

Market Commentary

- The SGD swap curve bear-steepened yesterday, with the 1-year tenor trading 1bps higher while the other tenors traded 2bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 119bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 1bps to 447bps. The HY-IG Index spread widened 2bps to 328bps.
- Flows in SGD corporates were moderate, with flows in UBS 4.85%-PERPs and SOCGEN 6.125%-PERPs.
- 10Y UST Yields rose by 1bps to close at 1.82%, due to positive U.S. trade deficit and ISM non-manufacturing index data. The market though opened this morning on heavy risk-off mode on the back of retaliation by Iran against the US.

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Asian Credit Daily

Key Market Movements

| | 08-Jan | 1W chg (bps) | 1M chg (bps) | | 08-Jan | 1W chg | 1M chg |
|------------------------------|--------|-----------------|-----------------|----------------------------------|----------|--------|--------|
| iTraxx Asiax IG | 56 | 2 | -8 | Brent Crude Spot (\$/bbl) | 70.27 | 6.47% | 9.13% |
| iTraxx SovX APAC | 28 | 1 | -2 | Gold Spot (\$/oz) | 1,596.42 | 5.22% | 9.22% |
| iTraxx Japan | 45 | 1 | -8 | CRB | 186.93 | 0.04% | 3.17% |
| iTraxx Australia | 49 | 2 | -6 | GSCI | 442.35 | 0.63% | 4.64% |
| CDX NA IG | 47 | 1 | -4 | VIX | 13.79 | -6.95% | 1.25% |
| CDX NA HY | 109 | 0 | 2 | CT10 (%) | 1.745% | -17.28 | -9.16 |
| iTraxx Eur Main | 45 | 0 | -3 | | | | |
| | | | | | | | |
| iTraxx Eur XO | 213 | 5 | -8 | AUD/USD | 0.687 | -2.15% | 0.63% |
| iTraxx Eur Snr Fin | 54 | 3 | -1 | EUR/USD | 1.116 | -0.49% | 0.84% |
| iTraxx Eur Sub Fin | 114 | 1 | -1 | USD/SGD | 1.351 | -0.44% | 0.63% |
| iTraxx Sovx WE | 12 | 0 | 0 | AUD/SGD | 0.928 | 1.75% | -0.02% |
| | | | | | | | |
| | | | | | | | |
| USD Swap Spread 10Y | -6 | -4 | 1 | ASX 200 | 6,771 | 1.30% | 0.95% |
| USD Swap Spread 30Y | -35 | -5 | -2 | DJIA | 28,584 | 0.43% | 2.03% |
| US Libor-OIS Spread | 32 | -3 | -2 | SPX | 3,237 | 0.49% | 2.90% |
| Euro Libor-OIS Spread | 7 | 1 | 1 | MSCI Asiax | 692 | 0.48% | 6.29% |
| | | | | HSI | 27,876 | -1.11% | 5.20% |
| China 5Y CDS | 33 | 1 | -6 | STI | 3,194 | -0.89% | -0.01% |
| Malaysia 5Y CDS | 37 | 2 | -4 | KLCI | 1,594 | 0.32% | 1.62% |
| Indonesia 5Y CDS | 65 | 3 | -7 | JCI | 6,279 | -0.79% | 1.49% |
| Thailand 5Y CDS | 24 | 0 | -3 | EU Stoxx 50 | 3,759 | 0.29% | 1.81% |
| Australia 5Y CDS | 17 | 2 | 0 | | | | |

