

Market Commentary

- The SGD swap curve steepened yesterday, with the shorter and the belly tenors trading 2-4bps lower, while the longer tenors traded 0-2bps lower (with the exception of the 30-year tenor trading 3bps higher).
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 5bps to 264bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 50bps to 1010bps. The HY-IG Index Spread tightened 45bps to 745bps.
- Flows in SGD corporates were heavy, with flows in CS 5.625%-PERPs, UBS 4.85%-PERPs, SOCGEN 6.125%-PERPs, STANLN 5.375%-PERPs, MAPLSP 4.5%-PERPs, OLAMSP 6%'22s, STANLN 4.4%'26s and UBS 5.875%-PERPs.
- 10Y UST Yields fell slightly by 2bps to 0.75% at the end of the day despite U.S. stocks rallying amid signs of a slowing of the COVID-19 outbreak in the U.S.

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:

- [Julius Baer Group Ltd \("JBG"\)](#) | **Issuer Profile: Neutral (3)**: Similar to peers UBS Group AG ("UBS" | Issuer Profile: Neutral (3)) and Credit Suisse Group AG ("CS" | Issuer Profile: Neutral (4)), JBG has also announced that it will seek to pay its previously announced dividend of CHF 1.50 per share for 2019 in two equal phases. JBG's proposal follows the Swiss Financial Market Supervisory Authority FINMA's request in late March for Swiss banks to reconsider their dividend proposals. As the payment of the dividend has already been accrued, there is no impact on JBG's capital ratios. Its CET1 ratio was at 14.0% as at 31 December 2019. Management also indicated that its 1Q2020 results were solid with the 4M2020 results expected to be released on 19 May 2020. However, it has chosen to publish 9M2020 results for FY2020 on 19 October as opposed to a 10M2020 trading update that is usually published.

Asian Credit Daily

Credit Headlines

Julius Baer Group Ltd (“JBG”) | Issuer Profile: Neutral (3)

- Similar to peers UBS Group AG (“UBS” | Issuer Profile: Neutral (3)) and Credit Suisse Group AG (“CS” | Issuer Profile: Neutral (4)), [JBG has also announced](#) that it will seek to pay its previously announced dividend of CHF 1.50 per share for 2019 in two equal phases, It will seek to pay the first instalment at the end of May and the second much later in the year following a proposed Extra-ordinary General Meeting in mid-November.
- JBG’s proposal follows the Swiss Financial Market Supervisory Authority FINMA’s request in late March for Swiss banks to reconsider their dividend proposals. As the payment of the dividend has already been accrued, there is no impact on JBG’s capital ratios. Its CET1 ratio was at 14.0% as at 31 December 2019, up 120bps against 12.8% as at 31 December 2018 due to a 5% rise in CET1 from net profits and the positive impact from financial assets measured at fair value through other comprehensive income while risk weighted assets fell 4.0% due to a reduction in JBG’s credit risk from lower mortgages and treasury book and lower market risk from reduced market volatility. This was well above the regulatory minimum requirement and management floor of 8.2% and 11% respectively.
- Management also indicated that its 1Q2020 results were solid with the usual 4M2020 results to 30 April expected to be released on 19 May 2020. However, it has chosen to publish 9M2020 results for FY2020 on 19 October as opposed to a 10M2020 trading update that is usually published. (Company, OCBC)

Asian Credit Daily

Key Market Movements

	15-Apr	1W chg (bps)	1M chg (bps)		15-Apr	1W chg	1M chg
iTraxx Asiax IG	114	-23	-31	Brent Crude Spot (\$/bbl)	29.89	-6.21%	-11.70%
iTraxx SovX APAC	64	-11	-19	Gold Spot (\$/oz)	1,721.75	4.59%	13.71%
iTraxx Japan	83	-21	-56	CRB	126.01	-1.60%	-10.53%
iTraxx Australia	115	-43	-48	GSCI	278.54	2.95%	-6.65%
CDX NA IG	82	-23	-43	VIX	37.76	-16.53%	-34.71%
CDX NA HY	98	3	4	CT10 (%)	0.744%	-2.82	-21.63
iTraxx Eur Main	77	-18	-45				
iTraxx Eur XO	448	-79	-167	AUD/USD	0.641	2.84%	4.74%
iTraxx Eur Snr Fin	94	-15	-50	EUR/USD	1.098	1.13%	-1.81%
iTraxx Eur Sub Fin	207	-35	-100	USD/SGD	1.414	0.81%	0.47%
iTraxx Sovx WE	28	0	-7	AUD/SGD	0.906	-1.98%	-4.06%
USD Swap Spread 10Y	7	2	4	ASX 200	5,462	3.31%	-1.40%
USD Swap Spread 30Y	-36	3	17	DJIA	23,950	5.60%	3.30%
US Libor-OIS Spread	114	-10	45	SPX	2,846	6.85%	4.98%
Euro Libor-OIS Spread	24	4	17	MSCI Asiax	588	2.64%	1.09%
				HSI	24,478	3.07%	1.85%
China 5Y CDS	41	-11	-37	STI	2,641	2.69%	0.27%
Malaysia 5Y CDS	92	-20	-65	KLCI	1,384	1.64%	2.89%
Indonesia 5Y CDS	184	-51	-29	JCI	4,707	-1.50%	-4.09%
Thailand 5Y CDS	72	-14	-9	EU Stoxx 50	2,918	9.57%	12.83%
Australia 5Y CDS	30	-5	-18				

Source: Bloomberg

Asian Credit Daily

New Issues

- Petronas priced a USD6bn deal across three tranches: (1) a USD2.25bn 10-year bond at T+290bps, (2) a USD2.75bn 30-year bond at 4.55%, and (3) a USD1bn 40-year bond at 4.8%, tightening from IPT of T+340bps, 5.0%, 5.25% area respectively.
- Sumcowry Co. Ltd priced a USD200mn 3-year bond at 2.69%.

Date	Issuer	Size	Tenor	Pricing
14-Apr-20	Petronas	USD2.25bn USD2.75bn USD1bn	10-year 30-year 40-year	T+290bps 4.55% 4.8%
14-Apr-20	Sumcowry Co. Ltd	USD200mn	3-year	2.69%
13-Apr-20	Keppel Corp Ltd	SGD250mn	5-year	2.25%
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

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).