

May 29, 2019

## Market Commentary

- The SGD swap curve bull-flattened yesterday, with the shorter tenors and belly trading 1-2bps lower while the longer tenors traded 3-4bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 1bps to 137bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 3bps to 496bps.
- Flows in SGD corporates were heavy, with activity in UBS 5.875%-PERPs, SOCGEN 6.125%-PERPs, WINGTA 4.35%-PERPs, DBSSP 3.98%-PERPs, FPLSP 4.98%-PERPs, MFCCN 3.0%'29s and FPLSP 3.95%-PERPs.
- 10Y UST yields fell 5bps to 2.27%, on the back of safe haven demand sparked by worrying developments in the US-China trade talks and Italy's budget policy. US President Donald Trump has commented that the US was not ready to make a deal with China, while Italy could be imposed a EUR3bn fine by the European Commission for breaking EU rules with regards to its rising debt and structural deficit levels.

**Table 1: Key Financial Indicators**

	29-May	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	75	2	0
iTraxx SovX APAC	49	2	0
iTraxx Japan	64	3	10
iTraxx Australia	74	1	8
CDX NA IG	66	3	0
CDX NA HY	105	-1	0
iTraxx Eur Main	69	2	11
iTraxx Eur XO	298	13	51
iTraxx Eur Snr Fin	89	5	0
iTraxx Sovx WE	18	1	0
AUD/USD	0.692	0.54%	-1.94%
EUR/USD	1.116	0.06%	-0.26%
USD/SGD	1.383	-0.24%	-1.51%
China 5Y CDS	53	3	0
Malaysia 5Y CDS	68	3	15
Indonesia 5Y CDS	109	3	15
Thailand 5Y CDS	37	0	0

	29-May	1W chg	1M chg
Brent Crude Spot (\$/bbl)	69.55	-2.03%	-3.46%
Gold Spot (\$/oz)	1,283.86	0.83%	0.31%
CRB	180.26	-0.79%	-2.13%
GSCI	432.00	-2.51%	-2.88%
VIX	17.5	7.30%	33.49%
CT10 (bp)	2.226%	-15.65	-29.97
USD Swap Spread 10Y (bp)	-5	0	-3
USD Swap Spread 30Y (bp)	-28	0	-4
US Libor-OIS Spread (bp)	16	1	-2
Euro Libor-OIS Spread (bp)	6	0	0
DJIA	25,348	-1.29%	-4.54%
SPX	2,802	-1.33%	-4.78%
MSCI Asiax	617	-0.73%	-9.00%
HSI	27,291	-1.50%	-8.70%
STI	3,155	-0.89%	-7.40%
KLCI	1,624	1.27%	-0.81%
JCI	6,105	2.79%	-4.99%

## New issues

- Chongqing Nan'an Urban Construction & Development Group Co Ltd has priced a USD500mn 5-year bond at 4.80%, tightening from IPT of low 5% area.
- KEB Hana Bank has priced a USD400mn 5-year FRN at 3-month US LIBOR+75bps, in line with final guidance.
- Delhi International Airport Ltd has priced a USD350mn 10-year bond at 6.45%, tightening from IPT of 6.75% area.
- Export-Import Bank of China has priced a USD100mn 5-year FRN at 3-month US LIBOR +65bps.
- Ping An Real Estate Co Ltd (guarantor: Pingan Real Estate Capital Ltd) has scheduled investor meetings from 29 May for its potential USD bond issuance.

<u>Date</u>		<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
28-May-19	Chongqing Nan'an Urban Construction & Development Group Co Ltd	USD500mn	5-year	4.80%
28-May-19	KEB Hana Bank	USD400mn	5-year	3M-US LIBOR+75bps
28-May-19	Delhi International Airport Ltd	USD350mn	10-year	6.45%
28-May-19	Export-Import Bank of China	USD100mn	5-year	3M-US LIBOR+65bps
27-May-19	Agile Group Holdings Ltd	USD600mn	NC4.5-perpetual	8.375%
27-May-19	RongXingDa Development BVI Ltd	USD175mn	RISSUN 8.0%'22s	8.75%
23-May-19	Huarong Finance 2019 Co. Ltd	USD300mn USD900mn USD700mn	3-year 5-year 10-year	CT3+135bps CT3+165bps CT10+220bps
23-May-19	ESR Cayman Ltd	SGD47.75mn	ESRCAY 6.75%'22s	6.75%
22-May-19	Chouzhou International Investment Ltd	USD600mn	3-year	4.6%
22-May-19	Pingxiang Urban Construction Investment Developing Company Ltd	USD300mn	35-month	4.95%
22-May-19	Horse Gallop Finance Ltd	USD700mn	3-year	CT3+112.5bps
22-May-19	Soar Wise Ltd	USD450mn	3-year	CT3+132.5bps
22-May-19	Kaisa Group Holdings Ltd	USD400mn	3.67NC2 bond	11.625%

Source: OCBC, Bloomberg

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