

Market Commentary

- The SGD swap curve steepened yesterday, with the shorter and belly tenors trading 1-2bps higher while the longer tenors traded 2-6bps higher with the exception of 15-year trading 1bp lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 203bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 6bps to 774bps. The HY-IG Index Spread tightened 5bps to 571bps.
- Flows in SGD corporates were heavy, with flows in SINTEC 4.1%-PERPs, FPLSP 4.98%-PERPs, BACR3.75%'30s, STANLN 5.375%-PERPs and TMGSP 4.8%'22s.
- 10Y UST Yields fell 1bps to 0.67% despite strong US jobs data as the labour market could struggle to recover swiftly if the nation failed to contain COVID-19 spread.

Credit Research

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Credit Summary:

- [Century Sunshine Group Holdings Limited \("CENSUN"\)](#) | **Issuer Profile: Negative (7)**: Trading in the shares of CENSUN on the Hong Kong Stock Exchange was halted on 2 July 2020 pending the release of an announcement in relation to inside information of the company. Similarly, trading of its listed subsidiary Rare Earth Magnesium Technology Group Holdings Ltd ("REMT", Issuer profile: Unrated) has also been halted. Both remain halted as of writing. We are likely to cease official coverage of the company given that the sole SGD-bond, the CENSUN 7.0% '20s is due today.
- [Ascendas Real Estate Investment Trust \("AREIT"\)](#) | **Issuer Profile: Neutral (3)**: AREIT has announced the acquisition of a new logistics property to be developed in Yennora, Sydney, Australia for AUD23.5mn (SGD21.1mn). This purchase consideration comprises the land and development cost. The estimated total transaction costs is AUD1.43mn (~SGD1.29mn). We see this as a credit neutral transaction given the small scale. As at 31 March 2020, AREITs total assets were SGD13.7bn.

Asian Credit Daily

Credit Headlines

Century Sunshine Group Holdings Limited ("CENSUN") | Issuer Profile: Negative (7)

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- We are likely to cease official coverage of the company given that the sole SGD-bond, the CENSUN 7.0% '20s is due today.
- Earlier the company was in the process of raising HKD300mn of convertible bonds though the extraordinary general meeting that was intended to seek shareholders' approval on this had been postponed. The company was also in discussions on a proposed USD bond issuance. On 12 June 2020, the company disclosed that if the proposed USD bond issuance cannot be implemented and other attempts at refinancing are unsuccessful, the repayment of the SGD-denominated bond would put substantial pressure on the company's liquidity.
- We will continue to monitor the developments at the company for now. Based on our interpretation of the information memorandum, the issuer has a grace period of five business days to cure non-payment of the bond. (Company, OCBC)

Ascendas Real Estate Investment Trust ("AREIT") | Issuer Profile: Neutral (3)

- AREIT has announced the acquisition of a new logistics property to be developed in Yennora, Sydney, Australia for AUD23.5mn (SGD21.1mn). This purchase consideration comprises the land and development cost. The estimated total transaction costs is AUD1.43mn (~SGD1.29mn).
- The acquisition of the land has been completed while the development of the property is targeted to be completed in 2Q2021.
- We see this as a credit neutral transaction given the small scale. As at 31 March 2020, AREITs total assets were SGD13.7bn. (Company, OCBC)

Key Market Movements

	3-Jul	1W chg (bps)	1M chg (bps)		3-Jul	1W chg	1M chg
iTraxx Asiax IG	82	-6	-9	Brent Crude Spot (\$/bbl)	43.14	5.09%	9.02%
iTraxx SovX APAC	45	-2	-4	Gold Spot (\$/oz)	1,775.71	0.25%	4.47%
iTraxx Japan	59	2	-7	CRB	140.60	3.86%	4.14%
iTraxx Australia	83	-6	-9	GSCI	332.86	3.95%	6.04%
CDX NA IG	74	-7	1	VIX	27.68	-14.09%	7.87%
CDX NA HY	100	1	-2	CT10 (%)	0.669%	2.80	-7.65
iTraxx Eur Main	64	-8	-1				
iTraxx Eur XO	368	-41	-6	AUD/USD	0.692	0.77%	-0.04%
iTraxx Eur Snr Fin	75	-10	-2	EUR/USD	1.124	0.16%	0.04%
iTraxx Eur Sub Fin	157	-23	-9	USD/SGD	1.395	-0.13%	0.19%
iTraxx Sovx WE	18	-1	-4	AUD/SGD	0.965	-0.90%	0.24%
USD Swap Spread 10Y	-3	-1	-2	ASX 200	6,046	2.41%	1.76%
USD Swap Spread 30Y	-50	-1	-1	DJIA	25,827	0.32%	-1.68%
US Libor-OIS Spread	23	-1	-4	SPX	3,130	1.50%	0.23%
Euro Libor-OIS Spread	6	-2	-7	MSCI Asiax	667	2.31%	4.84%
				HSI	25,124	0.87%	3.28%
China 5Y CDS	47	-5	-1	STI	2,637	1.80%	-2.36%
Malaysia 5Y CDS	68	-8	-7	KLCI	1,536	3.16%	-0.15%
Indonesia 5Y CDS	124	-11	-15	JCI	4,967	1.43%	0.52%
Thailand 5Y CDS	43	-2	-3	EU Stoxx 50	3,320	3.14%	1.54%

Source: Bloomberg

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New Issues

- JGSH Philippines, Limited (Guarantor: JG Summit Holdings, Inc.) priced a USD600mn 10-year bond at 4.125%, tightening from IPT of 4.5% area.
- Wuhan Dangdai Science & Technology Industries (Group) Company Limited has arranged investor calls commencing 2 July 2020 for its proposed USD bond offering..

Date	Issuer	Size	Tenor	Pricing
02-Jul-20	JGSH Philippines, Limited (Guarantor: JG Summit Holdings, Inc.)	USD600mn	10-year	4.125%
30-Jun-20	Weibo Corp	USD750mn	10-year	T+280bps
30-Jun-20	Neijiang Investment Holding Group Co. Ltd. (Guarantor: Sichuan Development Financing Guarantee Co. Ltd.)	USD75mn	3-year	4.5%
29-Jun-20	Times China Holdings Limited	USD300mn	5NC3	6.75%
29-Jun-20	Golden Wheel Tiandi Holdings Company Limited	USD170mn	2.5NP1.5Y	14.25%
29-Jun-20	Xingchang International Co. (Guarantor: Zhejiang Changxing Financial Holdings Group Co.)	USD160mn	3-year	5.5%
29-Jun-20	AC Energy Finance International Ltd (Guarantor: AC Energy Inc)	USD60mn	ACNRGY 4.75%'24s	4.875%
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%

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