

Jan 7, 2019

Market Commentary

- The SGD swap curve steepened last Friday, with the shorter tenors trading within 1bps lower while the longer tenors traded 1-3bps higher (with the exception of the 12-year swap rates trading 6bps higher).
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 2bps to 167bps and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 9bps to 645bps.
- Flows in SGD corporates were light yesterday, with flows seen in only UBS 5.875%-PERPs.
- 10Y UST yields rose 11bps to close at 2.67%, on the back of Federal Reserve Chair Jerome Powell's dovish stance regarding the rate-hiking policy. The US employment report for December also came in more robust than expected, weighing positively on market sentiments.

Table 1: Key Financial Indicators

	7-Jan	1W chg (bps)	1M chg (bps)
iTraxx Asiax IG	95	-1	1
iTraxx SovX APAC	70	0	1
iTraxx Japan	88	1	7
iTraxx Australia	97	2	7
CDX NA IG	83	-5	1
CDX NA HY	103	1	0
iTraxx Eur Main	88	1	3
iTraxx Eur XO	357	4	14
iTraxx Eur Snr Fin	113	4	5
iTraxx Sovx WE	26	1	0
AUD/USD	0.713	1.21%	-1.03%
EUR/USD	1.142	-0.38%	0.39%
USD/SGD	1.357	0.46%	0.99%
China 5Y CDS	66	0	-2
Malaysia 5Y CDS	108	-1	-1
Indonesia 5Y CDS	137	-1	-4
Thailand 5Y CDS	44	-1	0

	7-Jan	1W chg	1M chg
Brent Crude Spot (\$/bbl)	57.73	10.59%	-6.39%
Gold Spot (\$/oz)	1,289.32	0.53%	3.20%
CRB	173.35	1.68%	-5.86%
GSCI	386.80	3.15%	-7.07%
VIX	21.38	-28.64%	-7.96%
CT10 (bp)	2.670%	-1.47	-17.55
USD Swap Spread 10Y (bp)	3	1	-1
USD Swap Spread 30Y (bp)	-16	2	-1
TED Spread (bp)	40	-1	-2
US Libor-OIS Spread (bp)	40	0	0
Euro Libor-OIS Spread (bp)	5	1	1
DJIA	23,433	1.27%	-3.92%
SPX	2,532	1.73%	-3.84%
MSCI Asiax	588	-0.99%	-2.85%
HSI	25,790	1.12%	-1.05%
STI	3,099	1.50%	-0.38%
KLCI	1,680	-0.69%	-0.01%
JCI	6,324	2.15%	3.22%

New issues

- Yankuang Group Co Ltd has scheduled for investor meetings from 7-11 Jan for its potential USD bond issuance.
- Indian Oil Corp Ltd has scheduled for investor meetings from 7-9 Jan for its potential USD bond issuance.
- Korea Developmental Bank has sent requests for proposals to banks for its potential offshore bond issuance.
- Guotai Junan International Holdings Ltd may price a 3-year bond with an expected size of USD200mn at IPT +200bps area today.

<u>Date</u>	<u>Issuer</u>	<u>Size</u>	<u>Tenor</u>	<u>Pricing</u>
3-Jan-19	China Aoyuan Property Group Ltd	USD275mn	CAPG 7.95%'21s	7.939%
28-Dec-18	Macrolink Global Development Ltd	USD168mn	2-year	9.5%
25-Dec-18	Redco Properties Group	USD110.4mn	REDPRO 11.0%'20s	11.0%
17-Dec-18	Wuhan Financial Holdings (Group) Co Ltd	USD142mn	3-year	5.8%
17-Dec-18	CIFI Holdings (Group) Co Ltd	USD400mn	2-year and 2-month	7.625%
17-Dec-18	Redsun Properties Group Ltd	USD200mn	REDSUN 13.5%'20s	13.5%
14-Dec-18	Yuyao Economic Development Zone Construction Investment and Development Co Ltd	USD100mn	3-year	7.0%
14-Dec-18	Hangzhou Fuyang Chengtou Group (HK)	USD70mn	HZFYCT 6.8%'21s	6.8%
13-Dec-18	Fantasia Holdings Group Co Ltd	USD130mn	3NP2	15.0%
13-Dec-18	Chengdu Communications Investment Group Corporation	USD400mn	3-year	5.5%
13-Dec-18	Xinhu (BVI) 2018 Holding Company Ltd	USD240mn	3NCNP2	11.0%
13-Dec-18	Yichang High-Tech Investment Development Co Ltd	USD50mn	3-year	7.5%
13-Dec-18	Zhengzhou Metro Group Co Ltd	USD500mn	3-year	5.3%
12-Dec-18	Greenland Hong Kong Holdings Ltd	USD200mn	1.5-year	9.875%

Source: OCBC, Bloomberg

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