

February 1, 2017

Market Commentary: The SGD dollar swap curve traded downwards yesterday, with swap rates trading 4-5bps lower across all tenors. Flows in SGD corporates were heavy, with better buying seen in EZISP 3.65%'20s, GENSSP 5.13%'49s, better selling seen in GUOLSP 4%'22s, and mixed interest in RLSSP 5.9%'18s. In the broader dollar space, the spread on JACI IG Corporates rose 1bps to 195bps, while the yield on JACI HY Corporates changed little at 6.88%. 10y UST yield fell 4bps to 2.45%, reaching its lowest level since 24 January. The rally towards safe haven assets began as Trump commented that Japan and China engaged in currency devaluation, which drove down the dollar. The January Chicago Purchasing Managers' Index ("PMI") reported an unexpected drop which added to Treasury strength.

New Issues: Chinese property developer Xinhua Zhongbao Co Ltd has hired banks for a planned USD bond issue of up to USD700mn.

Table 1: Key Financial Indicators

	<u>1-Feb</u>	<u>1W chg (bps)</u>	<u>1M chg (bps)</u>		<u>1-Feb</u>	<u>1W chg</u>	<u>1M chg</u>
iTraxx Asiax IG	115	2	-7	Brent Crude Spot (\$/bbl)	55.58	0.25%	-2.18%
iTraxx Sovx APAC	32	-1	-4	Gold Spot (\$/oz)	1,211.54	0.90%	5.58%
iTraxx Japan	55	-1	-3	CRB	192.04	-1.49%	-0.25%
iTraxx Australia	93	1	-10	GSCI	395.83	-1.08%	-0.60%
CDX NA IG	67	3	-1	VIX	11.99	8.31%	-14.60%
CDX NA HY	106	0	0	CT10 (bp)	2.462%	-4.92	1.81
iTraxx Eur Main	73	5	1	USD Swap Spread 10Y (bp)	-9	1	2
iTraxx Eur XO	301	15	13	USD Swap Spread 30Y (bp)	-42	0	6
iTraxx Eur Snr Fin	90	7	-3	TED Spread (bp)	52	-2	2
iTraxx Sovx WE	22	2	1	US Libor-OIS Spread (bp)	34	0	1
iTraxx Sovx CEEMEA	76	-2	-4	Euro Libor-OIS Spread (bp)	2	0	-1
					<u>1-Feb</u>	<u>1W chg</u>	<u>1M chg</u>
				AUD/USD	0.758	0.05%	5.46%
				USD/CHF	0.990	0.99%	3.43%
				EUR/USD	1.080	0.47%	3.28%
				USD/SGD	1.411	0.15%	2.81%
Korea 5Y CDS	48	3	4	DJIA	19,864	-0.24%	0.51%
China 5Y CDS	112	3	-6	SPX	2,279	-0.05%	1.79%
Malaysia 5Y CDS	134	6	-4	MSCI Asiax	546	0.25%	6.19%
Philippines 5Y CDS	100	2	-10	HSI	23,361	2.07%	6.18%
Indonesia 5Y CDS	153	6	-5	STI	3,047	0.70%	5.76%
Thailand 5Y CDS	75	3	-4	KLCI	1,672	0.01%	1.82%
				JCI	5,294	0.04%	-0.05%

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>
25-Jan-17	China Water Affairs Group Ltd.	"BB+/Ba1/NR"	USD300mn	5NC3	5.5%
25-Jan-17	Jain International Trading BV	"B+/NR/B+"	USD200mn	5NC3	7.375%
24-Jan-17	Vedanta Resources Plc	"B+/B3/NR"	USD1bn	5.5-year	6.375%
24-Jan-17	Fujian Zhanglong Group Co. Ltd. (re-tap)	"NR/NR/BB+"	USD150mn	3-year	4.8%
23-Jan-17	Industrial Bank of Korea	"AA-/Aa2/AA-"	USD300mn	3-year	CT3+85bps
23-Jan-17	Shui On Development (Holding) Ltd.	"NR/NR/NR"	USD500mn	4-year	5.875%
23-Jan-17	Siam Commercial Bank PCL	"BBB+/Baa1/BBB+"	USD400mn	5.5-year	CT5+150bps
23-Jan-17	Biostime International Holdings Ltd. (retap)	"BB-/Ba3/NR"	USD200mn	5-year	104.50

Source: OCBC, Bloomberg

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