

Market Commentary

- The SGD swap curve traded higher, with tenors around 0-2bps higher across the curve.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 127bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 8bps to 505bps. The HY-IG Index spread tightened 7bps to 378bps.
- 10Y UST Yields rose 2bps to 1.76% ahead of the Thanksgiving holiday in the US on better than expected economic data.

Credit Research

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Credit Summary:

- [Tianjin State-Owned Capital Investment and Management Co., Ltd \("TCIM"\)](#) | **Issuer Profile: Unrated and [Tewoo Group Co. Ltd \("Tewoo"\)](#)** | **Issuer Profile: Unrated** : TCIM has announced to bondholders and perpetual holders of bonds issued by various issuers and guaranteed by Tewoo that it is (1) offering to buy back existing Tewoo bonds and (2) offering to exchange these bonds into new bonds to be issued by TCIM. TCIM is an entity wholly-owned by the Tianjin municipal government per Bloomberg information.

Credit Headlines**Tianjin State-Owned Capital Investment and Management Co., Ltd (“TCIM”) | Issuer Profile: Unrated and Tewoo Group Co. Ltd (“Tewoo”) | Issuer Profile: Unrated**

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- Tewoo is reportedly owned by a local government and operates across a number of industries with ~USD2.0bn of USD-denominated bonds outstanding. In November 2019, Tewoo was unable to repay an interest payment on one of its bond issuances and relied on payment from a bank which had provided a standby letter of credit on that issue to fund the interest payment.
- Option 1: Buy back of Tewoo bonds at USD667.28 per USD1,000 in principal amount for the 2019 bonds, USD572.78 per USD1,000 in principal amount for the 2020 bonds, USD530.78 per USD1,000 in principal amount for the 2022 bonds and USD360 per USD1,000 in principal amount for the perpetuals. Effectively, the buy back will be at a haircut ranging from 64% on the perpetuals and ~33.3% for the shortest dated bonds.
- Option 2: Exchange of existing Tewoo bonds into TCIM bonds as follows:
 - 2019 bonds: Zero coupon bonds due in 2024 on a 1 for 1 basis
 - 2020 bonds: 0.15% p.a coupon bonds due in 2026 on a 1 for 1 basis
 - 2022 bonds: 1.55% p.a coupon bonds due in 2029 on a 1 for 1 basis
 - Perpetual: 1.6% p.a coupon bonds due in 2039 on a 1 for 1 basis
- Effectively for the second option, bondholders will be maintaining their principal value but in exchange for a much lower coupon compared to their existing coupon with extension of maturity while the perpetual holders will get exchanged into a bond with a fixed term.
- Bondholders and perpetual holders can participate in either option 1 only, option 2 only or a combination thereof by allocating their holdings. (Company, Bloomberg, OCBC)

Key Market Movements

	28-Nov	1W chg (bps)	1M chg (bps)		28-Nov	1W chg	1M chg
iTraxx Asiax IG	64	-1	-2	Brent Crude Spot (\$/bbl)	63.86	-0.17%	3.72%
iTraxx SovX APAC	30	-1	0	Gold Spot (\$/oz)	1,457.11	-0.50%	-2.37%
iTraxx Japan	53	-2	-7	CRB	180.35	0.77%	1.16%
iTraxx Australia	56	-2	-4	GSCI	420.34	1.19%	1.52%
CDX NA IG	49	-4	-4	VIX	11.75	-8.06%	-10.37%
CDX NA HY	108	1	0	CT10 (%)	1.765%	-0.69	-7.66
iTraxx Eur Main	48	-2	-2				
iTraxx Eur XO	223	-11	-5	AUD/USD	0.677	-0.25%	-0.99%
iTraxx Eur Snr Fin	57	-2	-1	EUR/USD	1.101	-0.47%	-0.84%
iTraxx Eur Sub Fin	119	-6	1	USD/SGD	1.366	-0.21%	-0.28%
iTraxx Sovx WE	13	0	1	AUD/SGD	0.925	0.04%	0.72%
USD Swap Spread 10Y	-8	3	0	ASX 200	6,867	2.90%	1.87%
USD Swap Spread 30Y	-34	5	5	DJIA	28,164	1.23%	3.96%
US Libor-OIS Spread	35	-1	0	SPX	3,154	1.45%	3.76%
Euro Libor-OIS Spread	5	1	2	MSCI Asiax	658	1.78%	2.36%
China 5Y CDS	39	-2	1	HSI	26,853	1.46%	-0.14%
Malaysia 5Y CDS	42	-1	-1	STI	3,203	0.35%	0.56%
Indonesia 5Y CDS	73	-2	-2	KLCI	1,584	-0.53%	0.88%
Thailand 5Y CDS	27	0	0	JCI	6,030	-1.43%	-3.76%
Australia 5Y CDS	18	0	0	EU Stoxx 50	3,713	0.79%	2.40%

Source: Bloomberg

Asian Credit Daily

New Issues

- Bank of China Group Investment Ltd (Guarantor: Bank of China Ltd., Macau Branch) priced a USD600mn 5-year bond at 2.50%.
- Wanda Properties Overseas Limited (Subsidiary Guarantors: Wanda Commercial Properties (Hong Kong) Co. Limited, Wanda Real Estate Investments Limited, Wanda Commercial Properties Overseas Limited; Keepwell & EIPU Provider: Dalian Wanda Commercial Management Group Co., Ltd) priced a USD400mn 3-year bond at 6.95%, tightening from IPT of 7.625%.
- Geely Automobile Holdings Limited priced a USD500mn Perp NC5 at 4.00% (reoffer at 99.641, yielding 4.08%), tightening from IPT of 4.5% area.
- Oil and Natural Gas Corp priced a USD300mn 10-year bond at t+170bps, tightening from IPT of 195bps.
- Manappuram Finance Limited has scheduled fixed income investor meetings on November 28 for a potential USD bond issue.

Date	Issuer	Size	Tenor	Pricing
27-Nov-19	Bank of China Group Investment Ltd	USD600mn	5-year	2.50%
27-Nov-19	Wanda Properties Overseas Limited	USD400mn	3-year	6.95%
27-Nov-19	Geely Automobile Holdings Limited	USD500mn	NC5-Perpetual	4.00%
27-Nov-19	Oil and Natural Gas Corp	USD300mn	10-year	T+170bps
26-Nov-19	PTTEP Treasury Center Co.	USD650mn	40-year	T+172.5bps
26-Nov-19	The Ministry of Finance of the People's Republic of China	USD1.5bn USD2.0bn USD2.0bn USD500mn	3-year 5-year 10-year 20-year	T+35bps T+40bps T+50bps T+70bps
26-Nov-19	Yichun Development Investment HaiTong Co., Ltd	USD300mn	3-year	4.2%
26-Nov-19	AC Energy Finance International Ltd	USD400mn	NC3-Perpetual	5.65%
26-Nov-19	Melco Resorts Finance Ltd (MPEL)	USD900mn	10NC5	5.375%
25-Nov-19	China State Construction Finance (Cayman) III Limited	USD500mn	NC5-Perpetual	T+241bps
25-Nov-19	TMB Bank Public Company Limited	USD400mn	NC5-Perpetual	4.9%

Source: OCBC, Bloomberg

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