH Corporation Limited	Not Rated	SGD70mn	3-year	5.15%
4-Oct-17	The Bank of Nova Scotia	'NR/Baa3/NR'	USD1.25bn	Perp NC5	4.65%
3-Oct-17	Puma International Financing SA	'NR/Ba2/BB'	USD600mn	7-year	5.125%
29-Sep-17	21 Vianet Group Inc (re-tap)	Not Rated	USD100mn	VNET 7%'20s	100.04
28-Sep-17	FCL Treasury Pte Ltd (re-tap)	Not Rated	SGD42mn	FCLSP 3.95%-PERP	100.0
28-Sep-17	Industrial and Commercial Bank of China Ltd	'NR/A1/NR'	USD450mn	3-year	3mL+77bps
28-Sep-17	Industrial and Commercial Bank of China Ltd	'NR/A1/NR'	USD400mn	5-year	CT5+99bps
28-Sep-17	Industrial and Commercial Bank of China Ltd	'NR/A1/NR'	EUR1.1bn	3-year	3mE+55bps
28-Sep-17	New Lion Bridge Co Ltd	'NR/B2/B'	USD160mn	3NC2	9.75%
28-Sep-17	Overseas Chinese Town (Asia) Holdings Ltd	Not Rated	USD800mn	Perp NC3	4.35%

Source: OCBC, Bloomberg

**Andrew Wong**

Treasury Research & Strategy  
Global Treasury, OCBC Bank  
(65) 6530 4736  
[wongVKAM@ocbc.com](mailto:wongVKAM@ocbc.com)

**Nick Wong Liang Mian, CFA**

Treasury Research & Strategy  
Global Treasury, OCBC Bank  
(65) 6530 7348  
[NickWong@ocbc.com](mailto:NickWong@ocbc.com)

**Ezien Hoo, CFA**

Treasury Research & Strategy  
Global Treasury, OCBC Bank  
(65) 6722 2215  
[EzienHoo@ocbc.com](mailto:EzienHoo@ocbc.com)

**Wong Hong Wei**

Treasury Research & Strategy  
Global Treasury, OCBC Bank  
(65) 6722 2533  
[WongHongWei@ocbc.com](mailto:WongHongWei@ocbc.com)

This publication is solely for information purposes only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This publication should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this publication may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This publication may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, they should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. OCBC and/or its related and affiliated corporations may at any time make markets in the securities/instruments mentioned in this publication and together with their respective directors and officers, may have or take positions in the securities/instruments mentioned in this publication and may be engaged in purchasing or selling the same for themselves or their clients, and may also perform or seek to perform broking and other investment or securities-related services for the corporations whose securities are mentioned in this publication as well as other parties generally.

Co.Reg.no.:193200032W