

Market Commentary

- With the exception of the 20-year trading at around 1bp higher, the SGD swap curve fell yesterday, with the shorter tenors trading 3-5bps lower while the belly and the longer tenors traded 0.5-4bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 5bps to 235bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 23bps to 917bps. The HY-IG Index Spread tightened 18bps to 682bps.
- Flows in SGD corporates were heavy, with flows in OLAMSP 6%'22s, CMZB 4.875%'27s, STANLN 4.4%'26s, UBS 5.875%-PERPs, CS 5.625%-PERPs, FPLSP 4.98%-PERPs, GUOLSP 3.4%'25s, HSBC 4.7%-PERPs, ARASP 5.2%-PERPs and HSBC 5%-PERPs.
- 10Y UST Yields fell 1bps to 0.68% by the end of the day despite the S&P index rallying, perhaps due to increased U.S.-China trade tensions.

Credit Summary:

- [Standard Chartered PLC \(“StanChart”\)](#) | **Issuer Profile: Neutral (4)**: StanChart announced the completion of the sale of its 44.56% equity interest in PT Bank Permata Tbk to Bangkok Bank Public Company Ltd. The sale is expected to result in a 40bps positive impact to StanChart’s CET1/CAR ratio primarily from risk weighted asset reduction.

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Credit Headlines

Standard Chartered PLC (“StanChart”) | Issuer Profile: Neutral (4)

- StanChart announced the completion of [the sale of its 44.56% equity interest in PT Bank Permata Tbk](#) to Bangkok Bank Public Company Ltd.
- As previously mentioned, the sale for USD1.07bn is expected to result in a 40bps positive impact to StanChart’s CET1/CAR ratio primarily from risk weighted asset reduction.
- StanChart’s CET1/CAR ratios as at 31 March 2020 were down to 13.4%/19.6% against 13.8%/21.2% as at 31 December 2019. The CET1 ratio remains above the regulatory minimum requirement of 10.0% and within its 13-14% medium-term target range. (Company, OCBC)

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Key Market Movements

	21-May	1W chg (bps)	1M chg (bps)		21-May	1W chg	1M chg
iTraxx Asiax IG	107	-13	-17	Brent Crude Spot (\$/bbl)	35.96	15.52%	86.03%
iTraxx SovX APAC	60	-8	-9	Gold Spot (\$/oz)	1,739.99	0.56%	3.19%
iTraxx Japan	80	-2	-5	CRB	130.91	8.52%	23.16%
iTraxx Australia	111	-12	-18	GSCI	301.52	7.71%	32.11%
CDX NA IG	84	-12	-15	VIX	27.99	-20.66%	-38.36%
CDX NA HY	95	3	3	CT10 (%)	0.662%	4.05	9.32
iTraxx Eur Main	78	-12	-14				
iTraxx Eur XO	463	-76	-92	AUD/USD	0.656	1.49%	4.43%
iTraxx Eur Snr Fin	94	-16	-22	EUR/USD	1.096	1.45%	0.96%
iTraxx Eur Sub Fin	204	-35	-46	USD/SGD	1.415	0.59%	1.17%
iTraxx Sovx WE	26	-3	-9	AUD/SGD	0.928	-0.89%	-3.09%
USD Swap Spread 10Y	-2	1	-9	ASX 200	5,572	4.57%	6.72%
USD Swap Spread 30Y	-47	1	-10	DJIA	24,576	5.71%	6.76%
US Libor-OIS Spread	32	-1	-65	SPX	2,972	5.38%	8.59%
Euro Libor-OIS Spread	21	0	-2	MSCI Asiax	611	2.46%	4.82%
				HSI	24,324	2.08%	2.23%
China 5Y CDS	47	-8	-4	STI	2,558	1.43%	0.25%
Malaysia 5Y CDS	98	-14	-16	KLCI	1,447	3.55%	4.72%
Indonesia 5Y CDS	180	-25	-38	JCI	4,546	-0.18%	0.98%
Thailand 5Y CDS	56	-10	-17	EU Stoxx 50	2,942	4.69%	5.41%
Australia 5Y CDS	29	0	-1				

Source: Bloomberg

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New Issues

- Henderson Land MTN Limited (Guarantor: Henderson Land Development Company Limited) priced a USD300mn 5-year bond at T+210bps, tightening from IPT of T+255bps area.
- Jining High Tech Urban Construction Investment Co. priced a USD118mn 3-year bond at 5.5%, tightening from IPT of 5.9% area.
- Industrial & Commercial Bank of China Limited of Dubai priced a USD100mn 3-year bond at 3m-US LIBOR+60bps.
- Korea Expressway Corporation priced a USD100mn 5-year bond at 3m-US LIBOR+120bps.
- Bank of East Asia arranged investor calls commencing 19 May for its proposed USD bonds.
- HPL is looking to price a [SGD 5-year senior unsecured issue, with FPG at 3.8%](#).

Date	Issuer	Size	Tenor	Pricing
20-May-20	Henderson Land MTN Limited (Guarantor: Henderson Land Development Company Limited)	USD300mn	5-year	T+210bps
20-May-20	Jining High Tech Urban Construction Investment Co.	USD118mn	3-year	5.5%
20-May-20	Industrial & Commercial Bank of China Limited of Dubai	USD100mn	3-year	3m-US LIBOR+60bps
20-May-20	Korea Expressway Corporation	USD100mn	5-year	3m-US LIBOR+120bps
19-May-20	Xi'an Aerospace High-Tech Industry Development Co., Ltd (SBLC Provider: Bank of Xi'an Co., Ltd.)	USD200mn	3-year	3.95%
19-May-20	Redco Properties Group Limited	USD150mn	3NC2P2	14.875% (yield to put)
19-May-20	Country Garden Holdings Company Limited	USD544mn	5NC3	5.4%
19-May-20	The Hongkong Land Finance (Cayman Islands) Co. (Guarantor: The Hongkong Land Co.)	USD600mn	10-year	T+220bps
19-May-20	Suntec REIT MTN Pte. Ltd	SGD200mn	5-year	2.6%
15-May-20	Industrial Investment Overseas Limited (Guarantor: New & High (HK) Limited; Provider of Keepwell and Liquidity Support Deed and Deed of Equity Interest Purchase Undertaking: Nanjing Jiangbei New Area Industrial Investment Group)	USD300mn	364-day	3.8%
14-May-20	Zhenro Properties Group Limited	USD200mn	3.8NCNP2.8	8.35% (yield to put)
12-May-20	REC Ltd	USD500mn	3-year	4.86%

Source: OCBC, Bloomberg

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