

### Market Commentary

- The SGD swap curve bear-steepened yesterday, with the shorter and the belly tenors trading 3-7bps higher, while the longer tenors traded 4-6bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 9bps to 216bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 70bps to 949bps. The HY-IG Index Spread widened 61bps to 732bps.
- Flows in SGD corporates were heavy, with flows in UBS 4.85%-PERPs, CS 5.625%-PERPs, SINTEC 5%-PERPs, DBSSP 3.98%-PERPs, HSBC 4.7%-PERPs, SPHSP 4%-PERPs, STANLN 5.375%-PERPs and TMGSP 4.05%'25s.
- 10Y UST Yields gained 36bps to 1.08%, as the Federal Reserve decided to re-launch a commercial paper funding facility and the U.S. government announced a fiscal package which would include sending checks directly to the Americans.

### Credit Research

**Andrew Wong**  
+65 6530 4736  
[WongVKAM@ocbc.com](mailto:WongVKAM@ocbc.com)

**Ezien Hoo, CFA**  
+65 6722 2215  
[EzienHoo@ocbc.com](mailto:EzienHoo@ocbc.com)

**Wong Hong Wei, CFA**  
+65 6722 2533  
[WongHongWei@ocbc.com](mailto:WongHongWei@ocbc.com)

**Seow Zhi Qi, CFA**  
+65 6530 7348  
[zhiqiseow@ocbc.com](mailto:zhiqiseow@ocbc.com)

### Credit Summary:

- [BreadTalk Group Ltd \("BGL"\)](#) | **Issuer Profile: Negative (6)**: In relation to the technical breach of financial covenant, BGL announced that it has commenced a consent solicitation process seeking the approval of holders of BREAD 4% '23s. This includes waiving (1) certain provisions, (2) occurrence of Event of Default or Potential Event of Default due to non-compliance of covenants in 2019 as well as (3) amending definitions relating to financial covenants and (4) inserting a redemption option by BGL for BREAD 4% '23s.
- [HSBC Holdings PLC \("HSBC"\)](#) | **Issuer Profile: Positive (2)**: HSBC announced interim CEO Noel Quinn as the permanent CEO. Mr Quinn had been interim CEO for the past 7 months and was reportedly the only insider in the running for the job with several external appointments sounded out through the process. His appointment comes at obviously challenging times, but perhaps the appointment of an internal candidate with over 30 years' experience and who put in place a [substantial restructuring plan](#) is what is needed to ensure some measure of stability.
- [Wheelock & Co Ltd \("WHEELK"\)](#) | **Issuer Profile: Neutral (3)** and [Wharf \(Holdings\) Limited \("WHARF"\)](#) | **Issuer Profile: Neutral (3)**: WHEELK has acquired 135,841,000 shares of Wharf REIC via the open market from 21 March 2019 to 16 March 2020. This brings WHEELK's stake in Wharf REIC to 67.3%. WHEELK also has a 71.31% stake in WHARF, who has acquired 64,463,000 shares of Wharf REIC from 30 Aug 2019 to 16 Mar 2020.

## Asian Credit Daily

### Credit Headlines

#### **BreadTalk Group Ltd (“BGL”) | Issuer Profile: Negative (6)**

- [In relation to the technical breach of financial covenant](#), BGL announced that it has commenced a consent solicitation process seeking the approval of holders of BREAD 4% '23s.
- This includes waiving (1) certain provisions, (2) occurrence of Event of Default or Potential Event of Default due to non-compliance of covenants in 2019 as well as (3) amending definitions relating to financial covenants and (4) inserting a redemption option by BGL for BREAD 4% '23s. (Company)

