

Dec 10, 2018

Credit Headlines: Standard Chartered PLC, HSBC Holdings PLC

Market Commentary

- The SGD swap curve flattened last Friday, with swap rates for the shorter tenors trading 1bps higher while the longer tenors traded 1-2bps lower.
- Flows in SGD corporates were heavy last Friday, with flows seen in CMZB 4.2%'28s and UBS 5.875%-PERPs.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 1bps to 161bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 2bps to 618bps.
- Overall, 10Y UST yields fell 6bps to close at 2.85% on the back of the weaker-than-expected US job data.

Credit Headlines:

Standard Chartered PLC (“StanChart”) | Issuer Profile: Neutral (4) / HSBC Holdings PLC (“HSBC”) | Issuer Profile: Positive (2)

- It has been reported that both StanChart and HSBC were named in court filings in Canada as being misled by Huawei Technologies Co Ltd (“Huawei”) with regards Huawei’s dealings with Iran in contravention with US sanctions.
- While the banks have not been implicated as contributing to the contravention, we will continue to monitor developments. (OCBC, Bloomberg)

Table 1: Key Financial Indicators

	10-Dec	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	94	7	7
iTraxx SovX APAC	10	0	0
iTraxx Japan	80	14	12
iTraxx Australia	91	6	12
CDX NA IG	83	8	15
CDX NA HY	103	-2	-2
iTraxx Eur Main	85	6	14
iTraxx Eur XO	343	23	49
iTraxx Eur Snr Fin	108	6	17
iTraxx Sovx WE	26	1	0
AUD/USD	0.718	-2.39%	0.13%
EUR/USD	1.140	0.43%	1.65%
USD/SGD	1.372	-0.31%	0.92%
China 5Y CDS	68	5	4
Malaysia 5Y CDS	109	3	3
Indonesia 5Y CDS	141	5	-4
Thailand 5Y CDS	44	1	1

	10-Dec	1W chg	1M chg
Brent Crude Spot (\$/bbl)	61.84	0.24%	-11.88%
Gold Spot (\$/oz)	1,249.01	1.49%	4.05%
CRB	184.15	1.33%	-2.28%
GSCI	416.21	2.38%	-5.52%
VIX	23.23	28.56%	33.81%
CT10 (bp)	2.829%	-14.08	-35.30
USD Swap Spread 10Y (bp)	5	-1	-1
USD Swap Spread 30Y (bp)	-15	-1	-6
TED Spread (bp)	37	-2	11
US Libor-OIS Spread (bp)	40	3	12
Euro Libor-OIS Spread (bp)	4	1	1
DJIA	24,389	-3.75%	-6.16%
SPX	2,633	-3.82%	-5.32%
MSCI Asiax	605	-3.78%	1.23%
HSI	26,064	-1.67%	1.80%
STI	3,111	-0.21%	1.08%
KLCI	1,681	0.04%	-1.61%
JCI	6,126	1.16%	4.29%

New issues

- There were no new issuance over 7 Dec 2018.

<u>Date</u>	<u>Issuer</u>	<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
6-Dec-18	Haitong Securities Co Ltd	USD300mn	5-year	CT5+185bps
6-Dec-18	Jinan Hi-Tech Holding Group Co Ltd	USD250mn	3-year	6.4%
6-Dec-18	Industrial & Commercial Bank of China Limited/Dubai DIFC	USD100mn	2-year	3mL+60bps
6-Dec-18	Logan Property Holdings Company Limited	USD370mn	2-year	8.75%
5-Dec-18	Zhuji Development Ltd	USD230mn	3-year	7.0%
4-Dec-18	China Development Bank	USD1bn	3-year	3mL+63bps
4-Dec-18	China Development Bank	USD500mn	5-year	3mL+73bp
4-Dec-18	Baidu Inc	USD250mn	BIDU 4.375%'24s	CT5+162.5bps
4-Dec-18	Zhuji City Yuedu Investment Co Ltd	USD230mn	3-year	7.0%
4-Dec-18	Kaisa Group Holdings Ltd	USD500mn	3-year	7.875%
3-Dec-18	Republic of Indonesia	USD1bn	30-year	5.38%
3-Dec-18	Republic of Indonesia	USD1.25bn	10-year	4.78%
3-Dec-18	Republic of Indonesia	USD750mn	5-year	4.48%
3-Dec-18	Vanke Real Estate (Hong Kong) Co Ltd	USD630mn	5.25-year	CT5+250bps
3-Dec-18	Jiayuan International Group Ltd	USD80mn	JIAYUA 12.0%'20s	12.0%
3-Dec-18	CITIC Securities Finance MTN Co Ltd	USD300mn	3-year	CT3+155bps

Source: OCBC, Bloomberg

Andrew Wong

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

Ezien Hoo, CFA

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

Wong Hong Wei, CFA

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

Seow Zhi Qi

Treasury Research & Strategy
Global Treasury, OCBC Bank
(65) 6530 7348
zhiqiseow@ocbc.com

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