

Market Commentary

- The SGD swap curve bear-steepened yesterday, with the shorter and belly tenors trading 2-4bps higher (with the exception of the 1-year tenor trading 0.5bps lower) while the longer tenors traded 5bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 3bps to 123bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 15bps to 507bps. The HY-IG Index Spread tightened 12bps to 384bps.
- Flows in SGD corporates were heavy, with flows in GUOLSP 3.4%'25s, CATHAY 3.375%'23s, TMGSP 4.05%'25s, BACR 3.75%'30s, BREAD 4.0%'23s, CAPLSP 3.65%-PERPs, F 4.125%'24s, UBS 4.85%-PERPs and CS 5.625%-PERPs.
- 10Y UST Yields gained 7bps to 1.6%, due to strong factory orders and injection of liquidity by China's central bank in response to the 2019 Novel Coronavirus ("2019 nCoV").

Credit Summary:

- [CMA CGM \(acquired Neptune Orient Lines, "NOL"\)](#) | **Issuer Profile: Negative (6)**: CMA CGM has released an update on the outbreak of the 2019 nCoV in relation to its business. CMA CGM has voided sailings due to poor demand on Asia / North Europe trade exacerbated by the virus. The extension of Lunar New Year holidays to Feb 9th in Central China and South China will result in an additional week of slow / nil production out of China. Except for Wuhan, all CMA CGM operations including Terminal, Warehousing Depots, Office and other facilities in Greater China continue to operate uninterrupted as per usual.

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Credit Headlines

CMA CGM (acquired Neptune Orient Lines, “NOL”) | Issuer Profile: Negative (6)

- CMA CGM has released an update on the outbreak of the 2019 Novel Coronavirus (“2019 nCoV”) in relation to its business.
- The traditional slowdown of activity in Asia during the post Lunar New Year (“LNY”) period was further impacted by 2019 nCoV. Consequentially, CMA CGM has voided sailings due to poor demand on Asia / North Europe trade exacerbated by the virus.
- The extension of LNY holidays to Feb 9th in Central China and South China will result in an additional week of slow / nil production out of China.
- Except for Wuhan, all CMA CGM operations including Terminal, Warehousing Depots, Office and other facilities in Greater China continue to operate uninterrupted as per usual.
- We published [our view on the credit impact of 2019nCoV for issuers](#) under our coverage. While the impact of the outbreak on CMA CGM’s performance remains dependent on how the situation evolves, we believe there are other drivers that weigh on CMA CGM’s Negative (6) issuer profile. We published an [earnings review](#) on CMA CGM late last year. (Company, OCBC)

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Key Market Movements

	05-Feb	1W chg (bps)	1M chg (bps)		05-Feb	1W chg	1M chg
iTraxx Asiax IG	55	-1	-2	Brent Crude Spot (\$/bbl)	53.96	-9.33%	-21.34%
iTraxx SovX APAC	29	0	1	Gold Spot (\$/oz)	1,552.70	-1.53%	-0.83%
iTraxx Japan	46	1	1	CRB	167.93	-3.37%	-10.15%
iTraxx Australia	51	-1	1	GSCI	380.33	-5.01%	-14.21%
CDX NA IG	47	-1	1	VIX	16.05	-1.41%	14.48%
CDX NA HY	109	0	-1	CT10 (%)	1.606%	2.21	-18.21
iTraxx Eur Main	44	-1	-1				
iTraxx Eur XO	218	-5	5	AUD/USD	0.674	-0.27%	-2.94%
iTraxx Eur Snr Fin	51	-2	-3	EUR/USD	1.104	0.31%	-1.37%
iTraxx Eur Sub Fin	109	-3	-7	USD/SGD	1.371	-0.76%	-1.58%
iTraxx Sovx WE	11	0	-1	AUD/SGD	0.924	-0.49%	1.40%
USD Swap Spread 10Y	-5	0	2	ASX 200	6,996	-0.50%	3.90%
USD Swap Spread 30Y	-33	-1	2	DJIA	28,808	0.30%	0.60%
US Libor-OIS Spread	17	-3	-15	SPX	3,298	0.65%	1.94%
Euro Libor-OIS Spread	6	1	-1	MSCI Asiax	670	-1.43%	-3.46%
				HSI	26,676	-4.56%	-6.24%
China 5Y CDS	36	-4	2	STI	3,157	-0.78%	-2.54%
Malaysia 5Y CDS	38	-2	0	KLCI	1,536	-1.02%	-4.69%
Indonesia 5Y CDS	63	-2	-2	JCI	5,922	-3.09%	-6.34%
Thailand 5Y CDS	27	4	4	EU Stoxx 50	3,732	0.35%	-1.09%
Australia 5Y CDS	17	0	1				

Source: Bloomberg

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New Issues

- Jiayuan International Group Limited priced a USD60mn re-tap of its JIAYUA 13.75%'23s at 13.75%.
- CSSC (Hong Kong) Shipping Company Ltd arranged investor meetings commencing 4 Feb for its proposed USD bond offering.
- Beijing Properties (Holdings) arranged investor calls commencing 6 Feb for its proposed USD bond offering.

Date	Issuer	Size	Tenor	Pricing
04-Feb-20	Jiayuan International Group Limited	USD60mn	JIAYUA 13.75%'23s	13.75%
03-Feb-20	GLL IHT Pte. Ltd. (Guarantor: GuocoLand Limited)	SGD200mn	5.5-year	3.4%
29-Jan-20	Suntec REIT MTN Pte. Ltd	SGD200mn	7-year	2.95%
23-Jan-20	Westpac Banking Corp	USD1.5bn	10NC5	T+135bps
22-Jan-20	Cyprus Investments, Inc.	USD140mn	3-year	3m-US LIBOR+90bps
21-Jan-20	Scenery Journey Ltd	USD2bn USD2bn	3.75-year 2.75-year	12.0% 11.5%
21-Jan-20	Helenbergh China Holdings Limited	USD250mn	HLBCHN 12.875%'21s	12.25%
21-Jan-20	ReNew Power Pvt Ltd	USD450mn	5.5-year-WAL	5.875%
21-Jan-20	Swire Pacific MTN Financing (HK) Limited	USD500mn	10-year	T+120bps
21-Jan-20	Korea South-East Power Co Ltd	USD300mn	5-year	T+62.5bps
21-Jan-20	Shangri-La Hotel Limited	SGD250mn	10-year	3.5%

Source: OCBC, Bloomberg

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