

Market Commentary

- The SGD swap curve bear-steepened yesterday, with the 7-year, 10-year and 15-year trading 4-6bps higher while the other tenors traded 1-3bps higher.
- 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 remained mostly unchanged at 780bps. The HY-IG Index Spread remained mostly unchanged at 576bps.
- Flows in SGD corporates were heavy, with flows in SINTEC 4.1%-PERPs, OLAMSP5.5%-PERPs, STANLN 5.375%-PERPs, TMGSP 4.05%'25s, SRENVX 0%'35s, DBSSP 3.98%-PERPs, CS 5.625%-PERPs, METRO 4%'21s, SPHSP 4%-PERPs and CAPLSP 3.65%-PERPs.
- 10Y UST Yields gained 2bps to 0.68% after data showed US manufacturing activity jumped in June and FOMC minutes showed that yield curve control would not be used anytime soon.

Credit Summary:

- [Suntec REIT \("SUN"\)](#) | **Issuer Profile: Neutral (4)**: Suntec International Convention and Exhibition Centre ("Suntec Singapore"), held indirectly by Harmony Investors Group Limited ("HIGL"), has issued an equity call notice to its shareholders to fund its business needs. SUN, which has a 60.8% effective interest in Suntec Singapore, has subscribed for the entire portion of the equity call totalling SGD40mn as the other shareholder did not subscribe. As such, SUN's effective interest in Suntec Singapore will increase to 66.3%.

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Credit Headlines

Suntec REIT ("SUN") | Issuer Profile: Neutral (4)

- Suntec International Convention and Exhibition Centre ("Suntec Singapore"), held indirectly by Harmony Investors Group Limited ("HIGL"), has issued an equity call notice to its shareholders to fund its business needs. SUN, which has a 60.8% effective interest in Suntec Singapore, has subscribed for the entire portion of the equity call totalling SGD40mn as the other shareholder did not subscribe. As such, SUN's effective interest in Suntec Singapore will increase to 66.3%.
- The purpose of the capital injection is to support Suntec Singapore in the face of challenges to the Meetings, Incentives, Conventions and Exhibitions ("MICE") industry in Singapore due to the COVID-19 pandemic. We note that the convention centre has been temporarily closed till 2 August 2020 to reduce operating costs. (Company, OCBC)

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Key Market Movements

	2-Jul	1W chg (bps)	1M chg (bps)		2-Jul	1W chg	1M chg
iTraxx Asiax IG	82	-5	-15	Brent Crude Spot (\$/bbl)	42.03	4.27%	9.68%
iTraxx SovX APAC	46	-1	-7	Gold Spot (\$/oz)	1,767.09	0.19%	2.28%
iTraxx Japan	59	1	-9	CRB	139.14	2.88%	3.75%
iTraxx Australia	85	-4	-13	GSCI	328.74	3.04%	5.14%
CDX NA IG	75	-3	-1	VIX	28.62	-15.43%	6.63%
CDX NA HY	100	0	-1	CT10 (%)	0.679%	-0.65	-0.61
iTraxx Eur Main	65	-4	-2				
iTraxx Eur XO	370	-26	-15	AUD/USD	0.691	0.35%	0.20%
iTraxx Eur Snr Fin	78	-4	0	EUR/USD	1.125	0.30%	0.73%
iTraxx Eur Sub Fin	162	-14	-8	USD/SGD	1.394	-0.17%	0.47%
iTraxx Sovx WE	19	0	-3	AUD/SGD	0.963	-0.52%	0.24%
USD Swap Spread 10Y	-2	-1	-1	ASX 200	5,948	2.23%	1.93%
USD Swap Spread 30Y	-49	0	0	DJIA	25,735	1.14%	-0.03%
US Libor-OIS Spread	24	0	-4	SPX	3,116	2.15%	1.14%
Euro Libor-OIS Spread	5	-2	-9	MSCI Asiax	651	-0.37%	4.34%
				HSI	24,427	-0.34%	2.93%
China 5Y CDS	47	-5	-4	STI	2,610	-0.70%	-0.06%
Malaysia 5Y CDS	69	-6	-14	KLCI	1,514	0.79%	0.45%
Indonesia 5Y CDS	125	-11	-21	JCI	4,914	-1.01%	1.38%
Thailand 5Y CDS	42	-3	-9	EU Stoxx 50	3,228	1.01%	2.20%
Australia 5Y CDS	0	0	-2				

Source: Bloomberg

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New Issues

- There were no new issues or mandates.

Date	Issuer	Size	Tenor	Pricing
30-Jun-20	Weibo Corp	USD750mn	10-year	T+280bps
30-Jun-20	Neijiang Investment Holding Group Co. Ltd. (Guarantor: Sichuan Development Financing Guarantee Co. Ltd.)	USD75mn	3-year	4.5%
29-Jun-20	Times China Holdings Limited	USD300mn	5NC3	6.75%
29-Jun-20	Golden Wheel Tiandi Holdings Company Limited	USD170mn	2.5NP1.5Y	14.25%
29-Jun-20	Xingchang International Co. (Guarantor: Zhejiang Changxing Financial Holdings Group Co.)	USD160mn	3-year	5.5%
29-Jun-20	AC Energy Finance International Ltd (Guarantor: AC Energy Inc)	USD60mn	ACNRGY 4.75%'24s	4.875%
25-Jun-20	Singapore Technologies Telemedia Pte Ltd	SGD375mn	PerpNC7	4.10%
24-Jun-20	China Aoyuan Group Limited	USD460mn	3.6NC2.6	6.35%
24-Jun-20	NagaCorp Limited (Guarantors: NagaCorp (HK) Limited, Nagaworld Limited, NagaCity Walk Limited, Naga 2 Land Limited and Naga 3 Company Limited)	USD350mn	4NC2	8.5%
24-Jun-20	New Oriental Education & Technology Group, Inc.	USD300mn	5-year	T+185bps
24-Jun-20	Swiss Re Finance (UK) PLC (Guarantor: Swiss Re Ltd.)	SGD350mn	15NC5	3.125%
23-Jun-20	Mega Wisdom Global Limited (Guarantor: Fortune Joy Ventures Limited and Sino-Ocean Capital Holding Limited)	USD300mn	364-day	5.625%
23-Jun-20	Ronshine China Holdings Limited	USD160mn	RONXIN 7.35%'23s	7.35%

Source: OCBC, Bloomberg

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