

### Market Commentary

- Shorter tenors traded 1bps higher, belly tenors traded 0-1bps lower, and longer tenors traded 0-1bps higher yesterday across the SGD swap curve.
- There were heavy flows in SGD Corporates yesterday, with flows in AAREIT 5.375%-PERPs, MAPLSP 3.7%-PERPs, STANLN 5.375%-PERPs, and UOBSP 2.55%-PERPs.
- 10Y UST Yields traded 1bps lower to 1.28% yesterday amidst the release of better-than-expected weekly initial jobless claims by the US Department of Labour. Jobless claims came in at 340,000, lower than the consensus of 345,000 forecasted by economists and was the lowest since the start of the pandemic.

### Credit Research

#### Andrew Wong

+65 6530 4736

[WongVKAM@ocbc.com](mailto:WongVKAM@ocbc.com)

#### Ezien Hoo, CFA

+65 6722 2215

[EzienHoo@ocbc.com](mailto:EzienHoo@ocbc.com)

#### Wong Hong Wei, CFA

+65 6722 2533

[WongHongWei@ocbc.com](mailto:WongHongWei@ocbc.com)

### Credit Summary:

- **[Real Estate Investment Trust \("REIT"\)](#) Sector Update:** 11 smaller REITs listed on the Singapore Stock Exchange have been included in the FTSE EPRA NAREIT Global Real Estate Index series according to the index series' quarterly review changes. The REITs that have been included are: AIMS APAC REIT (coverage temporarily suspended due to OCBC other business), ARA Logos Logistics Trust ("ALOG", Neutral (4)), Cromwell European REIT, ESR-REIT, Far East Hospitality Trust, Keppel Pacific Oak US REIT, Lendlease Global Commercial REIT, OUE Commercial REIT, Prime US REIT, SPH REIT ("SPHR", Neutral (4)) and Starhill Global REIT ("SGREIT", Neutral(4)).
- **[Olam International Ltd \("Olam"\)](#) | Issuer Profile: Neutral (5):** Olam has issued JPY9bn (~USD81mn / ~SGD108.8mn) in 5Y notes due September 2026 via a private placement which in our view was driven by the lower cost of funding. The notes were issued at 1.61% p.a fixed coupon, payable semi-annually.
- **[Singapore Telecommunications Ltd \("SingTel"\)](#) | Issuer Profile: Positive (2):** SingTel's 35% owned associate PT Telekomunikasi Selular ("Telkomsel") has signed a sale-and-purchase agreement with PT Dayamitra Telekomunikasi ("Mitratel") for the sale of 4,000 telecommunication towers for IDR6.2 trillion (~SGD580mn).
- **[Singapore Post \("SPOST"\)](#) | Issuer Profile: Neutral (3):** SPOST has announced that it has entered into a sale and purchase agreement to sell its stake in the General Storage Company Pte Ltd ("General Storage") to a wholly-owned subsidiary of Mitsuuroko Group Holdings Co., Ltd.

## Asian Credit Daily

### Credit Headlines

#### Real Estate Investment Trust (“REIT”) Sector Update:

- 11 smaller REITs listed on the Singapore Stock Exchange have been included in the FTSE EPRA NAREIT Global Real Estate Index series according to the index series’ quarterly review changes.
- The REITs that have been included are: AIMS APAC REIT (coverage temporarily suspended due to OCBC other business), ARA Logos Logistics Trust (“ALOG”, Neutral (4)), Cromwell European REIT, ESR-REIT, Far East Hospitality Trust, Keppel Pacific Oak US REIT, Lendlease Global Commercial REIT, OUE Commercial REIT, Prime US REIT, SPH REIT (“SPHR”, Neutral (4)) and Starhill Global REIT (“SGREIT”, Neutral(4)).
- Inclusion into well followed equity indices typically leads to higher trading liquidity, visibility and passive fund flows resulting in tighter equity valuations. There has been a noticeable uptick in equity prices of these REITs since yesterday’s announcement. (Business Times, OCBC)

