

Jan 19, 2016

Market Commentary: SGD swap rates traded higher yesterday, with the shorter-end rates trading 1bp-4bps higher while the belly-to-longer-end rates traded 5bps-7bps higher. US markets were closed yesterday for Martin Luther King day. Elsewhere, PT Lippo Karawaci announced an exchange offer for their USD250mn 2019 bonds for new 2023 bonds to extend their debt maturity profile. They also announced consent solicitations for its existing bonds to align the terms of the existing notes with the new notes (Bloomberg). PT Lippo Karawaci's ratings currently remain unchanged by the exchange offer.

Rating Changes: S&P downgraded SK E&S Co Ltd LT Local and Foreign Issuer Credit Profile to "BBB" from "BBB+" on the expectation of weaker financial metrics from weakening operating performance and aggressive capital expenditure.

Table 1: Key Financial Indicators

	<u>19-Jan</u>	<u>1W chg (bps)</u>	<u>1M chg (bps)</u>		<u>18-Jan</u>	<u>1W chg</u>	<u>1M chg</u>
iTraxx Asiax IG	158	8	16	Brent Crude Spot (\$/bbl)	28.14	-10.81%	-23.70%
iTraxx SovX APAC	81	4	6	Gold Spot (\$/oz)	1,090.53	-1.23%	2.28%
iTraxx Japan	87	4	12	CRB	159.93	-5.13%	-7.10%
iTraxx Australia	148	11	15	GSCI	279.17	-5.55%	-9.18%
CDX NA IG	111	12	16	VIX	27.02	0.04%	30.53%
CDX NA HY	98	-2	-2	CT10 (bp)	2.035%	-14.07	-16.93
iTraxx Eur Main	98	11	14	USD Swap Spread 10Y (bp)	-15	1	-9
iTraxx Eur XO	390	37	50	USD Swap Spread 30Y (bp)	-48	1	-14
iTraxx Eur Snr Fin	89	8	11	TED Spread (bp)	39	-4	11
iTraxx Sovx WE	18	1	1	US Libor-OIS Spread (bp)	24	0	2
iTraxx Sovx CEEMEA	223	22	46	Euro Libor-OIS Spread (bp)	12	-1	1
					<u>18-Jan</u>	<u>1W chg</u>	<u>1M chg</u>
				AUD/USD	0.686	-2.07%	-4.47%
				USD/CHF	1.002	-0.61%	-0.97%
				EUR/USD	1.092	0.17%	0.47%
				USD/SGD	1.439	-0.30%	-1.77%
Korea 5Y CDS	72	7	13	DJIA	15,988	-2.19%	-6.66%
China 5Y CDS	129	8	14	SPX	1,880	-2.17%	-6.24%
Malaysia 5Y CDS	217	11	24	MSCI Asiax	450	-1.63%	-9.03%
Philippines 5Y CDS	130	10	16	HSI	19,521	-4.56%	-10.27%
Indonesia 5Y CDS	257	9	14	STI	2,631	-4.38%	-7.78%
Thailand 5Y CDS	164	13	20	KLCI	1,629	-1.75%	-0.93%
				JCI	4,524	-0.49%	1.24%

Source: OCBC, Bloomberg

Table 2: Recent Asian New Issues

<u>Date</u>	<u>Issuer</u>	<u>Ratings</u>	<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
15-Jan-16	Huaneng Hong Kong Capital Ltd	NR/NR/NR	USD500mn	Perp NC3	4.3%
15-Jan-16	Singapore Technologies Telemedia Pte Ltd	NR/NR/NR	SGD300mn	10-year	4.05%
15-Jan-16	Hsin Chong Construction Group Ltd	NR/NR/NR	USD150mn	3-year	8.5%
15-Jan-16	Hong Kong Airlines International Holdings	NR/NR/NR	USD180mn	3-year	7.25%
14-Jan-16	Korea Midland Power Co Ltd	AA-/Aa2/AA-	USD300mn	5.5-year	CT5+110bps
14-Jan-16	Export-Import Bank of India	BBB-/Baa3/BBB-	USD500mn	5.5-year	CT5+165bps
14-Jan-16	DBS Group Holdings Ltd	NR/Aa2/AA-	SGD250mn	12NC7	3.8%
14-Jan-16	Sumitomo Mitsui Banking Corp	A/A1/A	USD750mn	3-year	CT3+95bps

Source: OCBC, Bloomberg

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