

June 7, 2018

Market Commentary

- The SGD swap curve steepened yesterday, with swap rates for the shorter tenors trading 1-2bps higher while the longer tenors traded 2-4bps higher.
- Flows in SGD corporates were heavy yesterday, with better buying seen in BACR 3.75%'30s.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened by 1bps to 138bps and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened by 6bps to 464bps.
- 10Y UST yields rose 4bps to 2.97% as European Central Bank policymakers boosted market expectations that the central bank will end its bond-buying programme this year.

Table 1: Key Financial Indicators

	7-Jun	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	77	-1	0
iTraxx SovX APAC	13	1	0
iTraxx Japan	51	-1	3
iTraxx Australia	70	0	3
CDX NA IG	64	-3	2
CDX NA HY	107	1	0
iTraxx Eur Main	70	0	14
iTraxx Eur XO	301	-7	27
iTraxx Eur Snr Fin	82	-4	22
iTraxx Sovx WE	27	-1	11
AUD/USD	0.767	1.29%	1.98%
EUR/USD	1.179	0.84%	-1.10%
USD/SGD	1.332	0.46%	0.30%
China 5Y CDS	55	-1	-6
Malaysia 5Y CDS	94	3	13
Indonesia 5Y CDS	125	4	-1
Thailand 5Y CDS	45	-1	-1

	7-Jun	1W chg	1M chg
Brent Crude Spot (\$/bbl)	75.89	-2.19%	-0.37%
Gold Spot (\$/oz)	1,297.15	-0.10%	-1.30%
CRB	199.01	-2.11%	-2.27%
GSCI	471.28	-2.57%	-2.34%
VIX	11.64	-22.09%	-21.08%
CT10 (bp)	2.977%	11.86	2.75
USD Swap Spread 10Y (bp)	6	1	2
USD Swap Spread 30Y (bp)	-8	1	3
TED Spread (bp)	38	-2	-16
US Libor-OIS Spread (bp)	41	-3	-11
Euro Libor-OIS Spread (bp)	4	1	0
DJIA	25,146	1.94%	3.24%
SPX	2,772	1.77%	3.73%
MSCI Asiax	729	2.84%	2.84%
HSI	31,259	4.00%	4.22%
STI	3,468	0.69%	-1.84%
KLCI	1,777	-1.13%	-2.79%
JCI	6,070	0.02%	3.14%

Source: OCBC, Bloomberg

New issues

- China Everbright Bank Co Ltd/Hong Kong has priced a deal across two-tranches with the USD300mn 3-year FRN priced at 3mL+85bps, tightening from its initial price guidance of 3mL+110bps area and EUR300mn 3-year FRN priced at 3mE+75bps, tightening from its initial price guidance of 3mE+90bps area.
- Astrea IV Pte Ltd has priced a deal across three-tranches with the SGD242mn 10NC5 bond priced at 4.35%, tightening from its initial price guidance of 4.635%; the USD210mn 10NC5 bond at 5.5%, tightening from its initial price guidance of 5.625% and the USD110mn 10-year bond at 6.75%, tightening from its initial price guidance of 7%.

<u>Date</u>	<u>Issuer</u>	<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
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
1-June-18	China Construction Bank Corp Hong Kong Branch	USD900mn	3-year	3mL+73bps
1-June-18	China Construction Bank Corp Hong Kong Branch	USD600mn	5-year	3mL+83bps

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

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

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