

October 10, 2016

**Market Commentary:** The SGD swap curve traded upwards last Friday with swap rates trading 1-5bps higher across all tenors. Flows in the SGD corporates space were light on Friday. The Itraxx Asia ex-Japan IG index opened at 115bps this morning, little unchanged from last Friday's close. 10y UST yield decreased 2bps to 1.72% after a report showed the US added fewer jobs than forecast in September, leading market to trim bets that the Federal Reserve will raise interest rates in November.

**New Issues:** ITC Properties Group Ltd. has priced a USD200mn 5-year bond at 4.75% (to yield 5%), tightening from its initial guidance at 5.125%. Delta Dunia Makmur Tbk PT has scheduled an extra-ordinary shareholder's meeting on 15 November for a potential USD500mn bond issue.

**Rating Changes:** S&P affirmed its "BBB+" counterparty credit ratings on Deutsche Bank AG ("DB") on the expectation that the eventual settlement with the US Department of Justice for RMBS litigation will be materially lower than the initially proposed amount of USD14bn and that DB's current rating can absorb S&P's assumed settlement amount given its financial flexibility. The outlook remains negative to reflect the execution challenges in DB's restructuring plan to improve its profitability to that of its peers. Moody's assigned a first time "Baa2" issuer rating to WH Group Ltd. with a stable outlook. The rating reflects WH Group's large and geographically diversified operating scale, which encompasses all key segments of the hog production, fresh pork and packaged meat industry, contributing in turn to steady cash flow growth and a solid financial profile.

**Table 1: Key Financial Indicators**

	10-Oct	1W chg (bps)	1M chg (bps)		10-Oct	1W chg	1M chg
iTraxx Asiax IG	115	-1	6	Brent Crude Spot (\$/bbl)	51.42	1.04%	7.10%
iTraxx SovX APAC	33	0	-5	Gold Spot (\$/oz)	1,260.53	-3.89%	-5.07%
iTraxx Japan	56	0	1	CRB	188.32	1.07%	3.17%
iTraxx Australia	104	1	4	GSCI	371.81	2.01%	4.80%
CDX NA IG	74	-1	1	VIX	13.48	1.43%	-22.97%
CDX NA HY	104	0	0	CT10 (bp)	1.718%	9.60	4.32
iTraxx Eur Main	74	-1	4	USD Swap Spread 10Y (bp)	-16	-2	-1
iTraxx Eur XO	333	-2	7	USD Swap Spread 30Y (bp)	-56	-2	-2
iTraxx Eur Snr Fin	99	-5	9	TED Spread (bp)	56	-2	6
iTraxx Sovx WE	22	0	-3	US Libor-OIS Spread (bp)	42	0	2
iTraxx Sovx CEEMEA	91	1	-15	Euro Libor-OIS Spread (bp)	4	-1	-1
					<b>10-Oct</b>	<b>1W chg</b>	<b>1M chg</b>
				AUD/USD	0.760	-1.02%	0.41%
				USD/CHF	0.978	-0.45%	-0.61%
				EUR/USD	1.119	-0.16%	-0.37%
				USD/SGD	1.373	-0.58%	-1.23%
Korea 5Y CDS	40	-1	-2	DJIA	18,240	-0.37%	0.86%
China 5Y CDS	105	-1	6	SPX	2,154	-0.67%	1.22%
Malaysia 5Y CDS	118	-1	-1	MSCI Asiax	557	0.22%	0.05%
Philippines 5Y CDS	118	1	29	HSI	23,852	2.38%	-1.03%
Indonesia 5Y CDS	150	0	8	STI	2,875	0.20%	0.07%
Thailand 5Y CDS	84	-1	0	KLCI	1,665	-0.26%	-1.25%
				JCI	5,377	0.23%	1.80%

Source: OCBC, Bloomberg

**Table 2: Recent Asian New Issues**

Date	Issuer	Ratings	Size	Tenor	Pricing
7-Oct-16	ITC Properties Group Ltd.	"NR/NR/NR"	USD200mn	5-year	5%
5-Oct-16	UPL Corp. Ltd.	"BBB-/Baa3/BBB-"	USD500mn	5-year	CT5+200bps
4-Oct-16	Korea Housing Finance Corp.	"NR/Aa1/NR"	USD500mn	5-year	CT5+85bps
29-Sep-16	Croesus Retail Asset Management	"NR/NR/NR"	SGD50mn	Re-Tap	99.5
29-Sep-16	Kasikornbank PCL (Hong Kong)	"BBB+/Baa1/BBB+"	USD400mn	5.5-year	2.375%
29-Sep-16	Jubilant Pharma Ltd.	"BB-/NR/BB"	USD300mn	5NC3	4.875%
29-Sep-16	Television Broadcast Ltd.	"NR/NR/NR"	USD500mn	5-year	3.625%
29-Sep-16	RHB Bank	"BBB+/A3/NR"	USD500mn	5-year	CT5+137.5bps

Source: OCBC, Bloomberg

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