

### Market Commentary

- The SGD swap curve flattened yesterday, with short and belly tenors trading 0-1bp lower while the 1-year traded 1bp higher and the longer tenors traded 1-2bps lower with the exception of the 15-year traded 4bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS remained mostly unchanged at 199bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 3bps to 753bps. The HY-IG Index Spread widened 2bps to 555bps.
- Flows in SGD corporates were heavy, with flows in NTUCSP 0%'50s, SINTEC 4.1%-PERPs, HSBC 5%-PERPs, CMZB 4.875%'27s, UBS 4.85%-PERPs, UOBSP 3.58%-PERPs, SRENVX 3.125%'35s and STANLN 5.625%-PERPs.
- 10Y UST Yields gained 1bp to 0.62% despite concerns about the rollback of California's reopening process.

### Credit Research

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### Credit Summary:

- [Frasers Property Ltd \("FPL"\)](#) | **Issuer Profile: Neutral (5):** FPL announced that through a unit subscription agreement, TCC Prosperity Ltd ("TCC") now holds 50% of Northpoint City (South Wing). This exercise values Northpoint City (South Wing) at SGD1.1bn and as a result FPL would recognise a SGD50mn gain. As a result of the transaction, we expect the debt of Northpoint City (South Wing) to be deconsolidated, resulting in FPL's net gearing to fall from ~1.12x to 1.07x.
- [GuocoLand Ltd \("GUOL"\)](#) | **Issuer Profile: Neutral (5):** GUOL announced the resignation of Lim Yoke Tuan ("Mr Lim") as its Group CFO, who resigned to pursue other career opportunities. We also note that GUOL is due to report its full year financial results, which is likely to be significantly impacted due to the outbreak of COVID-19 – separately, we note that GUOL's share price has languished at 0.4x P/B.

## Asian Credit Daily

### Credit Headlines

#### **Frasers Property Ltd (“FPL”) | Issuer Profile: Neutral (5)**

- FPL announced that through a unit subscription agreement, TCC Prosperity Ltd (“TCC”) now holds 50% of Northpoint City (South Wing). TCC Prosperity is wholly-owned by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi, who hold ~87% effective stake in FPL. Through this transaction, TCC would grant a unitholder loan of SGD174.5mn to the Trustee-Manager of the asset.
- This exercise values Northpoint City (South Wing) at SGD1.1bn and as a result FPL would recognise a SGD50mn gain.
- As a result of the transaction, we expect the debt of Northpoint City (South Wing) to be deconsolidated, resulting in FPL’s net gearing to fall from ~1.12x to 1.07x. (Company, OCBC)

#### **GuocoLand Ltd (“GUOL”) | Issuer Profile: Neutral (5)**

- GUOL announced the resignation of Lim Yoke Tuan (“Mr Lim”) as its Group CFO, who resigned to pursue other career opportunities.
- Curiously, Mr Lim joined the company as its Group CFO only less than 2 years ago while GUOL has yet to announce a replacement. We also note that GUOL is due to report its full year financial results, which is likely to be significantly impacted due to the outbreak of COVID-19 – separately, we note that GUOL’s share price has languished at 0.4x P/B. (Company, OCBC)

