

June 25, 2019

## Market Commentary

- The SGD swap curve bear-steepened yesterday, with the shorter tenors and belly trading 1bps higher, while the longer tenors traded 1-2bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 1bps to 135bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 2bps to 494bps.
- Flows in SGD corporates were heavy, with flows in SOCGEN 6.125%-PERPs, FPLSP 4.38%-PERPs, USB 5.875%-PERPs, HSBC 4.7%-PERPs, CMZB 4.2%'28s, FPLSP 4.98%-PERPs, HSBC 5.0%-PERPs, and MAPLSP 3.95%-PERPs.
- 10Y UST yields fell 4bps to 2.02%, as escalating tensions between the US and Iran boosted safe-haven buying of US treasuries. Spread between 3-month treasury bills and 10-year treasury notes continued to be inverted, with the spread at -5bps.

**Table 1: Key Financial Indicators**

	25-Jun	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	66	-5	-8
iTraxx SovX APAC	42	-3	-6
iTraxx Japan	62	-6	-2
iTraxx Australia	64	-4	-10
CDX NA IG	56	-2	-9
CDX NA HY	107	1	2
iTraxx Eur Main	54	-2	-14
iTraxx Eur XO	257	-4	-35
iTraxx Eur Snr Fin	68	-2	-19
iTraxx Sovx WE	17	0	-1
AUD/USD	0.697	1.31%	0.71%
EUR/USD	1.141	1.91%	1.91%
USD/SGD	1.352	1.09%	1.70%
China 5Y CDS	43	-4	-9
Malaysia 5Y CDS	57	-6	-10
Indonesia 5Y CDS	92	-6	-16
Thailand 5Y CDS	33	-1	-3

	25-Jun	1W chg	1M chg
Brent Crude Spot (\$/bbl)	64.89	4.43%	-5.53%
Gold Spot (\$/oz)	1,426.30	5.92%	10.97%
CRB	179.99	3.20%	0.76%
GSCI	422.81	4.51%	-1.01%
VIX	15.26	-0.59%	-3.72%
CT10 (bp)	2.016%	-4.35	-30.42
USD Swap Spread 10Y (bp)	-7	-2	-2
USD Swap Spread 30Y (bp)	-35	-3	-6
US Libor-OIS Spread (bp)	21	4	6
Euro Libor-OIS Spread (bp)	6	-1	0
DJIA	26,728	2.36%	4.46%
SPX	2,945	1.93%	4.22%
MSCI Asiax	650	3.34%	5.61%
HSI	28,412	3.32%	3.87%
STI	3,319	2.46%	4.69%
KLCI	1,674	1.30%	4.75%
JCI	6,288	1.58%	3.82%

## New issues:

- Kaisa Group Holdings Ltd has priced a USD200mn re-tap of its existing KAISAG 11.25%'22s at 10.0% (tightening from IPT of 10.25% area), and a USD300mn re-tap of its existing KAISAG 11.5%'23s at 11.375% (tightening from IPT of 11.625% area).
- CGNPC International Ltd (guarantor: China General Nuclear Power Corporation) has priced a USD600mn 5-year bond at T+105bps, tightening from IPT of T+135bps area.
- Fortune Star (BVI) Ltd (guarantor: Fosun International Ltd) has priced a USD700mn 4NC3 bond at 6.75%, tightening from IPT of 7.125% area.
- The Democratic Socialist Republic of Sri Lanka has priced a USD500mn 5-year bond at 6.35% (tightening from IPT of 6.6% area), and a USD1.5bn 10-year bond at 7.55% (tightening from IPT of 7.8% area).
- Shinhan Financial Group Co., Ltd has scheduled investor meetings commencing on 26 June for its potential USD bond issuance.
- Chongqing Hechuan City Construction Investment (Group) Co., Ltd has scheduled investor roadshows commencing on 25 June for its potential USD bond issuance.
- Sumitomo Corporation has scheduled investor meetings commencing on 26 June for its potential USD bond issuance.

<u>Date</u>		<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
24-Jun-19	Kaisa Group Holdings Ltd	USD200mn USD300mn	KAISAG 11.25%'22s KAISAG 11.5%'23s	10.0% 11.375%
24-Jun-19	CGNPC International Ltd	USD600mn	5-year	T+105bps
24-Jun-19	Fortune Star (BVI) Ltd	USD700mn	4NC3	6.75%
24-Jun-19	The Democratic Socialist Republic of Sri Lanka	USD500mn USD1.5bn	5-year 10-year	6.35% 7.55%
21-Jun-19	Chongqing Casin Group Co., Ltd	USD65mn	34-month	4.0%
21-Jun-19	China Development Bank Corporation of Hong Kong	USD100mn	3-year	3M-US LIBOR+54bps
21-Jun-19	China Development Bank Corporation of Hong Kong	USD100mn	3-year	3M-US LIBOR+54bps
21-Jun-19	China Development Bank Corporation of Hong Kong	USD100mn	3-year	3M-US LIBOR+54bps

Source: OCBC, Bloomberg

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