

May 21, 2018

Credit Headlines: Ascendas Hospitality Trust

Market Commentary

- The SGD swap curve flattened last Friday, with minimal changes in the swap rates for the shorter tenors while the longer tenors traded 1-2bps lower.
- Flows in SGD corporates were moderate last Friday, with better buying in CMZB 4.875%'27s
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 1bps to 1.34% while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 5bps to 415bps.
- 10Y UST yield fell 6bps to 3.06%, amid mixed trade signals between US and China.

Credit Headlines

Ascendas Hospitality Trust ("ASCHTS") | Issuer Profile: Neutral (4)

- On 29 January 2018, ASCHTS announced that it had entered into a conditional share purchase agreement to [divest its two hotel properties in Beijing](#) to a joint venture comprising TPG (a private equity firm) and China Lodging Group Ltd (a hotel operator in China). On 18 May 2018, ASCHTS announced that the divestment has been completed and we expect that a portion of the monies received will go towards debt refinancing. (Company, OCBC)

Table 1: Key Financial Indicators

	21-May	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	76	2	-2
iTraxx SovX APAC	13	1	1
iTraxx Japan	50	-1	0
iTraxx Australia	66	2	0
CDX NA IG	62	2	0
CDX NA HY	107	0	0
iTraxx Eur Main	58	4	3
iTraxx Eur XO	277	9	2
iTraxx Eur Snr Fin	65	8	9
iTraxx Sovx WE	20	3	4
AUD/USD	0.753	0.08%	-0.96%
EUR/USD	1.176	-1.43%	-3.70%
USD/SGD	1.343	-0.54%	-1.33%
China 5Y CDS	57	-1	-4
Malaysia 5Y CDS	85	2	11
Indonesia 5Y CDS	125	13	23
Thailand 5Y CDS	45	0	0

	21-May	1W chg	1M chg
Brent Crude Spot (\$/bbl)	79.09	1.10%	6.79%
Gold Spot (\$/oz)	1,289.91	-1.80%	-2.64%
CRB	203.69	0.06%	0.88%
GSCI	489.13	0.50%	3.24%
VIX	13.42	6.09%	-20.50%
CT10 (bp)	3.061%	5.90	10.12
USD Swap Spread 10Y (bp)	3	1	1
USD Swap Spread 30Y (bp)	-8	1	5
TED Spread (bp)	45	0	-11
US Libor-OIS Spread (bp)	43	-2	-13
Euro Libor-OIS Spread (bp)	3	1	1
DJIA	24,715	-0.47%	1.03%
SPX	2,713	-0.54%	1.60%
MSCI Asiax	715	-1.91%	-0.45%
HSI	31,377	-0.52%	3.15%
STI	3,564	0.04%	-0.26%
KLCI	1,861	0.55%	-1.44%
JCI	5,744	-3.42%	-9.37%

Source: OCBC, Bloomberg

New issues

- DBS Bank Ltd has issued a USD100mn 2-year bond at 3.12%.
- Korea Hydro & Nuclear Power has hired banks for its potential USD bond issuance.
- Tongyang Life Insurance Co Ltd has hired banks for its potential USD bond issuance.

<u>Date</u>	<u>Issuer</u>	<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
18-May-18	DBS Bank Ltd	USD100mn	2-year	3.12%
17-May-18	Top Yield Ventures Ltd	USD120mn	364-day	9.75%
17-May-18	China South City Holdings Ltd	USD150mn	2-year	11%
17-May-18	QNB Finance Ltd	USD1.5bn	3-year	3mL+135bps
17-May-18	Vanke Real Estate Hong Kong Co Ltd	USD650mn	5-year	3mL+155bps
17-May-18	China Great Wall International Holdings III Ltd	USD600mn	5-year	CT5+155bps
16-May-18	First Abu Dhabi Bank PSJC	CNH1.1bn	3-year	4.8%
16-May-18	Greenland Global Investment Ltd	USD500mn	363-day	6.75%
16-May-18	BlueScope Finance (Americas) LLC	USD300mn	5-year	CT5+180bps
15-May-18	Korean National Oil Corp	CHF500mn	5-year	MS+35bps
15-May-18	PT Perusahaan Listrik Negara	USD1bn	30-year	6.2%
15-May-18	PT Perusahaan Listrik Negara	USD1bn	10-year	5.5%
15-May-18	AVIC International Finance & Investment Ltd	USD400mn	3-year	CT3+175bps
14-May-18	NagaCorp Ltd	USD300mn	3NC2	9.625%
14-May-18	KDB Life Insurance	USD200mn	30NC5	7.5%

Source: OCBC, Bloomberg

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