

### Market Commentary

- The SGD swap curve bear steepened, with the shorter tenors trading 0-2bps higher while the belly and longer tenors traded 3-4bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 3bps to 201bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 21bps to 753bps. The HY-IG Index Spread tightened 19bps to 552bps.
- Flows in SGD corporates were heavy, with flows in STANLN5.375%-PERPs, KEPSP 3%'26s, SINTEC 4.1%-PERPs and UBS 5.875%-PERPs.
- 10Y UST Yields gained 1bp to 0.68% as better than expected economic data signalled an economic rebound from the COVID-19 pandemic.

### Credit Research

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### Credit Summary:

- [CMA CGM \(acquired Neptune Orient Lines, "NOL"\)](#) | **Issuer Profile: Negative (6)**: CMA CGM is adjusting its operating setup and network permanently as per below: (1) CMA CGM will become the sole commercial carrier operating in Transpacific within the Group, (2) APL will focus exclusively on servicing the U.S. Government and continue service to the Guam-Pacific trade, (3) Reinforce Singapore as Asia-Pacific regional hub. We view this change as credit positive as NOL would become an even more integral part of CMA CGM. With NOL as a key component of its Asia-Pacific regional hub, we expect NOLSP bonds to receive support from CMA CGM. CMA CGM had earlier obtained a EUR1.05bn loan. EUR200mn of which was used to prepay the EUR725mn senior unsecured bond CMACG 7.75%'21s maturing in Jan 2021 and EUR300mn was injected as equity into CEVA Logistics AG.

## Asian Credit Daily

### Credit Headlines

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

- CMA CGM is adjusting its operating setup and network permanently as per below:
  1. CMA CGM will become the sole commercial carrier operating in Transpacific within the Group.
  2. APL will focus exclusively on servicing the U.S. Government and continue service to the Guam-Pacific trade.
  3. Reinforce Singapore as Asia-Pacific regional hub.
    - NOL will be renamed to CMA CGM Asia Pacific Ltd. It will oversee trade management of all exports from Asia via CMA CGM as well as infra-Asia short-sea services.
    - ANL Container Line Pty Ltd will become a subsidiary of CMA CGM Asia Pacific Ltd.
- We view this change as credit positive as NOL would become an even more integral part of CMA CGM. With NOL as a key component of its Asia-Pacific regional hub, we expect NOLSP bonds to receive support from CMA CGM.
- CMA CGM had earlier obtained a [EUR1.05bn loan](#). EUR200mn of which was used to prepay the EUR725mn senior unsecured bond CMACG 7.75%’21s maturing in Jan 2021 and EUR300mn was injected as equity into CEVA Logistics AG. We think the prepayment makes sense as the coupon rate for the bond is 7.75%, highest among all of its outstanding bonds. The balance EUR550mn are likely to be used to repay short term debt maturities including NOLSP’20s as well as any business needs due to COVID-19. (Company, OCBC)

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### Key Market Movements

	7-Jul	1W chg (bps)	1M chg (bps)		7-Jul	1W chg	1M chg
iTraxx Asiax IG	80	-6	-1	Brent Crude Spot (\$/bbl)	43.15	4.86%	2.01%
iTraxx SovX APAC	43	-4	2	Gold Spot (\$/oz)	1,784.34	0.19%	5.05%
iTraxx Japan	58	-1	1	CRB	140.90	4.82%	1.38%
iTraxx Australia	81	-6	-1	GSCI	334.28	5.09%	2.68%
CDX NA IG	71	-5	5	VIX	27.94	-19.55%	13.95%
CDX NA HY	100	1	-3	CT10 (%)	0.686%	2.97	-20.93
iTraxx Eur Main	61	-6	0				
iTraxx Eur XO	355	-27	14	AUD/USD	0.698	1.17%	-0.53%
iTraxx Eur Snr Fin	72	-8	2	EUR/USD	1.132	0.77%	0.24%
iTraxx Eur Sub Fin	147	-19	-7	USD/SGD	1.391	0.19%	-0.22%
iTraxx Sovx WE	18	-2	-1	AUD/SGD	0.971	-0.96%	0.33%
USD Swap Spread 10Y	-3	-1	-1	ASX 200	6,072	2.95%	1.22%
USD Swap Spread 30Y	-50	0	-2	DJIA	26,287	5.08%	-3.04%
US Libor-OIS Spread	20	-4	-5	SPX	3,180	5.67%	-0.44%
Euro Libor-OIS Spread	4	-1	-7	MSCI Asiax	694	6.95%	7.38%
				HSI	26,339	7.29%	6.33%
China 5Y CDS	45	-5	1	STI	2,690	4.49%	-2.25%
Malaysia 5Y CDS	65	-7	1	KLCI	1,577	5.52%	1.32%
Indonesia 5Y CDS	120	-12	10	JCI	4,989	1.78%	0.83%
Thailand 5Y CDS	42	-1	4	EU Stoxx 50	3,350	3.65%	-1.01%

