

Dec 17, 2018

Market Commentary

- The SGD swap curve bull flattened last Friday, with shorter tenors trading 3-5bps lower while the longer tenors traded 6-7bps lower.
- Flows in SGD corporates were light last Friday, with flows seen in 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 was unchanged at 594bps.
- 10Y UST yields fell 4bps to 2.87% in the earlier part of the trading session due to worries over poor economic numbers out of Europe and China. Yields subsequently recovered 2bps to close at 2.89% as US retail sales came in stronger than expected.

Table 1: Key Financial Indicators

	17-Dec	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	93	-5	-2
iTraxx SovX APAC	10	0	-1
iTraxx Japan	75	-9	3
iTraxx Australia	88	-6	3
CDX NA IG	79	-3	2
CDX NA HY	103	0	0
iTraxx Eur Main	81	-7	1
iTraxx Eur XO	334	-22	8
iTraxx Eur Snr Fin	103	-9	0
iTraxx Sovx WE	25	-1	-3
AUD/USD	0.718	-0.13%	-1.55%
EUR/USD	1.131	-0.38%	-1.23%
USD/SGD	1.375	-0.09%	-0.19%
China 5Y CDS	65	-6	-6
Malaysia 5Y CDS	106	-7	-12
Indonesia 5Y CDS	136	-9	-15
Thailand 5Y CDS	43	-2	-2

	17-Dec	1W chg	1M chg
Brent Crude Spot (\$/bbl)	60.34	0.62%	-9.62%
Gold Spot (\$/oz)	1,237.88	-0.53%	1.12%
CRB	180.31	-2.08%	-3.73%
GSCI	406.09	-0.55%	-6.08%
VIX	21.63	-6.89%	19.24%
CT10 (bp)	2.895%	3.74	-16.79
USD Swap Spread 10Y (bp)	3	0	-3
USD Swap Spread 30Y (bp)	-14	2	-3
TED Spread (bp)	38	2	10
US Libor-OIS Spread (bp)	40	0	9
Euro Libor-OIS Spread (bp)	5	0	0
DJIA	24,101	-1.18%	-5.17%
SPX	2,600	-1.26%	-4.98%
MSCI Asiax	602	0.98%	-0.65%
HSI	26,135	1.48%	-0.19%
STI	3,119	1.50%	1.13%
KLCI	1,658	-0.32%	-2.83%
JCI	6,121	0.16%	1.80%

New issues

- Yuyao Economic Development Zone Construction Investment and Development Co Ltd has priced a USD100mn 3-year bond (guaranteed by Yuyao Shuncai Investment Holdings Co Ltd) at 7.0%, in line with the final price guidance.
- Hangzhou Fuyang Chengtou Group (HK) has priced a USD70mn re-tap of its HZFYCT 6.8%'21s at 6.8%.

Date	Issuer	Size	Tenor	Pricing
14-Dec18	Yuyao Economic Development Zone Construction Investment and Development Co Ltd	USD100mn	3-year	7.0%
14-Dec18	Hangzhou Fuyang Chengtou Group (HK)	USD70mn	HZFYCT 6.8%'21s	6.8%
13-Dec-18	Fantasia Holdings Group Co Ltd	USD130mn	3NP2	15.0%
13-Dec-18	Chengdu Communications Investment Group Corporation	USD400mn	3-year	5.5%
13-Dec-18	Xinhu (BVI) 2018 Holding Company Ltd	USD240mn	3NCNP2	11.0%
13-Dec-18	Yichang High-Tech Investment Development Co Ltd	USD50mn	3-year	7.5%
13-Dec-18	Zhengzhou Metro Group Co Ltd	USD500mn	3-year	5.3%
12-Dec-18	Greenland Hong Kong Holdings Ltd	USD200mn	1.5-year	9.875%
12-Dec-18	Baoji Investment (Group) Co Ltd	USD80mn	3-year	7.0%
12-Dec-18	Chongqing Nan'an Urban Construction & Development (Group) Co Ltd	USD300mn	3.5-year	6.1%
11-Dec-18	Kaisa Group Holdings Ltd.	USD300mn	365 day	12.0%
11-Dec-18	Shaoxing City Investment Group Ltd.	USD350mn	3-year	5.95%
10-Dec-18	Shimao Property Holdings Ltd	USD570mn	SHIMAO 6.375%'21s	7.125%
10-Dec-18	Industrial & Commercial Bank of China Ltd/Dubai DIFC	USD100mn	2-year	3mL+60bps

Source: OCBC, Bloomberg

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