

Sept 14, 2018

Market Commentary

- The SGD swap curve steepened yesterday, with swap rates trading 1-2bps higher across most tenors.
- Flows in SGD corporates were heavy yesterday, with better buying seen in DBSSP 3.98%-PERPs and CMZB 4.2%'28s.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 140bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS was unchanged at 496bps.
- 10Y UST yields fell 2bps to 2.94% in the earlier part of the trading session as the US August Consumer Price Index (CPI) came in lower-than-expected. Yields subsequently reversed 3bps to close at 2.97% on the back of solid demand for the USD15bn 30-year bond auction yesterday.

Table 1: Key Financial Indicators

	14-Sep	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	78	-4	-5
iTraxx SovX APAC	12	0	2
iTraxx Japan	52	-2	-3
iTraxx Australia	71	-2	-3
CDX NA IG	56	-4	-5
CDX NA HY	107	0	0
iTraxx Eur Main	60	-4	-9
iTraxx Eur XO	278	-8	-27
iTraxx Eur Snr Fin	68	-7	-18
iTraxx Sovx WE	25	-1	-3
AUD/USD	0.719	1.17%	-0.73%
EUR/USD	1.169	1.20%	3.07%
USD/SGD	1.370	0.61%	0.55%
China 5Y CDS	55	-4	-7
Malaysia 5Y CDS	98	-4	10
Indonesia 5Y CDS	134	-7	12
Thailand 5Y CDS	41	-1	-2

	14-Sep	1W chg	1M chg
Brent Crude Spot (\$/bbl)	78.46	2.12%	8.28%
Gold Spot (\$/oz)	1,202.61	0.47%	0.71%
CRB	191.41	0.86%	0.51%
GSCI	464.27	0.97%	2.04%
VIX	12.37	-15.56%	-7.06%
CT10 (bp)	2.968%	2.94	6.97
USD Swap Spread 10Y (bp)	7	1	0
USD Swap Spread 30Y (bp)	-6	1	1
TED Spread (bp)	20	1	-8
US Libor-OIS Spread (bp)	19	-2	-9
Euro Libor-OIS Spread (bp)	3	0	-1
DJIA	26,146	0.58%	3.34%
SPX	2,904	0.91%	2.26%
MSCI Asiax	640	-0.61%	-1.98%
HSI	27,014	0.15%	-2.66%
STI	3,132	-0.51%	-3.43%
KLCI	1,793	-0.16%	0.49%
JCI	5,858	3.08%	1.53%

New issues

- China Everbright Bank Co Ltd, Hong Kong Branch has priced a USD300mn 3-year FRN at 3mL+85bps, tightening from its initial price guidance of 3mL+110bps area.
- Xingsheng (BVI) Company Ltd has priced a USD500mn 3-year bond (guaranteed by JIC Leasing Company Ltd, keepwell provider: China Jianyin Investment Ltd) at CT3+180bps, tightening from its initial price guidance of CT3+205bps area.
- Hejun Shunze Investment Co Ltd has priced a USD250mn 2-year bond (guaranteed by Sichuan Languang Development Co Ltd) at 12.0%, in line with the final price guidance.
- Republic of Korea has priced a USD1bn deal across two tranches, with the USD500mn 10-year bond at CT10+60bps, tightening from its initial price guidance of CT10+90bps area and the USD500mn 30-year bond at CT30+85bps, tightening from its initial price guidance of CT30+110bps area.
- China Construction Bank Corporation Singapore Branch has priced a SGD300mn 2-year bond at 2.643%, tightening from its initial price guidance of SOR+70bps area.

<u>Date</u>	<u>Issuer</u>	<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
13-Sept-18	China Everbright Bank Co Ltd, Hong Kong Branch	USD300mn	3-year	3mL+85bps
13-Sept-18	Xingsheng (BVI) Company Ltd	USD500mn	3-year	CT3+180bps
13-Sept-18	Hejun Shunze Investment Co Ltd	USD250mn	2-year	12.0%
13-Sept-18	Republic of Korea	USD500mn	10-year	CT10+60bps
13-Sept-18	Republic of Korea	USD500mn	30-year	CT30+85bps
13-Sept-18	China Construction Bank Corporation Singapore Branch	SGD300mn	2-year	2.643%
12-Sept-18	Inventive Global Investment Ltd	USD300mn	3-year	CT3+110bps
12-Sept-18	Inventive Global Investment Ltd	USD500mn	3-year	3mL+85bps
12-Sept-18	Bangkok Bank Public Company Limited	USD600mn	5.5-year	CT5.5+122.5bps
12-Sept-18	Bangkok Bank Public Company Limited	USD600mn	10-year	CT10+152.5bps
12-Sept-18	Mitsubishi UFJ Lease & Finance Co Ltd	USD500mn	5-year	CT5+110bps
12-Sept-18	AIA Group Ltd	USD500mn	3-year	3mL+52bps
11-Sept-18	Bank of China (Hong Kong) Ltd	USD3bn	PerpNC5	5.90%
11-Sept-18	China Southern Power Grid International Finance BVI Co Ltd	USD600mn	5-year	CT5+105bps

Source: OCBC, Bloomberg

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