

Asian Credit Daily

Wednesday, September 25, 2019

Market Commentary

- The SGD swap curve traded higher across the curve yesterday, with all the tenors traded 1-2 bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 2bps to 129bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 7bps to 539bps.
- Flows in SGD corporates were heavy, with flows in FPLSP 4.98%-PERPs, HSBC 4.7%-PERPs, ARASP 5.6%-PERPs, SOCGEN 6.125%-PERPs, FPLSP 3.95%-PERPs, UBS 4.85%-PERPs, STTGDC 3.59%'24s, STANLN 5.375%-PERPs, ARASP 5.2%-PERPs, FPLSP 4.38%-PERPs, TMGSP 4.8%'22s and UOBSP 3.58%-PERPs.
- 10Y USTs yields fell 7bps to 1.65% amidst weaker consumer confidence data while Speaker of the US House of Representatives Nancy Pelosi announced a formal impeachment inquiry of President Donald Trump later in the day. President Trump also kept trade tensions high, mentioning that he would not accept a bad deal in trade negotiations with China. Spread between 3-month treasury bills and 10-year treasury notes remains inverted, with the spread widening to -25bps.

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Key Market Movements

	25-Sep	1W chg (bps)	1M chg (bps)		25-Sep	1W chg	1M chg
iTraxx Asiax IG	75	21	9	Brent Crude Spot (\$/bbl)	62.53	-1.68%	5.38%
iTraxx SovX APAC	35	0	-6	Gold Spot (\$/oz)	1,533.88	2.67%	0.43%
iTraxx Japan	62	8	-1	CRB	177.19	-0.90%	5.09%
iTraxx Australia	66	9	0	GSCI	414.80	-1.39%	5.45%
CDX NA IG	61	10	4	VIX	17.05	18.07%	-14.19%
CDX NA HY	107	0	1	CT10 (%)	1.640%	-15.57	10.53
iTraxx Eur Main	55	7	3				
iTraxx Eur XO	225	-23	-45	AUD/USD	0.679	-0.51%	0.27%
iTraxx Eur Snr Fin	65	8	1	EUR/USD	1.101	-0.19%	-0.84%
iTraxx Eur Sub Fin	139	14	-3	USD/SGD	1.376	-0.07%	0.89%
iTraxx Sovx WE	13	-1	-4	AUD/SGD	0.935	0.45%	0.65%
USD Swap Spread 10Y	-13	0	-5	ASX 200	6,703	0.32%	2.75%
USD Swap Spread 30Y	-43	0	-5	DJIA	26,808	-1.12%	4.60%
US Libor-OIS Spread	33	1	4	SPX	2,967	-1.30%	4.20%
Euro Libor-OIS Spread	5	0	-1	MSCI Asiax	624	-0.87%	3.08%
				HSI	26,281	-1.90%	0.39%
China 5Y CDS	48	9	-1	STI	3,155	-0.87%	1.45%
Malaysia 5Y CDS	51	9	-3	KLCI	1,592	-0.75%	-1.06%
Indonesia 5Y CDS	88	11	-5	JCI	6,138	-1.59%	-1.89%
Thailand 5Y CDS	30	2	-2	EU Stoxx 50	3,532	0.31%	5.93%
Australia 5Y CDS	19	2	0				

Source: Bloomberg

New Issues

- KEB Hana Bank has priced a USD400mn 3-year FRN at 3-month US LIBOR+70bps, tightening from IPT of 3-month US LIBOR+100bps area.
- HKT Capital No. 5 Ltd (Guarantor: HKT Group Holdings Ltd & Hong Kong Telecommunications (HKT) Ltd) has priced a USD500mn 10-year bond at T+162.5bps, tightening from IPT of T+185bps area.
- Shanghai (Hong Kong) International Investments Ltd (Guarantor: Lianyungang Port Group Co., Ltd) has priced a USD400mn 3-year bond at 4.1%, tightening from IPT of 4.7% area.
- China Hongqiao Group Ltd (Subsidiary Guarantors: China Hongqiao Investment Ltd, Hongqiao Investment (Hong Kong) Ltd, Hongqiao International Trading Ltd) has priced a USD200mn 3-year, 7-month bond at 7.375%, tightening from IPT of 7.7% area.
- Green Fortune Capital Ltd (Guarantor: Ever Dragon Investments Group Ltd) has priced a USD102mn 2-year bond at 8.0%, in line with IPG.
- JSW Steel Ltd as priced a USD400mn 5.5-year bond at 5.375%, tightening from initial guidance of 5.5% area.
- ASE Technology Holding Co., Ltd has priced a USD200mn 3-year bond at 2.15%.
- Orient Securities Co., Ltd of China has priced a SGD200mn 3-year bond at 2.9% (reoffer at 99.943, yielding 2.92%), tightening from IPT of 3.25% area.
- Keppel Corp Ltd has priced a SGD200mn 7-year bond at 3.0%, tightening from IPT of 3.2% area.

Date	Issuer	Size	Tenor	Pricing
24-Sep-19	KEB Hana Bank	USD400mn	3-year	3mL+70bps
24-Sep-19	HKT Capital No. 5 Ltd	USD500mn	10-year	T+162.5bps
24-Sep-19	Shanghai (Hong Kong) International Investments Ltd	USD400mn	3-year	4.1%
24-Sep-19	China Hongqiao Group Ltd	USD200mn	3-year 7-mth	7.375%
24-Sep-19	Green Fortune Capital Ltd	USD102mn	2-year	8.0%
24-Sep-19	JSW Steel Ltd	USD400mn	5.5-year	5.375%
24-Sep-19	ASE Technology Holding Co., Ltd	USD200mn	3-year	2.15%
24-Sep-19	Orient Securities Co., Ltd of China	SGD200mn	3-year	2.9%
24-Sep-19	Keppel Corp Ltd	SGD200mn	7-year	3.0%

Source: OCBC, Bloomberg

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