

2011 SGS ISSUANCE CALENDAR: THREE 2-YEAR RE-OPENINGS & A NEW 5- AND 10-YEAR ISSUE

Tuesday, October 19, 2010

Release of the 2011 SGS bond issuance calendar.

2011 SGS issuance calendar has been released. Notable highlights are:

- 6 re-openings (of which three are 2-year tenors, and the rest being 7, 15, and 20-year tenors), and only 2 new issues (the 5-year in Apr and 10-year in June 2011). This contrasts with the 2010 SGS issuance calendar which had only 2 re-openings of the 2-year SGS bond, and the 2 new issues were for the 7-year in Apr and 20-year in Sep 2010. This suggests some front-loading of the issuance calendar in the first half of 2011, with increased offerings of the 2-year SGS bond (possibly to meet increased demand from foreign and domestic investors in the wake of MAS' monetary policy tightening in Oct by slightly steepening the slope and widening the band of the SGD NEER. Note the 3-month SIBOR had dropped from around 0.5% prior to the MAS' MPS on 14 Oct to 0.4632% as of 19 Oct. See table and charts below.
- Gross SGS bond issuance (excluding 3-month and 1-year T-bills) could be between \$10-15 billion next year, comparable to the \$13.4 billion issued this year. There are two SGS bond maturities due in 2011 - \$4.7 billion of the 5-year SGS bond maturing Feb'11 and \$6.8 billion of the 10-year SGS bond maturing Jul'11. After netting off the \$11.5 billion maturing next year, actually the net average SGS bond issuance could be around \$1 billion (ranging from - \$1.5 billion to +\$3.5 billion), which is relatively low compared to earlier years.
- There was a surge in net T-bill issuance in 2009 to \$16.2 billion, which is nearly four times the average \$3.9 billion seen for the preceding four years. The strong demand for short-dated paper could partly be a reflection of the strong capital inflows following the recovery of the global economy in the wake of the 2008 financial crisis. Note the weekly tender amount for the 3-month T-bill had increased to \$3.7 billion since August 2010, compared to just \$2 billion in October 2008. However, the net T-bill issuance has normalised somewhat to around \$2.4 billion for the year-to-date in 2010. Going forward, with MAS having slightly steepened the slope and widened the trading band for the SGD NEER last week to combat rising inflationary pressure, it is likely that demand for short-dated papers should remain supported in the near-term.

