

Jan 4, 2019

## Market Commentary

- The SGD swap curve steepened yesterday, with the shorter tenors trading within 1bps higher (with the exception of the 1-year swap rates trading little change) while the longer tenors traded 1-2bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 2bps to 170bps and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 26bps to 655bps.
- Flows in SGD corporates were heavy yesterday, with flows seen in UBS 5.875%-PERPs, DBSSP 3.98%-PERPs and HSBC 5.0%-PERPs.
- 10Y UST yields fell 7bps to close at 2.55%, on the back of newly released data indicating a significant slowdown in US manufacturing activity. The revenue warning issued by Apple due to weakening iPhone sales in China also added onto the adverse market sentiments regarding the impact of the economic slowdown in China.

**Table 1: Key Financial Indicators**

	4-Jan	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	100	3	8
iTraxx SovX APAC	73	3	5
iTraxx Japan	88	2	20
iTraxx Australia	99	3	11
CDX NA IG	90	2	11
CDX NA HY	101	0	-2
iTraxx Eur Main	93	3	11
iTraxx Eur XO	373	11	44
iTraxx Eur Snr Fin	118	6	11
iTraxx Sovx WE	26	1	0
AUD/USD	0.703	-0.27%	-4.22%
EUR/USD	1.140	-0.42%	0.47%
USD/SGD	1.362	0.30%	0.23%
China 5Y CDS	70	3	4
Malaysia 5Y CDS	113	3	4
Indonesia 5Y CDS	143	5	1
Thailand 5Y CDS	46	0	2

	4-Jan	1W chg	1M chg
Brent Crude Spot (\$/bbl)	55.92	7.21%	-9.92%
Gold Spot (\$/oz)	1,295.01	1.12%	4.56%
CRB	171.55	-0.80%	-6.83%
GSCI	381.20	1.88%	-8.60%
VIX	25.45	-16.31%	22.71%
CT10 (bp)	2.582%	-13.67	-33.21
USD Swap Spread 10Y (bp)	2	0	-4
USD Swap Spread 30Y (bp)	-18	0	-5
TED Spread (bp)	38	-6	-1
US Libor-OIS Spread (bp)	39	0	3
Euro Libor-OIS Spread (bp)	5	1	1
DJIA	22,686	-0.84%	-9.35%
SPX	2,448	-0.80%	-9.34%
MSCI Asiax	579	-1.79%	-7.71%
HSI	25,426	-0.21%	-6.73%
STI	3,041	-0.12%	-4.00%
KLCI	1,675	-0.94%	-1.19%
JCI	6,246	1.94%	1.52%

## New issues

- China Aoyuan Property Group Ltd has priced a USD275mn retap of its USD225mn 7.95% 3NCNP2 bond at 7.939% yield to put to form a USD500mn total deal size.
- State Bank of India has hired banks for its potential USD bond issuance.
- NCIG Holdings Pty Ltd has scheduled for investor meetings on 9 Jan for its potential bond issuance.

<u>Date</u>	<u>Issuer</u>	<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
3-Jan-19	China Aoyuan Property Group Ltd	USD275mn	CAPG 7.95%'21s	7.939%
28-Dec-18	Macrolink Global Development Ltd	USD168mn	2-year	9.5%
25-Dec-18	Redco Properties Group	USD110.4mn	REDPRO 11.0%'20s	11.0%
17-Dec-18	Wuhan Financial Holdings (Group) Co Ltd	USD142mn	3-year	5.8%
17-Dec-18	CIFI Holdings (Group) Co Ltd	USD400mn	2-year and 2-month	7.625%
17-Dec-18	Redsun Properties Group Ltd	USD200mn	REDSUN 13.5%'20s	13.5%
14-Dec-18	Yuyao Economic Development Zone Construction Investment and Development Co Ltd	USD100mn	3-year	7.0%
14-Dec-18	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%

Source: OCBC, Bloomberg

**Andrew Wong**

Treasury Research & Strategy  
Global Treasury, OCBC Bank  
(65) 6530 4736  
[wongVKAM@ocbc.com](mailto:wongVKAM@ocbc.com)

**Ezien Hoo, CFA**

Treasury Research & Strategy  
Global Treasury, OCBC Bank  
(65) 6722 2215  
[EzienHoo@ocbc.com](mailto:EzienHoo@ocbc.com)

**Wong Hong Wei, CFA**

Treasury Research & Strategy  
Global Treasury, OCBC Bank  
(65) 6722 2533  
[WongHongWei@ocbc.com](mailto:WongHongWei@ocbc.com)

**Seow Zhi Qi**

Treasury Research & Strategy  
Global Treasury, OCBC Bank  
(65) 6530 7348  
[zhiqiseow@ocbc.com](mailto:zhiqiseow@ocbc.com)

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