

Market Commentary

- The SGD swap curve fell yesterday, with the 1-year tenor remaining unchanged while the other tenors traded 1-4bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS remained mostly unchanged at 202bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 1bps to 768bps. The HY-IG Index Spread widened 1bps to 566bps.
- Flows in SGD corporates were heavy, with flows in STANLN 5.375%-PERPs, CS 5.625%-PERPs, FPLSP 4.98%-PERPs, UBS 4.85%-PERPs, OLAMSP 5.5%-PERPs, SOCGEN 6.125%-PERPs, CELSP 3.9%-PERPs and UBS 5.875%-PERPs.
- 10Y UST Yields gained 1bp to 0.69% while COVID-19 cases continued to surge in the US and layoffs stayed high.

Credit Research

Andrew Wong

+65 6530 4736

WongVKAM@ocbc.com

Ezien Hoo, CFA

+65 6722 2215

EzienHoo@ocbc.com

Wong Hong Wei, CFA

+65 6722 2533

WongHongWei@ocbc.com

Seow Zhi Qi, CFA

+65 6530 7348

zhiqiseow@ocbc.com

Key Market Movements

| | 26-Jun | 1W chg (bps) | 1M chg (bps) | | 26-Jun | 1W chg | 1M chg |
|-----------------------|--------|-----------------|-----------------|---------------------------|----------|--------|--------|
| iTraxx Asiax IG | 87 | 1 | -19 | Brent Crude Spot (\$/bbl) | 41.05 | -1.11% | 15.54% |
| iTraxx SovX APAC | 46 | 2 | -11 | Gold Spot (\$/oz) | 1,765.72 | 1.25% | 3.22% |
| iTraxx Japan | 57 | 1 | -19 | CRB | 135.37 | -1.23% | 2.85% |
| iTraxx Australia | 88 | 1 | -19 | GSCI | 320.22 | -1.29% | 5.51% |
| CDX NA IG | 79 | 3 | -10 | VIX | 32.22 | -2.19% | 15.03% |
| CDX NA HY | 99 | -1 | 4 | CT10 (%) | 0.686% | -2.28 | 2.65 |
| iTraxx Eur Main | 69 | 3 | -10 | | | | |
| | | | | | | | |
| iTraxx Eur XO | 397 | 12 | -83 | AUD/USD | 0.689 | 0.78% | 3.53% |
| iTraxx Eur Snr Fin | 80 | 5 | -13 | EUR/USD | 1.122 | 0.38% | 2.17% |
| iTraxx Eur Sub Fin | 173 | 13 | -24 | USD/SGD | 1.391 | 0.45% | 1.80% |
| iTraxx Sovx WE | 19 | -1 | -8 | AUD/SGD | 0.958 | -0.32% | -1.62% |
| | | | | | | | |
| USD Swap Spread 10Y | -1 | 1 | 0 | ASX 200 | 5,818 | -2.00% | 0.65% |
| USD Swap Spread 30Y | -49 | 1 | -3 | DJIA | 25,746 | -1.28% | 3.00% |
| US Libor-OIS Spread | 22 | -2 | -10 | SPX | 3,084 | -1.01% | 3.07% |
| Euro Libor-OIS Spread | 8 | -1 | -12 | MSCI Asiax | 653 | 0.56% | 9.02% |
| | | | | HSI | 24,782 | 1.23% | 7.97% |
| China 5Y CDS | 51 | 1 | 0 | STI | 2,590 | -2.83% | 2.37% |
| Malaysia 5Y CDS | 73 | 2 | -21 | KLCI | 1,489 | -1.04% | 3.65% |
| Indonesia 5Y CDS | 134 | 8 | -39 | JCI | 4,897 | -0.58% | 5.83% |
| Thailand 5Y CDS | 43 | 2 | -9 | EU Stoxx 50 | 3,219 | -0.95% | 7.32% |
| Australia 5Y CDS | 0 | 0 | -2 | | | | |

Source: Bloomberg

Asian Credit Daily

New Issues

- Singapore Technologies Telemedia Pte Ltd priced a SGD375mn PerpNC7 bond at 4.10%.
- Takeda Pharmaceutical Company Limited has arranged investor calls commencing 25 June 2020 for its proposed USD bond offering.

| Date | Issuer | Size | Tenor | Pricing |
|-----------|--|----------------------|----------------------|----------------------|
| 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% |
| 23-Jun-20 | Agile Group Holdings Limited | USD500mn | 4.5NC2.5 | 5.75% |
| 23-Jun-20 | NWD Finance BVI Ltd (Guarantor: New World Development Co Ltd) | USD200mn | NWDEVL 5.25% PerpNC6 | 5.25% |
| 23-Jun-20 | Jingrui Holdings Limited | USD40mn | JINGRU 12%'22s | 12.0% |
| 22-Jun-20 | Fortune Star (BVI) Limited (Guarantor: Fosun International Limited) | USD600mn | 4NC3 | 6.85% |
| 22-Jun-20 | PT Perusahaan Listrik Negara (Persero) | USD500mn USD1bn | 10-year 30-year | 3.1% 4.1% |
| 22-Jun-20 | CLP Power Hong Kong Financing Limited (Guarantor: CLP Power Hong Kong Limited) | USD750mn USD250mn | 10-year 15-year | T+160bps T+190bps |
| 22-Jun-20 | Minor International PCL (Guarantor: Bangkok Bank PCL) | USD300mn | PERPNC3 | 3.1% |

Source: OCBC, Bloomberg

Treasury Research & Strategy

Macro Research

Selena Ling

Head of Research & Strategy

LingSSSelena@ocbc.com

Howie Lee

Thailand, Korea &

Commodities

HowieLee@ocbc.com

Tommy Xie Dongming

Head of Greater China

Research

XieD@ocbc.com

Carie Li

Hong Kong & Macau

carierli@ocbcwh.com

Wellian Wiranto

Malaysia & Indonesia

WellianWiranto@ocbc.com

Dick Yu

Hong Kong & Macau

dicksnyu@ocbcwh.com

Terence Wu

FX Strategist

TerenceWu@ocbc.com

Credit Research

Andrew Wong

Credit Research Analyst

WongVKAM@ocbc.com

Ezien Hoo

Credit Research Analyst

EzienHoo@ocbc.com

Wong Hong Wei

Credit Research Analyst

WongHongWei@ocbc.com

Seow Zhi Qi

Credit Research Analyst

ZhiQiSeow@ocbc.com

This publication is solely for information purposes only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This publication should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this publication may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This publication may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, they should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. OCBC Bank, its related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial services to such issuers. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products.

This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).