

## Asian Credit Daily

Monday, August 24, 2020

### Market Commentary

- The SGD swap curve fell last Friday, with the shorter tenors trading 3bps lower while the belly and longer tenors traded 4bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS remained mostly unchanged at 169bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS remained mostly unchanged at 674bps. The HY-IG Index Spread remained mostly unchanged at 504bps.
- Flows in SGD corporates were heavy, with flows in SOCGEN 6.125%-PERPs, CAPITA 3.48%'24s, HSBC 5%-PERPs, UBS 4.85%-PERPs, METRO 4%'21s and STTGDC 3.13%'28s.
- 10Y UST Yields fell 2bps to 0.63% despite the US Manufacturing PMI rising to its highest since Feb 2019 and new home sales marking its strongest monthly gain on record in July. Eurozone composite flash PMI though was lower at 51.6 in August, dropping off from 54.9 in July, with investors increasingly concerned over a slowing recovery momentum in the Eurozone.

### Credit Summary:

- There are no credit headlines today.

### Credit Research

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### Key Market Movements

	24-Aug	1W chg (bps)	1M chg (bps)		24-Aug	1W chg	1M chg
iTraxx Asiax IG	65	-1	-11	Brent Crude Spot (\$/bbl)	44.40	-2.14%	2.45%
iTraxx SovX APAC	35	-1	-7	Gold Spot (\$/oz)	1,933.46	-2.61%	1.65%
iTraxx Japan	61	2	1	CRB	149.96	-0.61%	4.83%
iTraxx Australia	68	0	-9	GSCI	353.36	0.34%	3.32%
CDX NA IG	67	1	-3	VIX	22.54	2.22%	-12.77%
CDX NA HY	105	0	3	CT10 (%)	0.628%	-6.00	3.94
iTraxx Eur Main	55	1	-3				
iTraxx Eur XO	332	-8	-17	AUD/USD	0.716	-0.72%	0.80%
iTraxx Eur Snr Fin	64	-1	-3	EUR/USD	1.180	-0.62%	1.21%
iTraxx Eur Sub Fin	132	-2	-6	USD/SGD	1.372	-0.31%	0.75%
iTraxx Sovx WE	15	0	-1	AUD/SGD	0.983	0.43%	-0.04%
USD Swap Spread 10Y	0	1	1	ASX 200	6,104	0.46%	1.33%
USD Swap Spread 30Y	-38	4	4	DJIA	27,930	0.00%	5.52%
US Libor-OIS Spread	18	-1	0	SPX	3,397	0.72%	5.65%
Euro Libor-OIS Spread	-1	0	-3	MSCI Asiax	715	-0.68%	4.21%
				HSI	25,114	-0.27%	1.65%
China 5Y CDS	38	-2	-6	STI	2,529	-2.04%	-1.98%
Malaysia 5Y CDS	50	0	-10	KLCI	1,577	0.04%	-0.79%
Indonesia 5Y CDS	102	-2	-17	JCI	5,273	1.59%	4.39%
Thailand 5Y CDS	40	0	-1	EU Stoxx 50	3,260	-1.37%	-1.54%
Australia 5Y CDS	15	0	-1				

Source: Bloomberg

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### New Issues

- Perennial Real Estate Holdings Limited priced a SGD44.25mn 2-year bond at 5.95%.
- Fuyuan Worldwide Ltd. (Guarantor: Shandong Commercial Group Co.) has arranged investor calls commencing 24 August 2020 for its proposed USD bond offering.

Date	Issuer	Size	Tenor	Pricing
21-Aug-20	Perennial Real Estate Holdings Limited	SGD44.25mn	2-year	5.95%
20-Aug-20	Rizal Commercial Banking Corp.	USD300mn	PerpNC5	6.75%
20-Aug-20	Industrial Investment Overseas Limited (Guarantor: New & High (HK) Limited)	USD200mn	364-day	3.7%
20-Aug-20	Hongkong Electric Finance Limited (Guarantor: The Hongkong Electric Company, Limited)	USD500mn	10-year	T+130bps
20-Aug-20	JIC Zhixin Limited (Guarantor: China Jianyin Investment Limited)	USD400mn USD500mn	5-year 10-year	T+125bps T+160bps
20-Aug-20	Nan Fung Treasury Limited (Guarantor: Nan Fung International Holdings Limited)	USD500m	10-year	T+305bps
20-Aug-20	Overseas Chinese Town Asia Holdings Limited (Guarantor: Overseas Chinese Town Enterprises Co Ltd)	USD300mn	PerpNC3	4.5%
19-Aug-20	Wynn Macau Ltd	USD250mn USD600mn	WYNNMAC 5.5%'26s 8NC3	5.443% 5.625%
18-Aug-20	Yibin Grace Group Co (Guarantor: Yibin State-owned Assets Management Co Ltd)	USD140mn	3-year	3.9%
18-Aug-20	ICBCIL Finance Co. (Guarantor: ICBC Financial Leasing Co.)	USD900mn	5-year	T+147.5bps
18-Aug-20	Elect Global Investments Ltd. (Guarantor: Hysan Development Co.)	USD300mn	PerpNC3	4.85%
18-Aug-20	Yangzhou Urban Construction State-owned Asset Holding Group Co Ltd	USD300mn	3-year	3.02%

Source: OCBC, Bloomberg

# Treasury Research & Strategy

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## Macro Research

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