

July 05, 2019

## Market Commentary

- The SGD swap curve bull-steepened yesterday, with the shorter tenors and belly trading 3-5bps lower, while the longer tenors traded 1-3bps 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 was unchanged at 470bps.
- Flows in SGD corporates were light, with flows in DBSSP 3.98%-PERPs.
- The US bond market was closed yesterday due to the July Fourth holiday. Spread between 3-month treasury bills and 10-year treasury notes continued to be inverted, with the spread at -25bps.

**Table 1: Key Financial Indicators**

	5-Jul	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	62	-3	-16
iTraxx SovX APAC	39	-2	-12
iTraxx Japan	57	-4	-12
iTraxx Australia	59	-4	-16
CDX NA IG	51	-3	-13
CDX NA HY	108	0	3
iTraxx Eur Main	49	-3	-17
iTraxx Eur XO	238	-17	-51
iTraxx Eur Snr Fin	60	-4	-22
iTraxx Sovx WE	15	-2	-3
AUD/USD	0.703	0.10%	0.82%
EUR/USD	1.128	-0.81%	0.53%
USD/SGD	1.356	-0.21%	0.76%
China 5Y CDS	41	-3	-16
Malaysia 5Y CDS	49	-4	-23
Indonesia 5Y CDS	85	-6	-24
Thailand 5Y CDS	32	-2	-5

	5-Jul	1W chg	1M chg
Brent Crude Spot (\$/bbl)	63.27	-4.93%	4.35%
Gold Spot (\$/oz)	1,417.46	0.56%	6.55%
CRB	180.48	-1.03%	2.84%
GSCI	421.00	-2.29%	3.45%
VIX	12.57	-22.46%	-25.93%
CT10 (bp)	1.945%	-6.05	-19.02
USD Swap Spread 10Y (bp)	-5	0	-3
USD Swap Spread 30Y (bp)	-32	0	-4
US Libor-OIS Spread (bp)	17	-2	-1
Euro Libor-OIS Spread (bp)	6	0	0
DJIA	26,966	1.62%	6.45%
SPX	2,996	2.82%	6.87%
MSCI Asiax	658	0.86%	6.16%
HSI	28,796	2.03%	7.07%
STI	3,372	1.52%	7.32%
KLCI	1,687	0.92%	2.64%
JCI	6,376	0.37%	2.69%

## New issues:

- Easy Tactic Ltd (guarantor: R&F Properties (HK) Co., Ltd) has priced a USD450mn 5NC3 bond at 8.125%, tightening from IPT of 8.625% area.
- Dafa Properties Group Ltd has priced a USD180mn 2-year bond at 12.875%, tightening from IPT of 14.0% area.
- FWD Group Ltd has priced a USD550mn 5-year bond at 5.75%, tightening from IPT of 6.0% area.

<u>Date</u>		<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
04-Jul-19	Easy Tactic Ltd	USD450mn	5NC3	8.125%
04-Jul-19	Dafa Properties Group Ltd	USD180mn	2-year	12.875%
04-Jul-19	FWD Group Ltd	USD550mn	5-year	5.75%
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%

Source: OCBC, Bloomberg

**Andrew Wong**

Treasury Research & Strategy  
Global Treasury, OCBC Bank  
(65) 6530 4736  
[wongVKAM@ocbc.com](mailto:wongVKAM@ocbc.com)

**Ezien Hoo, CFA**

Treasury Research & Strategy  
Global Treasury, OCBC Bank  
(65) 6722 2215  
[EzienHoo@ocbc.com](mailto:EzienHoo@ocbc.com)

**Wong Hong Wei, CFA**

Treasury Research & Strategy  
Global Treasury, OCBC Bank  
(65) 6722 2533  
[WongHongWei@ocbc.com](mailto:WongHongWei@ocbc.com)

**Seow Zhi Qi**

Treasury Research & Strategy  
Global Treasury, OCBC Bank  
(65) 6530 7348  
[zhigiseow@ocbc.com](mailto:zhigiseow@ocbc.com)

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