

June 13, 2018

Market Commentary

- The SGD swap curve traded little changed yesterday with rates trading within 1bps of yesterday's curve.
- Flows in SGD corporates were moderate yesterday, with better selling in GEMAU 5.5%'19s .
- The Bloomberg Barclays Asia USD IG Bond Index average OAS was unchanged at 138bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 1bps to 450bps.
- In the earlier part of the trading session, 10Y UST yields rose by 2bps to 2.98%, ahead of a widely expected hike in interest rates by the Federal Reserve on Wednesday. However, yields reversed to close at 2.96% after the Consumer Price Index (CPI) increased 0.2%, as expected.

Table 1: Key Financial Indicators

	13-Jun	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	77	0	4
iTraxx SovX APAC	13	0	1
iTraxx Japan	51	0	6
iTraxx Australia	70	1	6
CDX NA IG	64	0	4
CDX NA HY	107	0	0
iTraxx Eur Main	72	2	18
iTraxx Eur XO	306	6	38
iTraxx Eur Snr Fin	84	2	27
iTraxx Sovx WE	26	-2	8
AUD/USD	0.757	-1.21%	0.64%
EUR/USD	1.175	-0.22%	-1.50%
USD/SGD	1.337	-0.33%	-0.07%
China 5Y CDS	56	0	-2
Malaysia 5Y CDS	97	2	13
Indonesia 5Y CDS	126	1	14
Thailand 5Y CDS	44	0	0

	13-Jun	1W chg	1M chg
Brent Crude Spot (\$/bbl)	75.88	0.66%	-1.61%
Gold Spot (\$/oz)	1,295.46	-0.07%	-1.37%
CRB	200.14	0.48%	-1.68%
GSCI	476.47	0.91%	-1.64%
VIX	12.34	-0.48%	-2.45%
CT10 (bp)	2.961%	3.31	-0.87
USD Swap Spread 10Y (bp)	6	1	4
USD Swap Spread 30Y (bp)	-6	3	3
TED Spread (bp)	41	1	-4
US Libor-OIS Spread (bp)	41	0	-6
Euro Libor-OIS Spread (bp)	4	0	1
DJIA	25,321	2.10%	1.97%
SPX	2,787	1.38%	2.17%
MSCI Asiax	726	-0.50%	0.19%
HSI	31,103	0.03%	-0.06%
STI	3,431	-1.51%	-3.91%
KLCI	1,764	0.51%	-4.46%
JCI	5,994	0.17%	0.62%

Source: OCBC, Bloomberg

New issues

- New Metro Global Ltd has priced a USD200mn 3.75-year bond (guaranteed by Future Land Holdings Co Ltd) at 8%, in line with its initial price guidance.
- Mapletree Treasury Services Ltd has priced a SGD200mn 3-year bond (guaranteed by Mapletree Investments Pte Ltd) at 2.888%, in line with its initial price guidance.
- Greenland Hong Kong Holdings Ltd has hired banks for its potential USD bond issuance. Industrial Bank of Korea has scheduled for investor meetings from 18 Jun for its potential USD social bond issuance.
- Wuhan Real Estate Development Investor Group Co Ltd has scheduled for investor meetings from 13 Jun for its potential USD bond issuance.
- Industrial & Commercial Bank of China Ltd has scheduled for investor meetings from 12 Jun for its potential USD/HKD green bond issuance.
- Korea Electric Power Corp has hired banks for its potential USD green bond issuance.
- Kyobo Life Insurance Co Ltd has hired banks for its potential USD hybrid bond issuance.

<u>Date</u>	<u>Issuer</u>	<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
12-June-18	Mapletree Treasury Services Ltd	SGD200mn	3-year	2.888%
12-June-18	New Metro Global Ltd	USD200mn	3.75-year	8%
11-June-18	National Australia Bank Ltd/New York	USD500mn	3.25-year	CT3+80bps
11-June-18	National Australia Bank Ltd/New York	USD750mn	5-year	CT5+90bps
11-June-18	National Australia Bank Ltd/New York	USD350mn	3.25-year	3mL+58bps
11-June-18	Qingdao Jiaozhou Bay Development Co Ltd	USD120mn	3-year	6.9%
11-June-18	China Aoyuan Property Group Ltd (re-tap)	USD225mn	CAPG 7.5%'21	8.25%
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

Source: OCBC, Bloomberg

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