

Market Commentary

- The SGD swap curve bull flattened yesterday, with shorter tenors trading 1-3bps lower, belly tenors trading 3-5bps lower, and longer tenors trading 3-4bps lower.
- There were heavy flows in SGD Corporates yesterday, with flows in HRINTH 3.8%'25s, MAPLSP 3.7%-PERPs, and OLAMSP 5.375%-PERPs.
- UST 10Y Yields rose 3bps to close at 1.31% yesterday amidst hawkish comments from several ECB officials following a decade-high Eurozone inflation reading and the June S&P/Case-Shiller Home Price Index showing a record high for home prices in the US.

Credit Research

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Credit Summary:

- **Olam International Ltd (“Olam”) | Issuer Profile: Neutral (5):** Olam announced that it has secured three committed loan facilities totalling USD5.2bn. The facilities comprise of a USD1.2bn three-year term loan and two 18-month bridge loan facilities of USD2.0bn each. We expect debt to be pushed down to OFI and OGA, though the company is still in the process of re-organising the overall debt structure, with details on the targeted capital structure for each Olam, OFI and OGA yet to be disclosed. That being said, we view the continued ability of Olam to access the bank debt market positively despite the event risk surrounding its re-organisation.

Asian Credit Daily

Credit Headlines

Olam International Ltd (“Olam”) | Issuer Profile: Neutral (5):

- Olam announced that it has secured three committed loan facilities totalling USD5.2bn. The facilities comprise of a USD1.2bn three-year term loan and two 18-month bridge loan facilities of USD2.0bn each.
- The term loan facility will be used for general corporate purposes. The bridge loan facilities will be used to facilitate Olam’s re-organisation plan.
- Per Olam, the transaction allows flexibility for the company to allocate financing across its three new operating groups (namely Olam (the current listed company/bond issuer), Olam Food Ingredients (“OFI”) and Olam Global Agri (“OGA”)).
- We expect debt to be pushed down to OFI and OGA, though the company is still in the process of re-organising the overall debt structure, with details on the targeted capital structure for each Olam, OFI and OGA yet to be disclosed. That being said, we view the continued ability of Olam to access the bank debt market positively despite the event risk surrounding its re-organisation. (Company, OCBC)

Key Market Movements

	1-Sep	1W chg (bps)	1M chg (bps)		1-Sep	1W chg	1M chg
iTraxx Asiax IG	66	-6	-25	Brent Crude Spot (\$/bbl)	71.70	-0.76%	-6.07%
iTraxx SovX APAC	25	-1	-4	Gold Spot (\$/oz)	1,813.18	1.24%	-0.02%
iTraxx Japan	44	-1	-3	CRB	218.17	1.43%	0.04%
iTraxx Australia	58	-2	-4	GSCI	527.37	1.40%	-2.54%
CDX NA IG	46	-2	-4	VIX	16.48	-4.30%	-9.65%
CDX NA HY	110	0	1	CT10 (%)	1.316%	-2.35	9.32
iTraxx Eur Main	45	-1	-2				
iTraxx Eur XO	228	-3	-7	AUD/USD	0.732	0.58%	-0.58%
iTraxx Eur Snr Fin	52	-1	-2	EUR/USD	1.181	0.29%	-0.54%
iTraxx Eur Sub Fin	0	0	0	USD/SGD	1.345	0.61%	0.62%
iTraxx Sovx WE	5	0	0	AUD/SGD	0.984	0.04%	1.25%
USD Swap Spread 10Y	2	0	-1	ASX 200	7,472	-0.80%	1.07%
USD Swap Spread 30Y	-27	1	-2	DJIA	35,361	-0.02%	1.22%
US Libor-OIS Spread	4	1	1	SPX	4,523	0.81%	2.90%
Euro Libor-OIS Spread	-6	0	0	MSCI Asiax	838	2.39%	2.08%
				HSI	25,879	0.59%	-0.32%
China 5Y CDS	32	-2	-7	STI	3,055	-1.69%	-3.53%
Malaysia 5Y CDS	44	-3	-7	KLCI	1,601	5.19%	7.14%
Indonesia 5Y CDS	68	-4	-13	JCI	6,150	1.00%	1.32%
Thailand 5Y CDS	34	-2	-6	EU Stoxx 50	4,196	0.44%	2.62%
Australia 5Y CDS	15	0	0				

Source: Bloomberg

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New Issues

- Quan Cheng Financial Holdings (BVI) LTD (Guarantor: Jinan Financial Holding Group Co. Ltd) priced a USD278mn 3-year senior unsecured bond at 3.8%, tightening from an IPT of 4.2% area.
- Sun Hung Kai & Co BVI Ltd (Guarantor: Sun Hung Kai & Co., an unrated alternative investment company) priced a USD375mn 5-year senior unsecured bond at 5%, tightening from an IPT of 5.35% area.
- Chongqing International Logistics Hub Park Construction Co Ltd priced a USD155mn 3-year senior unsecured bond at 5.3%.
- Kaisa Group Holdings Ltd priced a USD300mn 364-Day senior sustainability bond at 11%.
- AIA Group Limited has arranged investor calls commencing 31 August for its proposed USD bond offering.
- ACEN Finance Limited has arranged investor calls commencing 31 August for its proposed USD bond offering.
- Zensun Enterprises Limited has mandated banks for its proposed USD bond offering.
- Changchun Urban Development & Investment Holdings has arranged investor calls commencing 31 August for its proposed USD bond offering.

Date	Issuer	Size	Tenor	Pricing
31-Aug-21	Quan Cheng Financial Holdings (BVI) LTD (Guarantor: Jinan Financial Holding Group Co. Ltd)	USD278mn	3-year	3.8%
31-Aug-21	Sun Hung Kai & Co BVI Ltd (Guarantor: Sun Hung Kai & Co.)	USD375mn	5-year	5%
31-Aug-21	Chongqing International Logistics Hub Park Construction Co Ltd	USD155mn	3-year	5.3%
31-Aug-21	Kaisa Group Holdings Ltd	USD300mn	364-Day	11%.

Source: OCBC, Bloomberg

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