

Market Commentary

- The SGD swap curve mostly fell yesterday, with the shorter and the belly tenors trading 0-4bps lower (with the exception of the 1-year tenor trading around 2bps higher), while the longer tenors traded 0-7bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 2bps to 274bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 8bps to 1116bps. The HY-IG Index Spread tightened 10bps to 843bps.
- Flows in SGD corporates were heavy, with flows in UBS 4.85%-PERPs, HSBC 4.7%-PERPs, CMZB 4.2%'28s and BREAD 4%'23s.
- 10Y UST Yields gained 6bps to 0.77% by the end of the day, due to reports that Russia is ready to cut oil production and an announcement that Trump Administration's request to help small businesses would be backed by the Democratic leaders in the U.S. Congress.

Credit Research

Andrew Wong

+65 6530 4736

WongVKAM@ocbc.com

Ezien Hoo, CFA

+65 6722 2215

EzienHoo@ocbc.com

Wong Hong Wei, CFA

+65 6722 2533

WongHongWei@ocbc.com

Seow Zhi Qi, CFA

+65 6530 7348

zhiqiseow@ocbc.com

Credit Summary:

- [Starhill Global REIT \("SGREIT"\)](#) | **Issuer Profile: Neutral (4)**: SGREIT will pass on full enhanced property tax rebate from the government to its Singapore tenants in the month of April 2020. The REIT will also provide additional rental relief to eligible retail tenants of its Singapore properties impacted by COVID-19. Additionally, the board of directors will be taking a 20% cut in directors' fees. CEO and CFO will each take a pay cut of 10%, while other senior staff will take pay cuts of 5%. The cuts will be effective for three months from April 2020 and the savings from the salary adjustment will be passed to Unitholders.
- [HSBC Holdings PLC \("HSBC"\)](#) | **Issuer Profile: Neutral (3)**: HSBC is expected to receive push-back from shareholders on its [recent announcement to cancel dividends](#) at the request of UK's Prudential Regulation Authority. This was after previously signalling an intention to pay. In other news, HSBC has self-reported potential breaches of anti-money laundering laws in Australia to Australia's financial crimes intelligence agency ("AUSTRAC" - Australian Transaction Reports and Analysis Centre). These developments add potential headwinds as HSBC combats its underlying fundamentals and the challenging operating environment.

Asian Credit Daily**Credit Headlines****Starhill Global REIT ("SGREIT") | Issuer Profile: Neutral (4)**

- SGREIT will pass on full enhanced property tax rebate from the government to its Singapore tenants in the month of April 2020. The REIT will also provide additional rental relief to eligible retail tenants of its Singapore properties impacted by the COVID-19 pandemic. SGREIT has earlier extended to qualifying retail tenants a rental rebate which was more than the property tax rebate announced during Budget 2020.
- The board of directors will be taking a 20% cut in directors' fees. CEO and CFO will each take a pay cut of 10%, while other senior staff will take pay cuts of 5%. The cuts will be effective for three months from April 2020 and will be reviewed at the end of the period. The savings from the salary adjustment will be passed to Unitholders as part of a 10% reduction in base management fees payable by SGREIT for the next three months effective from April 2020. (Company, OCBC)

HSBC Holdings PLC ("HSBC") | Issuer Profile: Neutral (3)

- HSBC is expected to receive push-back from shareholders on its [recent announcement to cancel dividends](#) at the request of UK's Prudential Regulation Authority. This was after previously signalling an intention to pay. Per the South China Morning Post, a group of Hong Kong based shareholders comprising around 3% of shareholders have banded together to investigate avenues for shareholders. To call an extra-ordinary shareholder meeting requires the support of 5% of shareholders.
- In other news, HSBC has self-reported potential breaches of anti-money laundering laws in Australia to Australia's financial crimes intelligence agency ("AUSTRAC" - Australian Transaction Reports and Analysis Centre). There is no indication of the financial impact at this stage and comes on the back of heightened focus on anti-money laundering breaches in Australia which have so far impacted Commonwealth Bank of Australia (settled breaches in 2018) , [Westpac Banking Corporation](#) (negotiating a settlement) and possibly National Australia Bank Ltd (self-reported potential breaches in December 2019).
- These developments add potential headwinds as HSBC combats its underlying fundamentals and the challenging operating environment. We [recently lowered our issuer profile on HSBC](#) to Neutral (3) from Positive (2) (Company, South China Morning Post, Bloomberg, OCBC)

