

### Market Commentary

- The SGD swap curve traded mostly higher yesterday with shorter and belly tenors trading 0-2bps higher, and longer tenors 1-3bps higher.
- There were heavy flows in SGD Corporates yesterday, with flows in MAPLSP 3.7%-PERPs, KREITS 3.15%-PERPs, UOBSP 2.55%-PERPs, AIA 2.9%-PERPs, CS 5.675%-PERPs, KEPSP 3%'26s, TEMASE 2.8%'71s.
- UST 10Y Yields fell 3bps to 1.34% yesterday amidst the release of the Jobs Opening and Labour Turnover Survey showing job vacancies outnumbering the unemployed in July and hawkish comments from top Fed official James Bullard. He mentioned that the Federal Reserve should not deviate from their current tapering timeline despite weaker-than-expected economic data as of recent.

### Credit Summary:

- [AIMS APAC REIT \("AAREIT"\)](#) | **Issuer Profile: Neutral (4)**: In response to certain media reports, AAREIT announced that it is in exclusive due diligence with regards to the acquisition of Woolworths headquarters in north-west Sydney, Australia. Per AAREIT, no decision has been made, and no binding agreement has been entered into in respect of the acquisition of the property.
- [Credit Suisse Group AG \("CS"\)](#) | **Issuer Profile: Neutral (4)**: CS announced the appointment of the current head of group internal audit, Rafael Lopez Lorenzo, as chief compliance officer. With this appointment, risk and compliance roles are officially split.
- [Olam International Ltd \("Olam"\)](#) | **Issuer Profile: Neutral (5)**: Olam announced that Mr Niall FitzGerald has been appointed as the Chair of the Board of Directors for its operating group, Olam Food Ingredients ("OFI") effective 9 September 2021.

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## Asian Credit Daily

### Credit Headlines

#### **AIMS APAC REIT (“AAREIT”) | Issuer Profile: Neutral (4):**

- In response to certain media reports, AAREIT announced that it is in exclusive due diligence with regards to the acquisition of Woolworths headquarters in north-west Sydney, Australia. Per AAREIT, no decision has been made, and no binding agreement has been entered into in respect of the acquisition of the property.
- Per media and reports from brokerages, the current owners of the property (Inmark Asset Management, an investment fund manager) had put the property up for sale in mid-2021. The deal size could exceed AUD450mn (~SGD448mn).
- AAREIT’s total assets as at 30 June 2021 was SGD1.8bn. In our view, this is a very significant transaction should it occur. Assuming Woolworths continue to be the tenant, we think the counterparty credit risk is likely manageable though would need to monitor for funding structure and actual terms. Woolworths is a supermarket chain in a largely oligopolistic market. (Company, AFR, OCBC)

#### **Credit Suisse Group AG (“CS”) | Issuer Profile: Neutral (4):**

- CS announced the appointment of the current head of group internal audit, Rafael Lopez Lorenzo, as chief compliance officer. With this appointment, risk and compliance roles are officially split. CS had previously announced the appointment of David Wildermuth from Goldman Sachs Group Inc as chief risk officer to succeed Lara Warner, who previously held both risk and compliance roles. Ms Warner left CS following the USD5.5bn in losses recorded due to exposures to Archegos Capital Management.
- Both appointments will be involved in CS’s strategic review currently underway by recently appointed chairman Antonio Horta-Osorio who commenced at the end of April 2021. (Company, OCBC)

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

- Olam announced that Mr Niall FitzGerald has been appointed as the Chair of the Board of Directors for its operating group, Olam Food Ingredients (“OFI”) effective 9 September 2021.
- OFI had earlier been re-organised into a separate group where a listing is targeted on the London Stock Exchange (primary listing) with a concurrent secondary listing on the Singapore Stock Exchange in 1H2022.
- Mr FitzGerald was a veteran at Unilever Plc (“Unilever”) where he built his career. In 1996, Mr FitzGerald was appointed as Chairperson and CEO of the company, positions he held until 2004. He also chaired and served on a broad range of companies and public bodies. (Company, OCBC)

