

July 02, 2019

**Credit Headlines:** Frasers Centrepoint Trust

## **Market Commentary**

- The SGD swap curve was little changed yesterday, with the shorter tenors trading 0-1bps lower, while the belly and longer tenors were unchanged.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 2bps to 133bps while the Markit iBoxx USD Asia ex-Japan China High Yield TRI Index increased 0.4 to 306.1.
- Flows in SGD corporates were heavy, with flows in FPLSP 4.38%-PERPs, ESRCA 6.75'22s, SINTEC 4.05%'25s, SRBJNG 4.11%'25s, SOCGEN 6.125%-PERPs, MAPLSP 3.95%-PERPs, and HSBC 4.7%-PERPs.
- 10Y USTs gained 2bps to 2.03%, after a truce in the US – China trade war and better than expected US manufacturing growth data caused investors to pare their safe-haven assets. Spread between 3-month treasury bills and 10-year treasury notes continued to be inverted, with the spread remaining at -8bps.

## **Credit Headlines**

### **Frasers Centrepoint Trust (“FCT”) | Issuer Profile: Neutral (3)**

- FCT has acquired another 2.33% stake in PGIM Real Estate AsiaRetail Fund, bringing its cumulative stake to 21.13%.
- As of today, FCT along with its parent, Frasers Property Ltd, has an aggregate 74.87% stake in this fund.(OCBC, Company)

**Table 1: Key Financial Indicators**

	<u>2-Jul</u>	<u>1W chg (bps)</u>	<u>1M chg (bps)</u>
iTraxx Asiax IG	61	-7	-20
iTraxx SovX APAC	39	-4	-13
iTraxx Japan	59	-4	-13
iTraxx Australia	60	-6	-21
CDX NA IG	53	-5	-17
CDX NA HY	108	1	3
iTraxx Eur Main	51	-4	-19
iTraxx Eur XO	249	-15	-58
iTraxx Eur Snr Fin	62	-6	-27
iTraxx Sovx WE	16	-1	-2
AUD/USD	0.697	0.07%	-0.16%
EUR/USD	1.129	-0.71%	0.40%
USD/SGD	1.356	-0.14%	0.75%
China 5Y CDS	40	-8	-21
Malaysia 5Y CDS	50	-9	-26
Indonesia 5Y CDS	87	-8	-29
Thailand 5Y CDS	33	-1	-6

	<u>2-Jul</u>	<u>1W chg</u>	<u>1M chg</u>
Brent Crude Spot (\$/bbl)	64.76	-0.45%	0.42%
Gold Spot (\$/oz)	1,386.11	-2.62%	4.59%
CRB	181.14	0.63%	3.29%
GSCI	425.44	0.62%	4.34%
VIX	14.06	-7.86%	-24.85%
CT10 (bp)	2.014%	2.86	-11.10
USD Swap Spread 10Y (bp)	-4	4	1
USD Swap Spread 30Y (bp)	-31	4	-3
US Libor-OIS Spread (bp)	16	1	-1
Euro Libor-OIS Spread (bp)	6	0	1
DJIA	26,717	-0.04%	7.67%
SPX	2,964	0.64%	7.71%
MSCI Asiax	658	1.81%	6.89%
HSI	28,543	0.24%	6.10%
STI	3,372	1.83%	8.16%
KLCI	1,684	0.45%	1.99%
JCI	6,380	1.45%	2.75%

## New issues:

- Skyfame Realty Holdings Ltd has priced a USD105mn 3-year bond at 13.0%.
- Tahoe Group Global (Co.,) Ltd has priced a USD400mn 3-year bond at 16.0%.

<u>Date</u>		<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
01-Jul-19	Skyfame Realty Holdings Ltd	USD105mn	3-year	13.0%
01-Jul-19	Tahoe Group Global (Co.,) Ltd	USD400mn	3-year	16.0%
27-Jun-19	Sunshine 100 China Holdings Ltd	USD200mn	2-year	12.5%
27-Jun-19	Mitsubishi Corporation	USD500mn	5-year	T+84bps
27-Jun-19	ESR Cayman Ltd	USD175mn	ESRCAY 7.875%'22s	7.25%
26-Jun-19	Qingdao Jiazhou Bay Development Group Co., Ltd	USD300mn	3-year	5.8%
26-Jun-19	Gansu Provincial Highway Aviation Tourism Investment Group Co. Ltd	USD300mn	3-year	3.95%
26-Jun-19	Adani Ports and Special Economic Zone Ltd	USD750mn	10-year	T+237.5bps
26-Jun-19	Weibo Corporation	USD800mn	5-year	T+172.5bps
26-Jun-19	Liuzhou Dongtong Investment & Development Co., Ltd	USD40mn	LZDTID 7.0%'22s	7.0%
26-Jun-19	New Momentum International Ltd	USD100mn	2-year	9.5%
26-Jun-19	Celestial Miles Ltd	USD1.3bn	NC4.5-perpetual	5.75%

Source: OCBC, Bloomberg

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