

Dec 3, 2018

Market Commentary

- The SGD swap curve traded little changed last Friday, with swap rates trading 1bps higher across most tenors (with the exception of the 12-year swap rates trading 2bps lower).
- Flows in SGD corporates were heavy last Friday, with better buying seen in UBS 5.0%-PERPs, DBSP 3.98%-PERPs and HSBC 4.7%-PERPs.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS was unchanged at 157bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 1bps to 619bps.
- Overall, 10Y UST yields fell 4bps to close at 2.99% ahead of the meeting between the US President Donald Trump and his Chinese counterpart Xi Jinping at the G20 summit in Argentina.

Table 1: Key Financial Indicators

	3-Dec	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	92	-4	5
iTraxx SovX APAC	10	-1	0
iTraxx Japan	67	2	8
iTraxx Australia	87	0	8
CDX NA IG	75	-4	10
CDX NA HY	104	1	-1
iTraxx Eur Main	81	3	11
iTraxx Eur XO	329	0	41
iTraxx Eur Snr Fin	105	5	18
iTraxx Sovx WE	27	0	1
AUD/USD	0.736	1.94%	2.08%
EUR/USD	1.134	0.09%	-0.60%
USD/SGD	1.369	0.40%	0.42%
China 5Y CDS	68	-5	1
Malaysia 5Y CDS	111	-6	-1
Indonesia 5Y CDS	141	-7	-10
Thailand 5Y CDS	45	-1	2

	3-Dec	1W chg	1M chg
Brent Crude Spot (\$/bbl)	60.91	0.71%	-16.37%
Gold Spot (\$/oz)	1,220.52	-0.21%	0.47%
CRB	181.74	1.19%	-5.49%
GSCI	406.52	0.73%	-9.77%
VIX	18.07	-16.03%	-7.38%
CT10 (bp)	3.033%	-2.02	-17.88
USD Swap Spread 10Y (bp)	5	-1	-1
USD Swap Spread 30Y (bp)	-15	-4	-4
TED Spread (bp)	33	5	13
US Libor-OIS Spread (bp)	36	1	7
Euro Libor-OIS Spread (bp)	4	0	0
DJIA	25,538	5.16%	1.06%
SPX	2,760	4.85%	1.36%
MSCI Asiax	615	1.45%	0.43%
HSI	26,507	2.23%	0.08%
STI	3,118	2.13%	0.04%
KLCI	1,680	-0.94%	-1.98%
JCI	6,056	0.83%	2.54%

New issues

- KWG Group Holdings Ltd has priced a USD150mn re-tap of its KWGPRO 9.85%'20s (sub guarantors: certain non-PRC subsidiaries of the issuer) at 101.5 + accrued interest.
- Huaibei City Construction Investment Holding Group Company Ltd has priced a USD300mn 3-year bond at 5.2%, tightening from its initial price guidance of 5.5%.
- Shinhan Life insurance has priced a USD350mn 10NC5 bond at 5.1%.
- Kookmin Bank has priced a USD100mn 2-year bond at 3.409%.
- Industrial & Commercial Bank of China Limited/Dubai DIFC has priced a USD100mn 2-year bond at 3mL+60bps.

<u>Date</u>	<u>Issuer</u>	<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
30-Nov-18	KWG Group Holdings Ltd	USD150mn	KWGPRO 9.85%'20s	101.5 + accrued interest
30-Nov-18	Huaibei City Construction Investment Holding Group Company Ltd	USD300mn	3-year	5.2%
30-Nov-18	Shinhan Life insurance	USD350mn	10NC5	5.1%
30-Nov-18	Kookmin Bank	USD100mn	2-year	3.409%
30-Nov-18	Industrial & Commercial Bank of China Limited/Dubai DIFC	USD100mn	2-year	3mL+60bps
29-Nov-18	Sunac China Holdings Ltd	USD350mn	SUNAC 8.625%'20s	9.125%
29-Nov-18	Powerchina Real Estate Group Ltd	USD300mn	3-year	CT3+188bps
29-Nov-18	Franshion Brilliant Ltd	USD300mn	Perp NC3	6.9%
28-Nov-18	New World China Land Ltd	USD310mn	5-year	CT5+200bps
28-Nov-18	Wuhan Metro Group Co Ltd	USD400mn	Perp NC3	6.08%
28-Nov-18	Shandong Iron & Steel Xinheng International Co Ltd	USD450mn	3-year	8.5%
28-Nov-18	Excellence Commercial Properties Co Ltd	USD150mn	3-year	7.6%
28-Nov-18	Sunshine 100 China Holdings Ltd	USD170mn	3NC2	10.5%
28-Nov-18	Hangzhou Fuyang Chengtong Group (HK) Ltd	USD230mn	3-year	6.8%
28-Nov-18	Power Finance Corp	USD500mn	10-year	CT10+310bps

Source: OCBC, Bloomberg

Andrew Wong

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

Ezien Hoo, CFA

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

Wong Hong Wei, CFA

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

Seow Zhi Qi

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

This publication is solely for information purposes only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This publication should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this publication may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This publication may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, they should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. OCBC Bank, its related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial services to such issuers. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products.

This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "**Relevant Materials**") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "**Relevant Entity**") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("**MiFID**") and the EU's Markets in Financial Instruments Regulation (600/2014) ("**MiFIR**") (together referred to as "**MiFID II**"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).