

December 8, 2017

Market Commentary: The SGD swap curve traded marginally higher yesterday, with swap rates trading approximately 1bps higher across most tenors. Flows in SGD corporates were lgth, with better selling seen in GEMAU 5.5% '19s. In the broader dollar space, the spread on JACI IG Corp rose 1bps to 181bps. Similarly, the yield on JACI HY Corp rose 1bps to 6.91%. 10Y UST yield rose 2bps to 2.36%, after President Trump stated that he would release his infrastructure plan in January.

New Issues: Wuhan State-Owned Assets Management Limited Company has priced a USD300mn 3-year bond at CT3+195bps, tightening from initial guidance of CT3+220bps area. The expected issue ratings are 'NR/NR/A-'. Xinxing Industry Investment Company Limited has priced a USD300mn 3-year bond (guaranteed by Hefei Industry Investment Holding (Group) Co Ltd) at CT3+247.5bps, tightening from initial guidance of CT3+270bps area. The expected issue ratings are 'NR/NR/BBB'. Wanda International Funding Pte Ltd has priced a USD100mn 3NC1 bond (guaranteed by Wanda Holding Group Co) at 8.5%, in line with guidance of 8.5%. China CITIC Bank Corporation Ltd has priced a four-tranche deal, with the USD700mn 3-year floating rate bond priced at 3mL+90bps, tightening from initial guidance of 3mL+110bps area; the USD300mn 3-year fixed rate bond priced at CT3+107.5bps, tightening from initial guidance of CT3+130bps area; the USD550mn 5-year floating rate bond priced at 3mL+100bps, tightening from initial guidance of 3mL+120bps area; and the USD250mn 5-year fixed rate bond priced at CT5+110bps, tightening from CT5+130bps area. The expected issue ratings are 'BBB+/Baa2/NR'. ICICI Bank Ltd, through its DIFC branch, has priced a USD500mn 10-year bond at CT10+150bps, tightening from initial guidance of CT10+170bps. The expected issue ratings are 'NR/Baa3/BBB-'. Shandong Iron and Steel Xinheng International Company Ltd has set final guidance for its USD-denominated 3.5-year bond at 6.5%.

Rating Changes: Moody's has affirmed the Government of Malaysia's (Malaysia) issuer and senior unsecured bond ratings at 'A3'. The outlook is stable. The rating action is supported by Malaysia's growth prospects which is balanced by its high but stable debt burden and exposure to tighter external financing.

Table 1: Key Financial Indicators

	8-Dec	1W chg (bps)	1M chg (bps)		8-Dec	1W chg	1M chg
iTraxx Asiax IG	73	0	-5	Brent Crude Spot (\$/bbl)	62.20	-2.16%	-2.34%
iTraxx SovX APAC	14	0	-1	Gold Spot (\$/oz)	1,247.87	-2.56%	-2.61%
iTraxx Japan	46	0	-2	CRB	184.47	-2.48%	-3.87%
iTraxx Australia	64	0	-2	GSCI	416.70	-1.78%	-2.50%
CDX NA IG	52	0	-3	VIX	10.16	-9.93%	3.89%
CDX NA HY	108	0	0	CT10 (bp)	2.371%	0.91	3.63
iTraxx Eur Main	48	0	-2	USD Swap Spread 10Y (bp)	1	1	4
iTraxx Eur XO	234	4	7	USD Swap Spread 30Y (bp)	-21	0	5
iTraxx Eur Shr Fin	47	0	-5	TED Spread (bp)	24	3	3
iTraxx Sovx WE	4	0	0	US Libor-OIS Spread (bp)	13	1	2
iTraxx Sovx CEEMEA	45	-1	-4	Euro Libor-OIS Spread (bp)	1	-1	-2
					8-Dec	1W chg	1M chg
				AUD/USD	0.751	-1.41%	-2.24%
				USD/CHF	0.995	-1.89%	0.51%
				EUR/USD	1.177	-1.08%	1.49%
				USD/SGD	1.353	-0.45%	0.69%
Korea 5Y CDS	58	0	-14	DJIA	24,211	-0.25%	2.75%
China 5Y CDS	56	0	-2	SPX	2,637	-0.40%	1.64%
Malaysia 5Y CDS	64	1	-2	MSCI Asiax	683	-1.50%	-2.82%
Philippines 5Y CDS	64	1	-2	HSI	28,303	-3.00%	-2.09%
Indonesia 5Y CDS	95	2	-4	STI	3,388	-1.32%	-0.97%
Thailand 5Y CDS	48	0	-2	KLCI	1,719	-0.08%	-1.44%
				JCI	6,007	-0.90%	-0.70%

Source: OCBC, Bloomberg

Table 2: Recent Asian New Issues

Date	Issuer	Ratings	Size	Tenor	Pricing
7-Dec-17	Wuhan State-Owned Assets Management Limited Company	'NR/NR/A-'	USD300mn	3-year	CT3+195bps
7-Dec-17	Xinxing Industry Investment Company Limited	'NR/NR/BBB'	USD300mn	3-year	CT3+247.5bps
7-Dec-17	Wanda International Funding Pte Ltd	Not Rated	USD100mn	3NC1	8.5%
7-Dec-17	China CITIC Bank Corporation Ltd	'BBB+/Baa2/NR'	USD700mn	3-year	3mL+90bps
7-Dec-17	China CITIC Bank Corporation Ltd	'BBB+/Baa2/NR'	USD300mn	3-year	CT3+107.5bps
7-Dec-17	China CITIC Bank Corporation Ltd	'BBB+/Baa2/NR'	USD550mn	5-year	3mL+100bps
7-Dec-17	China CITIC Bank Corporation Ltd	'BBB+/Baa2/NR'	USD250mn	5-year	CT5+110bps
7-Dec-17	ICICI Bank Ltd	'NR/Baa3/BBB-'	USD500mn	10-year	CT10+150bps
6-Dec-17	Qinghai Province General Aviation Group Co	Not Rated	USD300mn	363-day	6.00%
6-Dec-17	Chengdu Communications Investment Group Corporation Ltd	'NR/NR/BBB+'	USD300mn	10-year	CT10+245bps

Source: OCBC, Bloomberg

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