

Market Commentary

- The SGD swap curve bull-flattened yesterday, with the shorter tenors traded 1-3 bps lower, while the belly and longer tenors traded 4-5 bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS was unchanged at 129bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 9bps to 530bps.
- Flows in SGD corporates were heavy, with large ticket flows in STANLN 5.375%-PERPs, ARASP 5.6%-PERPs, UBS 4.85%-PERPs and HSBC 4.7%-PERPs. We also saw flows in KEPSP 3.0%'26s, ARASP 5.2%-PERPs, GUOLSP 4.6%-PERPs, UOBSP 4.0%-PERPs, BAERVX 5.75%-PERPs, F 4.125%'24s, OCBCSP 4.0%-PERPs and SPHRSP 4.1%-PERPs.
- 10Y USTs yields gained 9bps to 1.74%, reversing dips earlier in the session, on the back of comments by President Donald Trump that a trade deal with China "could happen sooner than you think". Yields were further buoyed by stronger than expected US housing report data. Spread between 3-month treasury bills and 10-year treasury notes remains inverted, with the spread tightening to -15bps.

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Key Market Movements

| | 26-Sep | 1W chg (bps) | 1M chg (bps) | | 26-Sep | 1W chg | 1M chg |
|-----------------------|--------|-----------------|-----------------|---------------------------|----------|--------|---------|
| iTraxx Asiax IG | 77 | 23 | 10 | Brent Crude Spot (\$/bbl) | 62.37 | -3.15% | 6.25% |
| iTraxx SovX APAC | 36 | 1 | -6 | Gold Spot (\$/oz) | 1,508.77 | 0.65% | -1.21% |
| iTraxx Japan | 63 | 10 | 0 | CRB | 176.64 | -0.56% | 4.57% |
| iTraxx Australia | 67 | 10 | 1 | GSCI | 411.72 | -1.27% | 4.89% |
| CDX NA IG | 60 | 9 | 4 | VIX | 15.96 | 14.41% | -17.39% |
| CDX NA HY | 107 | 0 | 1 | CT10 (%) | 1.703% | -8.15 | 16.74 |
| iTraxx Eur Main | 56 | 8 | 3 | | | | |
| | | | | | | | |
| iTraxx Eur XO | 232 | -13 | -38 | AUD/USD | 0.675 | -0.60% | -0.35% |
| iTraxx Eur Snr Fin | 68 | 11 | 3 | EUR/USD | 1.095 | -0.79% | -1.33% |
| iTraxx Eur Sub Fin | 144 | 22 | 2 | USD/SGD | 1.378 | 0.03% | 0.71% |
| iTraxx Sovx WE | 14 | 0 | -4 | AUD/SGD | 0.931 | 0.66% | 1.11% |
| | | | | | | | |
| USD Swap Spread 10Y | -13 | 0 | -5 | ASX 200 | 6,697 | -0.30% | 3.99% |
| USD Swap Spread 30Y | -43 | -1 | -5 | DJIA | 26,971 | -0.65% | 4.14% |
| US Libor-OIS Spread | 33 | -1 | 6 | SPX | 2,985 | -0.73% | 3.70% |
| Euro Libor-OIS Spread | 5 | 1 | 0 | MSCI Asiax | 620 | -1.00% | 3.75% |
| | | | | HSI | 25,945 | -1.98% | 1.03% |
| China 5Y CDS | 48 | 10 | 0 | STI | 3,129 | -0.94% | 2.08% |
| Malaysia 5Y CDS | 52 | 10 | -3 | KLCI | 1,591 | -0.34% | -0.60% |
| Indonesia 5Y CDS | 89 | 12 | -4 | JCI | 6,146 | -2.07% | -1.10% |
| Thailand 5Y CDS | 30 | 3 | -1 | EU Stoxx 50 | 3,513 | -0.43% | 4.90% |
| Australia 5Y CDS | 20 | 2 | 1 | | | | |

Source: Bloomberg

New Issues

- CNOOC Finance (2013) Ltd (Guarantor: CNOOC Ltd) has priced a USD1.0bn 10-year bond at T+120bps (tightening from price guidance of T+140bps area), and a USD500mn 30-year bond at 3.3% (tightening from price guidance of 3.5% area).
- Woori Bank priced a USD550mn Perpetual-NC5 AT1 bond at 4.25%, tightening from IPT of 4.5% area.
- Hongkong International (Qingdao) Co., Ltd (Keepwell Deed, Deed of EIPU and Irrevocable Standby Facility Provider: Qingdao City Construction Investment (Group) Ltd) priced a USD300mn 5-year bond at 4.0%, tightening from IPT of 4.5% area.
- Guangxi Liuzhou Dongcheng Investment Development Group Co., Ltd priced a USD300mn 3-year bond at 7.0%, tightening from IPT of 7.15% area.
- RKPF Overseas 2019 (A) Ltd (Guarantor: Road King Infrastructure Ltd) priced a USD480mn 5NC3 bond at 6.7%, tightening from IPT of 7.125% area.
- Zensun Enterprises Ltd (Guarantor: Zensun Group Ltd) priced a USD220mn 2-year bond at 13.5%, tightening from IPT of 13.75% area.
- CIMB Bank Bhd priced a USD680mn 5-year FRN at 3m-LIBOR+78bps, at the tight end of the price guidance range of 3m-LIBOR+78-80bps area.
- Green Fortune Capital Ltd (Guarantor: Ever Dragon Investments Group Ltd) priced a USD48mn re-tap of its existing FORCAP 8.0%'21s at 8.0%, in line with final guidance.
- China Development Bank Corporation of Hong Kong priced a USD150mn 3-year FRN at 3m-LIBOR+50bps.

| Date | Issuer | Size | Tenor | Pricing |
|-----------|---|----------------------|--------------------|------------------|
| 25-Sep-19 | CNOOC Finance (2013) Ltd | USD1.0bn USD500mn | 10-year 30-year | T+120bps 3.3% |
| 25-Sep-19 | Woori Bank | USD550mn | Perp-NC5 | 4.25% |
| 25-Sep-19 | Hongkong International (Qingdao) Co., Ltd | USD300mn | 5-year | 4.0% |
| 25-Sep-19 | Guangxi Liuzhou Dongcheng Investment Development Group Co., Ltd | USD300mn | 3-year | 7.0% |
| 25-Sep-19 | RKPF Overseas 2019 (A) Ltd | USD480mn | 5NC3 | 6.7% |
| 25-Sep-19 | Zensun Enterprises Ltd | USD220mn | 2-year | 13.5% |
| 25-Sep-19 | CIMB Bank Bhd | USD680mn | 5-year FRN | 3m-LIBOR+78bps |
| 25-Sep-19 | Green Fortune Capital Ltd | USD48mn | FORCAP 8.0%'21s | 8.0% |
| 25-Sep-19 | China Development Bank Corporation of Hong Kong | USD150mn | 3-year FRN | 3m-LIBOR+50bps |
| 24-Sep-19 | Orient Securities Co., Ltd of China | SGD200mn | 3-year | 2.92% |

Source: OCBC, Bloomberg

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