

### Market Commentary

- The SGD swap curve traded lower yesterday with shorter tenors trading 1-2bps lower, belly tenors trading 3-4bps lower, and longer tenors trading 3-5bps lower.
- There were heavy flows in SGD Corporates yesterday, with flows in OLAMSP 4%'26s, CS 5.675%-PERPs, AIA 2.9%-PERPs, MAPLSP 3.7%-PERPs, and UOBSP 2.55%-PERPs.
- UST 10Y Yields rose 2bps to 1.30% yesterday as investors absorb the lower-than-expected consumer price index reading released yesterday. The lower inflation reading may provide further impetus to the Fed's tapering plans as it seeks to reduce its monthly bond-buyback purchases by the end of the year.

### 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:

- [First Real Estate Investment Trust \("FIRT"\)](#) | **Issuer profile: Negative (7):** FIRT's REIT Manager announced that it is still in active discussion with stakeholders including PT Lippo Karawaci Tbk with regards to the road subsidence issue in Surabaya and anticipates to reach a settlement on this issue by end-2021.
- [Olam International Ltd \("Olam"\)](#) | **Issuer profile: Neutral (5):** The media has reported that Olam is looking to acquire a stake in Guan Chong Bhd ("Guan Chong"), a major cocoa grinder. However, both companies have declined to comment on any potential corporate exercise.
- [Singapore Airlines Ltd \("SIA"\)](#) | **Issuer profile: Neutral (5):** SIA reported its August 2021 operating data.

## Asian Credit Daily

### Credit Headlines

#### **First Real Estate Investment Trust ("FIRT") | Issuer profile: Negative (7):**

- FIRT's REIT Manager announced that it is still in active discussion with stakeholders including PT Lippo Karawaci Tbk with regards to the [road subsidence issue](#) in Surabaya and anticipates to reach a settlement on this issue by end-2021. (Company)

#### **Olam International Ltd ("Olam") | Issuer profile: Neutral (5):**

- The media has reported that Olam is looking to acquire a stake in Guan Chong Bhd ("Guan Chong"), a major cocoa grinder. However, both companies have declined to comment on any potential corporate exercise. Guan Chong is listed on the Bursa Malaysia with a market cap of MYR3.1bn (~SGD1.0bn) as at 16 September 2021.
- Olam's operating group Olam Food Ingredients has completed two significant acquisitions year to date ahead of its proposed IPO in London (primary listing) and Singapore (secondary listing) targeted for 1H2022. (The Edge, OCBC)

#### **Singapore Airlines Ltd ("SIA") | Issuer profile: Neutral (5):**

- SIA reported its August 2021 operating data. On a group airline basis, passenger load factor was 17.5% in August 2021, slightly higher than the 16.3% in July 2021 (August 2020: 18.8%).
- Capacity on a group airline basis was 5,116.4 million seat-kilometres in August 2021 versus 5,119.0 million seat-kilometres in July 2021. In August 2020, this was only 1,190.1 million seat-kilometres.
- SIA cargo load factor was at 87.6% in August 2021, somewhat higher versus the 87.2% in July 2021 (+5.8 percentage points y/y).
- SIA passenger capacity was ~32% of pre-COVID-19 levels in August 2021, similar to July 2021. (Company, OCBC)

### Key Market Movements

	16-Sep	1W chg (bps)	1M chg (bps)		16-Sep	1W chg	1M chg
iTraxx Asiax IG	67	1	-16	Brent Crude Spot (\$/bbl)	75.34	5.44%	8.39%
iTraxx SovX APAC	23	-1	-4	Gold Spot (\$/oz)	1,795.10	0.03%	0.43%
iTraxx Japan	42	0	-3	CRB	225.46	2.81%	3.91%
iTraxx Australia	56	-2	-4	GSCI	545.01	3.06%	3.86%
CDX NA IG	46	-1	-3	VIX	18.18	1.22%	17.67%
CDX NA HY	110	0	0	CT10 (%)	1.301%	0.34	3.55
iTraxx Eur Main	45	0	-2				
iTraxx Eur XO	226	0	-7	AUD/USD	0.734	-0.39%	0.01%
iTraxx Eur Snr Fin	51	0	-2	EUR/USD	1.182	-0.07%	0.33%
iTraxx Eur Sub Fin	0	0	0	USD/SGD	1.341	0.16%	1.13%
iTraxx Sovx WE	5	0	0	AUD/SGD	0.984	0.56%	1.10%
USD Swap Spread 10Y	3	1	3	ASX 200	7,441	0.97%	-1.86%
USD Swap Spread 30Y	-24	1	7	DJIA	34,814	-0.62%	-1.97%
US Libor-OIS Spread	4	0	1	SPX	4,481	-0.74%	0.28%
Euro Libor-OIS Spread	-6	-1	0	MSCI Asiax	824	-1.33%	1.04%
				HSI	25,033	-4.89%	-4.39%
China 5Y CDS	33	0	-4	STI	3,059	-0.34%	-2.76%
Malaysia 5Y CDS	43	0	-8	KLCI	1,555	-2.65%	3.48%
Indonesia 5Y CDS	67	-1	-7	JCI	6,110	1.40%	0.37%
Thailand 5Y CDS	33	0	-5	EU Stoxx 50	4,146	-0.75%	-1.34%
Australia 5Y CDS	15	0	0				

Source: Bloomberg

## Asian Credit Daily

### New Issues

- JSW Steel Ltd priced a USD500mn 5-year senior unsecured bond at 3.95%, tightening from an IPT of 4.375% area, and a USD500mn 10-year senior unsecured sustainability-linked bond at 5.05%, tightening from an IPT of 5.5% area.
- Trafigura Group Pte Ltd priced a USD400mn perpNC6 subordinated bond at 5.875%, tightening from an IPT of 6.25% area.
- Korea Electric Power Corp priced a USD300mn 5-year senior unsecured green bond at T+40bps, tightening from an IPT of T+75bps area.
- Jinan Urban Construction International Investment Co Ltd (Guarantor: Jinan City Construction Group Ltd Co) priced a USD305mn 5-year senior unsecured bond at 2.4%, tightening from an IPT of 3% area.
- Bangkok Bank PCL priced a USD1.0bn 15NC10 Tier 2 subordinated bond at T+215bps, tightening from an IPT of T+250bps area.
- Keppel REIT MTN Pte Ltd priced a SGD150mn 7-year senior unsecured bond at 2.07%.
- AYC Finance Ltd has arranged investor calls commencing 15 September for its proposed USD bond offering.
- Pinghu State-Owned Assets Holding Group Co has arranged investor calls commencing 15 September for its proposed USD bond offering.
- Beijing Environment Sanitation Engineering Group Co., Ltd has arranged investor calls commencing 15 September for its proposed USD bond offering.

Date	Issuer	Size	Tenor	Pricing
15-Sep-21	JSW Steel Ltd	USD500mn USD500mn	5-year 10-year	3.95% 5.05%
15-Sep-21	Trafigura Group Pte Ltd	USD400mn	perpNC6	5.875%
15-Sep-21	Korea Electric Power Corp	USD300mn	5-year	T+40bps
15-Sep-21	Jinan Urban Construction International Investment Co Ltd (Guarantor: Jinan City Construction Group Ltd Co)	USD305mn	5-year	2.4%
15-Sep-21	Bangkok Bank PCL	USD1.0bn	15NC10	T+215bps
15-Sep-21	Keppel REIT MTN Pte Ltd	SGD150mn	7-year	2.07%

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)

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