

November 28, 2016

**Credit Headlines (Page 2 onwards):** Ezra Holdings Ltd., Swiseco Holding Ltd.

**Market Commentary:** The SGD swap curve bull-flattened last Friday as swap rates traded mostly 2-7bps lower across all tenors. Notably, the overnight swap rate traded ~23bps higher. Flows in the SGD corporates were heavy with most buying activities seen in, CENCHI 6.5%'17s, GENSSP 5.13%'49s, NAB 4.15%'28s and STANLN 4.4%'26s. In the broader dollar space, the spread on JACI IG corporates decreased 2bps to 198bps while the yield on JACI HY corporates increased 3bps to 6.92%. 10y UST yield remained relatively unchanged at 2.36%.

**New Issues:** Zhenjiang Cultural Tourism Industry Group Co. Ltd. has priced a USD230mn 3-year bond at 4.95% (to yield 5.3%).

**Rating Changes:** S&P affirmed QT Mutual Bank Ltd.'s (QTMB) "BBB+" issuer credit ratings with a stable outlook. At the same time, the ratings are removed from CreditWatch with developing implications. The rating action follows the merger between QTMB and Royal Automotive Club of Queensland group which, in S&P's opinion, solidifies their assessment of QTMB's creditworthiness. Moody's assigned a first time corporate family rating of "Ba1" to Viva Industrial Real Estate Investment Trust (Viva). At the same time, Moody's also assigned a provisional "Ba2" rating to the SGD500mn medium term note programme established by Viva ITrust MTN Pte. Ltd., and a definitive "Ba2" rating to the SGD100mn 4.15% senior unsecured 2018 notes drawn down under the program. All rating outlooks are stable. The rating reflects Viva's: (1) balanced portfolio with a mix of multi-tenanted and master-leased assets; (2) income diversification from its end tenant base with a manageable lease expiry profile; and (3) continued improvement in cash flow generation, as its portfolio occupancy ramps up. Moody's revised its outlook on BHP Billiton Ltd. and BHP Billiton PLC. to stable from negative and affirmed their "A3" senior unsecured ratings. The revision reflects Moody's expectation that BHP Billiton will continue to see margin improvement and solid free cash flow generation over the next 12-18 months. Also, the improved earnings and cash flow generation will allow it credit metrics to improve to levels more appropriate for its rating.

**Table 1: Key Financial Indicators**

	28-Nov	1W chg (bps)	1M chg (bps)		28-Nov	1W chg	1M chg
iTraxx Asiax IG	127	-1	11	Brent Crude Spot (\$/bbl)	46.52	-4.87%	-6.42%
iTraxx SovX APAC	44	0	10	Gold Spot (\$/oz)	1,194.25	-1.65%	-6.37%
iTraxx Japan	55	-2	-1	CRB	185.73	1.80%	-1.84%
iTraxx Australia	110	-3	7	GSCI	365.14	2.00%	-1.32%
CDX NA IG	73	-2	-4	VIX	12.34	-7.57%	-23.78%
CDX NA HY	105	1	1	CT10 (bp)	2.336%	2.02	48.88
iTraxx Eur Main	81	0	9	USD Swap Spread 10Y (bp)	-17	0	-3
iTraxx Eur XO	341	-4	11	USD Swap Spread 30Y (bp)	-56	1	-2
iTraxx Eur Snr Fin	109	0	13	TED Spread (bp)	45	-4	-11
iTraxx Sovx WE	23	1	5	US Libor-OIS Spread (bp)	34	-1	-5
iTraxx Sovx CEEMEA	101	0	11	Euro Libor-OIS Spread (bp)	3	0	-1
					28-Nov	1W chg	1M chg
				AUD/USD	0.744	0.96%	-2.09%
				USD/CHF	1.011	-0.22%	-2.27%
				EUR/USD	1.063	-0.03%	-3.26%
				USD/SGD	1.424	0.02%	-2.24%
Korea 5Y CDS	50	-1	9	DJIA	19,152	1.31%	5.46%
China 5Y CDS	119	-1	15	SPX	2,213	1.20%	4.09%
Malaysia 5Y CDS	169	1	46	MSCI Asiax	522	1.39%	-3.94%
Philippines 5Y CDS	124	-5	9	HSI	22,723	1.70%	-1.01%
Indonesia 5Y CDS	176	-1	22	STI	2,859	1.51%	1.53%
Thailand 5Y CDS	92	-2	-3	KLCI	1,627	0.00%	-2.58%
				JCI	5,122	-0.93%	-5.33%

Source: OCBC, Bloomberg

**Table 2: Recent Asian New Issues**

Date	Issuer	Ratings	Size	Tenor	Pricing
25-Nov-16	Zhenjiang Cultural Tourism Industry	"NR/NR/NR"	USD230mn	3-year	5.3%
23-Nov-16	Changsha Pilot Investment Holdings	"BBB-/NR/BBB-"	USD350mn	3-year	CT3+220bps
23-Nov-16	Chalico Hong Kong Corp.	"BB/NR/NR"	USD350mn	Perp-NC3	5.7%
23-Nov-16	Horsepower Finance Ltd.	"NR/A1/NR"	USD550mn	3-year	CT3+107.5bps
22-Nov-16	Studio City Co. Ltd.	"BB-/B1/NR"	USD350mn	3-year	5.875%
22-Nov-16	Studio City Co. Ltd.	"BB-/B1/NR"	USD850mn	5NC2	7.25%
22-Nov-16	Chengdu Xingcheng Investment Group	"NR/NR/BBB+"	USD300mn	5-year	CT5+190bps
22-Nov-16	Ping An Real Estate	"NR/NR/NR"	USD300mn	3-year	CT3+235bps
22-Nov-16	Dah Sing Bank Ltd.	"NR/Baa2/BBB"	USD250mn	10NC5	CT10+255bps

Source: OCBC, Bloomberg

## Credit Headlines:

**Ezra Holdings Ltd. (“EZRA”)**: EZRA’s subsidiary EMAS Offshore announced that the put option held by Perisai Petroleum Teknologi (“PPT”) to put 51% of SJR Marine (L) Ltd for USD43.0mn remains valid and is exercisable from 2/12/16, but will lapse one month from 26/11/16. It is worth noting that earlier this month, entities relating to EMAS Offshore have served SJR Marine (L) Ltd with a Writ of Summons for claims totally USD278,000. Subsequently, PPT had applied to the Corporate Debt Restructuring Committee (“CDRC”), a platform by the Malaysian Government, to help manage PPT’s restructuring. EZRA is scheduled to announce its full-year results on 29/11/16. (Company)

**Swissco Holdings Ltd. (“SWCH”)**: During a hearing on Friday, Singapore’s High Court has approved SWCH’s application for interim judicial management. Ernst & Young LLP (“E&Y”) has been appointed as the interim judicial manager, with Ms Angela Ee being one of representatives from E&Y. It is worth noting that Ms Ee was the partner previously advising SWCH on its restructuring and has communicated to bondholders during the earlier informal bondholders meetings. A pre-trial conference of the applications by SWCH to be placed under judicial management is fixed for hearing on 1/12/16. (Company)

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