

### Market Commentary

- The SGD swap curve was lower across the board yesterday, with all tenors about 2bps lower, other than the 5Y which was 1bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 3bps to 129bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 14bps to 526bps.
- Flows in SGD corporates were heavy, with large ticket flows in F 4.125%'24s and STANLN 5.325%-PERPs. We also saw flows in UOBSP 3.58%-PERPs, SOCGEN 6.125%-PERPs, HSBC 4.7%-PERPs, UBS 4.85%-PERPs UOBSP 4.0%-PERPs, ARASP 5.6%-PERPs, CS 5.625%-PERPs and FPLSP 4.98%-PERPs.
- 10Y USTs yields gained 3bps to close at 1.77% on news that the Trump administration is considering to offer China a limited trade agreement that would delay and even roll back some US tariffs and comments that the US may consider issuing ultra-long dated bonds. Intraday moves though were significant, with treasuries earlier rallying to 1.67% after European Central Bank cut rates in a closely watched meeting, before reversing later in the trading day.

### Credit Research

**Andrew Wong**

+65 6530 4736

[WongVKAM@ocbc.com](mailto:WongVKAM@ocbc.com)

**Ezien Hoo, CFA**

+65 6722 2215

[EzienHoo@ocbc.com](mailto:EzienHoo@ocbc.com)

**Wong Hong Wei, CFA**

+65 6722 2533

[WongHongWei@ocbc.com](mailto:WongHongWei@ocbc.com)

**Seow Zhi Qi**

+65 6530 7348

[zhiqiseow@ocbc.com](mailto:zhiqiseow@ocbc.com)

### Key Market Movements

|                       | 13-Sep | 1W chg<br>(bps) | 1M chg<br>(bps) |
|-----------------------|--------|-----------------|-----------------|
| iTraxx Asiax IG       | 55     | -3              | -13             |
| iTraxx SovX APAC      | 34     | -2              | -9              |
| iTraxx Japan          | 54     | -1              | -10             |
| iTraxx Australia      | 58     | -1              | -13             |
| CDX NA IG             | 50     | -1              | -7              |
| CDX NA HY             | 108    | 0               | 1               |
| iTraxx Eur Main       | 45     | -2              | -9              |
| iTraxx Eur XO         | 236    | -3              | -40             |
| iTraxx Eur Snr Fin    | 54     | -3              | -17             |
| iTraxx Sovx WE        | 15     | -1              | -4              |
| USD Swap Spread 10Y   | -12    | 0               | -2              |
| USD Swap Spread 30Y   | -42    | -1              | -3              |
| US Libor-OIS Spread   | 31     | 1               | 8               |
| Euro Libor-OIS Spread | 3      | -4              | -3              |
| China 5Y CDS          | 38     | -2              | -14             |
| Malaysia 5Y CDS       | 43     | -3              | -15             |
| Indonesia 5Y CDS      | 75     | -3              | -19             |
| Thailand 5Y CDS       | 27     | -1              | -5              |

|                           | 13-Sep   | 1W chg  | 1M chg  |
|---------------------------|----------|---------|---------|
| Brent Crude Spot (\$/bbl) | 60.23    | -2.13%  | -1.75%  |
| Gold Spot (\$/oz)         | 1,498.27 | -0.57%  | -0.22%  |
| CRB                       | 174.46   | 1.22%   | 0.79%   |
| GSCI                      | 403.44   | -0.21%  | -0.52%  |
| VIX                       | 14.22    | -12.60% | -18.84% |
| CT10 (%)                  | 1.775%   | 21.48   | 7.15    |
| AUD/USD                   | 0.686    | 0.26%   | 0.96%   |
| EUR/USD                   | 1.106    | 0.30%   | -0.98%  |
| USD/SGD                   | 1.375    | 0.44%   | 0.57%   |
| DJIA                      | 27,182   | 1.70%   | 3.43%   |
| SPX                       | 3,010    | 1.13%   | 2.84%   |
| MSCI Asiax                | 632      | 1.40%   | 6.65%   |
| HSI                       | 27,088   | 2.16%   | 7.14%   |
| STI                       | 3,195    | 1.52%   | 1.53%   |
| KLCI                      | 1,601    | 0.07%   | 0.51%   |
| JCI                       | 6,342    | 0.56%   | 2.11%   |

