

June 11, 2018

## Market Commentary

- The SGD swap curve flattened last Friday, with swap rates for the shorter tenors trading 2bps higher while the longer tenors traded 2bps lower.
- Flows in SGD corporates were moderate last Friday, with better selling seen in CMZB 4.875%'27s.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened by 1bps to 138bps and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened by 2bps to 453bps.
- 10Y UST yield fell 5bps to 2.89% around the opening of the European markets last Friday, as traders await for the outcome of the G7 summit, fretting about the growing trade tension between the US and its major allies on global economic growth. However, 10Y UST recovered 6bps by the end of the trading session to close at 2.95% on recovery of risk sentiments.

**Table 1: Key Financial Indicators**

|                    | 11-Jun | 1W chg (bps) | 1M chg (bps) |
|--------------------|--------|--------------|--------------|
| iTraxx Asiax IG    | 79     | 3            | 5            |
| iTraxx SovX APAC   | 13     | 0            | 1            |
| iTraxx Japan       | 52     | 0            | 7            |
| iTraxx Australia   | 72     | 3            | 7            |
| CDX NA IG          | 66     | 2            | 7            |
| CDX NA HY          | 107    | 0            | -1           |
| iTraxx Eur Main    | 75     | 10           | 20           |
| iTraxx Eur XO      | 314    | 27           | 47           |
| iTraxx Eur Snr Fin | 91     | 16           | 33           |
| iTraxx Sovx WE     | 28     | 3            | 11           |
| AUD/USD            | 0.761  | -0.51%       | 0.88%        |
| EUR/USD            | 1.180  | 0.86%        | -1.20%       |
| USD/SGD            | 1.334  | 0.22%        | 0.21%        |
| China 5Y CDS       | 56     | 1            | -2           |
| Malaysia 5Y CDS    | 98     | 5            | 6            |
| Indonesia 5Y CDS   | 129    | 6            | 15           |
| Thailand 5Y CDS    | 46     | 1            | 1            |

|                            | 11-Jun   | 1W chg | 1M chg |
|----------------------------|----------|--------|--------|
| Brent Crude Spot (\$/bbl)  | 76.49    | 1.59%  | -0.82% |
| Gold Spot (\$/oz)          | 1,300.39 | 0.65%  | -1.43% |
| CRB                        | 200.04   | -0.83% | -1.73% |
| GSCI                       | 476.17   | 1.20%  | -1.70% |
| VIX                        | 12.18    | -9.51% | -3.72% |
| CT10 (bp)                  | 2.957%   | 1.47   | -1.24  |
| USD Swap Spread 10Y (bp)   | 6        | 1      | 3      |
| USD Swap Spread 30Y (bp)   | -7       | 1      | 2      |
| TED Spread (bp)            | 42       | 1      | -9     |
| US Libor-OIS Spread (bp)   | 41       | 0      | -6     |
| Euro Libor-OIS Spread (bp) | 3        | -1     | 0      |
| DJIA                       | 25,317   | 2.77%  | 1.95%  |
| SPX                        | 2,779    | 1.62%  | 1.88%  |
| MSCI Asiax                 | 722      | -0.12% | -0.30% |
| HSI                        | 31,066   | 0.22%  | -0.18% |
| STI                        | 3,437    | -0.88% | -3.73% |
| KLCI                       | 1,779    | 1.34%  | -3.67% |
| JCI                        | 5,994    | 0.17%  | 0.62%  |

Source: OCBC, Bloomberg

## New issues

- There were no new issuances over 8 June 2018.

| <u>Date</u> | <u>Issuer</u>   | <u>Size</u> | <u>Tenor</u>   | <u>Pricing</u>          |
|-------------|---|-------------|----------------|-------------------------|
| 7-June-18   | Asian Development Bank (re-tap)                             | GBP100mn    | ASIA 1.375%'23 | 99.985+accrued interest |
| 7-June-18   | Export-Import Bank of Korea                                 | CNH1.5bn    | 3-year         | 4.65%                   |
| 7-June-18   | ASB Bank Ltd  | USD500mn    | 5-year         | 3mL+97bps               |
| 7-June-18   | ASB Bank Ltd  | USD500mn    | 5-year         | CT5+110bps              |
| 6-June-18   | China Everbright Bank Co Ltd/Hong Kong                      | USD300mn    | 3-year         | 3mL+85bps               |
| 6-June-18   | China Everbright Bank Co Ltd/Hong Kong                      | EUR300mn    | 3-year         | 3mE+75bps               |
| 6-June-18   | Astrea IV Pte Ltd   | SGD242mn    | 10NC5          | 4.35%                   |
| 6-June-18   | Astrea IV Pte Ltd   | USD210mn    | 10NC5          | 5.5%                    |
| 6-June-18   | Astrea IV Pte Ltd   | USD110mn    | 10-year        | 6.75%                   |
| 5-June-18   | Industrial and Commercial Bank of China Ltd (London Branch) | USD500mn    | 5-year         | 3mL+83bps               |
| 5-June-18   | Industrial and Commercial Bank of China Ltd (London Branch) | USD500mn    | 3-year         | 3mL+73bps               |
| 5-June-18   | Industrial and Commercial Bank of China Ltd (London Branch) | EUR500mn    | 3-year         | 3mE+50bps               |
| 5-June-18   | Easy Tactic Ltd (re-tap)                                    | USD200mn    | GZRFPR 7%'21s  | 97.5+accrued interest   |
| 4-June-18   | Hyundai Capital America                                     | USD300mn    | 5-year         | CT5+135bps              |
| 4-June-18   | Hyundai Capital America                                     | USD650mn    | 3-year         | 3mL+94bps               |
| 4-June-18   | Hyundai Capital America                                     | USD350mn    | 3-year         | CT3+115bps              |
| 4-June-18   | DBS Group Holdings Ltd                                      | USD750mn    | 10.5NC5.5      | CT10+173bps             |

**Andrew Wong**

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

**Ezien Hoo, CFA**

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

**Wong Hong Wei**

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

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