

Market Commentary

- The SGD swap curve bull steepened yesterday, with the shorter tenors trading 2bps lower, while the belly and the longer tenors traded 1bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS and the Bloomberg Barclays Asia USD HY Bond Index average OAS was at 119bps and 476bps respectively. As such, the HY-IG Index Spread was at 356bps.
- Flows in SGD corporates were heavy, with flows in TMGSP 4.05%'25s, UBS 4.85%-PERPs, HSBC 4.7%-PERPs, ARASP 5.6%-PERPs, FPLSP 4.38%-PERPs, CAPLSP 3.65%-PERPs, FPLSP 4.98%-PERPs, SLHSP 3.5%'30s and STANLN 5.375%-PERPs.
- 10Y UST yields remained unchanged at 1.59% as the market was closed yesterday to observe President's Day.

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Credit Summary:

- **[Singapore Airlines Ltd \("SIA"\)](#) | Issuer Profile: Neutral (3):** SIA has announced a slew of senior management changes and appointments which is widely seen as boosting the company's management ranks and in preparation for eventual succession. In addition, the current CEO of SIA Engineering Company (~78%-owned by SIA) Mr Png Kim Chiang would retire with effect from 1 April 2020.
- **[Industry Outlook – Singapore Telcos](#):** IMDA announced that 3 proposals for 5G licenses were received, one each from Singapore Telecommunications Ltd ("SingTel"), TPG Telecom Ltd and a joint-submission from StarHub Ltd and M1 Ltd. The joint-submission between StarHub Ltd and M1 is not surprising given their prior announced intention.

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Credit Headlines

Singapore Airlines Ltd (“SIA”) | Issuer Profile: Neutral (3)

- SIA has announced a slew of senior management changes and appointments as follows which is widely seen as boosting the company’s management ranks and in preparation for eventual succession:
 - Mr Mak Swee Wah, Executive Vice President Commercial will assume the post of Executive Vice President of Operations, responsible for SIA’s Cabin Crew, Customer Services and Operations, Engineering and Flight Operations divisions.
 - Mr Lee Lik Hsien, CEO of Scoot will return to SIA and promoted to Executive Vice President of Commercial, responsible for the Cargo, Customer Experience, Marketing Planning and Sales and Marketing divisions and Sales Regions.
 - Mr Tan Kai Ping, Senior Vice President Marketing Planning, promoted to Executive Vice President Finance and Strategy. He will oversee the Corporate Planning and Finance divisions.
 - All three Mr Mak, Mr Lee and Mr Tan will report directly to SIA’s CEO Mr Goh Choon Phong.
 - Mr Ng Chin Hwee, Executive Vice President Human Resources and Operations will early retire from SIA on 31 March 2020 and join SIA Engineering as CEO on 1 April 2020.
 - Mr Campbell Wilson, Senior Vice President Sales and Marketing will be appointed as CEO of Scoot. Earlier, Mr Wilson headed up the budget unit of SIA from inception until Scoot’s merger with Tigerair.
- The current CEO of SIA Engineering Company (~78%-owned by SIA) Mr Png Kim Chiang, would retire with effect from 1 April 2020. (Company, Business Times, OCBC)

Industry Outlook – Singapore Telcos

- IMDA announced that 3 proposals for 5G licenses were received, one each from Singapore Telecommunications Ltd (“SingTel”), TPG Telecom Ltd and a joint-submission from StarHub Ltd and M1 Ltd.
- The joint-submission between StarHub Ltd and M1 is not surprising given their prior announced intention. We will assess the impact on the industry and consequently the credit profiles to SingTel and StarHub Ltd, pending further details and the outcome of the bids. (IMDA, OCBC)

