

Market Commentary

- The SGD swap curve remained mostly unchanged yesterday, with only the 1-year tenor trading 1bps higher while the other tenors were little changed.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 120bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 8bps to 501bps. The HY-IG Index spread tightened 8bps to 380bps.
- Flows in SGD corporates were light, with flows in UBS 4.85%-PERPs.
- 10Y UST Yields rose by 4bps to close at 1.91%, due to positive investor sentiments from recent positive economic news and investors shrugging off the likely impeachment of President Trump.

Credit Research

Andrew Wong

+65 6530 4736

WongVKAM@ocbc.com

Ezien Hoo, CFA

+65 6722 2215

EzienHoo@ocbc.com

Wong Hong Wei, CFA

+65 6722 2533

WongHongWei@ocbc.com

Seow Zhi Qi

+65 6530 7348

zhiqiseow@ocbc.com

Credit Summary:

- [Mapletree Logistics Trust \("MLT"\)](#) | **Issuer Profile: Neutral (4)**: MLT announced that the consolidated Semangkuk Berhad ("Semangkuk"), a bankruptcy remote special purpose vehicle, had underwent a partial refinancing of its MYR526.5mn (~SGD172.3mn) outstanding bridge notes previously issued by Semangkuk. Separately, MLT's CFO will be resigning with effect on 31 December 2019 to pursue other interests after three years in the role and MLT has found a replacement.

Credit Headlines

Mapletree Logistics Trust (“MLT”) | Issuer Profile: Neutral (4)

- MLT announced that the consolidated Semangkuk Berhad (“Semangkuk”), a bankruptcy remote special purpose vehicle, had underwent a partial refinancing of its MYR526.5mn (~SGD172.3mn) outstanding bridge notes previously issued by Semangkuk. Via its asset-backed securitisation (“ABS”) programme, Semangkuk has issued a new 7-year MYR250mn (~SGD82mn) unrated senior medium term notes and a new 7-year junior medium term notes amounting to MYR195mn (~SGD63.9mn). The senior notes were placed out to external parties while the junior tranche had been retained by MLT.
- The properties involved in the ABS transaction include seven properties located in Malaysia with an asset valuation of MYR483mn (~SGD158mn) as at 31 March 2019 and we consider these assets to be encumbered. Net-net though we see this as a credit neutral event given the small scale of the transaction.
- Separately, MLT’s CFO will be resigning with effect on 31 December 2019 to pursue other interests after three years in the role. MLT has found a replacement and is currently undergoing regulatory clearance of the candidate’s appointment to the role. (Company, OCBC)

Key Market Movements

	19-Dec	1W chg (bps)	1M chg (bps)		19-Dec	1W chg	1M chg
iTraxx Asiax IG	55	-8	-10	Brent Crude Spot (\$/bbl)	66.21	3.13%	8.70%
iTraxx SovX APAC	27	-2	-3	Gold Spot (\$/oz)	1,475.17	0.37%	0.18%
iTraxx Japan	44	-6	-9	CRB	184.96	1.91%	4.41%
iTraxx Australia	49	-6	-8	GSCI	433.11	3.05%	5.72%
CDX NA IG	46	-2	-6	VIX	12.58	-16.08%	-2.18%
CDX NA HY	109	1	2	CT10 (%)	1.910%	1.77	12.73
iTraxx Eur Main	45	-2	-4				
iTraxx Eur XO	210	-9	-22	AUD/USD	0.687	-0.56%	0.62%
iTraxx Eur Snr Fin	53	-2	-6	EUR/USD	1.112	-0.09%	0.38%
iTraxx Eur Sub Fin	111	-4	-12	USD/SGD	1.356	-0.10%	0.38%
iTraxx Sovx WE	12	0	-1	AUD/SGD	0.932	0.46%	-0.26%
USD Swap Spread 10Y	-5	1	5	ASX 200	6,852	2.13%	0.55%
USD Swap Spread 30Y	-30	-1	9	DJIA	28,239	1.18%	1.09%
US Libor-OIS Spread	34	0	-1	SPX	3,191	1.58%	2.27%
Euro Libor-OIS Spread	5	-1	0	MSCI Asiax	685	3.35%	4.20%
				HSI	27,884	4.65%	2.92%
China 5Y CDS	32	-5	-7	STI	3,210	0.47%	-0.91%
Malaysia 5Y CDS	36	-5	-6	KLCI	1,599	2.03%	-0.39%
Indonesia 5Y CDS	64	-7	-9	JCI	6,287	1.73%	2.20%
Thailand 5Y CDS	24	-3	-3	EU Stoxx 50	3,739	1.40%	1.15%
Australia 5Y CDS	0	0	0				

Source: Bloomberg

Asian Credit Daily

New Issues

- Yincheng International Holding Co., Ltd priced a USD100mn 1-year bond at 12.5%.
- Yango Cayman Investment Ltd priced a USD62mn re-tap of its existing YANGOG 12.5%'21s at 12.5%.

Date	Issuer	Size	Tenor	Pricing
18-Dec-19	Yincheng International Holding Co., Ltd	USD100mn	1-year	12.5%
18-Dec-19	Yango Cayman Investment Ltd	USD62mn	YANGOG 12.5%'21s	12.5%
13-Dec-19	Excellence Commercial Management Ltd	USD100mn	3-year	6.8%
13-Dec-19	China Construction Bank Corporation of Luxembourg	USD300mn	2.5-year	3m-US LIBOR+63bps
12-Dec-19	Hydoo International Holding Limited	USD193.5mn	2-year	14.0%
12-Dec-19	Zensun Enterprises Limited	USD120mn	ZENENT 12.8%'21s	ZENENT 12.8%'21s
11-Dec-19	HBIS Group Hong Kong Co., Limited	USD300mn	3-year	4.0%
10-Dec-19	Wynn Macau Ltd	USD1.0bn	10NC5	5.125%
09-Dec-19	China Construction Bank (Asia) Corporation Limited	USD500mn	Perp-NC5	4.31%
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

Source: OCBC, Bloomberg

Treasury Research & Strategy

Macro Research

Selena Ling

Head of Research & Strategy

LingSSSelena@ocbc.com

Howie Lee

Thailand, Korea &

Commodities

HowieLee@ocbc.com

Tommy Xie Dongming

Head of Greater China

Research

XieD@ocbc.com

Carie Li

Hong Kong & Macau

carierli@ocbcwh.com

Wellian Wiranto

Malaysia & Indonesia

WellianWiranto@ocbc.com

Dick Yu

Hong Kong & Macau

dicksnyu@ocbcwh.com

Terence Wu

FX Strategist

TerenceWu@ocbc.com

Credit Research

Andrew Wong

Credit Research Analyst

WongVKAM@ocbc.com

Ezien Hoo

Credit Research Analyst

EzienHoo@ocbc.com

Wong Hong Wei

Credit Research Analyst

WongHongWei@ocbc.com

Seow Zhi Qi

Credit Research Analyst

ZhiQiSeow@ocbc.com

This publication is solely for information purposes only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This publication should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this publication may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This publication may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, they should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. OCBC Bank, its related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial services to such issuers. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products.

This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).