

July 16, 2018

Market Commentary

- The SGD swap curve steepened last Friday, with swap rates for the shorter tenors trading 3-4bps lower while the longer tenors traded 1-2bps lower (with the exception of the 30-year swap rates trading 3bps lower).
- Flows in SGD corporates were moderate last Friday.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS was stable at 147bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 2bps to 556bps.
- Overall, 10Y UST yields fell 3bps to close at 2.83% after US President Donald Trump criticized UK Prime Minister Theresa May's Brexit strategy for killing hopes of a US trade deal.

Table 1: Key Financial Indicators

	16-Jul	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	90	-6	12
iTraxx SovX APAC	14	-1	1
iTraxx Japan	54	-2	12
iTraxx Australia	82	-3	12
CDX NA IG	61	-3	0
CDX NA HY	107	0	0
iTraxx Eur Main	65	-4	-1
iTraxx Eur XO	292	-13	-2
iTraxx Eur Snr Fin	77	-6	0
iTraxx Sovx WE	24	0	1
AUD/USD	0.742	-0.63%	-0.04%
EUR/USD	1.168	-0.62%	0.47%
USD/SGD	1.366	-0.64%	-1.03%
China 5Y CDS	67	-5	10
Malaysia 5Y CDS	97	-9	-3
Indonesia 5Y CDS	120	-14	-10
Thailand 5Y CDS	45	-2	1

	16-Jul	1W chg	1M chg
Brent Crude Spot (\$/bbl)	75.03	-3.89%	2.17%
Gold Spot (\$/oz)	1,242.32	-1.22%	-2.82%
CRB	193.73	-2.18%	-1.28%
GSCI	463.37	-3.61%	-0.05%
VIX	12.18	-8.90%	1.67%
CT10 (bp)	2.827%	0.54	-13.92
USD Swap Spread 10Y (bp)	7	-1	0
USD Swap Spread 30Y (bp)	-4	0	3
TED Spread (bp)	37	-2	-6
US Libor-OIS Spread (bp)	37	-1	-4
Euro Libor-OIS Spread (bp)	4	0	0
DJIA	25,019	2.30%	-0.28%
SPX	2,801	1.50%	0.78%
MSCI Asiax	672	0.17%	-5.34%
HSI	28,525	0.74%	-5.89%
STI	3,260	2.15%	-2.87%
KLCI	1,722	3.49%	-2.26%
JCI	5,944	4.38%	-0.83%

New issues

- State Bank of India/London has priced a USD200mn 2.5-year bond at 3.197%.
- SF Holding Investment Ltd has scheduled for investor meetings from 16 July for its potential USD bond issuance (guaranteed by SF Holding Co Ltd).

<u>Date</u>	<u>Issuer</u>	<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
13-Jul-18	State Bank of India/London	USD200mn	2.5-year	3.197%
12-Jul-18	Korea East-West Power Co Ltd	USD500mn	5-year	CT5+122.5bps
12-Jul-18	Sumitomo Mitsui Financial Group Inc	USD750mn	5-year	CT5+100bps
12-Jul-18	Sumitomo Mitsui Financial Group Inc	USD500mn	5-year	3mL+86bps
12-Jul-18	Sumitomo Mitsui Financial Group Inc	USD750mn	10-year	CT10+110bps
12-Jul-18	KEB Hana Bank	USD315mn	5-year	3mL+80bps
11-Jul-18	Agile Group Holdings Ltd	USD200mn	3NC2	8.5%
11-Jul-18	CDBL Funding 2	USD500mn	3-year	3mL+115bps
11-Jul-18	American Honda Finance Corp	USD500mn	2-year	CT2+50bps
11-Jul-18	American Honda Finance Corp	USD750mn	2-year	3mL+26bps
11-Jul-18	American Honda Finance Corp	USD500mn	5-year	CT5+75bps
10-Jul-18	Public Utilities Board	SGD300mn	15-year	3.01%
10-Jul-18	Legend Fortune Limited	USD250mn	3-year	3mL+128bps
10-Jul-18	Ronshine China Holdings Ltd (re-tap)	USD225mn	RONXIN 8.25%'21	92.971
10-Jul-18	Toyota Motor Corp	USD750mn	3-year	CT3+50bps
10-Jul-18	Toyota Motor Corp	USD750mn	5-year	CT5+65bps
10-Jul-18	Toyota Motor Corp	USD500mn	10-year	CT10+80bps

Source: OCBC, Bloomberg

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