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Key Market Movements

	18-Feb	1W chg (bps)	1M chg (bps)		18-Feb	1W chg	1M chg
iTraxx Asiax IG	48	-2	-3	Brent Crude Spot (\$/bbl)	57.28	6.05%	-11.67%
iTraxx SovX APAC	27	-1	2	Gold Spot (\$/oz)	1,585.92	1.15%	1.61%
iTraxx Japan	43	-1	0	CRB	172.95	1.67%	-5.43%
iTraxx Australia	47	-1	0	GSCI	396.23	2.60%	-7.19%
CDX NA IG	44	-1	0	VIX	13.68	-11.57%	13.06%
CDX NA HY	109	0	0	CT10 (%)	1.559%	-4.13	-26.22
iTraxx Eur Main	41	-1	-2				
iTraxx Eur XO	211	0	2	AUD/USD	0.669	-0.37%	-2.68%
iTraxx Eur Snr Fin	47	-2	-5	EUR/USD	1.083	-0.82%	-2.42%
iTraxx Eur Sub Fin	96	-5	-12	USD/SGD	1.391	-0.29%	-3.15%
iTraxx Sovx WE	10	0	-2	AUD/SGD	0.930	0.08%	-0.48%
USD Swap Spread 10Y	-5	0	-1	ASX 200	7,112	0.80%	0.68%
USD Swap Spread 30Y	-33	0	-2	DJIA	29,398	1.02%	0.17%
US Libor-OIS Spread	13	-1	-11	SPX	3,380	1.58%	1.52%
Euro Libor-OIS Spread	5	0	-2	MSCI Asiax	692	1.07%	-3.08%
				HSI	27,767	0.66%	-4.44%
China 5Y CDS	34	-1	4	STI	3,199	0.73%	-2.51%
Malaysia 5Y CDS	35	-1	2	KLCI	1,533	-1.17%	-3.92%
Indonesia 5Y CDS	60	-2	0	JCI	5,868	-1.42%	-6.74%
Thailand 5Y CDS	26	0	6	EU Stoxx 50	3,853	1.58%	1.18%
Australia 5Y CDS	17	0	0				

Source: Bloomberg

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New Issues

- China Aoyuan Group Limited priced a USD188mn 363-day bond at 4.8%, tightening from IPT of 5.125% area.
- FEC Finance Limited (Guarantor: Far East Consortium International Ltd) is proposing to issue a USD60mn re-tap of its FAEACO 7.375%-PERPNC5.1 at 7.375%.
- CITIC Ltd. arranged investor calls commencing 17 Feb for its proposed USD bond offering.

Date	Issuer	Size	Tenor	Pricing
17-Feb-20	China Aoyuan Group Limited	USD188mn	363-day	4.8%
14-Feb-20	Yango Cayman Investment Ltd (Guarantor: Fujian Yango Group Co Ltd)	USD110mn	2-year	13.0%
13-Feb-20	Bank of New Zealand	USD750mn	5-year	T+68bps
13-Feb-20	CCCI Treasure Ltd. (Guarantor: China Communications Construction Co.)	USD1bn USD500mn	PERPNC5 PERPNC7	3.425% 3.65%
13-Feb-20	Kaisa Group Holdings Ltd	USD400mn	364-day	6.75%
13-Feb-20	PT Pertamina (Persero)	USD650mn USD800mn	10.5-year 40-year	3.10% 4.15%
13-Feb-20	SF Holding Investment Ltd. (Guarantor: S.F. Holding Co.)	USD700mn	10-year	T+137.5bps
13-Feb-20	Shanghai Electric Group Global Investment Ltd. (Guarantor: Shanghai Electric (Group) Corp.)	USD300mn	5-year	T+92.5bps
13-Feb-20	First Sponsor Group Limited	SGD100mn	5-year	3.29%
12-Feb-20	Tongling Development Investment Group Co. Ltd	USD200mn	3-year	3.98%
12-Feb-20	India Infoline Finance Limited	USD400mn	3-year 2-month	5.95%
12-Feb-20	Sinosing Services Pte. Ltd (Guarantor: Huaneng Power International, Inc.)	USD300mn USD300mn	5-year 10-year	T+88bps T+108bps

Source: OCBC, Bloomberg

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