

October 6, 2017

Market Commentary: The SGD swap curve traded mostly downwards yesterday, with swap rates trading 1-3bps across most tenors. The 20-year tenor rose by 3bps. Flows in SGD corporates were heavy, with better buying seen in OUESP 4.25%'19s, and mixed interest seen in OUECT 3.03%'20s, VIBGSP 7.5%'20s. In the broader dollar space, the spread on JACI IG Corp traded little changed at 185bps, while the yield on JACI HY Corp rose 1bps to 6.87%. 10Y UST yields rose 3bps to 2.35%, after durable goods and factory orders came in stronger than expected, initial jobless claims came in lower than expected, the Federal Reserve Bank of San Francisco President John William's statements appeared hawkish to the market, and a report of the stalled push for Catalan independence caused EGBs to sell-off, causing a further rise in yields of 10Y USTs.

New Issues: GSH Corporation Limited has priced a SGD70mn 3-year bond at 5.15%.

Rating Changes: Fitch has withdrawn the 'BB-' expected rating on PT Tunas Baru Lampung Tbk's (TBLA) senior unsecured notes as TBLA does not intend to proceed with the bond issue.

Table 1: Key Financial Indicators

	6-Oct	1W chg (bps)	1M chg (bps)		6-Oct	1W chg	1M chg
iTraxx Asiax IG	78	-4	-1	Brent Crude Spot (\$/bbl)	56.88	-1.15%	4.94%
iTraxx SovX APAC	18	-1	-2	Gold Spot (\$/oz)	1,268.89	-0.85%	-4.90%
iTraxx Japan	45	-1	1	CRB	182.94	-0.03%	-0.03%
iTraxx Australia	69	-4	-1	GSCI	398.70	-0.37%	1.60%
CDX NA IG	53	-2	-5	VIX	9.19	-3.77%	-20.98%
CDX NA HY	108	0	1	CT10 (bp)	2.348%	1.44	24.34
iTraxx Eur Main	56	-1	2	USD Swap Spread 10Y (bp)	-5	0	-1
iTraxx Eur XO	245	-8	10	USD Swap Spread 30Y (bp)	-33	0	1
iTraxx Eur Snr Fin	59	0	8	TED Spread (bp)	29	1	-2
iTraxx Sovx WE	5	0	0	US Libor-OIS Spread (bp)	13	-1	-3
iTraxx Sovx CEEMEA	38	-3	-4	Euro Libor-OIS Spread (bp)	3	0	0
					6-Oct	1W chg	1M chg
				AUD/USD	0.779	-0.56%	-2.63%
				USD/CHF	0.979	-1.06%	-2.25%
				EUR/USD	1.171	-0.89%	-1.75%
				USD/SGD	1.365	-0.53%	-1.11%
Korea 5Y CDS	70	-4	-1	DJIA	22,775	1.76%	4.44%
China 5Y CDS	58	-4	-2	SPX	2,552	1.67%	3.51%
Malaysia 5Y CDS	65	-4	-6	MSCI Asiax	673	1.89%	2.46%
Philippines 5Y CDS	64	-2	0	HSI	28,379	3.15%	2.30%
Indonesia 5Y CDS	100	-4	-2	STI	3,262	1.30%	0.91%
Thailand 5Y CDS	49	-4	-5	KLCI	1,759	0.20%	-0.76%
				JCI	5,902	1.04%	1.34%

Source: OCBC, Bloomberg

Table 2: Recent Asian New Issues

Date	Issuer	Ratings	Size	Tenor	Pricing
5-Oct-17	GSH Corporation Limited	Not Rated	SGD70mn	3-year	5.15%
4-Oct-17	The Bank of Nova Scotia	'NR/Baa3/NR'	USD1.25bn	Perp NC5	4.65%
3-Oct-17	Puma International Financing SA	'NR/Ba2/BB'	USD600mn	7-year	5.125%
29-Sep-17	21 Vianet Group Inc (re-tap)	Not Rated	USD100mn	VNET 7%'20s	100.04
28-Sep-17	FCL Treasury Pte Ltd (re-tap)	Not Rated	SGD42mn	FCLSP 3.95%-PERP	100.0
28-Sep-17	Industrial and Commercial Bank of China Ltd	'NR/A1/NR'	USD450mn	3-year	3mL+77bps
28-Sep-17	Industrial and Commercial Bank of China Ltd	'NR/A1/NR'	USD400mn	5-year	CT5+99bps
28-Sep-17	Industrial and Commercial Bank of China Ltd	'NR/A1/NR'	EUR1.1bn	3-year	3mE+55bps
28-Sep-17	New Lion Bridge Co Ltd	'NR/B2/B'	USD160mn	3NC2	9.75%
28-Sep-17	Overseas Chinese Town (Asia) Holdings Ltd	Not Rated	USD800mn	Perp NC3	4.35%

Source: OCBC, Bloomberg

Andrew Wong

Treasury Research & Strategy
Global Treasury, OCBC Bank
(65) 6530 4736
wongVKAM@ocbc.com

Nick Wong Liang Mian, CFA

Treasury Research & Strategy
Global Treasury, OCBC Bank
(65) 6530 7348
NickWong@ocbc.com

Ezien Hoo, CFA

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

Wong Hong Wei

Treasury Research & Strategy
Global Treasury, OCBC Bank
(65) 6722 2533
WongHongWei@ocbc.com

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