Key Market Movements

	09-Apr	1W chg (bps)	1M chg (bps)		09-Apr	1W chg	1M chg
iTraxx Asiax IG	137	-13	28	Brent Crude Spot (\$/bbl)	33.68	12.49%	-1.98%
iTraxx SovX APAC	75	-5	8	Gold Spot (\$/oz)	1,647.97	2.11%	-1.93%
iTraxx Japan	104	-22	11	CRB	129.19	9.03%	-10.78%
iTraxx Australia	158	-29	45	GSCI	277.08	12.12%	-9.24%
CDX NA IG	105	-16	-6	VIX	43.35	-24.03%	-20.40%
CDX NA HY	95	4	-3	CT10 (%)	0.766%	16.89	22.52
iTraxx Eur Main	94	-12	-10				
iTraxx Eur XO	527	-82	64	AUD/USD	0.624	2.94%	-5.28%
iTraxx Eur Snr Fin	109	-16	-13	EUR/USD	1.087	0.09%	-5.08%
iTraxx Eur Sub Fin	243	-26	-9	USD/SGD	1.426	0.39%	-2.88%
iTraxx Sovx WE	28	2	5	AUD/SGD	0.889	-2.50%	2.51%
USD Swap Spread 10Y	5	-1	-3	ASX 200	5,271	2.27%	-8.49%
USD Swap Spread 30Y	-39	3	-4	DJIA	23,434	11.89%	-1.75%
US Libor-OIS Spread	124	-6	76	SPX	2,750	11.31%	0.12%
Euro Libor-OIS Spread	17	5	6	MSCI Asiax	573	3.67%	-6.88%
				HSI	23,970	3.83%	-4.27%
China 5Y CDS	51	-8	-41	STI	2,539	4.06%	-8.73%
Malaysia 5Y CDS	113	-16	-5	KLCI	1,361	2.93%	-4.41%
Indonesia 5Y CDS	235	-15	55	JCI	4,627	3.60%	-9.93%
Thailand 5Y CDS	86	-5	15	EU Stoxx 50	2,851	6.38%	-3.64%
Australia 5Y CDS	36	-5	-1				

Source: Bloomberg

Asian Credit Daily

New Issues

- Shinhan Bank priced a USD500mn 5-year bond at 3m-US LIBOR+170bps, tightening from IPT of US-3m LIBOR+210bps area.
- The Emirate of Abu Dhabi priced a USD7bn deal across three tranches: (1) a USD2bn 5-year bond at T+220bps, (2) a USD2bn 10-year bond at T+240bps, and (3) a USD3bn 30-year bond at 4.1%, tightening from IPT of T+265bps, T+285bps, and 4.55% area respectively.

Date	Issuer	Size	Tenor	Pricing
08-Apr-20	Shinhan Bank	USD500mn	5-year	3m-US LIBOR+170bps
08-Apr-20	Emirate of Abu Dhabi	USD2bn USD2bn USD3bn	5-year 10-year 30-year	T+220bps T+240bps 4.1%
07-Apr-20	Qatar	USD2bn USD3bn USD5bn	5-year 10-year 30-year	T+300bps T+305bps 4.4%
07-Apr-20	Korea Development Bank	USD500mn	3-year	3m-US LIBOR+145bps
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%

Source: OCBC, Bloomberg

Treasury Research & Strategy

Macro Research

Selena Ling

Head of Research & Strategy

LingSSSelena@ocbc.com

Howie Lee

Thailand, Korea &

Commodities

HowieLee@ocbc.com

Tommy Xie Dongming

Head of Greater China

Research

XieD@ocbc.com

Carie Li

Hong Kong & Macau

carierli@ocbcwh.com

Wellian Wiranto

Malaysia & Indonesia

WellianWiranto@ocbc.com

Dick Yu

Hong Kong & Macau

dicksnyu@ocbcwh.com

Terence Wu

FX Strategist

TerenceWu@ocbc.com

Credit Research

Andrew Wong

Credit Research Analyst

WongVKAM@ocbc.com

Ezien Hoo

Credit Research Analyst

EzienHoo@ocbc.com

Wong Hong Wei

Credit Research Analyst

WongHongWei@ocbc.com

Seow Zhi Qi

Credit Research Analyst

ZhiQiSeow@ocbc.com

This publication is solely for information purposes only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This publication should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this publication may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This publication may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, they should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. OCBC Bank, its related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial services to such issuers. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products.

This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).