

### Market Commentary

- The SGD swap curve bull flattened yesterday, with the shorter tenors trading 0-1bp lower while the belly and longer tenors traded 2-3bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS remained mostly unchanged at 204bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 2bps to 789bps. The HY-IG Index Spread tightened 2bps to 584bps.
- Flows in SGD corporates were heavy, with flows in STANLN 5.375%-PERPs, HSBC 4.7%-PERPs, BACR 3.75%'30s, STHSP 3.95%-PERPs, OLAMSP 5.5%-PERPs, OUECT 4%'25s and CAPLSP 3.65%-PERPs.
- 10Y UST Yields fell 3bps to 0.71% after U.S. reported surges in new COVID-19 cases in several states after re-opening their economies.

### Credit Research

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### Credit Summary:

- [Olam International Ltd \("Olam"\)](#) | **Issuer Profile: Neutral (5)**: Olam has announced that it has entered into a revolving credit facility linked to meeting key sustainability performance indicators. The USD250mn facility comprises three tranches – a 1yr USD50mn, 2yr USD100mn and 3yr USD100mn facility. The interest rate is linked to meeting key sustainability targets which could result in lower funding costs compared to traditional loans according to the company. Proceeds from the facilities will be used for general corporate purposes. (Company, Business Times, OCBC)

## Asian Credit Daily

### Credit Headlines

#### **Olam International Ltd (“Olam”) | Issuer Profile: Neutral (5)**

- Olam has announced that it has entered into a revolving credit facility linked to meeting key sustainability performance indicators. This is Olam’s third sustainability linked financing transaction.
- The USD250mn facility comprises three tranches – a 1yr USD50mn, 2yr USD100mn and 3yr USD100mn facility. The interest rate is linked to meeting key sustainability targets which could result in lower funding costs compared to traditional loans according to the company.
- According to the Business Times, the key sustainability targets will be based on Olam’s support of farmers and food systems, communities and the environment and independently assessed by Ernst & Young.
- Proceeds from the facilities will be used for general corporate purposes. (Company, Business Times, OCBC)

## Key Market Movements

	19-Jun	1W chg (bps)	1M chg (bps)		19-Jun	1W chg	1M chg
iTraxx Asiax IG	86	-4	-25	Brent Crude Spot (\$/bbl)	41.51	7.68%	19.25%
iTraxx SovX APAC	45	-3	-18	Gold Spot (\$/oz)	1,723.71	-0.41%	-1.22%
iTraxx Japan	57	-5	-24	CRB	137.06	1.60%	5.77%
iTraxx Australia	87	-4	-27	GSCI	324.40	3.05%	9.41%
CDX NA IG	75	-4	-15	VIX	32.94	-19.24%	7.89%
CDX NA HY	101	0	7	CT10 (%)	0.704%	0.01	1.53
iTraxx Eur Main	67	-3	-15				
iTraxx Eur XO	384	-14	-106	AUD/USD	0.686	-0.16%	4.86%
iTraxx Eur Snr Fin	76	-5	-22	EUR/USD	1.121	-0.45%	2.58%
iTraxx Eur Sub Fin	164	-6	-54	USD/SGD	1.394	-0.12%	1.61%
iTraxx Sovx WE	20	0	-7	AUD/SGD	0.956	0.03%	-3.10%
USD Swap Spread 10Y	-2	-1	-1	ASX 200	5,965	2.00%	7.29%
USD Swap Spread 30Y	-50	-2	-2	DJIA	26,080	3.79%	7.74%
US Libor-OIS Spread	24	1	-7	SPX	3,115	3.77%	6.58%
Euro Libor-OIS Spread	8	-3	-13	MSCI Asiax	646	1.16%	6.03%
				HSI	24,465	-0.06%	0.31%
China 5Y CDS	50	0	1	STI	2,666	-1.43%	3.27%
Malaysia 5Y CDS	72	-4	-32	KLCI	1,505	-3.36%	5.68%
Indonesia 5Y CDS	128	-6	-59	JCI	4,925	1.45%	8.28%
Thailand 5Y CDS	43	-2	-14	EU Stoxx 50	3,250	3.35%	11.97%
Australia 5Y CDS	0	--	-3				

Source: Bloomberg

## Asian Credit Daily

### New Issues

- COSL Singapore Capital Ltd. (Guarantor: China Oilfield Services Limited) priced a USD500mn 5-year bond at T+158bps, tightening from IPT of T+225bps area and another USD300mn 10-year bond at T+190bps, tightening from IPT of T+250bps area.
- Taiyuan Longcheng Development Investment Group Co., Ltd. priced a USD300mn 3-year bond at 3.70%, tightening from IPT of 4.2% area.
- Haitong International Securities Group Ltd. priced a USDD400mn 3-year bond at T+195bps, tightening from IPT of T+235bps area.
- Jollibee Worldwide Pte. Ltd (Guarantor: Jollibee Foods Corporation) priced a USD300mn long 5-year bond at 4.125%, tightening from IPT of 4.375% area and another USD300mn 10-year bond at 4.75%, tightening from IPT of 5.0% area.
- Bank Of China Limited, Hong Kong Branch priced a USD400mn 3-year FRN at 3m-US LIBOR+75bps, tightening from IPT of 3m-US LIBOR+110bps area and another USD600mn 5-year Fixed at T+103bps, tightening from IPT of T+140bps area.
- Minor International PCL has arranged investor calls commencing 18 June 2020 for its proposed USD Perp-NC3 offering.

Date	Issuer	Size	Tenor	Pricing
18-Jun-20	COSL Singapore Capital Ltd. (Guarantor: China Oilfield Services Limited)	USD500mn USD300mn	5-year 10-year	T+158bps T+190bps
18-Jun-20	Taiyuan Longcheng Development Investment Group Co., Ltd.	USD300mn	3-year	3.70%
18-Jun-20	Haitong International Securities Group Ltd.	USD400m	3-year	T+195bps
18-Jun-20	Jollibee Worldwide Pte. Ltd (Guarantor: Jollibee Foods Corporation)	USD300mn USD300mn	5-year 10-year	4.125% 4.75%
18-Jun-20	Bank Of China Limited, Hong Kong Branch	USD400mn USD600mn	3-year 5-year	3m-US LBOR+75bps T+103bps
17-Jun-20	Standard Chartered PLC	USD1bn	PerpNC5	6.0%
17-Jun-20	Shengzhou Investment Holdings Co., Ltd.	USD250mn	3-year	4.08%
17-Jun-20	China Construction Bank Corporation	USD2bn	10NC5	T+215bps
17-Jun-20	Bluestar Finance Holdings Limited (Guarantor: China National Bluestar (Group) Co., Ltd.)	USD500mn	PerpNC3	3.875%
17-Jun-20	Zhongliang Holdings Group Company Limited	USD250mn	364-day	9.25%

Source: OCBC, Bloomberg

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