

Market Commentary

- The SGD swap curve bull-flattened yesterday, with the shorter tenors trading 3-9bps lower, while the belly and the longer tenors traded 9-12bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 6bps to 270bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 39bps to 1235bps. The HY-IG Index Spread tightened 33bps to 965bps.
- Flows in SGD corporates were heavy, with flows in SINTEC 5%-PERPs, MAPLSP 4.5%-PERPs, STANLN 4.4%'26s, BAERVX 5.9%-PERPs, CS 5.625%-PERPs, DBSSP 3.98%-PERPs, UOBSP 3.58%-PERPs and STANLN 5.375%-PERPs.
- 10Y UST Yields gained 2bps to 0.87%, with U.S. stocks rallying, as the market waited for the agreement of the promised fiscal stimulus packages.

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Credit Summary:

- [Credit Suisse Group AG \("CS"\)](#) | **Issuer Profile: Neutral (4)**: CS announced the suspension of its CHF1.5bn share buyback given current developments with COVID-19. CHF325mn in shares already purchased will still be cancelled. Further share buybacks will depend on the developing situation. CS is also assisting the government in its support measures through the disbursement of bridging loans from the Swiss government. The Swiss regulator is also playing a part with FINMA temporarily excluding central bank reserves from the calculation of bank leverage ratios until 1 July 2020 to provide CHF20bn in additional capacity to lend to businesses.

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Credit Headlines

Credit Suisse Group AG (“CS”) | Issuer Profile: Neutral (4)

- CS announced the suspension of its CHF1.5bn share buyback given current developments with COVID-19. CHF325mn in shares already purchased will still be cancelled.
- Further share buybacks will depend on the developing situation although CS and other European banks are looking at capital preservation measures to provide more balance sheet capacity to support the economy. This could include executive salaries and dividend payments.
- CS is also assisting the government in its support measures through the disbursement of bridging loans from the Swiss government. The Swiss regulator is also playing a part with FINMA temporarily excluding central bank reserves from the calculation of bank leverage ratios until 1 July 2020 to provide CHF20bn in additional capacity to lend to businesses. (FINMA, Company, OCBC)

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Key Market Movements

	26-Mar	1W chg (bps)	1M chg (bps)		26-Mar	1W chg	1M chg
iTraxx Asiax IG	140	-18	83	Brent Crude Spot (\$/bbl)	27.20	-4.46%	-49.09%
iTraxx SovX APAC	72	-24	41	Gold Spot (\$/oz)	1,605.00	9.09%	-2.19%
iTraxx Japan	123	-28	73	CRB	129.60	7.69%	-22.06%
iTraxx Australia	177	-7	120	GSCI	273.38	8.91%	-27.33%
CDX NA IG	103	-38	45	VIX	63.95	-16.35%	132.04%
CDX NA HY	94	5	-12	CT10 (%)	0.805%	-33.54	-53.21
iTraxx Eur Main	89	-30	37				
iTraxx Eur XO	531	-149	273	AUD/USD	0.588	2.42%	-10.12%
iTraxx Eur Snr Fin	102	-34	42	EUR/USD	1.091	2.00%	0.23%
iTraxx Eur Sub Fin	216	-70	94	USD/SGD	1.449	0.15%	-3.52%
iTraxx Sovx WE	25	-7	14	AUD/SGD	0.852	-2.21%	7.33%
USD Swap Spread 10Y	-6	7	-1	ASX 200	5,061	5.82%	-24.55%
USD Swap Spread 30Y	-54	21	-17	DJIA	21,201	6.54%	-21.36%
US Libor-OIS Spread	115	9	101	SPX	2,476	3.23%	-20.56%
Euro Libor-OIS Spread	11	0	6	MSCI Asiax	550	9.33%	-16.00%
				HSI	23,350	7.56%	-12.54%
China 5Y CDS	49	-20	10	STI	2,444	5.77%	-21.59%
Malaysia 5Y CDS	125	-50	81	KLCI	1,317	7.99%	-11.90%
Indonesia 5Y CDS	220	-50	152	JCI	3,938	-11.65%	-31.96%
Thailand 5Y CDS	82	-18	51	EU Stoxx 50	2,800	17.37%	-21.73%
Australia 5Y CDS	42	-5	24				

Source: Bloomberg

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New Issues

- HSBC Holdings PLC priced a USD2.5bn 10-year bond at T+415bps, tightening from IPT of T+450bps area.
- SATS Ltd priced a SGD200mn 5-year bond at 2.88%.
- Maybank Singapore Limited priced a USD500mn 10-year bond at 3.7%.

Date	Issuer	Size	Tenor	Pricing
25-Mar-20	HSBC Holdings PLC	USD2.5bn	10-year	T+415bps
25-Mar-20	SATS Ltd	SGD200mn	5-year	2.88%
23-Mar-20	Maybank Singapore Limited	SGD500mn	10-year	3.7%
24-Mar-20	Xinhu (BVI) 2018 Holding Company Limited (Guarantor: Xinhu Zhongbao Co Ltd)	USD200mn	3-year	11.0%
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%

Source: OCBC, Bloomberg

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