

Market Commentary

- The SGD swap curve traded higher yesterday, with shorter tenors trading 1bps higher, and belly and longer tenors trading 1-2bps higher.
- There were light flows in SGD Corporates yesterday, with flows in MAPLSP 3.7%-PERPs.
- UST 10Y Yields fell 2bps to 1.29% yesterday amidst lower-than-expected jobs data numbers released by HR firm ADP. Private payrolls increased by 374,000, significantly lower than Dow Jones's estimate of 600,000, and comes ahead of Friday's August non-farm payrolls release.

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Credit Summary:

- [Century Sunshine Group Holdings Ltd \("CENSUN"\)](#) | **Issuer Profile: Unrated:** CENSUN announced its unaudited condensed consolidated 1H2021 results. In view of the on-going debt restructuring where full details have not been published, CENSUN's capital structure remains highly uncertain.

Asian Credit Daily

Credit Headlines

Century Sunshine Group Holdings Ltd (“CENSUN”) | Issuer Profile: Unrated:

- CENSUN announced its unaudited condensed consolidated 1H2021 results. Notwithstanding the company's on-going debt restructuring, the financial statements have been prepared on a going concern basis, where validity depends on successful negotiation with creditors to renew or extend the existing borrowings or complete debt financing to provide funds for CENSUN to meet its liabilities as they fall due.
- Revenue was down by 26.2% y/y to HKD817.1mn, with declines observed across all of CENSUN's business segments. Overall reported gross profit had declined 65.4% y/y to HKD65.6mn while reported loss before income tax was HKD159.2mn against a small profit before income tax of HKD8.4mn in 1H2020. In addition to the decline in gross profit which had hampered profitability, CENSUN had recognised net allowances on expected credit loss on trade receivables and changes in fair value of financial guarantee liabilities totalling HKD50.1mn.
- Per company, its operating scale has been affected from the on-going debt restructuring and tight funding while raw material cost had increased. Overall gross margins were crimped, falling to 8.0% in 1H2021 versus 17.2% in 1H2020. Prior to COVID-19, CENSUN had historically reported overall gross margins of ~25%.
- As at 30 June 2021, CENSUN's unadjusted net gearing was 0.59x versus 0.55x in end-2020 although as highlighted in the past, CENSUN's book value equity remains incongruent with its market implied equity value. CENSUN's equity remains tradable on the Hong Kong Stock Exchange, with a market cap of HKD192.4mn as at 1 September 2021 against total debt of HKD2.1bn as at 30 June 2021.
- In view of the on-going debt restructuring where full details have not been published, CENSUN's capital structure remains highly uncertain. (Company, OCBC)

Key Market Movements

	2-Sep	1W chg (bps)	1M chg (bps)		2-Sep	1W chg	1M chg
iTraxx Asiax IG	65	-6	-26	Brent Crude Spot (\$/bbl)	71.23	0.23%	-2.28%
iTraxx SovX APAC	24	-1	-4	Gold Spot (\$/oz)	1,814.67	1.24%	0.07%
iTraxx Japan	43	-1	-3	CRB	217.98	0.59%	-0.05%
iTraxx Australia	58	-3	-5	GSCI	526.09	0.34%	-2.78%
CDX NA IG	46	-2	-4	VIX	16.11	-4.05%	-11.68%
CDX NA HY	110	1	1	CT10 (%)	1.299%	-5.04	12.14
iTraxx Eur Main	44	-2	-2				
iTraxx Eur XO	226	-7	-9	AUD/USD	0.737	1.78%	0.07%
iTraxx Eur Snr Fin	52	-2	-2	EUR/USD	1.184	0.77%	-0.24%
iTraxx Eur Sub Fin	0	0	0	USD/SGD	1.344	0.71%	0.66%
iTraxx Sovx WE	5	0	0	AUD/SGD	0.990	-1.00%	0.63%
USD Swap Spread 10Y	2	1	-1	ASX 200	7,466	-0.34%	-0.35%
USD Swap Spread 30Y	-27	0	-2	DJIA	35,313	-0.26%	1.08%
US Libor-OIS Spread	4	1	1	SPX	4,524	0.62%	2.93%
Euro Libor-OIS Spread	-6	0	0	MSCI Asiax	841	3.48%	1.20%
				HSI	26,028	1.30%	-0.79%
China 5Y CDS	32	-3	-7	STI	3,088	-0.63%	-2.32%
Malaysia 5Y CDS	43	-4	-8	KLCI	1,587	2.16%	6.29%
Indonesia 5Y CDS	66	-6	-14	JCI	6,091	-0.36%	-0.09%
Thailand 5Y CDS	33	-3	-7	EU Stoxx 50	4,227	1.10%	2.69%
Australia 5Y CDS	15	0	0				

Source: Bloomberg

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New Issues

- State Grid Overseas Investment (BVI) (Guarantor: State Grid Corp of China) priced a USD600mn 5-year senior unsecured bond at T+45bps, tightening from an IPT of T+90bps area.
- Axis Bank Ltd/Gift City priced a USD600mn perpNC5 subordinated unsecured AT1 bond at 4.1%, tightening from an IPT of 4.4% area.
- Adani Green Energy Ltd. priced a USD750mn 3-year senior secured green bond at 4.375%, tightening from an IPT of 4.7% area.
- ACEN Finance Limited (Guarantor: AC Energy Corp) priced a USD400mn perpNC3.5 senior unsecured green bond at 4%, tightening from an IPT of 4.45% area.
- Chang Development International Ltd (Guarantor: Changchun Urban Development & Investment Holdings Group Co Ltd) priced a USD230mn 3-year senior unsecured bond at 4.3%, tightening from an IPT of 4.6% area.
- Lai Sun MTN Ltd (Guarantor: LAI SUN DEV) priced a USD250mn re-tap of its LASUDE 5%'26s at 4.999%.
- Contemporary Amperex Technology Co. has arranged investor calls commencing 01 September for its proposed USD bond offering.

Date	Issuer	Size	Tenor	Pricing
01-Sep-21	State Grid Overseas Investment (BVI) (Guarantor: State Grid Corp of China)	USD600mn	5-year	T+45bps
01-Sep-21	Axis Bank Ltd/Gift City	USD600mn	perpNC5	4.1%
01-Sep-21	Adani Green Energy Ltd.	USD750mn	3-year	4.375%
01-Sep-21	ACEN Finance Limited (Guarantor: AC Energy Corp)	USD400mn	3-year	4%.
01-Sep-21	Chang Development International Ltd (Guarantor: Changchun Urban Development & Investment Holdings Group Co Ltd)	USD230mn	perpNC3.5	4.3%
01-Sep-21	Lai Sun MTN Ltd (Guarantor: LAI SUN DEV)	USD250mn	3-year	4.999%

Source: OCBC, Bloomberg

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