

June 18, 2019

## Market Commentary

- The SGD swap curve bear-steepened over yesterday, with the shorter tenors and belly trading 2-4bps higher, while the longer tenors traded 4-5bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS was little changed at 139bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 7bps to 499ps.
- Flows in SGD corporates were heavy, with flows in CS 5.625%-PERPs, F 4.125%'24s and UBS 5.875%-PERPs.
- 10Y UST yields gained 1bps to 2.10% on a choppy trading day, as a strong performance in US technology stocks offset worries about the ongoing trade tensions between China and the US. Investors are awaiting more information after the Federal Reserve monetary policy meeting later this week. Spread between 3-month treasury bills and 10-year treasury notes continued to be inverted, remaining at -6bps.

**Table 1: Key Financial Indicators**

	18-Jun	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	74	3	1
iTraxx SovX APAC	47	1	-1
iTraxx Japan	68	2	7
iTraxx Australia	70	1	-3
CDX NA IG	61	1	-4
CDX NA HY	106	0	0
iTraxx Eur Main	61	0	-6
iTraxx Eur XO	275	6	-9
iTraxx Eur Snr Fin	76	-1	-7
iTraxx Sovx WE	17	0	-1
AUD/USD	0.684	-1.71%	-0.94%
EUR/USD	1.123	-0.82%	0.60%
USD/SGD	1.370	-0.43%	0.47%
China 5Y CDS	51	1	0
Malaysia 5Y CDS	66	2	1
Indonesia 5Y CDS	102	2	-4
Thailand 5Y CDS	35	1	-2

	18-Jun	1W chg	1M chg
Brent Crude Spot (\$/bbl)	60.83	-2.34%	-15.76%
Gold Spot (\$/oz)	1,341.69	1.12%	5.00%
CRB	174.42	0.20%	-3.63%
GSCI	404.56	-0.68%	-8.68%
VIX	15.35	-3.70%	-3.82%
CT10 (bp)	2.086%	-5.76	-30.54
USD Swap Spread 10Y (bp)	-5	-2	-1
USD Swap Spread 30Y (bp)	-31	-4	-4
US Libor-OIS Spread (bp)	17	-1	2
Euro Libor-OIS Spread (bp)	5	0	0
DJIA	26,113	0.19%	1.35%
SPX	2,890	0.10%	1.05%
MSCI Asiax	623	-2.06%	-0.19%
HSI	27,223	-2.04%	-2.59%
STI	3,227	0.54%	0.67%
KLCI	1,638	-0.80%	2.04%
JCI	6,210	-1.52%	6.58%

## New issues:

- Korea Electric Power Corp has priced a USD500mn 5-year bond at T+75bps, tightening from IPT at T+100bps area.
- China Everbright Bank Co., Ltd Hong Kong Branch has priced a USD500mn 3-year FRN at 3M-US LIBOR+79bps, tightening from IPT at 3M-US LIBOR+105bps.
- Xi'an Municipal Infrastructure Construction Investment Group Corporation Ltd has priced a USD500mn 3-year bond at 4.2%, tightening from IPT at 4.6% area.
- Landsea Green Group Co., Ltd has priced a USD200mn 3-year bond at 11.25%, tightening from IPT at 11.5% area.
- Hyundai Capital America has priced a USD800mn debt offering in 2 tranches; a USD400mn 3-year bond at T+120bps (tightening from IPT at T+135-140bps area), and a USD400mn 5-year at T+155bps (tightening from IPT at T+165-170bps area).
- Kunming Traffic Investment Co., Ltd has scheduled investor roadshows commencing 18 June for its potential USD bond issuance.
- Nuoxi Capital Ltd (Guarantor: Peking University Founder Group Company Ltd) has scheduled investor roadshows commencing 17 June for its potential USD bond issuance.
- REC Ltd has mandated banks for its potential USD bond issuance.

<u>Date</u>		<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
17-Jun-19	Korea Electric Power Corp	USD500mn	5-year	T+75bps
17-Jun-19	China Everbright Bank Co Ltd / Hong Kong Branch	USD500mn	3-year	3M-US LIBOR+79bps
17-Jun-19	Xi'an Municipal Infrastructure Construction Investment Group Corp Ltd	USD500mn	3-year	4.2%
17-Jun-19	Landsea Green Group Co Ltd	USD200mn	3-year	11.25%
17-Jun-19	Hyundai Capital America	USD400mn USD400mn	3-year 5-year	T+120bps T+155bps
14-Jun-19	Franshion Brilliant Ltd	USD250mn	5-year	3.66%
14-Jun-19	China Aoyuan Property Group	USD200mn	4-year	7.35%
14-Jun-19	Agile Group Holdings Ltd	USD100mn	NC4.5-perpetual	T+625.4bps
13-Jun-19	VCREDIT Holdings Ltd	USD100mn	2-year	12.125%
13-Jun-19	Guangzhou Rural Commercial Bank Co., Ltd	USD1.43bn	NC5-perpetual (AT1)	5.9%
13-Jun-19	Jinke Properties Group Co., Ltd	USD300mn	2-year	9.0%

Source: OCBC, Bloomberg

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