#### **HSBC Holdings PLC (“HSBC”) | Issuer Profile: Positive (2)**

- HSBC announced interim CEO Noel Quinn as the permanent CEO. Mr Quinn had been interim CEO for the past 7 months and was reportedly the only insider in the running for the job with several external appointments sounded out through the process.
- His appointment comes at obviously challenging times, and despite reports that the board were seeking an outsider, perhaps the appointment of an internal candidate with over 30 years' experience and who put in place a [substantial restructuring plan](#) is what is needed to ensure some measure of stability.
- HSBC was one of the issuers under our coverage that we have previously mentioned at the start of the year as being vulnerable to a downgrade for fundamental reasons. This has exacerbated in our view due to deterioration in the external environment. We continue to review the Positive (2) issuer profile for HSBC as well as the issuer profiles of all banks under our coverage as things hopefully settle down. On a relative basis, the issuer profile rankings are still appropriate in our view. (Bloomberg, OCBC)

#### **Wheelock & Co Ltd (“WHEELK”) | Issuer Profile: Neutral (3) and Wharf (Holdings) Limited (“WHARF”) | Issuer Profile: Neutral (3)**

- WHEELK has acquired 135,841,000 shares of Wharf REIC via the open market for HKD6.2bn from 21 March 2019 to 16 March 2020. This represents 4.47% of all issued shares of Wharf REIC, and brings WHEELK's stake in Wharf REIC to 67.3%.
- WHEELK also has a 71.31% stake in WHARF, who has acquired 64,463,000 shares of Wharf REIC from 30 Aug 2019 to 16 Mar 2020 for HKD2.8bn from the open market.
- Both Wharf REIC and WHARF are subsidiaries of WHEELK. (Company, Bloomberg)

## Asian Credit Daily

### Key Market Movements

	18-Mar	1W chg (bps)	1M chg (bps)		18-Mar	1W chg	1M chg
iTraxx Asiax IG	141	35	93	<b>Brent Crude Spot (\$/bbl)</b>	29.00	-18.97%	-49.78%
iTraxx SovX APAC	84	18	57	<b>Gold Spot (\$/oz)</b>	1,530.60	-6.39%	-4.43%
iTraxx Japan	130	34	86	<b>CRB</b>	130.29	-13.52%	-25.04%
iTraxx Australia	163	47	116	<b>GSCI</b>	273.87	-12.59%	-31.25%
CDX NA IG	125	9	80	<b>VIX</b>	75.91	60.49%	411.87%
CDX NA HY	94	-2	-15	<b>CT10 (%)</b>	1.005%	13.57	-55.58
iTraxx Eur Main	118	14	76				
iTraxx Eur XO	613	133	399	<b>AUD/USD</b>	0.602	-7.22%	-10.02%
iTraxx Eur Snr Fin	143	27	96	<b>EUR/USD</b>	1.102	-2.24%	2.08%
iTraxx Eur Sub Fin	307	62	209	<b>USD/SGD</b>	1.427	-2.22%	-2.40%
iTraxx Sovx WE	38	15	28	<b>AUD/SGD</b>	0.858	5.41%	8.48%
<b>USD Swap Spread 10Y</b>	-7	-7	-1	<b>ASX 200</b>	5,042	-11.94%	-29.12%
<b>USD Swap Spread 30Y</b>	-64	-16	-30	<b>DJIA</b>	21,237	-15.11%	-27.35%
<b>US Libor-OIS Spread</b>	77	24	63	<b>SPX</b>	2,529	-12.25%	-24.96%
<b>Euro Libor-OIS Spread</b>	10	-3	5	<b>MSCI Asiax</b>	545	-11.63%	-20.28%
				<b>HSI</b>	23,243	-7.88%	-15.57%
<b>China 5Y CDS</b>	75	0	40	<b>STI</b>	2,504	-10.07%	-21.68%
<b>Malaysia 5Y CDS</b>	164	40	128	<b>KLCI</b>	1,256	-13.01%	-18.29%
<b>Indonesia 5Y CDS</b>	211	39	151	<b>JCI</b>	4,383	-14.96%	-25.54%
<b>Thailand 5Y CDS</b>	86	17	60	<b>EU Stoxx 50</b>	2,531	-13.04%	-34.04%
<b>Australia 5Y CDS</b>	48	10	31				

Source: Bloomberg

## Asian Credit Daily

### New Issues

- There were no new issues or mandates.