Corporate FX &
Structured Products
Tel: 6349-1888 / 1881

Fixed Income &
Structured Products
Tel: 6349-1810

Investments &
Structured Product
Tel: 6349-1886

Interest Rate Derivatives
Tel: 6349-1899

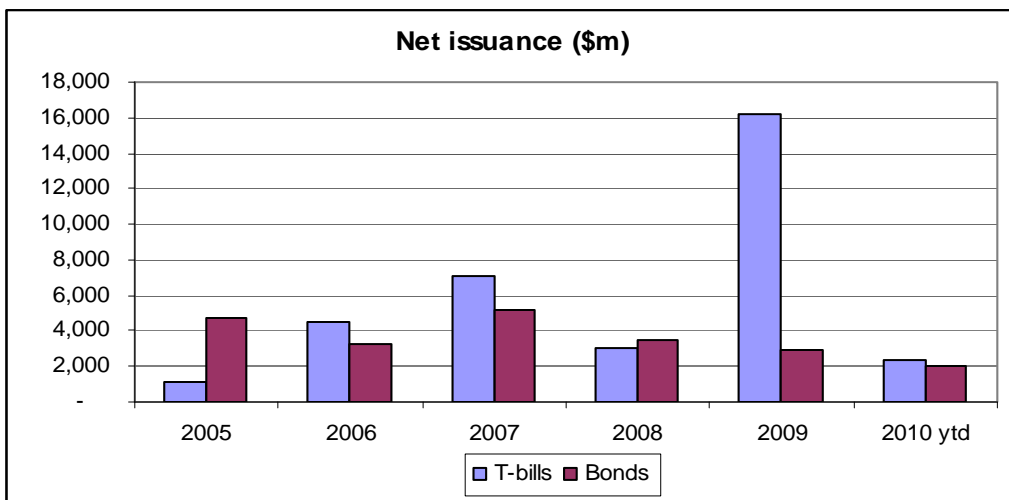
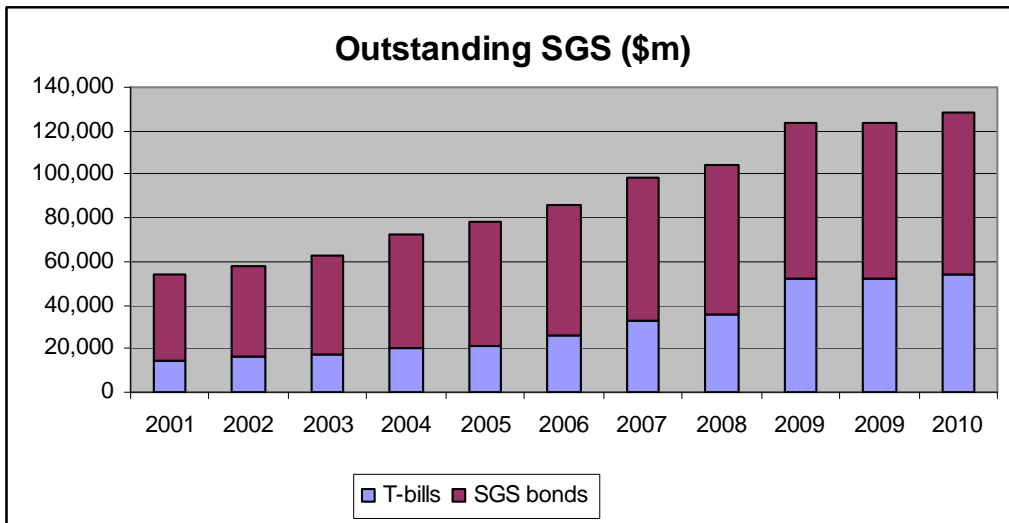
Treasury Research &
Strategy
Tel: 6530-4887

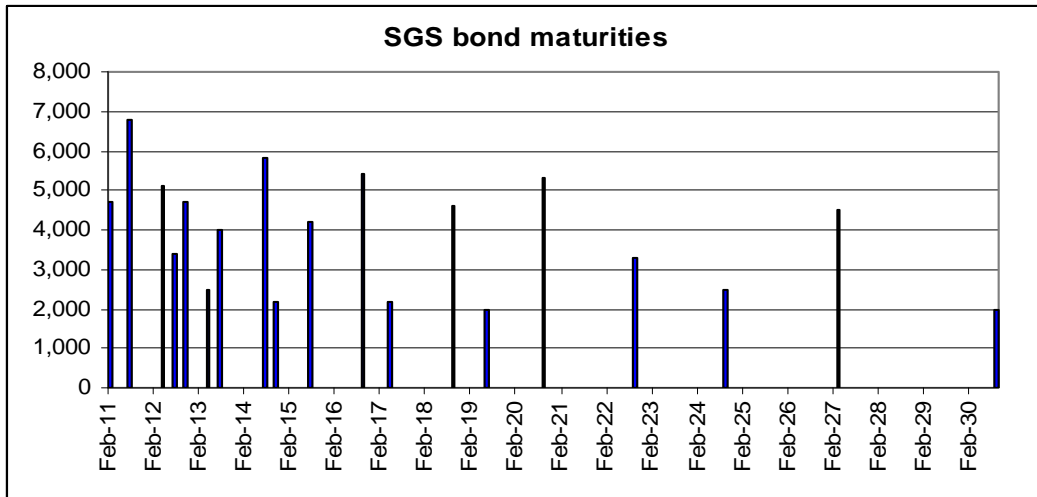
Selena Ling
+65 6530 4887
lingssselena@ocbc.com

