

June 6, 2018

## Market Commentary

- The SGD swap curve flattened yesterday, with swap rates trading around 1bp lower across most tenors.
- Flows in SGD corporates were light yesterday.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS was unchanged at 138bps and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 6bps to 470bps.
- 10Y UST yields fell 1bp to 2.93% as traders piled back into lower-risk government debt after Italy's new prime minister vowed to enact economic policies that could balloon the nation's already-heavy debt load.

**Table 1: Key Financial Indicators**

	6-Jun	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	77	-1	-1
iTraxx SovX APAC	13	0	0
iTraxx Japan	51	-2	3
iTraxx Australia	69	-2	3
CDX NA IG	64	-1	2
CDX NA HY	107	0	0
iTraxx Eur Main	67	-1	11
iTraxx Eur XO	293	-13	20
iTraxx Eur Snr Fin	80	-7	19
iTraxx Sovx WE	26	-4	10
AUD/USD	0.766	1.06%	1.84%
EUR/USD	1.173	0.51%	-1.65%
USD/SGD	1.334	0.43%	0.15%
China 5Y CDS	55	-2	-6
Malaysia 5Y CDS	92	3	10
Indonesia 5Y CDS	123	5	-4
Thailand 5Y CDS	44	-1	-1

	6-Jun	1W chg	1M chg
Brent Crude Spot (\$/bbl)	75.40	-2.71%	0.71%
Gold Spot (\$/oz)	1,297.49	-0.30%	-1.27%
CRB	199.19	-1.30%	-2.00%
GSCI	472.20	-2.38%	-1.51%
VIX	12.4	-27.14%	-16.05%
CT10 (bp)	2.931%	7.64	-1.83
USD Swap Spread 10Y (bp)	6	2	2
USD Swap Spread 30Y (bp)	-8	2	3
TED Spread (bp)	38	-2	-16
US Libor-OIS Spread (bp)	40	-1	-12
Euro Libor-OIS Spread (bp)	4	-1	0
DJIA	24,800	1.80%	2.22%
SPX	2,749	2.19%	3.21%
MSCI Asiax	725	3.25%	2.68%
HSI	31,209	3.83%	4.29%
STI	3,485	1.19%	-1.70%
KLCI	1,755	-2.39%	-4.74%
JCI	6,076	0.13%	4.90%

Source: OCBC, Bloomberg

## New issues

- Industrial and Commercial Bank of China Ltd (London Branch) has priced a USD1bn and a EUR500mn deal across three-tranches with the USD500mn 3-year FRN priced at 3mL+73bps, tightening from its initial price guidance of 3mL+100bps area; the USD500mn 5-year FRN priced at 3mL+83bps, tightening from its initial price guidance of 3mL+110bps area and EUR500mn 3-year FRN priced at 3mE+50bps, tightening from its initial price guidance of 3mE+70bps area.
- Easy Tactic Ltd has priced a USD200mn re-tap of its GZRFPR 7%'21s (guaranteed by R&F Properties (HK) Co Ltd and certain Non-PRC subsidiaries of Guangzhou R&F Properties Co Ltd, Keepwell Provider: Guangzhou R&F Properties Co Ltd) at 7.00%, tightening from its initial price guidance of 8.08% area.

Date	Issuer	Size	Tenor	Pricing
5-June-18	Industrial and Commercial Bank of China Ltd (London Branch)	USD500mn	5-year	3mL+83bps
5-June-18	Industrial and Commercial Bank of China Ltd (London Branch)	USD500mn	3-year	3mL+73bps
5-June-18	Industrial and Commercial Bank of China Ltd (London Branch)	EUR500mn	3-year	3mE+50bps
5-June-18	Easy Tactic Ltd (re-tap)	USD200mn	GZRFPR 7%'21s	97.5+accrued interest
4-June-18	Hyundai Capital America	USD300mn	5-year	CT5+135bps
4-June-18	Hyundai Capital America	USD650mn	3-year	3mL+94bps
4-June-18	Hyundai Capital America	USD350mn	3-year	CT3+115bps
4-June-18	DBS Group Holdings Ltd	USD750mn	10.5NC5.5	CT10+173bps
1-June-18	China Construction Bank Corp Hong Kong Branch	USD900mn	3-year	3mL+73bps
1-June-18	China Construction Bank Corp Hong Kong Branch	USD600mn	5-year	3mL+83bps
31-May-18	Bank of China Ltd	USD500mn	5-year	3mL+83bps
31-May-18	Bank of China Ltd	USD500mn	3-year	3mL+73bps
31-May-18	Full Dragon Hong Kong International Development Ltd (re-tap)	USD100mn	ZHANLO 5.6%'21	97.8+ accrued interest
31-May-18	Korea Western Power Co Ltd	USD300mn	5-year	CT5+112.5bps
30-May-18	Fuxiang Investment Management Ltd	USD250mn	363-day	5.1%

Source: OCBC, Bloomberg

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