

Market Commentary

- The SGD swap curve traded higher yesterday with shorter tenors trading 0-1bps higher, belly tenors trading 2-3bps higher, and longer tenors trading 2-4bps higher.
- There were moderate flows in SGD Corporates yesterday, with flows in KREITS 3.15%-PERPs, ARTSP 3.07%-PERPs, and SPHRSP 4.1%-PERPs.
- UST 10Y Yields rose 4bps to 1.34% yesterday amidst higher-than-expected August retail sales and weekly jobless claims. Retail sales increased by 0.7% m/m, exceeding expectations that it would decline by 0.8% m/m. Separately, initial jobless claims rose to 332,000, also exceeding estimates of 320,000 forecasted by Dow Jones.

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Credit Summary:

- [Singapore Airlines Ltd \("SIA"\)](#) | **Issuer profile: Neutral (5):** SIA announced an update on the use of proceeds from the SGD8.8bn rights issue completed in 2020 (equity and mandatory convertible bonds ("MCBs") combined) . Per SIA, the remaining SGD0.6bn has been applied towards aircraft and aircraft-related payments between 1 July 2021 and 1 September 2021 which means that the full amount had been utilized.

Asian Credit Daily

Credit Headlines

Singapore Airlines Ltd (“SIA”) | Issuer profile: Neutral (5):

- SIA announced an update on the use of proceeds from the SGD8.8bn rights issue completed in 2020 (equity and mandatory convertible bonds (“MCBs”) combined) . Per SIA, the remaining SGD0.6bn has been applied towards aircraft and aircraft-related payments between 1 July 2021 and 1 September 2021 which means that the full amount had been utilized.
- In June 2021, SIA raised a further SGD6.2bn in MCBs. As at 16 September 2021, net proceeds from this rights issue has not been utilized.
- SIA retains access to SGD2.1bn of committed lines of credit that remain undrawn. (Company, OCBC)

Key Market Movements

	17-Sep	1W chg (bps)	1M chg (bps)		17-Sep	1W chg	1M chg
iTraxx Asiax IG	68	2	-16	Brent Crude Spot (\$/bbl)	75.59	3.66%	9.50%
iTraxx SovX APAC	24	0	-3	Gold Spot (\$/oz)	1,755.24	-1.81%	-1.73%
iTraxx Japan	42	0	-3	CRB	223.94	2.50%	4.58%
iTraxx Australia	56	-1	-5	GSCI	542.58	3.33%	5.27%
CDX NA IG	46	-1	-4	VIX	18.69	-0.59%	4.36%
CDX NA HY	110	0	1	CT10 (%)	1.336%	-0.50	7.44
iTraxx Eur Main	44	0	-2				
iTraxx Eur XO	224	-3	-12	AUD/USD	0.729	-0.94%	0.47%
iTraxx Eur Snr Fin	51	-1	-3	EUR/USD	1.176	-0.45%	0.44%
iTraxx Eur Sub Fin	0	0	0	USD/SGD	1.346	-0.34%	1.21%
iTraxx Sovx WE	5	0	0	AUD/SGD	0.981	0.56%	0.76%
USD Swap Spread 10Y	4	1	2	ASX 200	7,396	-0.15%	-1.53%
USD Swap Spread 30Y	-23	2	6	DJIA	34,751	-0.37%	-1.67%
US Libor-OIS Spread	4	0	0	SPX	4,474	-0.43%	0.58%
Euro Libor-OIS Spread	-6	0	1	MSCI Asiax	816	-3.17%	1.51%
				HSI	24,668	-4.08%	-4.19%
China 5Y CDS	34	1	-4	STI	3,065	-0.23%	-1.73%
Malaysia 5Y CDS	43	1	-8	KLCI	1,555	-2.65%	3.48%
Indonesia 5Y CDS	67	1	-8	JCI	6,110	0.69%	0.36%
Thailand 5Y CDS	33	0	-5	EU Stoxx 50	4,170	-0.17%	-0.63%
Australia 5Y CDS	15	--	0				

Source: Bloomberg

Asian Credit Daily

New Issues

- Industrial & Commercial Bank of China Ltd priced a USD6.16bn perpNC5 Additional Tier 1 capital bond at 3.2%, tightening from an IPT of 3.65% area.
- Pinghu State-Owned Assets Holding Group Co priced a USD300mn 3-year senior unsecured bond at 2.2%, tightening from an IPT of 2.65% area.
- Bank Negara Indonesia Persero Tbk PT priced a USD600mn perpNC5.5 Additional Tier 1 capital bond at 4.3%, tightening from an IPT of 4.7% area.
- Beijing Environment (BVI) International Co. (Guarantor: Beijing Environment Sanitation Engineering Group Co Ltd) priced a USD230mn 3-year senior unsecured green bond at 1.65%, tightening from an IPT of 2.05% area.
- AYC Finance Ltd (Guarantor: Ayala Corp) priced a USD400mn perpNC5 senior unsecured bond at 3.9%, tightening from an IPT of 4.3% area.
- Frasers Property AHL Limited priced a SGD200mn 7-year senior unsecured sustainability bond at 3%, tightening from an IPT of 3.25% area.
- Chengdu Aerotropolis City Development Group Co. Ltd has arranged investor calls commencing 16 September for its proposed USD bond offering.

Date	Issuer	Size	Tenor	Pricing
16-Sep-21	Industrial & Commercial Bank of China Ltd	USD6.16bn	perpNC5	3.2%
16-Sep-21	Pinghu State-Owned Assets Holding Group Co	USD300mn	3-year	2.2%
16-Sep-21	Bank Negara Indonesia Persero Tbk PT	USD600mn	perpNC5.5	4.3%
16-Sep-21	Beijing Environment (BVI) International Co. (Guarantor: Beijing Environment Sanitation Engineering Group Co Ltd)	USD230mn	3-year	1.65%
16-Sep-21	AYC Finance Ltd (Guarantor: Ayala Corp)	USD400mn	perpNC5	3.9%
16-Sep-21	Frasers Property AHL Limited	SGD200mn	7-year	3%

Source: OCBC, Bloomberg

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