

Market Commentary

- The SGD swap curve bull-flattened yesterday, with the shorter tenors trading 5-8bps lower, while the belly and the longer tenors traded around 8-9bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 1bps to 271bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 7bps to 1141bps. The HY-IG Index Spread widened 6bps to 870bps.
- Flows in SGD corporates were moderate, with flows in SOCGEN 6.125%-PERPs and DBSSP 3.98%-PERPs.
- 10Y UST Yields gained 2bps to 0.6% despite a record rise in the U.S. weekly jobless claims to over 6.6mn. On the other hand, President Trump said that he expects Saudi Arabia and Russia to end their price war on oil.

Credit Research

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Credit Summary:

- [Century Sunshine Group Holdings Limited \("CENSUN"\)](#) | **Issuer Profile: Negative (6):** CENSUN reported its preliminary financial results for 2019. 2019 revenue was down 7.3% y/y, with reported gross profit down 6.9% y/y. As at 31 December 2019, unadjusted gross gearing was 0.51x, similar to 30 June 2019 figures. Cash balance was HKD823.1mn, representing 50% of short term debt of HKD1.6bn coming due (including a SGD101.75mn (~HKD550.5mn) bond coming due in July 2020).

Asian Credit Daily**Credit Headlines****Century Sunshine Group Holdings Limited (“CENSUN”) | Issuer Profile: Negative (6)**

- CENSUN reported its preliminary financial results for 2019. 2019 revenue was down 7.3% y/y to HKD4.3bn, driven by a decline in fertiliser sales (by 10.4% y/y) and decline in magnesium sales (down 1.5% y/y). While volume on fertiliser was down 15.1% y/y to 1.09mn tonnes (in part due to the relocation of existing facilities at Shangdong Hongri), average selling price of fertiliser was up by 5.5%. Similarly magnesium sales was down due to reduced volume of 1.5% y/y.
- Reported gross profit was down 6.9% y/y to HKD1.06bn though EBITDA (based on our calculation excluding other income and other expenses) was HKD867.3mn (down 12.6% y/y). This larger decline in EBITDA was due to the reclassification of certain depreciation and amortisation expenses at Shandong Hongri production base as administrative expenses (HKD30.2mn impact) while repair and maintenance costs at the Jiangsu production base also increased by HKD11.7mn to ready that facility as certain of production would be moved from Shandong Hongri to Jiangsu. EBITDA/Interest was lower at 5.6x (2018: 6.0x).
- As at 31 December 2019, unadjusted gross gearing was 0.51x, similar to 30 June 2019 figures. Cash balance was HKD823.1mn, representing 50% of short term debt of HKD1.6bn coming due (including a SGD101.75mn (~HKD550.5mn) bond coming due in July 2020). We maintain CENSUN’s issuer profile at Negative (6) for now. (Company, OCBC)

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Key Market Movements

	03-Apr	1W chg (bps)	1M chg (bps)		03-Apr	1W chg	1M chg
iTraxx Asiax IG	150	16	84	Brent Crude Spot (\$/bbl)	29.15	16.93%	-43.79%
iTraxx SovX APAC	80	9	42	Gold Spot (\$/oz)	1,611.93	-1.00%	-1.77%
iTraxx Japan	126	8	67	CRB	124.84	-1.19%	-24.31%
iTraxx Australia	188	15	119	GSCI	263.95	-0.83%	-28.87%
CDX NA IG	121	10	50	VIX	50.91	-16.54%	38.27%
CDX NA HY	91	-4	-14	CT10 (%)	0.594%	-8.07	-40.51
iTraxx Eur Main	107	13	44				
iTraxx Eur XO	609	36	323	AUD/USD	0.605	-1.85%	-8.05%
iTraxx Eur Snr Fin	125	13	56	EUR/USD	1.085	-2.66%	-2.94%
iTraxx Eur Sub Fin	269	31	126	USD/SGD	1.432	-0.39%	-3.08%
iTraxx Sovx WE	26	2	12	AUD/SGD	0.867	1.46%	5.39%
USD Swap Spread 10Y	5	9	7	ASX 200	5,152	6.39%	-19.95%
USD Swap Spread 30Y	-42	10	-2	DJIA	21,413	-5.05%	-17.38%
US Libor-OIS Spread	136	-1	84	SPX	2,527	-3.92%	-15.86%
Euro Libor-OIS Spread	12	-1	4	MSCI Asiax	553	-0.77%	-14.68%
				HSI	23,280	-0.87%	-11.43%
China 5Y CDS	59	6	14	STI	2,447	-3.25%	-18.98%
Malaysia 5Y CDS	129	12	75	KLCI	1,332	-0.79%	-9.89%
Indonesia 5Y CDS	250	35	160	JCI	4,532	4.44%	-17.88%
Thailand 5Y CDS	90	13	52	EU Stoxx 50	2,688	-5.59%	-20.27%
Australia 5Y CDS	38	-7	8				

Source: Bloomberg

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New Issues

- Qatar has mandated banks for its proposed USD bond offering.

Date	Issuer	Size	Tenor	Pricing
01-Apr-20	Baidu Inc	USD600mn USD400mn	5-year 10-year	T+275bps T+285bps
31-Mar-20	Guizhou Shuanglong Airport Development & Investment (Group) Co. Ltd.	USD26mn	2-year 354-day	4%
31-Mar-20	AIA Group Limited	USD1bn	10-year	T+275bps
26-Mar-20	State Bank of India of London	USD100mn	2-year	3m-US LIBOR+80bps
25-Mar-20	Binjiang Guotou Limited (Guarantor: Taizhou Xinbinjiang Development Co Ltd)	USD219mn	3-year	7.0%
25-Mar-20	HSBC Holdings PLC	USD2.5bn	10-year	T+415bps
25-Mar-20	SATS Ltd	SGD200mn	5-year	2.88%
23-Mar-20	Maybank Singapore Limited	SGD500mn	10-year	3.7%
24-Mar-20	Xinhu (BVI) 2018 Holding Company Limited (Guarantor: Xinhu Zhongbao Co Ltd)	USD200mn	3-year	11.0%
19-Mar-20	China Construction Bank (Asia) Corporation Limited	USD500mn	PERPNC5	3.18%
13-Mar-20	Export-Import Bank of Korea	USD425mn	5-year	1.375%
13-Mar-20	PCGI Intermediate Limited (Guarantor: PCGI Ltd)	USD137.46mn	PCGIIN 4.75%'24s	4.75%
11-Mar-20	China Cinda (2020) I Management Ltd. (Guarantor: China Cinda (HK) Holdings Co.)	USD700mn USD500mn USD300mn USD500mn	3-year 5-year 7-year 10-year	T+160bps T+195bps T+240bps T+255bps
11-Mar-20	Beijing Capital Polaris Investment Co. Ltd. (Guarantor: Beijing Capital Group Co. Ltd.)	USD300mn	3-year	2.8%
11-Mar-20	Xiang Sheng Holding Limited (Guarantor: Shinsun Real Estate Group Co. Ltd.)	USD53mn	SHXREG 12.5%'22s	12.5%

Source: OCBC, Bloomberg

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