

Market Commentary

- The SGD swap curve bear-flattened yesterday, with the shorter tenors traded 1-2bps higher (with the exception of the 1-year tenor which was 1bps lower), while the longer tenors (>5yr) traded 0-1bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 1bps to 127bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 8bps to 525bps.
- Flows in SGD corporates were heavy, with large ticket flows in UBS 4.85%-PERPs. We also saw flows in UOBSP 3.58%-PERPs, STANLN 5.375%-PERPs, F 4.125%'24s, MFCCN 3.85%'26s, SOCGEN 6.125%-PERPs, HSBC 4.7%-PERPs and CS 5.625%-PERPs.
- 10Y USTs yields fell 1bps to 1.79%, after the New York Federal Reserve conducted a repurchase agreement (repo) operation for the third consecutive day to stabilize funding costs in the money markets. This was compounded by concerns about escalating tensions between the US and Iran. Spread between 3-month treasury bills and 10-year treasury notes remains inverted, with the spread widening to -12bps.

Credit Summary:

- [Singapore Post Ltd](#) | **Positive (2)**: SPOST's Jagged Peak and TradeGlobal have filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code, following the closure of sale of U.S. Subsidiaries with no acceptable offers. Under the supervision of the bankruptcy court, the U.S. Subsidiaries intend to pursue the sale of all or substantially all of their assets.

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Asian Credit Daily

Credit Headlines

Singapore Post Limited (“SPOST”) | Issuer Profile: Positive (2)

- SPOST’s Jagged Peak and TradeGlobal (“U.S. Subsidiaries”) have filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code, following the closure of [sale of U.S. Subsidiaries](#) with no acceptable offers. Under the supervision of the bankruptcy court, U.S. Subsidiaries intend to pursue the sale of all or substantially all of their assets.
- SPOST had previously taken an impairment of SGD185mn on its U.S. Subsidiaries in FY2017 and another SGD98.7mn in the fourth quarter of the financial year ended March 2019 (“4QFY2019”) before putting this unit up for sale in April. Remaining book value of the business unit is estimated to be ~SGD90-100mn.
- SPOST will no longer include the U.S. Subsidiaries in its consolidated financial reports. (Company, OCBC)

Key Market Movements

	20-Sep	1W chg (bps)	1M chg (bps)		20-Sep	1W chg	1M chg
iTraxx Asiax IG	53	-2	-13	Brent Crude Spot (\$/bbl)	64.86	7.71%	8.05%
iTraxx SovX APAC	35	0	-7	Gold Spot (\$/oz)	1,500.64	0.81%	-0.44%
iTraxx Japan	53	0	-8	CRB	177.77	1.90%	4.02%
iTraxx Australia	57	0	-8	GSCI	418.52	3.74%	4.67%
CDX NA IG	52	2	-5	VIX	14.05	-1.20%	-19.71%
CDX NA HY	107	0	1	CT10 (%)	1.781%	-11.53	22.50
iTraxx Eur Main	47	2	-5				
iTraxx Eur XO	245	6	-29	AUD/USD	0.679	-1.35%	0.12%
iTraxx Eur Snr Fin	57	1	-8	EUR/USD	1.105	-0.19%	-0.43%
iTraxx Eur Sub Fin	122	5	-19	USD/SGD	1.378	-0.36%	0.49%
iTraxx Sovx WE	14	0	-4	AUD/SGD	0.935	1.03%	0.36%
USD Swap Spread 10Y	-13	-2	-3	ASX 200	6,771	1.53%	3.46%
USD Swap Spread 30Y	-43	-1	-3	DJIA	27,095	-0.32%	4.36%
US Libor-OIS Spread	34	5	7	SPX	3,007	-0.09%	3.66%
Euro Libor-OIS Spread	5	0	-1	MSCI Asiax	626	-1.51%	2.58%
China 5Y CDS	38	1	-9	HSI	26,469	-3.23%	0.91%
Malaysia 5Y CDS	42	-1	-12	STI	3,162	-1.55%	0.82%
Indonesia 5Y CDS	77	2	-16	KLCI	1,597	-0.25%	-0.36%
Thailand 5Y CDS	27	0	-5	JCI	6,244	-1.54%	-0.81%
Australia 5Y CDS	18	0	-4	EU Stoxx 50	3,553	0.39%	6.04%

Source: Bloomberg

New Issues

- Greenland Global Investment Ltd (Guarantor: Greenland Holding Group Co., Ltd) has priced a USD500mn 4-year bond at 6.75% (6.85% at 99.48 reoffer), tightening from IPT of 7.2% area.
- Chongqing International Logistics Hub Park Construction Co., Ltd has priced a USD500mn 5-year bond at 4.3%, tightening from IPT of 4.5% area.
- Xi'An Qujiang Culture Holdings Co., Ltd has priced a USD200mn 3-year bond at 6.0%, tightening from IPT of 6.3% area.
- Zhongliang Holdings Group Co. Ltd has priced a USD300mn 2-year bond at 11.5% (12.0% at 99.134 reoffer), in line with final guidance.
- Hilong Holding Ltd has priced a USD200mn 3-year bond at 8.25% (8.45% at 99.48 reoffer), tightening from IPT of 8.875% area.
- STT GDC Pte Ltd has priced a SGD225mn 5-year bond at 3.59%, tightening from IPT of 3.65% area.
- Red Star Macalline Holding Group Co has scheduled investor calls commencing on 19 Sep for its potential guaranteed USD bond issuance.

Date	Issuer	Size	Tenor	Pricing
19-Sep-19	Greenland Global Investment Ltd	USD500mn	4-year	6.75%
19-Sep-19	Chongqing International Logistics Hub Park Construction Co., Ltd	USD500mn	5-year	4.3%
19-Sep-19	Xi'An Qujiang Culture Holdings Co., Ltd	USD200mn	2-year	6.0%
19-Sep-19	Zhongliang Holdings Group Co. Ltd	USD200mn	3-year	11.5%
19-Sep-19	Hilong Holding Ltd	USD200mn	3-year	8.25%
19-Sep-19	STT GDC Pte Ltd	SGD225mn	3-year	3.59%
18-Sep-19	Shandong Iron & Steel Xinheng International Company Ltd	USD500mn	3-year	6.85%
18-Sep-19	Yango Cayman Investment Ltd	USD152mn	3-year	12.5%
17-Sep-19	Wuhan Metro Group Co., Ltd	USD300mn	5-year	T+129bps
17-Sep-19	Joy Treasure Assets Holdings Inc	USD400mn USD500mn	5-year 10-year	T+145bps T+185bps
17-Sep-19	Azure Power Solar Energy Private Ltd	USD350.1mn	5.25NC3	5.65%

Source: OCBC, Bloomberg

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