

Market Commentary

- The SGD swap curve bear-steepened yesterday, with the shorter tenors trading 7-10bps higher, while the belly and longer tenors traded around 8-11bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 273bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 1bps to 1138bps. The HY-IG Index spread widened 2bps to 865bps.
- Flows in SGD corporates were somewhat heavy with flows seen in perpetuals including DBSSP 3.98%-PERP, MAPLSP 4.5%-PERPs and UBS 5.875%-PERPs, as well as SIASP 3.22% '20s.
- 10Y UST Yields gained 8bps to 0.67% with a broad-based rise in risk sentiments with S&P 500 rising 7.0% y/y with fall in death toll from COVID-19.

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Credit Summary:

- [Suntec REIT \("SUN"\)](#) | **Issuer Profile: Neutral (4)**: Suntec REIT has announced that it will waive rents for all tenants at Suntec City from 1 April to 30 April 2020. This waiver is funded entirely by the landlord, Suntec REIT. Based on our estimation, one month waiver of rental income is ~3% of SUN's total gross revenue.

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Credit Headlines

Suntec REIT ("SUN") | Issuer Profile: Neutral (4)

- Suntec REIT has announced that it will waive rents for all tenants (including tenants providing essential services) at Suntec City from 1 April to 30 April 2020. This waiver is funded entirely by the landlord, Suntec REIT.
- Based on our estimation, one month waiver of rental income is ~3% of SUN's total gross revenue. We think a 3% decline in total full year revenue is manageable for SUN for now. (Company, OCBC)

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Key Market Movements

	07-Apr	1W chg (bps)	1M chg (bps)		07-Apr	1W chg	1M chg
iTraxx Asiax IG	142	4	32	Brent Crude Spot (\$/bbl)	33.99	49.47%	-24.92%
iTraxx SovX APAC	78	6	12	Gold Spot (\$/oz)	1,659.39	5.21%	-1.25%
iTraxx Japan	120	-5	27	CRB	128.06	5.24%	-17.83%
iTraxx Australia	176	4	63	GSCI	271.70	6.32%	-21.28%
CDX NA IG	116	2	5	VIX	45.24	-20.74%	7.87%
CDX NA HY	92	-1	-6	CT10 (%)	0.686%	1.60	-7.68
iTraxx Eur Main	104	7	-1				
iTraxx Eur XO	584	10	121	AUD/USD	0.612	-0.15%	-7.06%
iTraxx Eur Snr Fin	118	0	-4	EUR/USD	1.081	-2.03%	-5.62%
iTraxx Eur Sub Fin	260	5	8	USD/SGD	1.431	-0.65%	-3.26%
iTraxx Sovx WE	27	2	4	AUD/SGD	0.876	-0.45%	4.05%
USD Swap Spread 10Y	4	-1	-4	ASX 200	5,273	3.86%	-15.18%
USD Swap Spread 30Y	-43	1	-8	DJIA	22,680	1.58%	-12.31%
US Libor-OIS Spread	131	-7	92	SPX	2,664	1.41%	-10.39%
Euro Libor-OIS Spread	12	2	5	MSCI Asiax	562	0.41%	-13.04%
				HSI	23,880	1.17%	-8.67%
China 5Y CDS	55	2	-37	STI	2,513	1.27%	-15.14%
Malaysia 5Y CDS	118	-3	0	KLCI	1,356	0.38%	-8.57%
Indonesia 5Y CDS	243	20	62	JCI	4,762	4.92%	-13.39%
Thailand 5Y CDS	91	12	20	EU Stoxx 50	2,796	1.10%	-13.49%
Australia 5Y CDS	37	0	3				

Source: Bloomberg

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New Issues

- Mitsubishi UFJ Lease & Finance Co Ltd priced a USD450mn 5-year at 3m-US LIBOR+320bps, tightening from 3m-US LIBOR+325bps area and a USD350mn 10-year at 3m-US LIBOR+330bps tightening from 3m-US LIBOR+337.5bps area.
- The Republic of Indonesia priced an offering across three tranches: (1) a USD1.65bn 10.5-year bond at 3.9%, (2) a USD1.65bn 30.5-year bond at 4.25%, and (3) a USD1bn 50-year bond at 4.5%, tightening from IPT of 4.15%, 4.55% and 4.9% area respectively.

Date	Issuer	Size	Tenor	Pricing
06-Apr-20	Republic of Indonesia	USD1.65bn USD1.65bn USD1bn	10.5-year 30.5-year 50-year	3.9% 4.25% 4.5%
06-Apr-20	Mitsubishi UFJ Lease & Finance Co Ltd	USD450mn USD350mn	5-year 10-year	3m-US LIBOR+320bps 3m-US LIBOR+330bps
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%

Source: OCBC, Bloomberg

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