

Market Commentary

- The SGD swap curve bull-flattened last Friday, with the shorter tenors trading 2-3bps lower while the belly and longer tenors traded 4-5bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS remained mostly unchanged at 121bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 8bps to 454bps. The HY-IG Index spread tightened 8bps to 333bps.
- Flows in SGD corporates were moderate, with flows in UBS 4.85%-PERPs and F 4.125%'24s.
- 10Y UST Yields fell by 9bps to close at 1.79%, with investors in a risk-off mode. This came on the back of exacerbating US-Iran tensions, with the U.S. confirming that a top Iranian commander was killed and Iran vowing retaliation. December ISM manufacturing data also fell unexpectedly and coming in worse than market expectation.

Credit Research

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Credit Summary:

- [Mapletree Logistics Trust \("MLT"\)](#) | **Issuer Profile: Neutral (4)**: MLT has completed the divestment of MapletreeLog Integrated (Shanghai) (HKSAR) Limited and its wholly-owned subsidiary MapletreeLog Integrated (Shanghai) Co., Ltd. The sale consideration of the divestment is RMB330mn (~SGD64mn) and is in line with MLT's strategy of portfolio rejuvenation.
- [Sembcorp Industries Ltd \("SCI"\)](#) | **Issuer Profile: Neutral (5)**: SCI announced that its wholly owned subsidiary SembWaste has entered into an agreement to buy 100%-stake in Veolia ES Singapore ("VESS") and the public cleaning business of Veolia ES Singapore Industrial ("VESSI") for SGD28mn.

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Credit Headlines

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

- MLT has completed the divestment of MapletreeLog Integrated (Shanghai) (HKSAR) Limited and its wholly-owned subsidiary MapletreeLog Integrated (Shanghai) Co., Ltd which is the registered owner of Mapletree Waigaoqiao Logistics Park (bonded logistics facility located in Waigaoqiao Free Trade Zone in Shanghai) to a subsidiary of GDS Holdings Limited (“GDS”), a China-focused data centre operator and owner.
- The sale consideration of the divestment is RMB330mn (~SGD64mn) and is in line with MLT’s strategy of portfolio rejuvenation. GDS is an associate company of Temasek Holdings (Private) Limited (“Temasek”) while Temasek is the controlling unitholder of MLT. (Company, OCBC)

Sembcorp Industries Ltd (“SCI”) | Issuer Profile: Neutral (5)

- SCI announced that its wholly owned subsidiary SembWaste has entered into an agreement to buy 100%-stake in Veolia ES Singapore (“VESS”) and the public cleaning business of Veolia ES Singapore Industrial (“VESSI”) for SGD28mn.
- Given the small scale of the transaction, we see this as a credit neutral impact. (Company, OCBC)

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Key Market Movements

	06-Jan	1W chg (bps)	1M chg (bps)		06-Jan	1W chg	1M chg
iTraxx Asiax IG	55	2	-8	Brent Crude Spot (\$/bbl)	70.08	2.82%	8.84%
iTraxx SovX APAC	28	1	-2	Gold Spot (\$/oz)	1,573.29	3.84%	7.75%
iTraxx Japan	43	0	-10	CRB	186.90	0.11%	3.15%
iTraxx Australia	49	2	-7	GSCI	443.35	0.83%	4.88%
CDX NA IG	46	1	-3	VIX	14.02	10.83%	2.94%
CDX NA HY	110	0	2	CT10 (%)	1.774%	-10.46	-6.21
iTraxx Eur Main	45	1	-2				
iTraxx Eur XO	210	5	-10	AUD/USD	0.695	-0.64%	1.58%
iTraxx Eur Snr Fin	54	2	-2	EUR/USD	1.116	-0.33%	0.92%
iTraxx Eur Sub Fin	113	3	-3	USD/SGD	1.350	-0.08%	0.81%
iTraxx Sovx WE	12	1	-1	AUD/SGD	0.938	0.57%	-0.77%
USD Swap Spread 10Y	-4	-1	3	ASX 200	6,700	-1.79%	-0.11%
USD Swap Spread 30Y	-32	-2	1	DJIA	28,635	0.05%	2.21%
US Libor-OIS Spread	31	-3	-3	SPX	3,235	-0.16%	2.83%
Euro Libor-OIS Spread	7	1	1	MSCI Asiax	694	0.56%	6.73%
				HSI	28,452	0.80%	7.37%
China 5Y CDS	33	2	-4	STI	3,223	-0.10%	0.90%
Malaysia 5Y CDS	36	1	-5	KLCI	1,608	-0.18%	2.50%
Indonesia 5Y CDS	64	2	-8	JCI	6,323	0.28%	2.21%
Thailand 5Y CDS	23	0	-3	EU Stoxx 50	3,773	-0.03%	2.19%
Australia 5Y CDS	15	-1	-1				

Source: Bloomberg

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New Issues

- Jiaozuo Investment Co. Ltd. priced a USD100mn 363-days bond at 6.5%, in line with IPT.

Date	Issuer	Size	Tenor	Pricing
03-Jan-20	Jiaozuo Investment Co. Ltd.	USD100mn	363-days	6.5%
27-Dec-19	Hydoo International Holding Ltd	USD50mn	HYDOO 14%'21s	14.0%
23-Dec-19	IS (Hong Kong) Investment Limited	USD295mn	3 -year	2.9%
20-Dec-19	NT Rig Holdco Pte Ltd	USD487.6mn	2-year	7.5%
18-Dec-19	Yincheng International Holding Co., Ltd	USD100mn	1-year	12.5%
18-Dec-19	Yango Cayman Investment Ltd	USD62mn	YANGOG 12.5%'21s	12.5%
13-Dec-19	Excellence Commercial Management Ltd	USD100mn	3-year	6.8%
13-Dec-19	China Construction Bank Corporation of Luxembourg	USD300mn	2.5-year	3m-US LIBOR+63bps
12-Dec-19	Hydoo International Holding Limited	USD193.5mn	2-year	14.0%
12-Dec-19	Zensun Enterprises Limited	USD120mn	ZENENT 12.8%'21s	ZENENT 12.8%'21s
11-Dec-19	HBIS Group Hong Kong Co., Limited	USD300mn	3-year	4.0%
10-Dec-19	Wynn Macau Ltd	USD1.0bn	10NC5	5.125%
09-Dec-19	China Construction Bank (Asia) Corporation Limited	USD500mn	Perp-NC5	4.31%
06-Dec-19	Xingang International Holding Limited	USD100mn	3-year	7.0%
05-Dec-19	SD International Sukuk II Ltd	USD200mn	5.25NC3	7.0%
05-Dec-19	New Metro Global Limited	USD350mn	2-year	7.9%
05-Dec-19	REC Limited	USD500mn	5-year	T+192.5bps
05-Dec-19	Kunming Rail Transit Group Co., Ltd	USD300mn USD200mn	3-year 5-year	3.5% 3.9%

Source: OCBC, Bloomberg

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