Source: Bloomberg

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New Issues

- Indonesia priced a USD2bn debt offering in two parts, (1) a USD1.2bn 10-year tranche at 2.88% and (2) a USD800mn 30-year tranche at 3.55%, tightening from IPT of 3.125% area and 3.75% area respectively.
- Country Garden Holdings Company Limited priced a USD550mn 7NC4 bond at 5.125% and a USD450mn 10NC5 bond at 5.625%, tightening from IPT of 5.625% area and 6.125% area respectively.
- Central Plaza Development Ltd priced a USD450mn 5.5-year bond at 3.85%, tightening from IPT of 4.25% area.
- JD.com, Inc. priced a USD1bn debt offering in two parts, (1) a USD700mn 10-year bond at T+160bps, tightening from IPT of T+195bps area, and (2) a USD300mn 30-year bond at 4.185%.
- Logan Property Holdings Company Ltd priced a USD300mn 5NC3 bond at 5.75%, tightening from IPT of 6.25% area.
- Sunac China Holdings Limited priced a USD540mn 5NC3 bond at 6.50%, tightening from IPT of 7.00% area.
- CIFI Holdings (Group) Co. Ltd priced a USD400mn 5.5NC3 bond at 6.0%, tightening from IPT of 6.50% area.
- Zhenro Properties Group Limited priced a USD290mn 4.25NC3 bond at 7.875%, tightening from IPT at 8.40% area.
- China SCE Group Holdings Limited priced a USD150mn re-tap of its existing CHINSC 7.375%'24s at 7.375%, widening from IPG of 6.875% area.
- Export-Import Bank of India priced a USD1bn 10-year bond at T+150bps, tightening from IPT of T+175bps area.
- Power Finance Corp. arranged investor meetings commencing 9 Jan for its potential USD bond issuance.
- SMC Global Power Holdings Corp. arranged investor meetings and conference calls commencing 7 Jan for its proposed USD bond offering.
- Radiance Group Co., Ltd arranged investor meetings commencing 8 Jan for its proposed bond issuance.

New Issues

| Date | Issuer | Size | Tenor | Pricing |
|-----------|--|----------------------|----------------------|---------------------------------|
| 08-Jan-20 | Indonesia | USD1.2bn USD800mn | 10-year 30-year | 2.88% 3.55% |
| 08-Jan-20 | Country Garden Holdings Company Limited | USD550mn USD450mn | 7NC4 10NC5 | 5.125% 5.625% |
| 08-Jan-20 | Central Plaza Development Ltd | USD450mn | 5.5-year | 3.85% |
| 08-Jan-20 | JD.com, Inc. | USD700mn USD300mn | 10-year 30-year | T+160bps T+195bps |
| 08-Jan-20 | Logan Property Holdings Company Ltd | USD300mn | 5NC3 | 5.75% |
| 08-Jan-20 | Sunac China Holdings Limited | USD540mn | 5NC3 | 6.50% |
| 08-Jan-20 | CIFI Holdings (Group) Co. Ltd | USD400mn | 5.5NC3 | 6.0% |
| 08-Jan-20 | Zhenro Properties Group Limited | USD290mn | 4.25NC3 | 7.875% |
| 08-Jan-20 | China SCE Group Holdings Limited | USD150mn | CHINSC 7.375%'24s | 7.375% |
| 08-Jan-20 | Export-Import Bank of India | USD1bn | 10-year | T+150bps |
| 07-Jan-20 | KWG Group Holdings Limited | USD300mn | 7NC4 | 7.4% |
| 07-Jan-20 | National Australia Bank | USD750m USD1bn | 3-year 3-year | T+43bps 3m-US LIBOR+41bps |
| 07-Jan-20 | Export-Import Bank of India | USD1bn | 10-year | T+150bps |
| 07-Jan-20 | Longfor Group Holdings Limited | USD250mn USD400mn | 7.25-year 12-year | T+168bps T+208bps |
| 07-Jan-20 | Manappuram Finance Limited | USD300mn | 3-year | 5.9% |
| 07-Jan-20 | Yuzhou Properties Company Limited | USD645mn | 6NC4 | 7.375% |
| 07-Jan-20 | Fantasia Holdings Group Co., Limited | USD450mn | 3NC2 | 11.2% |
| 07-Jan-20 | Golden Wheel Tiandi Holdings Company Limited | USD200mn | 2-year | 13.0% |
| 03-Jan-20 | Jiaozuo Investment Co. Ltd. | USD100mn | 363-days | 6.5% |

Source: OCBC, Bloomberg

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