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

- Olam has issued JPY9bn (~USD81mn / ~SGD108.8mn) in 5Y notes due September 2026 via a private placement which in our view was driven by the lower cost of funding. The notes were issued at 1.61% p.a fixed coupon, payable semi-annually.
- Per Bloomberg prices as of writing, the bond is trading at YTM of 1.41%, and implying a YTM of ~2.56% in SGD-terms. Comparatively, the SGD-denominated OLAMSP 4% ‘26s is trading at a YTM of 3.73%. (Company, OCBC)

#### Singapore Telecommunications Ltd (“SingTel”) | Issuer Profile: Positive (2):

- SingTel’s 35% owned associate PT Telekomunikasi Selular (“Telkomsel”) has signed a sale-and-purchase agreement with PT Dayamitra Telekomunikasi (“Mitratel”) for the sale of 4,000 telecommunication towers for IDR6.2 trillion (~SGD580mn). Mitratel is a subsidiary of PT Telkom Indonesia Tbk, the majority owner of Telkomsel. With the sale, Mitratel will be managing over 28,000 telecommunication towers across Indonesia.
- As part of the transaction, Telkomsel has also entered into a 10-year lease arrangement with Mitratel for rental of tower space as the company seeks to “maximize its infrastructure.”
- Any proceeds from the divestment would be credit positive for SingTel, especially considering a possible subscription to Bharti Airtel Ltd’s USD2.9bn 1 for 14 rights issue, that may translate into pressure on SingTel’s credit ratings. (Company, Bloomberg, OCBC)

## Asian Credit Daily

### Credit Headlines

#### Singapore Post (“SPOST”) | Issuer Profile: Neutral (3):

- SPOST has announced that it has entered into a sale and purchase agreement to sell its stake in the General Storage Company Pte Ltd (“General Storage”) to a wholly-owned subsidiary of Mitsuuroko Group Holdings Co., Ltd.
- The estimated aggregate cash consideration for the sale will be ~SGD85.1mn, before transaction costs, subject to adjustments at completion date.
- The General Storage company is a warehousing, storage and logistics services company. Per SPOST, the sale is in line with its strategy to recycle capital by divesting non-core assets. The transaction is expected to result in a gain of ~SGD6mn, after transaction costs, before considering effect of transfer of fair value reserve directly to retained earnings.
- The General Storage company was bought in 2013 (in its previous acquisition wave) for SGD37mn and the company operated a self-storage business under the “Lock+Store” brand in Singapore, though had subsequently expanded including via acquisitions of competing brands. (Company, OCBC)

### Key Market Movements

	3-Sep	1W chg (bps)	1M chg (bps)		3-Sep	1W chg	1M chg
iTraxx Asiax IG	64	-6	-26	Brent Crude Spot (\$/bbl)	72.83	0.18%	0.58%
iTraxx SovX APAC	24	-1	-4	Gold Spot (\$/oz)	1,809.64	-0.44%	-0.04%
iTraxx Japan	43	-1	-3	CRB	220.01	1.68%	1.98%
iTraxx Australia	58	-3	-5	GSCI	532.64	2.12%	-0.15%
CDX NA IG	46	0	-3	VIX	16.41	-12.90%	-15.67%
CDX NA HY	110	0	1	CT10 (%)	1.290%	-1.67	11.81
iTraxx Eur Main	45	0	-2				
iTraxx Eur XO	227	-2	-10	AUD/USD	0.740	1.19%	0.04%
iTraxx Eur Snr Fin	52	-1	-2	EUR/USD	1.188	0.71%	0.13%
iTraxx Eur Sub Fin	0	0	0	USD/SGD	1.342	0.27%	0.66%
iTraxx Sovx WE	5	0	0	AUD/SGD	0.993	-0.93%	0.61%
USD Swap Spread 10Y	2	0	0	ASX 200	7,522	0.45%	0.63%
USD Swap Spread 30Y	-27	-1	-1	DJIA	35,444	0.66%	1.74%
US Libor-OIS Spread	4	0	1	SPX	4,537	1.50%	3.41%
Euro Libor-OIS Spread	-6	0	0	MSCI Asiax	841	3.31%	1.18%
				HSI	26,090	2.65%	-0.40%
China 5Y CDS	33	-1	-7	STI	3,089	-0.66%	-1.92%
Malaysia 5Y CDS	43	-4	-9	KLCI	1,582	0.79%	5.46%
Indonesia 5Y CDS	67	-4	-13	JCI	6,078	0.33%	-0.85%
Thailand 5Y CDS	33	-2	-7	EU Stoxx 50	4,232	1.49%	2.77%
Australia 5Y CDS	15	0	0				