Source: Bloomberg

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### New Issues

- Shinhan Financial Group Co Ltd priced a USD500mn 5.5-year Covid-19 bond at T+105bps, tightening from IPT of T+145bps area.
- BDO Unibank, Inc. priced a USD600mn 5.5-year bond at T+190bps.
- Shanghai Port Group (BVI) Development 2 Co., Limited (Guarantor: Shanghai International Port (Group) Co., Ltd.) priced a USD300mn 5-year bond at T+125bps, tightening from IPT of T+185bps area and another USD700mn 10-year bond at T+172.5bps, tightening from IPT of T+225bps area.
- Shimao Group Holdings Limited priced a USD300mn 10NC5 bond at 4.6%, tightening from IPT of 5.1% area.
- Modern Land (China) Co., Limited priced a USD250mn 2Y4M green bond at 12.375%, tightening from IPT of 12.75% area.
- Sunac China Holdings Limited priced a USD600mn 3NC2 at 6.75%, tightening from IPT of 7.30% area and another USD400mn 5NC3 bond at 7.3%, tightening from IPT of 7.85% area.
- ZhongAn Online P&C Online Insurance Company Limited, Overseas Chinese Town Enterprises Limited Company, International Container Terminal Services Inc. and the issuer Royal Capital BV, TCL Technology Group Corporation and Bank of Communications Financial Leasing Co., Ltd. and the issuer Bocom Leasing Management Hong Kong Company Limited arranged investor calls commencing 6 July for their proposed USD bond offerings respectively.
- Yankuang Group Company Limited arranged investor calls commencing 7 July for its proposed USD bond offering.
- Doosan Infracore Co., Ltd. arranged investor calls commencing 8 July 2020 for its proposed USD bond offering.
- South Korea has mandated banks for possible offshore USD bond offering.

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### New Issues

Date	Issuer	Size	Tenor	Pricing
06-Jul-20	Shinhan Financial Group Co Ltd	USD500mn	5.5-year	T+105bps
06-Jul-20	BDO Unibank, Inc.	USD600mn	5.5-year	T+190bps
06-Jul-20	Shanghai Port Group (BVI) Development 2 Co., Limited (Guarantor: Shanghai International Port (Group) Co., Ltd.)	USD300mn USD700mn	5-year 10-year	T+125bps T+172.5bps
06-Jul-20	Shimao Group Holdings Limited	USD300mn	10NC5	4.6%
06-Jul-20	Modern Land (China) Co., Limited	USD250mn	2Y4M	12.375%
06-Jul-20	Sunac China Holdings Limited	USD600mn USD400mn	3NC2 5NC3	6.75% 7.3%
03-Jul-20	Dangdai International Investments Ltd (Guarantor: Wuhan Dangdai Science & Technology Industries (Group) Co., Ltd)	USD200.5mn	DANDAI 10.5%'23s	8.75%
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%

Source: OCBC, Bloomberg

# Treasury Research & Strategy

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## Macro Research

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