

Apr 10, 2018

Market Commentary

- The SGD swap curve flattened yesterday, with the shorter tenors trading 2bps higher while the longer tenors traded 1bps lower (with the exception of 12-year tenor trading 4bps lower).
- Flows in SGD corporates were heavy yesterday, with better buying seen in HSBC 4.7%-PERP.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS traded little changed at 128bps while the Bloomberg Barclays Asia USD HY Bond Index average tightened 3bps to 348bps.
- 10Y UST yields rose 1bps to 2.78% as risk appetite rebounded after the US eased concerns about a potential trade conflict with China.

Credit Headlines

- There are no credit headlines over 9 Apr 2018.

Table 1: Key Financial Indicators

	10-Apr	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	77	-2	12
iTraxx SovX APAC	13	-1	1
iTraxx Japan	51	1	12
iTraxx Australia	69	-1	12
CDX NA IG	65	-3	11
CDX NA HY	106	1	-1
iTraxx Eur Main	58	-2	8
iTraxx Eur XO	285	0	31
iTraxx Eur Snr Fin	61	-4	11
iTraxx Sovx WE	18	0	-1
AUD/USD	0.771	0.27%	-2.12%
EUR/USD	1.232	0.41%	-0.11%
USD/SGD	1.311	0.02%	0.11%
China 5Y CDS	62	-3	8
Malaysia 5Y CDS	72	-3	10
Indonesia 5Y CDS	100	-4	12
Thailand 5Y CDS	45	-1	6

	10-Apr	1W chg	1M chg
Brent Crude Spot (\$/bbl)	68.62	0.73%	4.78%
Gold Spot (\$/oz)	1,335.50	0.21%	0.94%
CRB	194.97	0.82%	-0.09%
GSCI	451.91	1.54%	1.69%
VIX	21.77	-7.83%	48.70%
CT10 (bp)	2.786%	1.10	-10.75
USD Swap Spread 10Y (bp)	3	0	-1
USD Swap Spread 30Y (bp)	-16	1	0
TED Spread (bp)	62	4	19
US Libor-OIS Spread (bp)	59	0	15
Euro Libor-OIS Spread (bp)	3	0	0
DJIA	23,979	1.42%	-5.35%
SPX	2,613	1.21%	-6.22%
MSCI Asiax	717	0.08%	-2.33%
HSI	30,219	0.42%	-2.51%
STI	3,443	0.91%	-1.22%
KLCI	1,850	-0.02%	0.36%
JCI	6,246	0.09%	-2.91%

Source: OCBC, Bloomberg

New issues

- SK Telecom Co Ltd has priced a USD500mn 5-year bond at CT5+117.5bps, tightening from its initial guidance of CT5+140bps area.
- Industrial & Commercial Bank of China Ltd/Singapore (ICBCAS) has priced a USD1.2bn deal across two tranches, with the USD700mn 3-year FRN priced at 3mL+75bps (tightening from its initial guidance of 3mL+100bps area) and a USD500mn 5-year FRN priced at 3mL+85bps (tightening from its initial price guidance of 3mL+110bps area).
- Tokyo Metropolitan Government has hired banks for its potential USD 3-10 year bond issuance. Mongolian Mortgage Corporation HFC LLC has scheduled for investor meetings from 10 Apr for its potential USD bond issuance.
- Logan Property Holdings Company Limited is proposing to issue SGD notes.

Table 2: Recent Asian New Issues

<u>Date</u>	<u>Issuer</u>	<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
9- Apr-18	Industrial & Commercial Bank of China Ltd/Singapore	USD500mn	5-year	3mL+85bps
9- Apr-18	Industrial & Commercial Bank of China Ltd/Singapore	USD700mn	3-year	3mL+75bps
9- Apr-18	SK Telecom Co Ltd	USD500mn	5-year	CT5+117.5bps
4-Apr-18	Societe Generale SA	USD1.25bn	NC10	6.75%
4-Apr-18	DBS Group Holdings Ltd	EUR600mn	10NC5	MS+120bps
4-Apr-18	Megaworld Corp	USD200mn	Perp NC5	5.375%
29-Mar-18	SMRT Capital Pte Ltd	SGD200mn	5-year	2.59%
29-Mar-18	Greenland Global Investment Ltd	USD60mn	GRNLGR 5.25%'21	100+accrued interest
28-Mar-18	Shougang Group Co Ltd	USD500mn	360-day	3.95%

Source: OCBC, Bloomberg

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