Source: Bloomberg

## Asian Credit Daily

### New Issues

- Maldives Sukuk Issuance Ltd priced a USD200mn re-tap of its MVMOFB 9.875%'26s at 10.5%.
- China Development Bank Hong Kong Branch priced a USD500mn 3-year senior unsecured green bond at T+23bps, tightening from an IPT of T+60bps area.
- Contemporary Ruiding Development Ltd (Guarantor: Contemporary Amperex Technology Co) priced a USD500mn 5-year senior unsecured bond at T+85bps, tightening from an IPT of T+125bps area.

Date	Issuer	Size	Tenor	Pricing
02-Sep-21	Maldives Sukuk Issuance Ltd	USD200mn	9.875%'26s	10.5%
02-Sep-21	China Development Bank Hong Kong Branch	USD500mn	3-year	T+23bps
02-Sep-21	Contemporary Ruiding Development Ltd (Guarantor: Contemporary Amperex Technology Co)	USD500mn	5-year	T+85bps

Source: OCBC, Bloomberg

# Treasury Research & Strategy

## Macro Research

**Selena Ling**

*Head of Research & Strategy*

[LingSSSelena@ocbc.com](mailto:LingSSSelena@ocbc.com)

**Tommy Xie Dongming**

*Head of Greater China*

*Research*

[XieD@ocbc.com](mailto:XieD@ocbc.com)

**Wellian Wiranto**

*Malaysia & Indonesia*

[WellianWiranto@ocbc.com](mailto:WellianWiranto@ocbc.com)

**Howie Lee**

*Thailand, Korea &*

*Commodities*

[HowieLee@ocbc.com](mailto:HowieLee@ocbc.com)

**Carie Li**

*Hong Kong & Macau*

[carierli@ocbcwh.com](mailto:carierli@ocbcwh.com)

**Herbert Wong**

*Hong Kong & Macau*

[herberhtwong@ocbcwh.com](mailto:herberhtwong@ocbcwh.com)

## FX/Rates Strategy

**Frances Cheung**

*Rates Strategist*

[FrancesCheung@ocbc.com](mailto:FrancesCheung@ocbc.com)

**Terence Wu**

*FX Strategist*

[TerenceWu@ocbc.com](mailto:TerenceWu@ocbc.com)

## Credit Research

**Andrew Wong**

*Credit Research Analyst*

[WongVKAM@ocbc.com](mailto:WongVKAM@ocbc.com)

**Ezien Hoo**

*Credit Research Analyst*

[EzienHoo@ocbc.com](mailto:EzienHoo@ocbc.com)

**Wong Hong Wei**

*Credit Research Analyst*

[WongHongWei@ocbc.com](mailto:WongHongWei@ocbc.com)

This publication is solely for information purposes only and may not be published, circulated, reproduced, or distributed in whole or in part to any other person without our prior written consent. This publication should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this publication may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate.

This publication may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, they should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation, or particular needs before you make a commitment to purchase the investment product. OCBC and/or its related and affiliated corporations may at any time make markets in the securities/instruments mentioned in this publication and together with their respective directors and officers, may have or take positions in the securities/instruments mentioned in this publication and may be engaged in purchasing or selling the same for themselves or their clients, and may also perform or seek to perform broking and other investment or securities-related services for the corporations whose securities are mentioned in this publication as well as other parties generally. There may be conflicts of interest between Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited, OCBC Investment Research Private Limited, OCBC Securities Private Limited or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement.

This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).