The 2011 SGS issuance calendar

Issuance Date	Tenor	New/Re-opening	Issue Code/ ISIN Code
MON, 03 Jan 2011	7-yr	Reopen**	NX09100W/SG7S29941612
TUE, 01 Feb 2011	2-yr	Reopen	N508100V/SG7P26938168
TUE, 01 Mar 2011	20-yr	Reopen	NZ10100F/SG7U32949426
FRI, 01 Apr 2011	5-yr	New Issue	N511100W/Tbc
TUE, 03 May 2011	1-yr	New Issue	BY11100X/Tbc
WED, 01 Jun 2011	10-yr	New Issue	NX11100X/Tbc
FRI, 01 Jul 2011	2-yr	Reopen	NX03100Z/SG5857905953
THU, 01 Sep 2011	15-yr	Reopen	NY09100H/SG7S30941627
MON, 03 Oct 2011	2-yr	Reopen**	N509100N/SG7S28941605
TUE, 01 Nov 2011	1-yr	New Issue	BY11101W/Tbc

** The reopened bond will not be a benchmark bond.





Big rally in the SGS bond market in the past year, led by longer tenors.

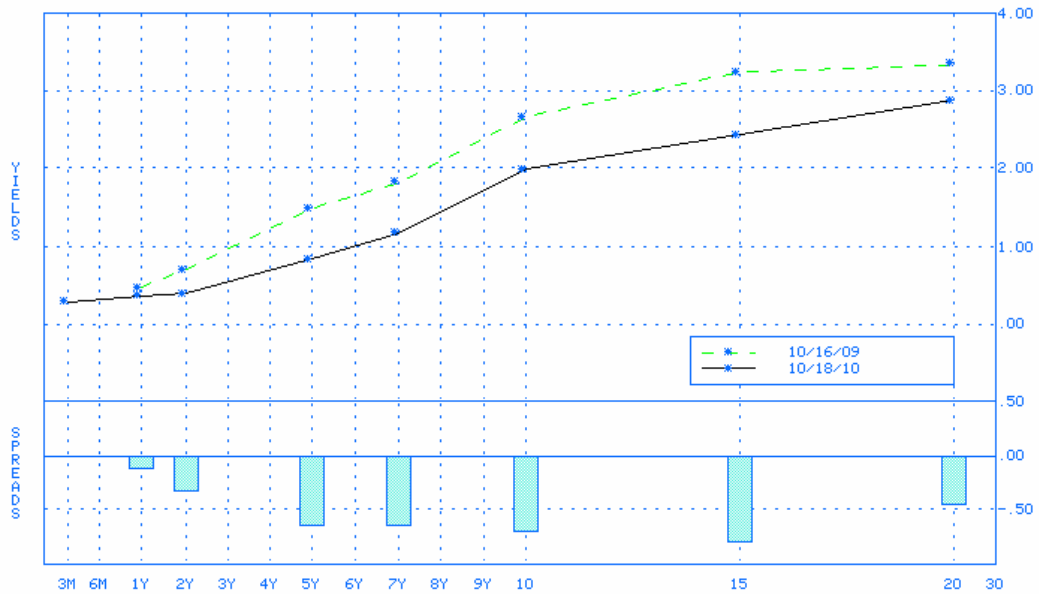
SINGAPORE GOVT

10/18/10

vs 10/16/09

3M

20



Source: MAS, SGS, Bloomberg, OCBC

This publication is solely for information purposes only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This publication should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this publication may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This publication may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, they should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. OCBC and/or its related and affiliated corporations may at any time make markets in the securities/instruments mentioned in this publication and together with their respective directors and officers, may have or take positions in the securities/instruments mentioned in this publication and may be engaged in purchasing or selling the same for themselves or their clients, and may also perform or seek to perform broking and other investment or securities-related services for the corporations whose securities are mentioned in this publication as well as other parties generally

Co.Reg.no.:193200052W