

### Market Commentary

- The SGD swap curve bear-steepened yesterday, with the shorter tenors and belly traded 0-3bps higher, while the longer tenors traded 4-5bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 136bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 7bps to 556bps.
- Flows in SGD corporates were heavy, with large ticket flows in UOBSP 3.58%-PERPs. We also saw flows in KITSP 4.75%-PERPs, CS 5.625%-PERPs, FPLSP 4.98%-PERPs, UOBSP 3.5%'29s and DBSSP 3.98%-PERPs.
- 10Y USTs gained 3bps to close at 1.59% after the 31 July FOMC minutes were released, reiterating that the committee didn't view the cut as part of an extended cycle of rate reductions. Spread between 3-month treasury bills and 10-year treasury notes remains inverted, with the spread widening to -36bps.

### Credit Research

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### Credit Summary:

- [Shangri-La Asia Ltd](#) | **Neutral (4)**: SHANG announced its preliminary results for 1H2019. Revenue was up by 1.7% y/y to USD301mn, reported Aggregate Effective share of EBITDA was down 0.7% y/y to USD449.2mn. Aggregate Effective share of EBITDA for the Investment Properties segment was up by 5.4% y/y to USD135.1mn in 1H2019, Property Development for Sale & Other Businesses was stronger as well with Aggregate Effective share of EBITDA up 188.4% to USD54.8mn. Unadjusted net gearing assuming lease liabilities as debt was 0.77x this is higher than the 0.61x in end-2018. We will continue reviewing SHANG's issuer profile in conjunction with the release of its 1H2019 interim report though we are maintaining SHANG's issuer profile at Neutral (4) for now.

## Asian Credit Daily

### Credit Headlines

#### Shangri-La Asia Limited (“SHANG”) | Issuer Profile: Neutral (4)

- SHANG announced its preliminary results for 1H2019. Revenue was up by 1.7% y/y to USD301mn, reported Aggregate Effective share of EBITDA (inclusive of proportionate share of EBITDA from associates though adjusting out the share to minority interests) was down 0.7% y/y to USD449.2mn mainly due to weaker performance of the Hotel Properties sub-segment across its various geographies especially in Hong Kong, Mainland China and Singapore which collectively drives Hotel Operations income. The Hotel Management and Related Services sub-segment (forms part of Hotel Operations) was –USD8.5mn in 1H2019, against a +USD17.0mn in Aggregate Effective share of EBITDA due to higher staff costs for business expansion. We think this is in line with expansion into management agreements for third party owned hotels.
- Aggregate Effective share of EBITDA for the Investment Properties segment was up by 5.4% y/y to USD135.1mn in 1H2019 mainly driven by growth in the China World Trade Center in Beijing, which SHANG holds as associate stake in and business in Mongolia. The Property Development for Sale & Other Businesses was stronger as well with Aggregate Effective share of EBITDA up 188.4% to USD54.8mn as sale of residential units in Colombo was recognised.
- Unadjusted net gearing assuming lease liabilities as debt was 0.77x this is higher than the 0.61x in end-2018 mainly due to adoption of HKFRS16 accounting standard, a known factor when we initiated coverage of SHANG. SHANG had also took on additional debt during the 1H2019. We will continue reviewing SHANG’s issuer profile in conjunction with the release of its 1H2019 interim report though we are maintaining SHANG’s issuer profile at Neutral (4) for now. (Company, OCBC)

## Asian Credit Daily

### Key Market Movements

	22-Aug	1W chg (bps)	1M chg (bps)		22-Aug	1W chg	1M chg
iTraxx Asiax IG	65	-7	2	Brent Crude Spot (\$/bbl)	60.59	4.05%	-4.22%
iTraxx SovX APAC	41	-4	2	Gold Spot (\$/oz)	1,501.17	-1.45%	5.35%
iTraxx Japan	62	-2	5	CRB	170.91	0.15%	-4.28%
iTraxx Australia	65	-7	3	GSCI	400.02	0.49%	-4.04%
CDX NA IG	54	-7	2	VIX	15.8	-28.51%	16.78%
CDX NA HY	106	1	-1	CT10 (bp)	1.581%	5.39	-46.56
iTraxx Eur Main	50	-6	2				
				AUD/USD	0.678	0.04%	-3.67%
iTraxx Eur XO	266	-23	17	EUR/USD	1.109	-0.20%	-1.11%
iTraxx Eur Snr Fin	61	-11	3	USD/SGD	1.384	0.38%	-1.65%
iTraxx Sovx WE	18	-2	2				
				DJIA	26,203	2.84%	-3.57%
USD Swap Spread 10Y	-10	2	-3	SPX	2,924	2.95%	-2.03%
USD Swap Spread 30Y	-39	2	-4	MSCI Asiax	610	2.33%	-6.15%
US Libor-OIS Spread	27	-1	5	HSI	26,270	3.04%	-7.41%
Euro Libor-OIS Spread	5	-3	-1	STI	3,126	-0.01%	-6.90%
China 5Y CDS	46	-9	5	KLCI	1,595	-0.36%	-3.67%
Malaysia 5Y CDS	52	-8	2	JCI	6,253	-0.23%	-2.81%
Indonesia 5Y CDS	92	-8	7				
Thailand 5Y CDS	31	-1	-1				

Source: Bloomberg

### New Issues

- Yanlord Land (HK) Co., Ltd (Guarantor: Yanlord Land Group Ltd) has priced a USD400mn 4.5NC2.5 bond at 6.8%, tightening from IPT of 7.1% area.

Date	Issuer	Size	Tenor	Pricing
21-Aug-19	Yanlord Land (HK) Co., Ltd	USD400mn	4.5NC2.5	6.8%
20-Aug-19	Singtel Group Treasury Pte. Ltd	USD750mn	10-year	T+90bps
19-Aug-19	Haichuan International Investment Co., Ltd	USD180mn	FANGYA 7.5%'21s	7.5%
16-Aug-19	Fujian Zhanglong Group Co., Ltd	USD500mn	3-year	6.15%
15-Aug-19	Qingdao Jimo District Urban Development Investment Co. Ltd	USD300mn	3-year	4.9%
15-Aug-19	Hanhui International Ltd	USD300mn	3-year	4.37%
14-Aug-19	Greenko Mauritius Ltd	USD350mn	3.5NC1.5	6.25%
13-Aug-19	Orient Securities Co., Ltd	USD300mn	3-year FRN	6M-US LIBOR+125bps
13-Aug-19	Zhenro Properties Group Ltd	USD110mn	ZHPRHK 9.15%'22s	8.55%
9-Aug-19	Excellence Commercial Management Ltd	USD150mn	3-year	6.8%
8-Aug-19	Dongxing Voyage Co. Ltd	USD400mn	5-year	T+180bps
8-Aug-19	Changde Economic Construction Investment Group Co., Ltd	USD200mn	3-year	6.6%
1-Aug-19	Central China Real Estate Ltd	USD300mn	3NC2	7.25%
1-Aug-19	Sinopec Group Overseas Development (2018) Ltd	USD800mn USD700mn USD500mn	5-year 10-year 30-year	T+88bps T+110bps 3.68%
31-Jul-19	Fantasia Holdings Group Company Ltd	USD100mn	FTHDGR 11.75%'22s	12.4%
30-Jul-19	China Aoyuan Group Ltd	USD250mn	CAPG 7.95%'23s	6.5%

Source: OCBC, Bloomberg

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