

Market Commentary

- The SGD swap curve mostly rose yesterday, with the shorter tenors trading 1-6bps higher (with the exception of the 1-year tenor trading 1bps lower), while the belly and the longer tenors traded 2-3bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 22bps to 278bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 50bps to 1275bps. The HY-IG Index Spread widened 28bps to 997bps.
- Flows in SGD corporates were heavy, with flows in STANLN 4.4%'26s, DBSSP 3.98%-PERPs, SOCGEN 6.125%-PERPs, OCBCSP 4%-PERPs and BAERVX 5.9%-PERPs.
- 10Y UST Yields fell 6bps to 0.79%, even after the Fed promised asset purchases with no limit to support the market. On the other hand, U.S. Senate Majority Leader McConnell said he lacked votes to advance the stimulus bill aimed at combating the economic impacts brought about by the outbreak of COVID-19.

Credit Summary:

- **BreadTalk Group Ltd (“BGL”) | Issuer Profile: Negative (6):** Yesterday we published [our view on BGL’s consent solicitation exercise](#). In summary, we recommend noteholders to consent early to enjoy the early bird consent fee. Thereafter, assuming the privatisation of BGL completes, noteholders may exercise the delisting put at par + accrued interest. We continue to think there is a good chance that BGL will be eventually privatised.

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Credit Headlines

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

- Yesterday we published [our view on BGL’s consent solicitation exercise](#) to (1) waive breaches of financial covenants and resulting occurrence of event of default; (2) amend financial covenants; (3) introduce a financial covenant holiday; and (4) insert a call option.
- In summary, we recommend noteholders to consent early to enjoy the early bird consent fee. Thereafter, assuming the privatisation of BGL completes, noteholders may exercise the delisting put at par + accrued interest. We continue to think there is a good chance that BGL will be eventually privatised. At the same time, we note that BGL holds SGD157.6mn of cash as of 31 Dec 2019, which is more than sufficient to cover SGD100mn BREAD 4% ‘23s. This assumes that bank lenders do not withdraw support from BGL, noting SGD137.9mn of short term loans and SGD109.4mn of long-term loans have become current as a result of the technical breach. (OCBC)

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Key Market Movements

	24-Mar	1W chg (bps)	1M chg (bps)		24-Mar	1W chg	1M chg
iTraxx Asiax IG	219	78	164	Brent Crude Spot (\$/bbl)	28.11	-2.16%	-50.07%
iTraxx SovX APAC	99	15	70	Gold Spot (\$/oz)	1,576.28	3.14%	-5.01%
iTraxx Japan	181	51	138	CRB	124.71	-6.03%	-26.88%
iTraxx Australia	255	92	201	GSCI	263.63	-5.51%	-32.28%
CDX NA IG	123	-1	70	VIX	61.59	-25.52%	146.06%
CDX NA HY	87	-7	-21	CT10 (%)	0.794%	-28.41	-57.62
iTraxx Eur Main	114	-4	66				
iTraxx Eur XO	691	78	448	AUD/USD	0.592	-1.32%	-10.36%
iTraxx Eur Snr Fin	130	-13	74	EUR/USD	1.080	-1.83%	-0.53%
iTraxx Eur Sub Fin	273	-34	158	USD/SGD	1.457	-1.92%	-3.94%
iTraxx Sovx WE	30	-8	19	AUD/SGD	0.863	-0.64%	7.14%
USD Swap Spread 10Y	-8	1	-1	ASX 200	4,714	-10.95%	-32.45%
USD Swap Spread 30Y	-61	6	-23	DJIA	18,592	-7.91%	-33.51%
US Libor-OIS Spread	111	18	98	SPX	2,237	-6.23%	-30.64%
Euro Libor-OIS Spread	13	3	8	MSCI Asiax	501	-8.09%	-23.95%
				HSI	22,523	-3.18%	-16.02%
China 5Y CDS	72	-3	33	STI	2,318	-5.58%	-26.24%
Malaysia 5Y CDS	187	22	143	KLCI	1,288	2.48%	-13.58%
Indonesia 5Y CDS	291	80	226	JCI	3,990	-14.95%	-31.30%
Thailand 5Y CDS	122	35	93	EU Stoxx 50	2,486	1.44%	-31.87%
Australia 5Y CDS	0	4	34				

Source: Bloomberg

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New Issues

- There were no new issues or mandates.

Date	Issuer	Size	Tenor	Pricing
19-Mar-20	China Construction Bank (Asia) Corporation Limited	USD500mn	PERPNC5	3.18%
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

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