

Market Commentary

- The SGD swap curve mostly fell last Friday, with the shorter and the belly tenors trading 3-4bps lower (with the exception of the 1-year tenor trading 1bp higher), while the longer tenors traded around 1-4bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 3bps to 274bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 4bps to 1137bps. The HY-IG Index Spread tightened 7bps to 864bps.
- Flows in SGD corporates were heavy, with flows in MAPLSP 4.5%-PERPs and UBS 5.875%-PERPs.
- 10Y UST Yields remain mostly unchanged at 0.6% by the end of day, even as U.S. stock prices fell after the Fed announced plans to slow its pace of Treasury purchases.

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Credit Summary:

- **[BreadTalk Group Ltd \("BGL"\)](#) | Issuer Profile: Negative (6):** BGL provided an update to the voluntary conditional cash offer and consent solicitation exercise ("CSE"). With over 24% of shareholders accepting the offer, the consortium (which previously held 70.53%-stake) looking to privatise BGL will hold 94.76% of BGL. Meanwhile, 91.5% of the bondholders have voted in favour of the CSE. As such, we expect both the privatisation to complete and the CSE to pass. We think the remaining bondholders (who have yet to vote) should accept the CSE to enjoy the consent fee. Following the delisting of BGL, we think bondholders may exercise the delisting put at par + accrued interest.
- **[Perennial Real Estate Holdings Ltd \("PREH"\)](#) | Issuer Profile: Negative (6):** PREH announced that it has secured a loan facility which will be used to partially fund the repayment of PREHSP 4.55% '20s due in April. While the refinancing partly alleviates the near-term pressure, cash of ~SGD100mn remains insufficient in relation to the remaining ~SGD1.0bn debt maturing in 2020. We remain wary of PREH's credit profile though an outright default is not in our base case.

Asian Credit Daily

Credit Headlines

BreadTalk Group Ltd (“BGL”) | Issuer Profile: Negative (6)

- BGL provided an update to the [voluntary conditional cash offer](#) and [consent solicitation exercise](#) (“CSE”).
- With over 24% of shareholders accepting the offer, the consortium (which previously held 70.53%-stake) looking to privatise BGL will hold 94.76% of BGL. As the public float has fallen below 10%, the SGX will suspend trading of BGL’s shares at the close of the offer, which is expected on 20 Apr 2020 or later.
- Meanwhile, 91.5% of the bondholders have voted in favour of the CSE.
- As such, we expect both the privatisation to complete and the CSE to pass.
- We think the remaining bondholders (who have yet to vote) should accept the CSE to enjoy the consent fee.
- Following the delisting of BGL, we think bondholders may exercise the delisting put at par + accrued interest. (Company, OCBC)

Perennial Real Estate Holdings Ltd (“PREH”) | Issuer Profile: Negative (6)

- PREH announced that it has secured a loan facility of SGD250mn, which will be used to partially fund the repayment of PREHSP 4.55% ‘20s due in April.
- While the refinancing partly alleviates the near-term pressure, cash of ~SGD100mn remains insufficient in relation to the remaining ~SGD1.0bn debt maturing in 2020.
- We remain [wary of PREH’s credit profile](#) though an outright default is not in our base case. We reiterate that PREH may still explore refinancing via bank loans and we think PREH may reach out to its key sponsors in the worst case scenario. (Company, OCBC)

Key Market Movements

	06-Apr	1W chg (bps)	1M chg (bps)		06-Apr	1W chg	1M chg
iTraxx Asiax IG	155	5	78	Brent Crude Spot (\$/bbl)	32.98	44.90%	-27.15%
iTraxx SovX APAC	84	9	38	Gold Spot (\$/oz)	1,618.97	-0.22%	-3.28%
iTraxx Japan	126	-3	59	CRB	127.96	3.29%	-17.89%
iTraxx Australia	188	1	108	GSCI	275.44	8.17%	-20.19%
CDX NA IG	128	19	45	VIX	46.8	-28.59%	11.59%
CDX NA HY	89	-6	-13	CT10 (%)	0.626%	-10.04	-13.63
iTraxx Eur Main	114	17	35				
iTraxx Eur XO	638	58	258	AUD/USD	0.602	-2.58%	-9.36%
iTraxx Eur Snr Fin	130	12	39	EUR/USD	1.081	-2.15%	-4.20%
iTraxx Eur Sub Fin	282	30	94	USD/SGD	1.442	-1.17%	-4.38%
iTraxx Sovx WE	27	3	10	AUD/SGD	0.867	1.38%	5.48%
USD Swap Spread 10Y	5	5	-3	ASX 200	5,228	0.89%	-15.90%
USD Swap Spread 30Y	-42	6	-8	DJIA	21,053	-2.70%	-18.61%
US Libor-OIS Spread	132	-5	93	SPX	2,489	-2.08%	-16.27%
Euro Libor-OIS Spread	12	0	5	MSCI Asiax	550	0.22%	-15.04%
				HSI	23,342	0.72%	-10.73%
China 5Y CDS	63	4	7	STI	2,430	0.56%	-17.94%
Malaysia 5Y CDS	132	4	58	KLCI	1,331	0.15%	-10.27%
Indonesia 5Y CDS	262	34	153	JCI	4,704	6.56%	-14.45%
Thailand 5Y CDS	95	11	46	EU Stoxx 50	2,663	-2.41%	-17.61%
Australia 5Y CDS	38	-6	5				

Source: Bloomberg

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New Issues

- There were no new issues or mandates.

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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