

Market Commentary

- The SGD swap curve bear-steepened yesterday, with the shorter tenors and belly around 1bps higher, while the longer tenors were little changed.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 128bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 1bps to 509bps. The HY-IG Index spread was unchanged at 380bps.
- Flows in SGD corporates were heavy, with large ticket flows in CAPLSP 3.65%-PERPs. We also saw flows in STANLN 5.375%-PERPs, FULIN 3.7%'23s, ARASP 5.6%-PERPs, CMZB 4.2%'28s, SPHSP 4%-PERPs, UBS 4.85%-PERPs and BNP 4.35%'29s.
- 10Y UST Yields gained 3bps to 1.78%, after reports that the US might delay the 15 December tariffs on Chinese imports, even if a phase one trade deal is not reached.

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Credit Summary:

- [ABN Amro Bank N.V.](#) | **Neutral (3)**: More details have been released regarding the ongoing investigation on ABN related to possible failures to report suspicious client transactions under anti-money laundering laws. To add, it has also been reported that ABN is implicated along with other financial institutions and advisors in a tax probe in Germany. According to reports, EUR10bn in tax revenues were lost to the German government. As mentioned previously, we have kept its Neutral (3) issuer profile for now recognizing its solid capital position.

Asian Credit Daily

Credit Headlines

ABN Amro Bank N.V. ("ABN") | Issuer Profile: Neutral (3)

- More details have been released regarding the [ongoing investigation](#) related to possible failures to report suspicious client transactions under anti-money laundering laws. These failures relate to inadequate screening of customers during ABN's combination with Fortis Bank (Nederland) N.V.
- To add, it has also been reported that ABN is implicated along with other financial institutions and advisors in a tax probe in Germany. The basis for the tax probe is that multiple parties claimed tax refunds that were withheld from dividend payments from the same shares. According to reports, EUR10bn in tax revenues were lost to the German government. As the investigation is broad and covers multiple parties, the timeline is expected to be extended.
- As mentioned previously and through its [3Q2019 and 9M2019 results](#), we have kept its Neutral (3) issuer profile for now recognizing its solid capital position which buffers against potential financial impacts from this investigation and against expected ongoing earnings pressures from higher costs related to customer due diligence, regulatory levies and detecting financial crime. (Bloomberg, OCBC)

Key Market Movements

	22-Nov	1W chg (bps)	1M chg (bps)		22-Nov	1W chg	1M chg
iTraxx Asiax IG	66	2	-3	Brent Crude Spot (\$/bbl)	63.97	2.71%	8.50%
iTraxx SovX APAC	31	1	0	Gold Spot (\$/oz)	1,465.44	-0.19%	-1.49%
iTraxx Japan	55	0	-6	CRB	180.73	0.36%	2.98%
iTraxx Australia	58	1	-3	GSCI	420.82	0.88%	3.42%
CDX NA IG	53	2	-2	VIX	13.13	0.61%	-9.20%
CDX NA HY	107	-1	-1	CT10 (%)	1.777%	-5.34	1.67
iTraxx Eur Main	50	1	-1				
iTraxx Eur XO	234	2	9	AUD/USD	0.679	-0.40%	-0.95%
iTraxx Eur Snr Fin	59	0	2	EUR/USD	1.107	0.13%	-0.54%
iTraxx Eur Sub Fin	124	2	11	USD/SGD	1.362	-0.12%	0.04%
iTraxx Sovx WE	12	0	0	AUD/SGD	0.925	0.32%	1.01%
USD Swap Spread 10Y	-11	-2	-4	ASX 200	6,709	-1.25%	0.55%
USD Swap Spread 30Y	-39	1	-2	DJIA	27,766	-0.06%	3.65%
US Libor-OIS Spread	35	-1	1	SPX	3,104	0.22%	3.59%
Euro Libor-OIS Spread	5	0	1	MSCI Asiax	646	-0.50%	1.47%
				HSI	26,467	0.54%	-1.19%
China 5Y CDS	41	3	2	STI	3,192	-1.23%	1.00%
Malaysia 5Y CDS	43	2	-1	KLCI	1,592	-0.09%	1.15%
Indonesia 5Y CDS	75	2	-4	JCI	6,117	0.30%	-1.74%
Thailand 5Y CDS	27	0	-1	EU Stoxx 50	3,680	-0.25%	2.08%
Australia 5Y CDS	18	1	0				

Source: Bloomberg

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New Issues

- Zhongyuan Asset Management Co., Ltd priced a USD400mn 3-year bond at 4.2%, tightening from IPT of 4.7% area.
- Anton Oilfield Services Group priced a USD300mn 3NC2 bond at 7.875%, tightening from IPT of 8.25% area.
- Yuzhou Properties Company Limited (Subsidiary Guarantors: Certain of the issuer's restricted subsidiaries outside of the PRC) priced a USD500mn 5.5NC3 bond at 8.3%, tightening from IPT of 8.55% area.
- Franshion Brilliant Limited (Guarantor: China Jinmao Holdings Group Ltd) priced a USD400mn NC4.5 Perpetual bond at 7.125%.
- China Development Bank Corporation of Hong Kong priced a USD300mn 2-year FRN at 3m-US LIBOR+40bps.
- The Hongkong Land Treasury Services (Singapore) Pte. Ltd. (Guarantor: Hongkong Land Co Ltd) priced a SGD150mn 19.25-year bond at 3.45%.
- Korea South-East Power Co., scheduled investor meetings commencing 28 Nov for its potential USD green bond offering.

Date	Issuer	Size	Tenor	Pricing
21-Nov-19	Zhongyuan Asset Management Co., Ltd	USD400mn	3-year	4.2%
21-Nov-19	Anton Oilfield Services Group	USD300mn	3NC2	7.875%
21-Nov-19	Yuzhou Properties Company Limited	USD500mn	5.5NC3	8.3%
21-Nov-19	Franshion Brilliant Limited	USD400mn	NC4.5 Perpetual	7.125%
21-Nov-19	China Development Bank Corporation of Hong Kong	USD300mn	2-year FRN	3m-US LIBOR+40bps
21-Nov-19	The Hongkong Land Treasury Services (Singapore) Pte. Ltd.	SGD150mn	19.25-year	3.45%
20-Nov-19	China Overseas Finance (Cayman) VIII Limited	USD294mn	10-year	T+140bps
20-Nov-19	Zhuhai Da Heng Qin Investment Co., Ltd	USD450mn	3-year	3.8%
20-Nov-19	AAC Technologies Holdings Inc	USD388mn	5NC3	T+150bps
19-Nov-19	PCGI Intermediate Holdings (II) Limited	USD250mn	5-year	5.5%
19-Nov-19	China Development Bank Corporation of Hong Kong	USD250mn	SDBC Float '24s	3m-US LIBOR+64bps
19-Nov-19	Housing & Development Board	SGD700mn	5-year	1.75%

Source: OCBC, Bloomberg

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