

Jan 13, 2016

**Market Commentary:** SGD swap rates traded higher yesterday, with short-end rates trading 1bp-2bps higher while belly-to-long-end rates traded 3bps-4bps higher. In the broader Asia dollar space, JACI IG corporate spreads widened 2bps to 225bps while the yield on the JACI HY corporates increased 6bps to 8.04%. 10y UST yields fell 7bps to 2.10%.

**New Issues:** Ping An Life Insurance Co. of China Ltd came to market with a dual tranche deal with the USD700m 3-year tranche pricing at CT3+125bps, tightening from initial guidance of CT3+150bps, and the USD500m 5-year tranche at CT5+150bps, tightening from initial guidance in the CT5+165bps area. Standard Chartered PLC priced USD1bn of 5-year senior bonds at CT5+158bps, tightening from initial guidance of CT5+162.5bps. China Energy Reserve and Chemicals Group Overseas Co. Ltd priced a USD400m 3-year bond issue at 6.125%, tightening from IPT of 6.25%. Woori Bank priced a USD500m 5.5-year bond issue at CT5+112.5bps, tightening from IPT of CT5+130bps. Macquarie Bank priced a 4-part bond offering as follows: USD600m 3-year bond at CT3+120bps, tightening from IPT of CT3+125bps; USD800m 5-year bond at CT5+135bps, tightening from IPT of CT5+140bps; USD700m 10-year bond at CT10+180bps, tightening from IPT of 190bps. Kookmin Bank is planning for a USD covered bond issue, as investor meetings ended yesterday for the bond issue. No further details were provided.

## Credit Headlines:

First Real Estate Investment Trust ("FIRT"): Given that OCBC is the agent in the consent solicitation, we will suspend our recommendations on First REIT and the FIRTSP '18's until the exercise is completed. (SGX, OCBC)

Table 1: Key Financial Indicators

	13-Jan	1W chg (bps)	1M chg (bps)		13-Jan	1W chg	1M chg
iTraxx Asiax IG	151	6	6	Brent Crude Spot (\$/bbl)	30.86	-15.27%	-18.64%
iTraxx SovX APAC	76	1	0	Gold Spot (\$/oz)	1,085.55	0.01%	1.79%
iTraxx Japan	83	6	5	CRB	162.07	-6.35%	-7.31%
iTraxx Australia	138	6	7	GSCI	284.76	-7.29%	-9.29%
CDX NA IG	99	6	6	VIX	22.47	16.18%	-7.87%
CDX NA HY	99	-1	0	CT10 (bp)	2.126%	-4.41	-0.09
iTraxx Eur Main	86	5	1	USD Swap Spread 10Y (bp)	-15	-6	-5
iTraxx Eur XO	352	15	-7	USD Swap Spread 30Y (bp)	-48	-7	-11
iTraxx Eur Snr Fin	81	3	-1	TED Spread (bp)	42	0	12
iTraxx Sovx WE	18	1	1	US Libor-OIS Spread (bp)	24	-1	4
iTraxx Sovx CEEMEA	201	12	17	Euro Libor-OIS Spread (bp)	12	0	1
					13-Jan	1W chg	1M chg
				AUD/USD	0.701	-0.82%	-2.79%
				USD/CHF	1.004	0.58%	-1.87%
				EUR/USD	1.084	0.93%	-1.06%
				USD/SGD	1.435	-0.06%	-1.57%
Korea 5Y CDS	65	4	5	DJIA	16,516	-3.74%	-4.34%
China 5Y CDS	120	4	4	SPX	1,939	-3.87%	-3.66%
Malaysia 5Y CDS	206	13	1	MSCI Asiax	457	-4.67%	-6.56%
Philippines 5Y CDS	121	4	4	HSI	19,712	-6.97%	-8.16%
Indonesia 5Y CDS	248	6	-8	STI	2,692	-5.03%	-5.04%
Thailand 5Y CDS	151	4	4	KLCI	1,641	-1.46%	0.07%
				JCI	4,513	-0.99%	2.71%

Source: OCBC, Bloomberg

Table 2: Recent Asian New Issues

Date	Issuer	Ratings	Size	Tenor	Pricing
13-Jan-16	Ping An Life Insurance Co of China Ltd	NR/NR/NR	USD700mn	3-year	CT3+125bps
13-Jan-16	Ping An Life Insurance Co of China Ltd	NR/NR/NR	USD500mn	5-year	CT5+150bps
13-Jan-16	Standard Chartered PLC	A-/Aa3/A+	USD1bn	5-year	CT5+158bps
13-Jan-16	China Energy Reserve and Chemicals Group Intl Co.	NR/NR/NR	USD400mn	3-year	6.125%
13-Jan-16	Woori Bank	A-/A1/A-	USD500mn	5.5-year	CT5+112.5bps
13-Jan-16	Macquarie Bank	A/A2/A	USD600mn	3-year	CT3+120bps
13-Jan-16	Macquarie Bank	A/A2/A	USD800mn	5-year	CT5-135bps
13-Jan-16	Macquarie Bank	A/A2/A	USD700mn	10-year	CT10+180bps

Source: OCBC, Bloomberg

**Andrew Wong**

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

**Nick Wong Liang Mian, CFA**

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

**Nicholas Koh Jun Ming**

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

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.