

July 04, 2019

Market Commentary

- The SGD swap curve bull flattened yesterday, with the shorter tenors and belly trading 2-5bps lower, while the longer tenors traded 6-7bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS was unchanged at 133bps while the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 3bps to 470bps.
- Flows in SGD corporates were light, with flows in CENCHI 6.75%'20s.
- 10Y USTs fell 2bps to 1.95%, after European bond yields tumbled on the back of expectations of more stimulus under the next ECB chief Christine Lagarde. This was compounded by weaker than expected US payroll and trade gap data. Spread between 3-month treasury bills and 10-year treasury notes continued to be inverted, with the spread widening to -25bps.

Table 1: Key Financial Indicators

	4-Jul	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	61	-3	-17
iTraxx SovX APAC	39	-2	-12
iTraxx Japan	58	-5	-14
iTraxx Australia	60	-4	-17
CDX NA IG	52	-4	-14
CDX NA HY	108	0	3
iTraxx Eur Main	49	-4	-18
iTraxx Eur XO	238	-18	-53
iTraxx Eur Snr Fin	59	-6	-24
iTraxx Sovx WE	15	-2	-3
AUD/USD	0.705	0.53%	0.79%
EUR/USD	1.129	-0.66%	0.37%
USD/SGD	1.355	-0.10%	0.86%
China 5Y CDS	41	-3	-16
Malaysia 5Y CDS	49	-4	-24
Indonesia 5Y CDS	85	-5	-26
Thailand 5Y CDS	35	2	-2

	4-Jul	1W chg	1M chg
Brent Crude Spot (\$/bbl)	63.60	-4.43%	2.63%
Gold Spot (\$/oz)	1,420.85	0.79%	7.19%
CRB	180.48	-1.03%	2.84%
GSCI	421.00	-2.29%	3.45%
VIX	12.57	-22.46%	-25.93%
CT10 (bp)	1.950%	-6.42	-17.98
USD Swap Spread 10Y (bp)	-5	1	-2
USD Swap Spread 30Y (bp)	-32	2	-4
US Libor-OIS Spread (bp)	20	2	2
Euro Libor-OIS Spread (bp)	6	1	1
DJIA	26,966	1.62%	6.45%
SPX	2,996	2.82%	6.87%
MSCI Asiax	657	0.45%	6.16%
HSI	28,965	2.63%	8.23%
STI	3,379	1.52%	7.53%
KLCI	1,687	0.85%	2.61%
JCI	6,364	0.18%	2.50%

New issues:

- Pingdingshan Tianan Coal Mining Co., Ltd has priced a USD100mn 1-year bond at 6.25%, tightening from IPT of 6.5% area.
- Panasonic Corporation has scheduled investor meetings commencing on 5 July for its potential USD bond issuance.
- China National Bluestar (Group) Co., Ltd has scheduled investor meetings commencing on 4 July for its potential USD bond issuance.
- Guangzhou Development District Financial Holdings Group Co., Ltd has scheduled investor meetings commencing on 4 July for its potential USD bond issuance.

<u>Date</u>		<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
03-Jul-19	Pingdingshan Tianan Coal Mining Co., Ltd	USD100mn	1-year	6.25%
02-Jul-19	Shandong Guohui International (BVI) Co., Ltd	USD800mn	3-year	4.37%
02-Jul-19	Sumitomo Corporation	USD500mn	5-year	T+87.5bps
02-Jul-19	Tongfang Aqua Ltd	USD300mn	2.5-year	7.0%
02-Jul-19	Yuzhou Properties Co., Ltd	USD400mn	YUZHOU 6.0%'23s	7.7%
02-Jul-19	Export-Import Bank Of China	USD100mn	4-year	3m-US LIBOR+60bps
01-Jul-19	Skyfame Realty Holdings Ltd	USD105mn	3-year	13.0%
01-Jul-19	Tahoe Group Global (Co.,) Ltd	USD400mn	3-year	16.0%
27-Jun-19	Sunshine 100 China Holdings Ltd	USD200mn	2-year	12.5%
27-Jun-19	Mitsubishi Corporation	USD500mn	5-year	T+84bps
27-Jun-19	ESR Cayman Ltd	USD175mn	ESRCAY 7.875%'22s	7.25%

Source: OCBC, Bloomberg

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