Date	Issuer	Size	Tenor	Pricing
13-Mar-20	Export-Import Bank of Korea	USD425mn	5-year	1.375%
13-Mar-20	PCGI Intermediate Limited (Guarantor: PCGI Ltd)	USD137.46mn	PCGIIN 4.75%'24s	4.75%
11-Mar-20	China Cinda (2020) I Management Ltd. (Guarantor: China Cinda (HK) Holdings Co.)	USD700mn USD500mn USD300mn USD500mn	3-year 5-year 7-year 10-year	T+160bps T+195bps T+240bps T+255bps
11-Mar-20	Beijing Capital Polaris Investment Co. Ltd. (Guarantor: Beijing Capital Group Co. Ltd.)	USD300mn	3-year	2.8%
11-Mar-20	Xiang Sheng Holding Limited (Guarantor: Shinsun Real Estate Group Co. Ltd.)	USD53mn	SHXREG 12.5%'22s	12.5%
10-Mar-20	Huantaihu International Investment Co., Ltd. (Guarantor: Huzhou Economic Development Group Co., Ltd.)	USD200mn	3-year	4.5%
09-Mar-20	Aspial Corporation Limited	SGD50mn	3-year	6.5%
09-Mar-20	PSA Treasury Pte. Ltd. (Guarantor: PSA International Pte Ltd)	SGD500mn	10-year	1.63%
06-Mar-20	Zensun Enterprises Limited	USD200mn	2.5-year	13%
06-Mar-20	Xi'an Aerospace Science & Technology Industry Company	USD200mn	3-year	6.5%
05-Mar-20	Industrial and Commercial Bank of China Limited of Luxembourg	USD150mn	3-year	3m-US LIBOR+50bps
05-Mar-20	Haitong International Finance Holdings 2015 Limited (Guarantor: Haitong Securities Co.,Ltd.)	USD670mn	5-year	T+142.5bps
05-Mar-20	MCC Holding (Hong Kong) Corporation Limited (Guarantor: Metallurgical Corporation of China Ltd.)	USD400mn	PERPNC3	3.25%

Source: OCBC, Bloomberg

# Treasury Research & Strategy

---

## Macro Research

**Selena Ling***Head of Research & Strategy*[LingSSSelena@ocbc.com](mailto:LingSSSelena@ocbc.com)**Tommy Xie Dongming***Head of Greater China**Research*[XieD@ocbc.com](mailto:XieD@ocbc.com)**Wellian Wiranto***Malaysia & Indonesia*[WellianWiranto@ocbc.com](mailto:WellianWiranto@ocbc.com)**Terence Wu***FX Strategist*[TerenceWu@ocbc.com](mailto:TerenceWu@ocbc.com)**Howie Lee***Thailand, Korea &**Commodities*[HowieLee@ocbc.com](mailto:HowieLee@ocbc.com)**Carie Li***Hong Kong & Macau*[carierli@ocbcwh.com](mailto:carierli@ocbcwh.com)**Dick Yu***Hong Kong & Macau*[dicksnyu@ocbcwh.com](mailto:dicksnyu@ocbcwh.com)

## Credit Research

**Andrew Wong***Credit Research Analyst*[WongVKAM@ocbc.com](mailto:WongVKAM@ocbc.com)**Ezien Hoo***Credit Research Analyst*[EzienHoo@ocbc.com](mailto:EzienHoo@ocbc.com)**Wong Hong Wei***Credit Research Analyst*[WongHongWei@ocbc.com](mailto:WongHongWei@ocbc.com)**Seow Zhi Qi***Credit Research Analyst*[ZhiQiSeow@ocbc.com](mailto: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).