

January 9, 2018

Market Commentary: The SGD swap curve steepened yesterday, with the swap curve trading 1-3bps lower for the shorter tenors while the longer tenors traded 1-2bps higher. Flows in SGD corporates were heavy, with better buying seen in WINGTA 4.35%-PERPs and CELSP 3.9%-PERPs and better selling seen in BAERVX 5.75%-PERPs. In the broader dollar space, the spread on the Itraxx Asia ex-Japan traded 1.9bps lower to 60.4bps. The 10Y UST yield traded little changed, rising by only 0.37bps to 2.48%.

New Issues: BPCE SA has issued USD1.7bn in Senior Preferred Notes across two tranches with the USD850mn 5-year bond priced at CT5+65bps, tightening from its initial guidance of CT5+80-85bps and the USD850mn 10-year bond priced at CT10+90bps, tightening from its initial guidance of CT10+105-110bps. Longfor Properties Co Ltd has priced a two-tranche deal with the USD300mn 5.25-year bond priced at CT5+168bps, tightening from its initial guidance of CT5+200bps area, and a USD500mn 10-year bond priced at CT10+205bps, tightening from its initial guidance of CT10+235bps area. The expected issue ratings are 'NR/Baa3/BBB'. National Australia Bank Ltd has priced a four-tranche deal with the USD900mn 3 year Fxd priced at CT3+53bps, tightening from the initial CT3+53-57bps area; the USD500mn 5.25-year Fxd priced at CT5+65bps, in line with the guidance of CT5+65bps area; the USD 600mn 3-year floating rate bond priced at 3mL+35bps and the USD 500mn 5-year floating rate bond priced at 3mL+60bps. The expected issue ratings are 'NR/Aa3/AA-'. Country Garden Holdings Co Ltd scheduled investor meetings for potential USD bond issuance. Puma Energy Holdings Pte Ltd also scheduled investor meetings for its USD Fxd 8NC3 bond. The expected issue ratings are 'NR/NR/BBB-'. Petron Corporation has scheduled investor meetings from 9 Jan for potential USD perpetual bond. Sea Holdings Ltd has also scheduled investor meetings from Jan 9 for potential USD bond issuance. Wharf Real Estate Investment Co Ltd hired bank for its USD bond issuance. The expected issue ratings are 'NR/A2/NR'.

Rating Changes: There are no major rating changes in Asia over 8 Jan 2018.

Table 1: Key Financial Indicators

	9-Jan	1W chg (bps)	1M chg (bps)		9-Jan	1W chg	1M chg
iTraxx Asiax IG	60	-6	-12	Brent Crude Spot (\$/bbl)	67.78	1.36%	6.91%
iTraxx Sovx APAC	11	-2	-3	Gold Spot (\$/oz)	1,317.44	-0.01%	6.07%
iTraxx Japan	44	-1	-2	CRB	192.92	-0.49%	4.27%
iTraxx Australia	53	-6	-11	GSCI	443.76	0.30%	5.57%
CDX NA IG	45	-4	-5	VIX	9.52	-13.77%	-0.63%
CDX NA HY	109	1	1	CT10 (bp)	2.482%	1.85	10.58
iTraxx Eur Main	44	-1	-4	USD Swap Spread 10Y (bp)	-1	1	-2
iTraxx Eur XO	225	-8	-6	USD Swap Spread 30Y (bp)	-20	1	0
iTraxx Eur Shr Fin	43	-1	-3	TED Spread (bp)	31	-1	8
iTraxx Sovx WE	0			US Libor-OIS Spread (bp)	24	-2	9
iTraxx Sovx CEEMEA	34	1	-9	Euro Libor-OIS Spread (bp)	1	2	2
					9-Jan	1W chg	1M chg
				AUD/USD	0.785	0.27%	4.32%
				USD/CHF	0.978	-0.62%	1.43%
				EUR/USD	1.197	-0.73%	1.72%
				USD/SGD	1.332	-0.21%	1.46%
Korea 5Y CDS	45	-7	-13	DJIA	25,283	2.28%	3.92%
China 5Y CDS	45	-6	-11	SPX	2,748	2.77%	3.63%
Malaysia 5Y CDS	53	-6	-11	MSCI Asiax	742	2.38%	7.46%
Philippines 5Y CDS	53	-5	-11	HSI	30,900	3.28%	7.89%
Indonesia 5Y CDS	78	-7	-17	STI	3,512	2.39%	2.56%
Thailand 5Y CDS	41	-4	-6	KLCI	1,832	2.77%	6.44%
				JCI	6,385	0.47%	5.88%

Source: OCBC, Bloomberg

Table 2: Recent Asian New Issues

Date	Issuer	Ratings	Size	Tenor	Pricing
8-Jan-18	National Australia Bank Ltd	'NR/Aa3/AA-'	USD 500mn	5-year	3mL+60bps
8-Jan-18	National Australia Bank Ltd	'NR/Aa3/AA-'	USD 600mn	3-year	3mL+35bps
8-Jan-18	National Australia Bank Ltd	'NR/Aa3/AA-'	USD500mn	5.25-year	CT5+65bps
8-Jan-18	National Australia Bank Ltd	'NR/Aa3/AA-'	USD900mn	3-year	CT3+53bps
8-Jan-18	Longfor Properties Co Ltd	'NR/Baa3/BBB'	USD500mn	10-year	CT10+205bp
8-Jan-18	Longfor Properties Co Ltd	'NR/Baa3/BBB'	USD300mn	5.25-year	CT5+168bp
8-Jan-18	BPCE SA	Not Rated	USD850mn	10-year	CT10+90bps
8-Jan-18	BPCE SA	Not Rated	USD850mn	5-year	CT5+65bps

Source: OCBC, Bloomberg

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