

Mar 14, 2019

Credit Headlines: Oxley Holdings Ltd

Market Commentary

- The SGD swap curve flattened yesterday, with the shorter tenors trading 1-2bps lower while the belly and longer tenors traded 3-4bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 138bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 7bps to 483bps.
- Flows in SGD corporates were heavy, with flows seen in UBS 5.875%-PERPs, ESRCAY 6.75%'22s, CELSP 3.9%-PERPs, GUOLSP 4.6%-PERPs, HSBC 4.7%-PERPs and HSBC 5.0%-PERPs.
- 10Y UST yields rose 2bps to 2.62%, on the back of risk-on behaviour from a stabilised equity market, while the situation surrounding Britain's exit from the European Union remains a source of concern, albeit limited, for the US. Yields were also lifted by the poor demand facing the 30-year note supply and the soft US producer prices data for February, further reinforcing the likelihood that the Fed will maintain rates for the year.

Credit Headlines

Oxley Holdings Ltd ("OHL") | Issuer Profile: Neutral (5)

- OHL requested for trading halt yesterday due to the pending release of an announcement. According to media sources, the property developer is pending a proposed placement of ordinary shares. The proceeds from the placement, if undertaken, will go towards funding project development, working capital and general corporate purposes.
- We note that OHL has significant short term financial liabilities against cash on hand with the SGD300mn OHLSP '19s coming due this November, and one bond maturing each year up to 2022. Though we are not overly concerned given that OHL is selling its assets (as [previously written](#)), the private placement, if it goes through, can possibly alleviate some short term liquidity pressure. (Company, Straits Times, OCBC)

Table 1: Key Financial Indicators

	14-Mar	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	67	-2	-9
iTraxx SovX APAC	50	-1	-8
iTraxx Japan	57	0	-3
iTraxx Australia	69	-1	-4
CDX NA IG	58	-6	-7
CDX NA HY	106	1	0
iTraxx Eur Main	60	-3	-11
iTraxx Eur XO	270	-15	-39
iTraxx Eur Snr Fin	72	-4	-17
iTraxx Sovx WE	20	0	-4
AUD/USD	0.707	0.83%	-0.45%
EUR/USD	1.133	1.22%	0.30%
USD/SGD	1.354	0.55%	0.33%
China 5Y CDS	46	-2	-8
Malaysia 5Y CDS	61	-1	-16
Indonesia 5Y CDS	98	-1	-14
Thailand 5Y CDS	44	-1	-2

	14-Mar	1W chg	1M chg
Brent Crude Spot (\$/bbl)	67.68	2.08%	4.82%
Gold Spot (\$/oz)	1,306.41	1.62%	-0.47%
CRB	183.41	1.20%	2.62%
GSCI	431.49	1.92%	3.66%
VIX	13.41	-14.80%	-17.32%
CT10 (bp)	2.625%	-1.44	-2.87
USD Swap Spread 10Y (bp)	1	-1	-2
USD Swap Spread 30Y (bp)	-21	-1	-3
US Libor-OIS Spread (bp)	19	-1	-10
Euro Libor-OIS Spread (bp)	5	0	0
DJIA	25,703	0.11%	1.04%
SPX	2,811	1.42%	2.37%
MSCI Asiax	654	0.09%	1.34%
HSI	28,892	0.39%	1.62%
STI	3,189	-1.27%	-1.99%
KLCI	1,679	-0.50%	-0.63%
JCI	6,377	-1.26%	-0.67%

New issues

- Joy Treasure Assets Holdings Inc (guarantor: China Orient Asset Management (International) Holding Ltd) has priced a USD400mn 5-year bond at CT5+150bps (tightening from IPT of +185bps area), and a USD300mn 10-year bond at CT10+200bps (tightening from IPT of +235bps area).
- Poly Developments and Holdings Group Co has scheduled investor meetings from 14 March for its potential USD bond issuance.
- Minera y Metalurgica del Boleo (guarantor: Korea Resources Corp) has mandated banks for its potential USD bond issuance.
- Landmark Funding 2019 Ltd (guarantor: Minsheng Financial Leasing Co Ltd) has scheduled investor meetings from 14 March for its potential loan-backed USD bond issuance.

<u>Date</u>	<u>Issuer</u>	<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
13-Mar-19	Joy Treasure Assets Holdings Inc	USD400mn USD300mn	5-year 10-year	CT5+150bps CT10+200bps
12-Mar-19	Guorui Properties Ltd	USD295mn	GUOPRO 13.5'22s	97
12-Mar-19	ANZ New Zealand (Int'l) Ltd	USD750mn	5-year	CT5+100bps
11-Mar-19	Chongqing Energy Investment Group Co Ltd	USD500mn	3-year	5.78%
11-Mar-19	AMTD Group Co Ltd	USD57.92mn	AMTDGC 5.0%'22s	5.0%
8-Mar-19	Nuoxi Capital Ltd	USD200mn	HKJHCC 7.5%'22s	7.5%
7-Mar-19	AMP Group Finance Services Ltd	USD300mn	2.5-year	CT3+160bps
7-Mar-19	XINHU (BVI) 2018 Holding Co Ltd	USD275mn	3NPNC2	11.0%
7-Mar-19	Hong Kong Mortgage Corp Ltd	USD125mn	5-year	3M-LIBOR +16bps
6-Mar-19	Santos Finance Ltd	USD600mn	10-year	CT10+265bps
6-Mar-19	CES Treasury Pte Ltd	SGD100mn	3-year	6.0%
5-Mar-19	Greenland Global Investment Ltd	USD350mn	3-year	7.25%
5-Mar-19	Export-Import Bank of India	USD500mn	5-year	CT5+140bps

Source: OCBC, Bloomberg

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