

Aug 16, 2018

**Credit Headlines:** Heeton Holdings Ltd, Aspial Corp Ltd

## **Market Commentary**

- The SGD swap curve was range-bound yesterday, with swap rates trading around 1bps higher across most tenors (with the exception of the 30-year swap rates trading marginally lower).
- Flows in SGD corporates were heavy yesterday, with better buying seen in CAPITA 3.2%'25s, FPLSP 3.65%'22s and HSBC 4.7%-PERPs and better selling seen in OLAMSP 4.25%'19s.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 1bps to 140bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 4bps to 479bps.
- Overall, 10Y UST yields fell 4bps to close at 2.86% on the back of escalating tensions between US and Turkey after Turkey imposed tariffs on US imports yesterday.

## **Credit Headlines:**

### **Heeton Holdings Ltd (“HHL”) | Issuer Profile: Neutral (5)**

- HHL acquired Smile Hotel Asakusa, a 96-bedroom hotel located in Tokyo, through a 70-30 consortium with KSH Holdings Ltd. The hotel has a land area of 361.38 sqm and GFA of 1,793.43 sqm.
- While the value of the transaction is not disclosed, we think the transaction should be manageable for HHL given SGD110.6mn in cash balance and 0.47x net gearing as of end-2Q2018. (Company, OCBC)

### **Aspial Corp Ltd (“Aspial”) | Issuer Profile: Negative (6)**

- [Following the SGD26mn exchange of ASPSP 5.5% '18s to the new ASPSP 5.9% '21s](#), Aspial is repurchasing another SGD10mn of ASPSP 5.5% '18s, of which SGD74mn remains outstanding. (Company)

**Table 1: Key Financial Indicators**

	16-Aug	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	85	6	-2
iTraxx SovX APAC	11	0	-2
iTraxx Japan	56	2	-5
iTraxx Australia	76	4	-5
CDX NA IG	63	5	2
CDX NA HY	107	-1	0
iTraxx Eur Main	71	8	8
iTraxx Eur XO	313	22	24
iTraxx Eur Snr Fin	89	11	14
iTraxx Sovx WE	29	3	5
AUD/USD	0.723	-1.95%	-2.56%
EUR/USD	1.134	-1.61%	-3.16%
USD/SGD	1.380	-0.91%	-1.32%
China 5Y CDS	64	4	-1
Malaysia 5Y CDS	91	8	-4
Indonesia 5Y CDS	127	14	10
Thailand 5Y CDS	43	1	0

	16-Aug	1W chg	1M chg
Brent Crude Spot (\$/bbl)	70.70	-1.90%	-1.59%
Gold Spot (\$/oz)	1,172.94	-3.26%	-5.48%
CRB	186.95	-3.16%	-2.21%
GSCI	445.12	-2.90%	-1.24%
VIX	14.64	34.93%	14.11%
CT10 (bp)	2.855%	-7.07	-0.31
USD Swap Spread 10Y (bp)	6	1	0
USD Swap Spread 30Y (bp)	-7	-1	-3
TED Spread (bp)	25	-6	-12
US Libor-OIS Spread (bp)	26	-4	-11
Euro Libor-OIS Spread (bp)	3	-1	-1
DJIA	25,162	-1.65%	0.39%
SPX	2,818	-1.38%	0.71%
MSCI Asiax	645	-4.34%	-3.60%
HSI	27,324	-3.65%	-4.26%
STI	3,234	-3.17%	0.04%
KLCI	1,786	-1.04%	3.43%
JCI	5,817	-4.57%	-1.50%

## New issues

- Industrial & Commercial Bank of China Asia Ltd has priced a USD100mn 2-year FRN at 3mL+70bps.
- Zhejiang Baron (BVI) Company Ltd has scheduled for investor meetings from 16 Aug for its potential bond issuance (guaranteed by HangZhou Jianggan District Urban Construction & Comprehensive Development Co Ltd).
- Fufeng Group Ltd has scheduled for investor meetings from 15 Aug for its potential USD bond issuance.

<u>Date</u>	<u>Issuer</u>	<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
15-Aug-18	Industrial & Commercial Bank of China Asia Ltd	USD100mn	2-year	3mL+70bps
14-Aug-18	CMT MTN Pte Ltd	SGD150mn	7-year	3.2%
13-Aug-18	BCEG HongKong Co Ltd	USD600mn	3-year	5.75%
10-Aug-18	Nimble City Ltd	USD250mn	2NC1	9%
8-Aug-18	Tuspark Forward Ltd	USD350mn	3-year	8.50%
8-Aug-18	Powerlong Real Estate Holdings Ltd	USD250mn	PWRLNG 5.95%'20s	9%+accrued interest
7-Aug-18	Shinhan Financial Group	USD500mn	Perp NC5	5.875%
6-Aug-18	SK Broadband Co Ltd	USD300mn	5-year	CT5+117.5bps
2-Aug-18	Power Finance Corp Ltd	USD300mn	10-year	CT10+235bps
2-Aug-18	Sands China Ltd	USD1.8bn	5-year	CT5+175bps
2-Aug-18	Sands China Ltd	USD1.8bn	7-year	CT7+220bps
2-Aug-18	Sands China Ltd	USD1.9bn	10-year	CT10+245bps
2-Aug-18	Wuhan Real Estate Development Investment Group Co Ltd	USD430mn	3-year	5.7%
2-Aug-18	Bank of China Ltd/Macau	USD300mn	3-year	3mL+75bps
31-Jul-18	Lotte Property & Development Co Ltd	USD200mn	3-year	3mL+92.5bps
31-Jul-18	KWG Group Holdings Limited	USD350mn	3NC2	7.875%
31-Jul-18	China Mengniu Dairy Co Ltd	USD500mn	5-year	CT5+148bps

Source: OCBC, Bloomberg

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