

June 20, 2019

## Market Commentary

- The SGD swap curve bear-steepened over yesterday, with the shorter tenors and belly trading 0-2bps higher, while the longer tenors traded 2-3bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 137bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 9bps to 507bps.
- Flows in SGD corporates were heavy, with flows in CS 5.625%-PERPs and KITSP 4.75%-PERPs.
- 10Y UST yields fell 4bps to 2.02%, after the Federal Reserve members signalled their willingness to cut rates by as much as half a percentage point by the end of 2019. Spread between 3-month treasury bills and 10-year treasury notes continued to be inverted, with the spread narrower at -14bps.

**Table 1: Key Financial Indicators**

	20-Jun	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	68	-5	-5
iTraxx SovX APAC	43	-3	-4
iTraxx Japan	66	-2	5
iTraxx Australia	66	-5	-7
CDX NA IG	55	-5	-9
CDX NA HY	107	1	1
iTraxx Eur Main	55	-7	-12
iTraxx Eur XO	256	-16	-28
iTraxx Eur Snr Fin	68	-11	-15
iTraxx Sovx WE	16	-1	-1
AUD/USD	0.689	-0.30%	-0.20%
EUR/USD	1.127	-0.07%	0.91%
USD/SGD	1.360	0.51%	1.24%
China 5Y CDS	44	-7	-7
Malaysia 5Y CDS	60	-6	-5
Indonesia 5Y CDS	93	-9	-13
Thailand 5Y CDS	34	-1	-4

	20-Jun	1W chg	1M chg
Brent Crude Spot (\$/bbl)	62.54	2.01%	-13.10%
Gold Spot (\$/oz)	1,380.11	2.82%	8.01%
CRB	175.43	1.26%	-3.45%
GSCI	408.49	0.86%	-7.89%
VIX	14.33	-9.93%	-12.14%
CT10 (bp)	1.975%	-11.92	-44.04
USD Swap Spread 10Y (bp)	-6	-1	-2
USD Swap Spread 30Y (bp)	-32	0	-4
US Libor-OIS Spread (bp)	21	2	6
Euro Libor-OIS Spread (bp)	7	2	1
DJIA	26,466	1.92%	3.21%
SPX	2,918	1.62%	3.04%
MSCI Asiax	642	2.01%	3.15%
HSI	28,439	4.19%	2.35%
STI	3,313	2.87%	3.35%
KLCI	1,669	1.52%	3.94%
JCI	6,332	0.95%	7.20%

## New issues:

- Yangzhou Economic & Technological Development Zone Development Corp. has priced a USD300mn 3-year bond at 5.5%, tightening from IPT of 5.9% area.
- Zhangzhou Transportation Development Group Co., Ltd has priced a USD500mn 3-year bond at 6.5%, tightening from IPT of high 6% area.
- Nuoxi Capital Ltd (guarantor: Peking University Founder Group Co., Ltd) has priced a USD250mn 2-year bond at 7.875%, tightening from IPT of 8.375% area.
- Kunming Dianchi Investment Co., Ltd has priced a USD300mn 3-year bond at 6.7%, tightening from IPT of 7.1% area.
- Xiangyu Investment (BVI) Co., Ltd (guarantors: Huai'an Development Holdings Co., Ltd and Hong Kong Xiangyu Investment Group Co., Ltd ) has priced a USD300mn 3-year bond at 6.9%, tightening from IPT of 7.35% area.
- City Developments Ltd has priced a SGD200mn 4-year bond at 2.8%.

<u>Date</u>		<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
19-Jun-19	Yangzhou Economic & Technological Development Zone Development Corp.	USD300mn	3-year	5.5%
19-Jun-19	Zhangzhou Transportation Development Group Co., Ltd	USD500mn	3-year	6.5%
19-Jun-19	Nuoxi Capital Ltd	USD250mn	2-year	7.875%
19-Jun-19	Kunming Dianchi Investment Co., Ltd	USD300mn	3-year	6.7%
19-Jun-19	Xiangyu Investment (BVI) Co., Ltd	USD300mn	3-year	6.9%
19-Jun-19	City Developments Ltd	SGD200mn	4-year	2.8%
18-Jun-19	Zunyi Road and Bridge Construction (Group) Limited	USD81mn	3-year	4.6%
18-Jun-19	Export-Import Bank of Korea	USD500mn USD500mn	3-year 5-year	3M-US LIBOR+52.5bps T+62.5bps
18-Jun-19	Greenland Global Investment Ltd	USD500mn	3-year	6.8%
18-Jun-19	Zhuji Development Ltd	USD189mn	ZJSOAM 7.0%'21s	4.9%
18-Jun-19	China Development Bank Corporation of Hong Kong	USD300mn	5-year	3M-US LIBOR+64bps
18-Jun-19	Mudanjiang City Investment Group Co., Ltd	USD100mn	3-year	8.0%
18-Jun-19	Keppel Infrastructure Fund Management Pte. Ltd	SGD100mn	KITSP 4.75%- PERPs	4.75%

Source: OCBC, Bloomberg

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