

September 20, 2016

**Market Commentary:** The SGD dollar swap curve was range-bound yesterday with swap rates trading +/- 2bps across all tenors as investors stayed cautious ahead of FOMC and Bank of Japan meetings that are to be held later this week. Flows in the SGD corporates were heavy with better buying seen in GENSSP 5.13%'49s and SCISP 4.75%'49s. Better selling were seen in PILLSP 5.9%'17s while mixed interests were seen in FCLSP 5%'49s, UOBSP 4%'49s, QNMSP 4.4%'18s and OLAMSP 4.25%'19s. In the broader dollar space, the spread on JACI IG corporates decreased 1bps to 203bps while the yield on JACI HY corporates was relatively unchanged at 6.50%. 10y UST yield increased 2bps to 1.71%.

**New Issues:** Woori Bank has launched a USD AT1 bond that is be priced later today. The expected issue ratings are "BB+/Ba3/NR".

**Rating Changes:** S&P revised its outlook on Yuzhou Properties Co. Ltd.'s "B+" credit rating to positive from stable as S&P expects Yuzhou to rapidly expand its operating scale and materially minimize the gap in scale compared with its larger peers' over the next 12 months. S&P raised its issuer credit ratings on SGSP (Australia) Assets Pty Ltd. (SGSPAA) and the company's subsidiary Jemena Ltd. to "A-" from "BBB+" with stable outlook. The rating upgrade follows our assessment of the benefit of group support to SGSPAA from its majority shareholder, State Grid International Development Ltd. (SGID). Moody's assigned a definitive "Baa2" credit rating to NSW Electricity Networks Finance Pty Limited's (NSWEN Finance) senior secured notes with stable outlook. Moody's has withdrawn its long-term credit rating on CITIC Group Corp.

Table 1: Key Financial Indicators

	20-Sep	1W chg (bps)	1M chg (bps)		20-Sep	1W chg	1M chg
iTraxx Asiax IG	110	-6	-2	Brent Crude Spot (\$/bbl)	45.82	-2.72%	-9.94%
iTraxx Sovx APAC	38	-2	-5	Gold Spot (\$/oz)	1,314.56	-0.34%	-1.83%
iTraxx Japan	52	-2	-6	CRB	181.64	-0.71%	-3.78%
iTraxx Australia	99	-2	-3	GSCI	348.96	-2.20%	-5.80%
CDX NA IG	75	-2	3	VIX	15.53	2.44%	36.95%
CDX NA HY	104	0	-1	CT10 (bp)	1.707%	-2.05	12.85
iTraxx Eur Main	69	-3	-1	USD Swap Spread 10Y (bp)	-17	0	-3
iTraxx Eur XO	326	-9	9	USD Swap Spread 30Y (bp)	-56	-1	-2
iTraxx Eur Snr Fin	93	0	-1	TED Spread (bp)	58	6	5
iTraxx Sovx WE	25	0	0	US Libor-OIS Spread (bp)	41	0	2
iTraxx Sovx CEEMEA	100	-6	-15	Euro Libor-OIS Spread (bp)	5	1	-1
					20-Sep	1W chg	1M chg
				AUD/USD	0.753	0.91%	-1.23%
				USD/CHF	0.981	-0.45%	-1.89%
				EUR/USD	1.117	-0.44%	-1.32%
				USD/SGD	1.363	0.26%	-0.90%
Korea 5Y CDS	40	-4	-5	DJIA	18,120	-1.12%	-2.33%
China 5Y CDS	98	-5	-4	SPX	2,139	-0.92%	-2.05%
Malaysia 5Y CDS	118	-5	-1	MSCI Asiax	550	1.63%	0.71%
Philippines 5Y CDS	96	2	8	HSI	23,550	-2.28%	2.67%
Indonesia 5Y CDS	141	-7	2	STI	2,852	-0.74%	0.29%
Thailand 5Y CDS	82	-6	-4	KLCI	1,652	-2.35%	-2.13%
				JCI	5,322	0.76%	-1.74%

Source: OCBC, Bloomberg

Table 2: Recent Asian New Issues

Date	Issuer	Ratings	Size	Tenor	Pricing
16-Sep-16	Ascendas Hospitality Trust	"NR/NR/NR"	SGD70mn	6-year	3.325%
15-Sep-16	Transurban Group	"NR/Baa1/A-"	USD550mn	10-year	CT10+175bps
14-Sep-16	State Bank of India	"B+/B1/NR"	USD300mn	Perp-NC5	5.5%
14-Sep-16	Hon Hai Precision Industry Co. Ltd.	"A-/NR/NR"	USD600mn	5-year	CT5+110bps
14-Sep-16	Hon Hai Precision Industry Co. Ltd.	"A-/NR/NR"	USD400mn	10-year	CT10+140bps
13-Sep-16	Westpac Banking Corp.	"AA-/Aa2/NR"	AUD1bn	1-year	BBSW+43bps
13-Sep-16	Industrial Bank Co. Ltd. (Hong Kong)	"NR/Baa2/NR"	USD700mn	3-year	CT3+113bps
13-Sep-16	Industrial Bank Co. Ltd. (Hong Kong)	"NR/Baa2/NR"	USD300mn	5-year	CT5+125bps

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)

**Ezien Hoo, CFA**

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

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