### Key Market Movements

	9-Sep	1W chg (bps)	1M chg (bps)		9-Sep	1W chg	1M chg
iTraxx Asiax IG	65	1	-25	Brent Crude Spot (\$/bbl)	72.53	-0.68%	5.06%
iTraxx SovX APAC	24	0	-4	Gold Spot (\$/oz)	1,789.51	-1.11%	3.44%
iTraxx Japan	43	-1	-4	CRB	219.30	0.52%	3.60%
iTraxx Australia	58	0	-4	GSCI	528.84	0.28%	3.18%
CDX NA IG	47	0	-3	VIX	17.96	8.98%	7.42%
CDX NA HY	110	0	1	CT10 (%)	1.333%	4.90	0.88
iTraxx Eur Main	45	0	-1				
iTraxx Eur XO	229	3	-4	AUD/USD	0.736	-0.61%	0.30%
iTraxx Eur Snr Fin	52	0	-1	EUR/USD	1.182	-0.51%	0.66%
iTraxx Eur Sub Fin	0	0	0	USD/SGD	1.347	-0.32%	0.76%
iTraxx Sovx WE	5	0	0	AUD/SGD	0.991	0.30%	0.44%
USD Swap Spread 10Y	3	1	1	ASX 200	7,448	-0.51%	-1.20%
USD Swap Spread 30Y	-25	2	3	DJIA	35,031	-0.93%	-0.20%
US Libor-OIS Spread	4	0	1	SPX	4,514	-0.19%	1.84%
Euro Libor-OIS Spread	-6	1	0	MSCI Asiax	845	0.47%	1.44%
				HSI	26,321	1.12%	0.14%
China 5Y CDS	33	0	-6	STI	3,069	-0.61%	-3.41%
Malaysia 5Y CDS	42	0	-9	KLCI	1,598	0.68%	6.74%
Indonesia 5Y CDS	67	0	-12	JCI	6,026	-1.07%	-1.66%
Thailand 5Y CDS	33	0	-6	EU Stoxx 50	4,177	-1.19%	0.00%
Australia 5Y CDS	15	0	0				

Source: Bloomberg

## Asian Credit Daily

### New Issues

- GF Financial Holdings BVI Ltd (Keepwell provider: GF Holdings (Hong Kong) Corp, SBLC provider: Nanyang Commercial Bank) priced a USD300mn 3-year senior unsecured bond at T+73bps, tightening from an IPT of T+115 area.
- SMC Global Power Holdings Corp priced a USD150mn re-tap of its SMCGL 5.45 PERP at 100.125, tightening from an IPT of 100.00 area.
- CCBL Cayman 1 Corp Ltd (Guarantor: CCB Leasing International Corp DAC) priced a USD400mn 5-year senior unsecured bond at T+90bps, tightening from an IPT of T+140bps area.
- Commonwealth Bank of Australia priced a USD500mn 4.75-year senior unsecured floating rate bond at SOFR+52bps, a USD1.2bn 4.75-year senior unsecured bond at T+38bps, tightening from an IPT of T+60bps area, and a USD800mn 10-year senior unsecured bond at T+65bps, tightening from an IPT of T+85bps area.
- China Merchants Securities International Co has arranged investor calls commencing 08 September for its proposed USD bond offering.
- Industrial Bank of Korea has arranged investor calls commencing 09 September for its proposed USD bond offering.

Date	Issuer	Size	Tenor	Pricing
08-Sep-21	GF Financial Holdings BVI Ltd (Keepwell provider: GF Holdings (Hong Kong) Corp, SBLC provider: Nanyang Commercial Bank)	USD300mn	3-year	T+73bps
08-Sep-21	SMC Global Power Holdings Corp	USD150mn	5.45 PERP	100.125
08-Sep-21	CCBL Cayman 1 Corp Ltd (Guarantor: CCB Leasing International Corp DAC)	USD400mn	5-year	T+90bps
08-Sep-21	Commonwealth Bank of Australia	USD500mn	4.75-year	SOFR+52bps
		USD1.2bn	4.75-year	T+38bps
		USD800mn	10-year	T+65bps

Source: OCBC, Bloomberg

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