

Nov 19, 2018

## Market Commentary

- The SGD swap curve steepened last Friday, with swap rates for the shorter tenors trading 2-3bps higher while the longer tenors traded 1-2bps higher.
- Flows in SGD corporates were heavy last Friday, with better buying seen in UBS 5.875%-PERPs and DBSSP 3.98%-PERPs and better selling seen in OCBCSP 4.0%-PERPs, HSBC 5.0%-PERPs and HSBC 4.7%-PERPs.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS was unchanged at 153bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 6bps to 602bps.
- Overall, 10Y UST yields fell 4bps to close at 3.06% after a top Federal Reserve official said US interest rates are nearing the central bank's estimates of a neutral level, suggesting that the current tightening cycle may soon end.

**Table 1: Key Financial Indicators**

	19-Nov	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	93	6	4
iTraxx SovX APAC	10	0	0
iTraxx Japan	63	1	4
iTraxx Australia	84	5	4
CDX NA IG	74	7	7
CDX NA HY	104	-1	-2
iTraxx Eur Main	77	6	4
iTraxx Eur XO	317	22	22
iTraxx Eur Snr Fin	100	9	7
iTraxx Sovx WE	28	1	0
AUD/USD	0.732	2.02%	2.80%
EUR/USD	1.141	1.71%	-0.90%
USD/SGD	1.373	0.82%	0.36%
China 5Y CDS	69	5	1
Malaysia 5Y CDS	115	9	9
Indonesia 5Y CDS	148	3	0
Thailand 5Y CDS	45	1	1

	19-Nov	1W chg	1M chg
Brent Crude Spot (\$/bbl)	67.33	-3.98%	-15.61%
Gold Spot (\$/oz)	1,222.60	1.85%	-0.32%
CRB	187.30	-1.27%	-5.01%
GSCI	432.38	-1.86%	-8.92%
VIX	18.14	8.49%	-8.80%
CT10 (bp)	3.061%	-12.09	-13.11
USD Swap Spread 10Y (bp)	6	0	0
USD Swap Spread 30Y (bp)	-11	-1	-3
TED Spread (bp)	30	3	14
US Libor-OIS Spread (bp)	30	3	11
Euro Libor-OIS Spread (bp)	4	0	1
DJIA	25,413	-2.22%	-0.12%
SPX	2,736	-1.61%	-1.14%
MSCI Asiax	606	2.02%	1.78%
HSI	26,184	2.27%	2.43%
STI	3,084	0.18%	0.69%
KLCI	1,706	-0.10%	-1.49%
JCI	6,012	2.35%	3.00%

## New issues

- China State Construction Finance (Cayman) I Ltd has scheduled for investor meetings from 19 Nov for its potential USD bond issuance (Guarantor: China State Construction International Holdings Ltd).
- Huzhou Communications Investment Group Co Ltd has scheduled for investor meetings from 19 Nov for its potential CNY bond issuance.

<u>Date</u>	<u>Issuer</u>	<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
15-Nov-18	Agile Group Holdings Ltd	USD400mn	2-year	9.5%
15-Nov-18	Thaioil Treasury Center Co Ltd	USD400mn	10-year	CT10+165bps
15-Nov-18	Thaioil Treasury Center Co Ltd	USD600mn	30-year	CT30+210bps
15-Nov-18	Aviation PLC	USD50mn	AVTCAP 6.5%'21s	99.75
15-Nov-18	UBS Group Funding (Switzerland) AG	SGD700mn	Perp NC5	5.875%
14-Nov-18	Sichuan Communications Overseas Development Co Ltd	USD350mn	3-year	4.98%
14-Nov-18	Everbright SHK (BVI) Ltd	USD200mn	3-year	5.25%
14-Nov-18	SPIC 2018 USD Senior Perpetual Bond Company Ltd	USD500mn	Perp NC3.5	5.8%
14-Nov-18	KWG Group Holdings Ltd	USD400mn	2-year	9.85%
13-Nov-18	Housing & Development Board	SGD500	5-year	2.55%
13-Nov-18	Bank of China Ltd, Hong Kong Branch	CNH1bn	3-year	4.45%
13-Nov-18	Bank of China Ltd., Macau Branch	USD550mn	3-year	3mL+75bps
13-Nov-18	Bank of China Ltd., Macau Branch	USD250mn	5-year	3mL+85bps
13-Nov-18	Industrial Bank Co Ltd/Hong Kong	USD600mn	3-year	3mL+85bps
13-Nov-18	Zhongyuan Bank Co Ltd	USD1.395bn	Perp NC5	5.6%
13-Nov-18	Export-Import Bank of Thailand	USD300mn	USD300mn	3mL+90bps

**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, CFA**

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

**Seow Zhi Qi**

Treasury Research & Strategy  
Global Treasury, OCBC Bank  
(65) 6530 7348  
[zhigiseow@ocbc.com](mailto:zhigiseow@ocbc.com)

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