

May 22, 2019

Market Commentary

- The SGD swap curve was higher yesterday, with most tenors trading up 2bps aside from the shorter tenors (2y and less) trading between 0-2bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS was unchanged at 133bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 1bps yesterday to 484bps.
- Flows in SGD corporates were heavy, with activity in OLAMSP 5.5%-PERPs, GUOLSP 4.6%-PERPs, WINGTA 4.35%-PERPs, DBSSP 3.98%-PERPs, FPLSP 4.38%-PERPs and LOGPH 6.125% '21s.
- 10Y UST yields widened 2bps to 2.43%, following gilts which traded lower and on some recovery in US stock markets led by technology as the US Commerce Department granted a 90-day relief to certain U.S. companies and customers using Huawei Technologies equipment.

Table 1: Key Financial Indicators

	22-May	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	71	0	7
iTraxx SovX APAC	47	0	5
iTraxx Japan	62	1	8
iTraxx Australia	72	-1	4
CDX NA IG	63	-1	5
CDX NA HY	106	0	-1
iTraxx Eur Main	65	-2	8
iTraxx Eur XO	278	-5	31
iTraxx Eur Snr Fin	82	0	14
iTraxx Sovx WE	17	-1	0
AUD/USD	0.688	-0.68%	-3.55%
EUR/USD	1.116	-0.35%	-0.84%
USD/SGD	1.378	-0.73%	-1.62%
China 5Y CDS	49	0	8
Malaysia 5Y CDS	64	-1	11
Indonesia 5Y CDS	104	-2	11
Thailand 5Y CDS	36	-1	-1

	22-May	1W chg	1M chg
Brent Crude Spot (\$/bbl)	71.79	0.03%	-3.04%
Gold Spot (\$/oz)	1,274.07	-1.73%	-0.07%
CRB	181.97	1.10%	-3.17%
GSCI	443.12	0.80%	-2.88%
VIX	14.95	-17.22%	20.37%
CT10 (bp)	2.426%	5.32	-16.21
USD Swap Spread 10Y (bp)	-5	0	-3
USD Swap Spread 30Y (bp)	-28	1	-4
US Libor-OIS Spread (bp)	15	-2	-2
Euro Libor-OIS Spread (bp)	5	0	0
DJIA	25,877	1.35%	-2.39%
SPX	2,864	1.06%	-1.50%
MSCI Asiax	622	-2.11%	-8.55%
HSI	27,701	-2.01%	-7.55%
STI	3,189	-1.09%	-5.04%
KLCI	1,604	0.17%	-1.13%
JCI	5,938	-0.72%	-7.44%

New issues

- China Huadian Overseas Development Management Company Ltd has priced a USD500mn NC5-perpetual bond (Guarantor - China Huadian Corporation Ltd) at 4.0%, tightening from IPT of 4.5%.
- Lee & Man Paper Manufacturing Ltd has priced a USD300mn NC5-perpetual bond at 5.5%, tightening from IPT of 5.625% area.
- SDG FINANCE I LIMITED has priced a USD100mn NC3-perpetual bond (Guarantor - Shandong Gold Group Co., Ltd.) at 5.3%, tightening from IPT of 5.7% area.
- Land Transport Authority of Singapore has priced a SGD1.4bn 35-year bond at 3.3%, in line with its initial price guidance.
- China Huarong Asset Management Co., Ltd. has scheduled investor meetings from 22 May for a potential USD bond issuance.
- Yiwu State-owned Capital Operation Co., Ltd. and Chongqing Nan'an Urban Construction & Development (Group) Co., Ltd. scheduled investor calls from 21 May for potential USD bond issuances.

<u>Date</u>	<u>Issuer</u>	<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
21-May-19	China Huadian Overseas Development Management Company Ltd	USD500mn	NC5-perpetual	4.0%
21-May-19	Lee & Man Paper Manufacturing Ltd	USD300mn	NC5-perpetual	5.5%
21-May-19	SDG FINANCE I LIMITED	USD100mn	NC3-perpetual	5.3%
21-May-19	Land Transport Authority of Singapore	SGD1.4bn	35-year bond	3.3%
17-May-19	Oceanwide Holdings International Development III Co., Ltd	USD134.97mn	2-year	14.5%
16-May-19	Pioneer Reward Ltd	USD500mn	3-year	T+127.5bps
16-May-19	Shougang Group Co Ltd	USD500mn	5-year	T+195bps
16-May-19	Vigorous Champion International Ltd	USD300mn USD300mn	5-year 10-year	T+147.5bps T+190bps
16-May-19	ASB Bank Ltd	USD500mn	5-year	T+100bps
15-May-19	Zhuzhou City Construction Development Group Ltd	USD400mn	3-year	5.70%
15-May-19	Liuzhou Dongtong Investment & Development Co Ltd	USD140mn	3-year	7.0%
15-May-19	Export-Import Bank of Thailand	USD300mn	5-year	3M-US LIBOR+85bps
15-May-19	Zunyi Road and Bridge Construction (Group) Ltd	USD78mn	ZYRDBG 8.0%'22s	100 + accrued

Source: OCBC, Bloomberg

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