

Market Commentary

- The SGD swap curve traded higher across the board yesterday, with all tenors around 0-1bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS was unchanged at 128bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 1bps to 507bps. The HY-IG Index spread widened 2bps to 379bps.
- Flows in SGD corporates were heavy, with large ticket flows in CAPLSP 3.65%-PERPs. We also saw flows in SPHSP 4.0%-PERPs and UBS 4.85%-PERPs.
- 10Y UST Yields fell 2bps to 1.82%, after reports citing a government source said the mood in Beijing regarding a US-China trade deal was pessimistic.

Credit Research

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Credit Summary:

- [Oxley Holdings Ltd, United Engineers Ltd & Yanlord Land Group Ltd](#) | Neutral (5), Not Rated & Not Rated: OHL has pared down its stake in UE from ~18.9% to ~9.2%, which should fetch OHL proceeds of ~SGD167mn. The sale in stake is credit positive for OHL. Conversely, we think this is credit negative for Yanlord.

Asian Credit Daily

Credit Headlines

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

United Engineers Ltd (“UE”) | Not rated

Yanlord Land Group Ltd (“Yanlord”) | Not rated

- OHL has pared down its stake in UE from ~18.9% to ~9.2%, which should fetch OHL proceeds of ~SGD167mn. In-line with the reduction in OHL’s stake, Yanlord announced that it has acquired 9.4% shares for an aggregate consideration of SGD161.8mn. Following this transaction, UE has become a subsidiary of Yanlord, with Yanlord owning 51.46% of UE shares.
- The sale in stake is credit positive for OHL. If the remaining stake is sold, we expect OHL to receive ~SGD325mn in total proceeds, which is a credit positive as we expect net gearing to fall to ~2.0x (from 2.25x).
- Conversely, we think this is credit negative for Yanlord, especially if the remaining minorities follow in the path of OHL to tender their stakes. (Company, OCBC)

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Key Market Movements

	19-Nov	1W chg (bps)	1M chg (bps)		19-Nov	1W chg	1M chg
iTraxx Asiax IG	64	0	-6	Brent Crude Spot (\$/bbl)	62.20	0.23%	4.68%
iTraxx SovX APAC	30	1	-2	Gold Spot (\$/oz)	1,472.98	1.14%	-0.78%
iTraxx Japan	53	-1	-7	CRB	179.18	-1.16%	1.95%
iTraxx Australia	56	-1	-5	GSCI	415.65	-0.21%	2.20%
CDX NA IG	51	0	-3	VIX	12.46	3.23%	-12.56%
CDX NA HY	107	0	0	CT10 (%)	1.798%	-13.67	4.44
iTraxx Eur Main	49	0	-2				
iTraxx Eur XO	232	1	7	AUD/USD	0.679	-0.80%	-1.19%
iTraxx Eur Snr Fin	59	2	1	EUR/USD	1.107	0.51%	-0.76%
iTraxx Eur Sub Fin	121	4	7	USD/SGD	1.361	0.04%	-0.03%
iTraxx Sovx WE	13	1	0	AUD/SGD	0.924	0.87%	1.18%
USD Swap Spread 10Y	-10	-1	-4	ASX 200	6,771	0.26%	1.82%
USD Swap Spread 30Y	-39	0	-3	DJIA	28,036	1.24%	4.73%
US Libor-OIS Spread	36	0	1	SPX	3,122	1.13%	4.55%
Euro Libor-OIS Spread	5	0	1	MSCI Asiax	653	-0.59%	3.30%
				HSI	26,681	-0.91%	-0.14%
China 5Y CDS	37	1	-2	STI	3,259	-0.28%	4.64%
Malaysia 5Y CDS	41	1	-4	KLCI	1,604	-0.33%	2.11%
Indonesia 5Y CDS	73	1	-8	JCI	6,123	-0.42%	-1.12%
Thailand 5Y CDS	26	0	-1	EU Stoxx 50	3,705	0.22%	3.51%
Australia 5Y CDS	17	0	-1				

Source: Bloomberg

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New Issues

- Agile Group Holdings Limited priced a USD200mn NC5.5-year perpetual bond at 7.75%, tightening from IPT of 8.25% area.
- Shaanxi Xixian New Area Fengxi New City Development and Construction (Group) Co., Ltd (SBLC Provider: Hua Xia Bank, Xi'an Branch) priced a USD120mn 3-year bond at 3.5%, tightening from IPT of 3.75% area.
- Korea Expressway Corporation priced a USD200mn 3-year FRN at 3m-US LIBOR+60bps.
- PCGI Intermediate Holdings Limited scheduled investor calls commencing 18 Nov for its proposed USD 5-year bond issuance.
- Zhuhai Da Heng Qin Investment Co., Ltd. scheduled investor meetings commencing 19 Nov for its proposed USD bond issuance.
- Zhenjiang Transportation Industry Group Co., Ltd. scheduled investor meetings commencing 19 Nov for its proposed USD bond issuance.

Date	Issuer	Size	Tenor	Pricing
18-Nov-19	Agile Group Holdings Limited	USD200mn	NC5.5-year perpetual	7.75%
18-Nov-19	Shaanxi Xixian New Area Fengxi New City Development and Construction (Group) Co., Ltd	USD120mn	3-year	3.5%
18-Nov-19	Korea Expressway Corporation	USD200mn	3-year FRN	3m-US LIBOR+60bps
15-Nov-19	Zhenjiang Cultural Tourism Industry Group Co., Ltd	USD230mn	3-year	7.5%
15-Nov-19	Phoenix Charm International Investment Limited	USD205mn	3-year	7.0%
14-Nov-19	Adani Transmission Limited	USD500mn	16.5-year	4.25%
14-Nov-19	Shanghai Electric Group Global Investment Limited	USD500mn	5-year	T+102.5bps
14-Nov-19	Chalieco Hong Kong Corporation Limited	USD350mn	NC3.5-Perpetual	5.0%
14-Nov-19	Korea Railroad Corp	USD150mn	5-year FRN	3m-US LIBOR+70bps
13-Nov-19	Fantasia Holdings Group Co., Ltd	USD150mn	FTHDGR 12.25%'22s	13.7%
13-Nov-19	ICBCIL Finance Co. Limited	USD600mn	5-year FRN	3m-US LIBOR+105bps
13-Nov-19	Nanyang Commercial Bank, Limited	USD700mn	10NC5	T+218bps
13-Nov-19	Tata Motors Limited	USD300mn	5.5-year	5.875%

Source: OCBC, Bloomberg

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