Source: Bloomberg

### New Issues

- The Bank of East Asia, Ltd has priced a USD650mn NC5-Perpetual AT1s at 5.875%, tightening from IPT of 6.25% area.
- Huai'an Traffic Holding Co., Ltd has priced a USD300mn 3-year bond at 6.0%, tightening from IPT of 6.5% area.

| Date      | Issuer  | Size     | Tenor           | Pricing           |
|-----------|---|----------|-----------------|-------------------|
| 12-Sep-19 | The Bank of East Asia, Ltd  | USD650mn | NC5-Perpetual   | 5.875%            |
| 12-Sep-19 | Huai'an Traffic Holding Co., Ltd                                  | USD300mn | 3-year          | 6.0%              |
| 11-Sep-19 | Zhaobing Investment (BVI) Ltd                                     | USD300mn | 3-year          | 6.0%              |
| 10-Sep-19 | Guangxi Communications Investment Group Corporation Ltd           | USD300mn | 3-year          | 3.7%              |
| 10-Sep-19 | FWD Group Ltd   | USD600mn | NC5-Perpetual   | 6.375%            |
| 10-Sep-19 | Shuifa International Holdings (BVI) Co., Ltd                      | USD400mn | 3-year          | 4.15%             |
| 10-Sep-19 | SK Hynix Inc.   | USD500mn | 5-year          | T+162.5bps        |
| 10-Sep-19 | Country Garden Holdings Co., Ltd                                  | USD500mn | 6NC4            | 6.15%             |
| 10-Sep-19 | Korea Development Bank  | USD100mn | 2-year          | 3m-US LIBOR+30bps |
| 10-Sep-19 | Housing and Development Board                                     | SGD500mn | 15-year         | 2.315%            |
| 09-Sep-19 | Industrial and Commercial Bank of China Limited, Hong Kong Branch | USD1.0bn | 3-year          | 3m-US LIBOR+67bps |
|           |   | USD500mn | 3-year          | T+80bps           |
|           |   | USD1.0bn | 5-year          | 3m-US LIBOR+78bps |
| 09-Sep-19 | Longfor Group Holdings Ltd  | USD850mn | 10-year         | T+247.5bps        |
| 09-Sep-19 | Wuhan Financial Holdings (Group) Co., Ltd                         | USD300mn | WUECDE 5.8%'21s | 4.1%              |

Source: OCBC, Bloomberg

# Treasury Research & Strategy

## Macro Research

### Selena Ling

Head of Strategy & Research

[LingSSSelena@ocbc.com](mailto:LingSSSelena@ocbc.com)

### Emmanuel Ng

Senior FX Strategist

[NgCYEmmanuel@ocbc.com](mailto:NgCYEmmanuel@ocbc.com)

### Tommy Xie Dongming

Head of Greater China Research

[XieD@ocbc.com](mailto:XieD@ocbc.com)

### Terence Wu

FX Strategist

[TerenceWu@ocbc.com](mailto:TerenceWu@ocbc.com)

### Howie Lee

Thailand, Korea &

Commodities

[HowieLee@ocbc.com](mailto:HowieLee@ocbc.com)

### Alan Lau

Malaysia & Indonesia

[AlanLau@ocbc.com](mailto:AlanLau@ocbc.com)

### Carie Li

Hong Kong & Macau

[carierli@ocbcwh.com](mailto:carierli@ocbcwh.com)

### Dick Yu

Hong Kong & Macau

[dicksnyu@ocbcwh.com](mailto:dicksnyu@ocbcwh.com)

## Credit Research

### Andrew Wong

Credit Research Analyst

[WongVKAM@ocbc.com](mailto:WongVKAM@ocbc.com)

### Ezien Hoo, CFA

Credit Research Analyst

[EzienHoo@ocbc.com](mailto:EzienHoo@ocbc.com)

### Wong Hong Wei, CFA

Credit Research Analyst

[WongHongWei@ocbc.com](mailto:WongHongWei@ocbc.com)

### Seow Zhi Qi

Credit Research Analyst

[ZhiQiSeow@ocbc.com](mailto:ZhiQiSeow@ocbc.com)

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