

Market Commentary

- The SGD swap curve was little changed last Friday.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 1bps to 131bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 3bps to 538bps.
- Flows in SGD corporates were heavy, with flows in ARASP 5.6%-PERPs, FCOTSP 2.835%'21s, HSBC 5.0%-PERPs, MAPLSP 4.5%-PERPs, UOBSP 3.58%-PERPs, HSBC 4.7%-PERPs, NAB4.15%'28s, UBS 4.85%-PERPs, UOBSP 4.0%-PERPs, SCISP 4.75%-PERPs and FPLSP 4.98%-PERPs.
- 10Y USTs yields fell 1bps to 1.68% after US-China trade tensions escalated again. President Donald Trump was reported as saying that his administration is considering delisting Chinese companies from US stock exchanges in order to limit US investments into China. Spread between 3-month treasury bills and 10-year treasury notes remains inverted, with the spread widening to -10bps.

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Credit Summary:

- [City Developments Ltd](#) | **Neutral (3)**: In relation to the second takeover attempt of Millennium & Copthorne Hotels PLC ("M&C"), CDL announced that the level of acceptances for the offer has reached 99.21%, and as such will be undertaking compulsory acquisition of the remaining shares. This is in-line with our expectations and we continue to expect that net gearing may reach mid-60% (2Q2019: 44.5%).

Asian Credit Daily

Credit Headlines

City Developments Ltd (“CDL”) | Issuer Profile: Neutral (3)

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Key Market Movements

| | 30-Sep | 1W chg (bps) | 1M chg (bps) | | 30-Sep | 1W chg | 1M chg |
|------------------------------|--------|-----------------|-----------------|----------------------------------|----------|--------|--------|
| iTraxx Asiax IG | 77 | 3 | 12 | Brent Crude Spot (\$/bbl) | 61.94 | -4.37% | 2.50% |
| iTraxx SovX APAC | 36 | 0 | -4 | Gold Spot (\$/oz) | 1,494.83 | -1.80% | -2.25% |
| iTraxx Japan | 63 | 0 | 2 | CRB | 175.72 | -0.91% | 3.15% |
| iTraxx Australia | 67 | 0 | 3 | GSCI | 409.60 | -1.87% | 3.16% |
| CDX NA IG | 62 | 3 | 8 | VIX | 17.22 | 12.40% | -9.27% |
| CDX NA HY | 106 | -1 | 0 | CT10 (%) | 1.680% | -4.66 | 18.40 |
| iTraxx Eur Main | 56 | 1 | 7 | | | | |
| | | | | | | | |
| iTraxx Eur XO | 234 | 9 | -18 | AUD/USD | 0.676 | -0.25% | 0.60% |
| iTraxx Eur Snr Fin | 66 | 1 | 4 | EUR/USD | 1.093 | -0.55% | -0.34% |
| iTraxx Eur Sub Fin | 143 | 7 | 5 | USD/SGD | 1.382 | -0.29% | 0.63% |
| iTraxx Sovx WE | 13 | 0 | -3 | AUD/SGD | 0.934 | -0.09% | 0.08% |
| | | | | | | | |
| | | | | | | | |
| USD Swap Spread 10Y | -11 | 1 | 1 | ASX 200 | 6,717 | -0.49% | 1.70% |
| USD Swap Spread 30Y | -41 | 1 | 1 | DJIA | 26,820 | -0.43% | 1.58% |
| US Libor-OIS Spread | 34 | 1 | 5 | SPX | 2,962 | -1.01% | 1.21% |
| Euro Libor-OIS Spread | 5 | 0 | -2 | MSCI Asiax | 616 | -1.59% | 1.20% |
| | | | | HSI | 25,955 | -1.02% | 0.89% |
| China 5Y CDS | 49 | 3 | 2 | STI | 3,113 | -0.97% | 0.20% |
| Malaysia 5Y CDS | 52 | 3 | 1 | KLCI | 1,584 | -0.55% | -1.73% |
| Indonesia 5Y CDS | 90 | 2 | 1 | JCI | 6,197 | -0.55% | -2.08% |
| Thailand 5Y CDS | 30 | 0 | 0 | EU Stoxx 50 | 3,546 | -0.71% | 3.48% |
| Australia 5Y CDS | 19 | 0 | 1 | | | | |

Source: Bloomberg

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New Issues

- Zhongliang Holdings Group Co. Ltd (Subsidiary Guarantors: Certain of the Issuer's Restricted Subsidiaries incorporated outside the PRC) priced a USD100mn re-tap of its existing ZHLGHD 11.5%'21s at 11.75%, tightening from IPT of 12% area.
- Hongkong Ideal Investment Ltd (Parent Guarantor: Beijing Hongkun Weiye Real Estate Development Co. Ltd) priced a USD100mn 3NP2 bond at 14.75%, in line with IPT.
- HPCL-Mittal Energy Ltd mandated banks for its potential USD bond issuance.

| Date | Issuer | Size | Tenor | Pricing |
|-----------|---|----------------------|--------------------|------------------|
| 27-Sep-19 | Zhongliang Holdings Group Co. Ltd | USD100mn | ZHLGHD 11.5%'21s | 11.75% |
| 27-Sep-19 | Hongkong Ideal Investment Ltd | USD100mn | 3NP2 | 14.75% |
| 26-Sep-19 | BOC Aviation Ltd | USD150mn | BOCAVI 3.0%'29s | T+150bps |
| 26-Sep-19 | Li & Fung Ltd | USD400mn | 5-year | T+290bps |
| 26-Sep-19 | PCPD Capital Ltd | USD130mn | PCPDC 4.75%'22s | 4.53% |
| 26-Sep-19 | ReNew Power Ltd | USD90mn | RPVIN 6.67%'24s | 6.3% |
| 26-Sep-19 | Central China Real Estate Ltd | USD200mn | CENCHI 6.75%'21s | 7.375% |
| 26-Sep-19 | Jinan Hi-tech Holding Group Co., Ltd | USD300mn | 3-year | 4.5% |
| 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% |

Source: OCBC, Bloomberg

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