

Market Commentary

- The SGD swap curve was little changed yesterday, with only the 1-year and 2-year tenor traded 1bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS was unchanged at 126bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 7bps to 541bps. The HY-IG Index spread widened 7bps to 414bps.
- Flows in SGD corporates were somewhat light, with ticket flows in UBS 4.85%-PERPs, ARASP 5.6%-PERPs and CS 5.625%-PERPs.
- 10Y UST Yields fell 2bps to close at 1.82%, after China reported weak trade data, showing Chinese exports in November contracted for a fourth consecutive month.

Credit Research

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Credit Summary:

- [HSBC Holdings PLC \(“HSBC”\)](#) | **Issuer Profile: Positive (2)**: HSBC confirmed several senior management changes undertaken by interim CEO Noel Quinn. This includes the retirement of the Chief Operating Officer and Chief Risk Officer in 2020 and the previously announced appointment of new co-heads of the investment bank. As flagged in its 3Q2019 and 9M2019 results, HSBC is set to announce a significant restructure in February when its FY2019 results are released.

Asian Credit Daily

Credit Headlines

HSBC Holdings PLC (“HSBC”) | Issuer Profile: Positive (2)

- HSBC confirmed several senior management changes undertaken by interim CEO Noel Quinn. This includes the retirement of the Chief Operating Officer and Chief Risk Officer in 2020 and the previously announced appointment of new co-heads of the investment bank.
- As flagged in its [3Q2019 and 9M2019 results](#), HSBC is set to announce a significant restructure in February when its FY2019 results are released. This will be the third major restructuring in the past 10 years and will be guided by the interim CEO.
- Management changes add to an air of uncertainty on the future credit profile for HSBC which is under some pressure. A significant restructure may depress earnings at a time of low interest rates and soft economic performance concerns in its major markets including Hong Kong (Company, OCBC)

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Key Market Movements

	10-Dec	1W chg (bps)	1M chg (bps)		10-Dec	1W chg	1M chg
iTraxx Asiax IG	64	-2	-1	Brent Crude Spot (\$/bbl)	64.05	5.31%	2.46%
iTraxx SovX APAC	30	-1	1	Gold Spot (\$/oz)	1,461.20	-1.11%	0.37%
iTraxx Japan	52	-1	-2	CRB	181.17	2.29%	-0.06%
iTraxx Australia	55	-2	-2	GSCI	421.64	2.64%	0.60%
CDX NA IG	50	-2	-1	VIX	15.86	6.37%	31.40%
CDX NA HY	108	0	0	CT10 (%)	1.819%	10.33	-12.27
iTraxx Eur Main	47	-3	-1				
iTraxx Eur XO	221	-9	-9	AUD/USD	0.682	-0.34%	-0.39%
iTraxx Eur Snr Fin	55	-3	-3	EUR/USD	1.107	-0.15%	0.29%
iTraxx Eur Sub Fin	115	-5	-3	USD/SGD	1.360	0.31%	0.04%
iTraxx Sovx WE	12	-1	0	AUD/SGD	0.928	0.69%	0.43%
USD Swap Spread 10Y	-7	1	3	ASX 200	6,723	0.16%	-0.02%
USD Swap Spread 30Y	-33	1	7	DJIA	27,910	0.46%	0.82%
US Libor-OIS Spread	34	0	-1	SPX	3,136	0.71%	1.39%
Euro Libor-OIS Spread	6	1	0	MSCI Asiax	651	0.82%	-1.88%
				HSI	26,495	0.39%	-4.18%
China 5Y CDS	38	-2	1	STI	3,174	0.04%	-2.75%
Malaysia 5Y CDS	41	-1	1	KLCI	1,559	-0.19%	-3.14%
Indonesia 5Y CDS	73	-3	-1	JCI	6,194	1.04%	0.26%
Thailand 5Y CDS	26	-1	1	EU Stoxx 50	3,672	1.26%	-0.74%
Australia 5Y CDS	17	0	1				

Source: Bloomberg

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New Issues

- HBIS Group Co Ltd scheduled investor roadshow commencing on 9 Dec for its potential 3-year or 5-year USD bond issuance.

Date	Issuer	Size	Tenor	Pricing
06-Dec-19	Xingang International Holding Limited	USD100mn	3-year	7.0%
05-Dec-19	SD International Sukuk II Ltd	USD200mn	5.25NC3	7.0%
05-Dec-19	New Metro Global Limited	USD350mn	2-year	7.9%
05-Dec-19	REC Limited	USD500mn	5-year	T+192.5bps
05-Dec-19	Kunming Rail Transit Group Co., Ltd	USD300mn USD200mn	3-year 5-year	3.5% 3.9%
05-Dec-19	China South City Holdings Limited	USD150mn	2-year and 2-month	11.8%
05-Dec-19	Guofa Overseas Investment Company Limited	USD100mn	3-year	7.0%
04-Dec-19	Huafa 2019 I Company Limited	USD200mn	364-day	3.7%
04-Dec-19	China Everbright Bank Co., Ltd., Hong Kong Branch	USD500mn	3-year FRN	3m-US LIBOR+70bps
03-Dec-19	Bocom Leasing Management Hong Kong Company Limited	USD600mn	5-year FRN	3m-US LIBOR+107.5bps
03-Dec-19	China Huaneng Group (Hong Kong) Treasury Management Holding Limited	USD400mn USD500mn USD600mn	3-year 5-year 10-year	T+88bps T+103bps T+125bps
03-Dec-19	China Resources Land Limited	USD1.05bn	NC5-Perpetual	3.75%
03-Dec-19	Ronshine China Holdings Limited	USD324mn	3.5NC2	8.1%

Source: OCBC, Bloomberg

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