

### Market Commentary

- The SGD swap curve was unchanged yesterday in observance of the Lunar New Year holiday.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 3bps to 122bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 5bps to 476bps. The HY-IG Index Spread widened 2bps to 354bps.
- The SGD corporates saw no flows yesterday.
- 10Y UST Yields fell 8bps to 1.61%, a three-month low, due to increased concerns on the spread of the Wuhan coronavirus which had killed 81 people.

### Credit Research

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### Credit Summary:

- [Mapletree Logistics Trust \(“MLT”\) | Issuer Profile: Neutral \(4\)](#): MLT announced this morning the [proposed acquisition of Mapletree Kobe Logistics Centre in Japan](#). The agreed property value and total acquisition cost is around SGD272.5mn with an implied net property income yield of 4.0%. Key reasons for the transaction are increasing exposure to Japan’s logistics market, ongoing portfolio rejuvenation for MLT’s Japan portfolio and the asset’s high quality and strategic location. We view the impact as manageable for the credit profile given the new Japanese asset comprises 3.3% of total existing assets under management and 1.7% of NLA.

## Asian Credit Daily

### Credit Headlines

#### Mapletree Logistics Trust (“MLT”) | Issuer Profile: Neutral (4)

- MLT announced this morning the [proposed acquisition of Mapletree Kobe Logistics Centre in Japan](#). The agreed property value and total acquisition cost is around SGD272.5mn with an implied net property income yield of 4.0%. Occupancy is currently 99.7% with a weighted average lease exposure of 4.2 years. The tenant mix looks somewhat diversified with 32% of net lettable area (“NLA”) from food & beverage tenants, 25% from fashion, apparel & cosmetics and 16% from electronics and IT.
- Key reasons for the transaction are increasing exposure to Japan’s logistics market, ongoing portfolio rejuvenation for MLT’s Japan portfolio and the asset’s high quality and strategic location.
- This announcement follows [last week’s acquisition announcement](#) of a logistics property in South Korea.
- We view the impact as manageable for the credit profile given the new Japanese asset comprises 3.3% of total existing assets under management and 1.7% of NLA. With the acquisition to be almost fully debt funded through the drawdown of JPY debt facilities and issuance of onshore JPY bonds, aggregate leverage is expected to increase to 39.0% from 37.1% as at 31 December 2019 (taking into account of repayment of existing loans with proceeds from the divestment of a Chinese logistics asset). This should still be accommodated under its current Neutral (4) issuer profile. (Company, OCBC)

## Asian Credit Daily

### Key Market Movements

	28-Jan	1W chg (bps)	1M chg (bps)		28-Jan	1W chg	1M chg
iTraxx Asiax IG	58	7	5	<b>Brent Crude Spot (\$/bbl)</b>	59.32	-9.02%	-12.97%
iTraxx SovX APAC	29	3	3	<b>Gold Spot (\$/oz)</b>	1,581.03	1.47%	4.35%
iTraxx Japan	46	3	3	<b>CRB</b>	173.18	-5.31%	-7.48%
iTraxx Australia	50	1	3	<b>GSCI</b>	398.34	-6.69%	-9.52%
CDX NA IG	49	4	4	<b>VIX</b>	18.23	50.66%	35.74%
CDX NA HY	108	-1	-2	<b>CT10 (%)</b>	1.608%	-16.63	-26.72
iTraxx Eur Main	46	3	3				
iTraxx Eur XO	229	17	24	<b>AUD/USD</b>	0.676	-1.27%	-3.37%
iTraxx Eur Snr Fin	55	2	3	<b>EUR/USD</b>	1.102	-0.55%	-1.59%
iTraxx Eur Sub Fin	115	5	4	<b>USD/SGD</b>	1.358	-0.57%	-0.66%
iTraxx Sovx WE	11	0	0	<b>AUD/SGD</b>	0.917	0.73%	2.83%
<b>USD Swap Spread 10Y</b>	-6	-2	-3	<b>ASX 200</b>	6,996	-1.18%	2.55%
<b>USD Swap Spread 30Y</b>	-32	-2	-3	<b>DJIA</b>	28,536	-2.77%	-0.38%
<b>US Libor-OIS Spread</b>	23	0	-15	<b>SPX</b>	3,244	-2.58%	0.11%
<b>Euro Libor-OIS Spread</b>	7	1	1	<b>MSCI Asiax</b>	689	-1.37%	-0.27%
				<b>HSI</b>	27,950	-3.81%	-0.98%
<b>China 5Y CDS</b>	43	11	12	<b>STI</b>	3,240	-1.22%	0.42%
<b>Malaysia 5Y CDS</b>	43	7	8	<b>KLCI</b>	1,573	-1.01%	-2.35%
<b>Indonesia 5Y CDS</b>	68	6	6	<b>JCI</b>	6,133	-1.79%	-3.10%
<b>Thailand 5Y CDS</b>	22	1	-1	<b>EU Stoxx 50</b>	3,678	-3.19%	-2.76%
<b>Australia 5Y CDS</b>	17	1	0				

Source: Bloomberg

## Asian Credit Daily

### New Issues

- There were no new issues or mandates.

Date	Issuer	Size	Tenor	Pricing
23-Jan-20	Westpac Banking Corp	USD1.5bn	10NC5	T+135bps
22-Jan-20	Cyprus Investments, Inc.	USD140mn	3-year	3m-US LIBOR+90bps
21-Jan-20	Scenery Journey Ltd	USD2bn USD2bn	3.75-year 2.75-year	12.0% 11.5%
21-Jan-20	Helenbergh China Holdings Limited	USD250mn	HLBCHN 12.875%'21s	12.25%
21-Jan-20	ReNew Power Pvt Ltd	USD450mn	5.5-year-WAL	5.875%
21-Jan-20	Swire Pacific MTN Financing (HK) Limited	USD500mn	10-year	T+120bps
21-Jan-20	Korea South-East Power Co Ltd	USD300mn	5-year	T+62.5bps
21-Jan-20	Shangri-La Hotel Limited	SGD250mn	10-year	3.5%
20-Jan-20	Dafa Properties Group Limited	USD200mn	364-day	12.75%
20-Jan-20	RongXingDa Development (BVI) Limited	USD300mn	364-day	8.875%
20-Jan-20	Socam Development Ltd	USD180mn	2-year	6.25%
20-Jan-20	Sunshine 100 China Holdings Ltd	USD150mn	SUNCHN 11.5%'21s	12.5%
20-Jan-20	Dexin China Holdings Company Limited	USD200mn	2.25-year	13%
20-Jan-20	Global Prime Capital Pte. Ltd	USD300mn	5NC3	5.95%
20-Jan-20	Wanda Properties Overseas Ltd.	USD400mn	3.5-year	6.875%
20-Jan-20	Thomson Medical Group Limited	SGD175mn	5-year	4.05%

Source: OCBC, Bloomberg

# Treasury Research & Strategy

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## Macro Research

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