## Key Market Movements

	15-Jul	1W chg (bps)	1M chg (bps)		15-Jul	1W chg	1M chg
iTraxx Asiax IG	81	0	-7	Brent Crude Spot (\$/bbl)	43.07	-0.51%	8.43%
iTraxx SovX APAC	44	1	-6	Gold Spot (\$/oz)	1,810.86	0.11%	4.97%
iTraxx Japan	61	2	-3	CRB	139.99	-1.11%	3.87%
iTraxx Australia	82	0	-13	GSCI	335.75	0.17%	5.85%
CDX NA IG	74	1	4	VIX	29.52	0.31%	-14.19%
CDX NA HY	100	-1	-2	CT10 (%)	0.635%	-2.96	-8.67
iTraxx Eur Main	62	0	-8				
iTraxx Eur XO	374	10	-27	AUD/USD	0.700	0.24%	1.16%
iTraxx Eur Snr Fin	74	1	-7	EUR/USD	1.142	0.79%	0.86%
iTraxx Eur Sub Fin	152	1	-16	USD/SGD	1.390	0.09%	0.13%
iTraxx Sovx WE	19	1	-2	AUD/SGD	0.973	-0.17%	-1.04%
USD Swap Spread 10Y	-2	1	-1	ASX 200	6,015	1.59%	5.15%
USD Swap Spread 30Y	-47	3	2	DJIA	26,643	2.91%	3.41%
US Libor-OIS Spread	20	0	-1	SPX	3,198	1.66%	4.27%
Euro Libor-OIS Spread	4	0	-9	MSCI Asiax	693	-1.08%	10.73%
				HSI	25,478	-1.92%	7.15%
China 5Y CDS	45	0	-9	STI	2,620	-2.58%	0.24%
Malaysia 5Y CDS	68	1	-12	KLCI	1,599	2.04%	6.67%
Indonesia 5Y CDS	129	6	-10	JCI	5,079	1.85%	5.46%
Thailand 5Y CDS	43	2	-3	EU Stoxx 50	3,321	-0.01%	5.90%

Source: Bloomberg

## Asian Credit Daily

### New Issues

- Skyfame International Holdings Limited (Guarantor: Skyfame Realty (Holdings) Limited) priced a USD87.5mn 364-day bond at 13%.
- Doosan Infracore Co., Ltd. (Guarantor: The Korea Development Bank) priced a USD300mn 3-year bond at T+87.5bps, tightening from IPT of T+110bps area.
- CCBL (Cayman) 1 Corporation Limited (Guarantor: CCB Leasing (International) Corporation Designated Activity Company) priced a USD500mn 5-year bond at CT5+175bps, tightening from IPT of CT5+220bps area.
- Yun-Top International Investment Co. (BVI) Ltd. (Guarantor: Yunnan Construction and Investment Holding Group Co.) priced a USD500mn 3-year bond at 5.1%, tightening from IPT of 5.55% area.
- Melco Resorts Finance Limited priced a USD500mn 8NC3 bond at 5.75%, tightening from IPT of 6.125% area.
- Goodman HK Finance (Guarantors: Goodman Hong Kong Logistics Fund and Goodman HK Investments) has arranged investor calls commencing 14 July 2020 for its proposed USD bond offering.

Date	Issuer	Size	Tenor	Pricing
14-Jul-20	Skyfame International Holdings Limited (Guarantor: Skyfame Realty (Holdings) Limited)	USD87.5mn	364-day	13%
14-Jul-20	Doosan Infracore Co., Ltd. (Guarantor: The Korea Development Bank)	USD300mn	3-year	T+87.5bps
14-Jul-20	CCBL (Cayman) 1 Corporation Limited (Guarantor: CCB Leasing (International) Corporation Designated Activity Company)	USD500mn	5-year	CT5+175bps
14-Jul-20	Yun-Top International Investment Co. (BVI) Ltd. (Guarantor: Yunnan Construction and Investment Holding Group Co.)	USD500mn	3-year	5.1%
14-Jul-20	Melco Resorts Finance Limited	USD500mn	8NC3	5.75%
13-Jul-20	VLL International Inc. (Guarantor: Vista Land & Lifescapes Inc.)	USD200mn	7NC4	7.25%
13-Jul-20	Bank of Communications Co., Ltd. Hong Kong Branch	USD650mn USD400mn	3-year 5-year	3m-US LIBOR+80bps 3m-US LIBOR+90bps
13-Jul-20	RongXingDa Development (BVI) Limited (Guarantor: RiseSun Real Estate Development Co., Ltd.)	USD250mn	364-day	9.25%
13-Jul-20	NongHyup Bank	USD500mn	5-year	T+100bps
13-Jul-20	Industrial and Commercial Bank of China Limited, Hong Kong Branch	USD800mn USD800mn	3-year 5-year	T+93bps T+103bps

Source: OCBC, Bloomberg

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