

Market Commentary

- The SGD swap curve slightly fell yesterday, bear flattening with the shorter and belly tenors trading 1bps lower while the longer tenors traded 1-2bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS remained mostly unchanged at 166bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 1bps to 645bps. The HY-IG Index Spread tightened 1bps to 478bps.
- Flows in SGD corporates were heavy, with flows in OLAMSP 4%'26s, HSBC 5%-PERPs, STANLN 5.625%-PERPs, TMGSP 4.05%'25s and SOCGEN 6.125%-PERPs.
- 10Y UST Yields fell 1bps to 0.64%, on the back of a US stock market selloff led by big tech names. S&P 500 and Nasdaq were down by 3.5% and 5% respectively.

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Credit Summary:

- [CapitaLand Mall Trust \("CMT"\)](#) | **Issuer Profile: Positive (2)** and [CapitaLand Commercial Trust \("CCT"\)](#) | **Issuer Profile: Neutral (3)**: CMT has extended the long-short date for the combination with CCT to 30 Nov 2020 from 30 Sep 2020. We continue to think that the combination is very likely to be completed.
- [CMA CGM SA \(acquired Neptune Orient Lines, "NOL"\)](#) | **Issuer Profile: Negative (6)**: CMA CGM's decision to sell a 50% stake held by CMA Terminals in Adani CMA Mundra Terminal Pte Ltd at Mundra port in India to China Merchants Port has run into trouble following border disputes with China. The sale is said to be under scrutiny for clearance due to the change in management control of the port.

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Credit Headlines

CapitaLand Mall Trust (“CMT”) | Issuer Profile: Positive (2) and CapitaLand Commercial Trust (“CCT”) | Issuer Profile: Neutral (3)

- CMT has extended the long-short date for the combination with CCT to 30 Nov 2020 from 30 Sep 2020. We continue to think that the combination is very likely to be completed.
- As per previous announcements, the combination of CMT and CCT will be effected through the acquisition of all the issued and paid-up units of CCT by CMT to create a diversified commercial REIT to be named “CapitaLand Integrated Commercial Trust” (“CICT”). CICT is expected to be the third largest REIT in Asia Pacific and the largest REIT in Singapore, with a market capitalisation of SGD16.8bn and a combined property value of SGD22.9bn. (Company, OCBC)

CMA CGM SA (acquired Neptune Orient Lines, “NOL”) | Issuer Profile: Negative (6)

- CMA CGM's decision to sell a 50% stake held by CMA Terminals in Adani CMA Mundra Terminal Pte Ltd at Mundra port in India to China Merchants Port has run into trouble following border disputes with China. The sale is said to be under scrutiny for clearance due to the change in management control of the port. We are not overly concerned over this news given that the cash consideration from the sale is roughly in the region of not more than USD150mn based on our estimation. (thehindubusinessline, OCBC)

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Key Market Movements

	4-Sep	1W chg (bps)	1M chg (bps)		4-Sep	1W chg	1M chg
iTraxx Asiax IG	59	-3	-10	Brent Crude Spot (\$/bbl)	43.81	-2.75%	-1.40%
iTraxx SovX APAC	32	-2	-8	Gold Spot (\$/oz)	1,932.70	-1.64%	-4.28%
iTraxx Japan	58	-4	-3	CRB	150.42	-1.97%	1.69%
iTraxx Australia	60	-5	-13	GSCI	350.86	-2.22%	1.21%
CDX NA IG	66	-1	-1	VIX	33.6	37.31%	41.41%
CDX NA HY	106	0	3	CT10 (%)	0.632%	-8.96	12.46
iTraxx Eur Main	53	-2	-4				
iTraxx Eur XO	325	2	-29	AUD/USD	0.726	-1.40%	1.42%
iTraxx Eur Snr Fin	60	-2	-8	EUR/USD	1.185	-0.46%	0.38%
iTraxx Eur Sub Fin	124	-5	-17	USD/SGD	1.365	-0.51%	0.59%
iTraxx Sovx WE	13	-1	-3	AUD/SGD	0.991	0.91%	-0.82%
USD Swap Spread 10Y	2	1	2	ASX 200	5,964	-1.80%	-1.21%
USD Swap Spread 30Y	-36	2	7	DJIA	28,293	-0.70%	5.46%
US Libor-OIS Spread	18	1	0	SPX	3,455	-0.85%	4.49%
Euro Libor-OIS Spread	0	1	0	MSCI Asiax	729	-0.96%	2.36%
				HSI	25,008	-1.08%	0.24%
China 5Y CDS	36	1	-6	STI	2,532	0.48%	0.64%
Malaysia 5Y CDS	46	-2	-11	KLCI	1,515	-2.21%	-3.84%
Indonesia 5Y CDS	88	-9	-25	JCI	5,281	-1.69%	4.06%
Thailand 5Y CDS	36	-2	-5	EU Stoxx 50	3,304	-0.81%	1.53%
Australia 5Y CDS	14	0	-2				

Source: Bloomberg

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New Issues

- Bank of Communications Co Ltd/Hong Kong priced a USD350mn 3-year bond at 3m-US LIBOR+80bps, tightening from IPT of 3m-US LIBOR+120bps area and another USD800mn 5-year bond at T+105bps, tightening from IPT of T+150bps area respectively.
- Panther Ventures Ltd. (Guarantor: CK Asset Holdings Ltd.) priced a USD300mn senior PerpNC3 at 3.80%, tightening from IPT of 4.25% area.
- FPC Resources Limited (Guarantor: First Pacific Company Limited) priced a USD350mn 7NC4 bond at 4.375%, tightening from IPT of 4.75% area.
- Zhenro Properties Group Ltd priced a USD350mn 4.4NC2.4 green bond at 7.4%, tightening from IPT of 7.80% area.
- AIA Group Ltd. has arranged investor calls commencing 7 September 2020 for its proposed USD bond offering.

Date	Issuer	Size	Tenor	Pricing
3-Sep-20	Bank of Communications Co Ltd/Hong Kong	USD350mn USD800mn	3-year 5-year	3m-US LIBOR+80bps T+105bps
3-Sep-20	Panther Ventures Ltd. (Guarantor: CK Asset Holdings Ltd.)	USD300mn	PerpNC3	3.80%
3-Sep-20	FPC Resources Limited (Guarantor: First Pacific Company Limited)	USD350mn	7NC4	4.375%
3-Sep-20	Zhenro Properties Group Ltd	USD350mn	4.4NC2.4	7.4%
2-Sep-20	China Merchants Bank Co Ltd/Hong Kong	USD800mn	5-year	T+105bps
2-Sep-20	Kaisa Group Holdings Ltd	USD400mn	KAISAG 11.25%'25s	10.75%
2-Sep-20	China South City Holdings Ltd	USD250mn	2Y7M	12.35%
2-Sep-20	Eastern Creation II Investment Holdings Ltd. (Guarantor: Beijing Infrastructure Investment Co.)	USD650mn	3-year	T+108bps
2-Sep-20	Oversea-Chinese Banking Corp Ltd	USD1bn	10NC5	T+158bps
2-Sep-20	BOSCI (BVI) Limited	USD300mn	3-year	T+110bps
1-Sep-20	Industrial & Commercial Bank of China Ltd/Singapore	USD800mn USD1bn	3-year 5-year	T+90bps T+100bps
1-Sep-20	Yango Cayman Investment Ltd (Guarantor: Fujian Yango Group Co Ltd)	USD200mn	2-year	12.2%

Source: OCBC, Bloomberg

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