

March 16, 2017

**Market Commentary:** The SGD swap curve bull-flattened yesterday, with swap rates trading 1-5bps lower across all tenors. Flows in SGD corporates were moderate, with better buying seen in UOBSP 3.5%'29s, and mixed interests in GEMAU 5.5%'19s. In the broader dollar space, the spread on JACI IG corporates rose 1bps to 192bps while the yield on JACI HY corporates fell 1bps to 6.78%. 10y UST yields dipped 10bps yesterday, after the Federal Open Market Committee raised (FOMC) interest rates as expected, but maintained original forecasts for additional increases for the next two years, dashing expectations it might signal a quicker pace of hikes. After yesterday's raise, the benchmark rate target range by the Federal Reserve is now 0.75 to 1 percent.

**New Issues:** Fujian Zhanglong Group Co. Ltd. priced a USD200mn tap of its bond due 2019 at 4.8%. The expected issue rating is 'NR/NR/BB+'.

**Rating Changes:** Moody's affirmed West China Cement Limited's (WCC) 'B1' corporate family rating and 'B1' senior unsecured bond rating. In addition, Moody's revised the outlook on WCC to stable from negative. The rating action reflects an improvement in WCC's profitability and liquidity, owing to higher cement prices in its key markets.

**Table 1: Key Financial Indicators**

	16-Mar	1W chg (bps)	1M chg (bps)		16-Mar	1W chg	1M chg
iTraxx Asiax IG	91	-7	-10	Brent Crude Spot (\$/bbl)	52.17	-0.04%	-6.25%
iTraxx SovX APAC	27	-1	0	Gold Spot (\$/oz)	1,224.54	1.94%	-1.17%
iTraxx Japan	52	0	-1	CRB	183.80	-0.68%	-4.65%
iTraxx Australia	83	-3	-4	GSCI	381.89	-1.49%	-5.40%
CDX NA IG	62	-2	-1	VIX	11.63	-1.94%	-1.11%
CDX NA HY	107	0	0	CT10 (bp)	2.489%	-11.59	4.27
iTraxx Eur Main	72	1	-1	USD Swap Spread 10Y (bp)	-3	1	3
iTraxx Eur XO	283	0	-11	USD Swap Spread 30Y (bp)	-39	0	1
iTraxx Eur Snr Fin	88	1	-4	TED Spread (bp)	43	3	-8
iTraxx Sovx WE	14	-2	-8	US Libor-OIS Spread (bp)	23	0	-11
iTraxx Sovx CEEMEA	64	-2	-2	Euro Libor-OIS Spread (bp)	2	0	0
					16-Mar	1W chg	1M chg
				AUD/USD	0.769	2.38%	-0.12%
				USD/CHF	1.000	1.22%	-0.28%
				EUR/USD	1.073	1.41%	0.49%
				USD/SGD	1.404	1.20%	0.92%
Korea 5Y CDS	45	-4	-2	DJIA	20,950	0.45%	1.60%
China 5Y CDS	85	-7	-14	SPX	2,385	0.94%	1.62%
Malaysia 5Y CDS	107	-7	-9	MSCI Asiax	570	1.92%	1.15%
Philippines 5Y CDS	82	-6	-5	HSI	24,121	2.64%	0.06%
Indonesia 5Y CDS	128	-7	-10	STI	3,165	1.47%	2.19%
Thailand 5Y CDS	54	-3	-10	KLCI	1,731	0.81%	1.39%
				JCI	5,462	1.10%	1.56%

Source: OCBC, Bloomberg

**Table 2: Recent Asian New Issues**

Date	Issuer	Ratings	Size	Tenor	Pricing
15-Mar-17	Fujian Zhanglong Group Co. Ltd. (re-tap)	"NR/NR/BB+"	USD200mn	2.75-year	99.233
14-Mar-17	Azure Nova International Finance Ltd.	"NR/A2/A"	USD700mn	3-year	CT3+140bps
14-Mar-17	Azure Nova International Finance Ltd	"NR/A2/A"	USD1.05bn	5-year	CT5+150bps
14-Mar-17	Azure Nova International Finance Ltd	"NR/A2/A"	USD250mn	10-year	CT10+172.5bps
14-Mar-17	Guorui Properties Ltd.	"B-/NR/B"	USD300mn	3-year	7%
14-Mar-17	Trafigura Group Pte. Ltd.	Not Rated	USD600mn	Perp NC5	6.875%
9-Mar-17	Lenovo Group Ltd.	Not Rated	USD500mn	5-year	CT5+180bps
9-Mar-17	Lenovo Group Ltd.	Not Rated	USD850mn	Perp NC5	5.375%
9-Mar-17	Top Wise Excellence Enterprise Co.	"NR/Ba3/BB"	USD300mn	3-year	6%
9-Mar-17	Asian Development Bank	"AAA/Aaa/AAA"	USD1bn	4-year	3mL+5bps

Source: OCBC, Bloomberg

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