

Market Commentary

- Shorter tenors traded 3-4bps lower, belly tenors (with the exception of the 4-year trading 2bps lower) traded 0-1bps higher, and longer tenors traded 1-2bps lower yesterday across the SGD swap curve.
- There were heavy flows in SGD Corporates yesterday, with flows in SINTEC 4.2%-PERPs, MLTSP 3.725%-PERPs, and CMZB 4.2%'28s.
- UST 10Y Yields traded 4bps lower to 1.63% yesterday amidst the release of lower-than-expected weekly jobless claims and minutes from the FOMC meeting earlier in the month. Initial weekly jobless claims came in at 199,000, lower than the Dow Jones estimates of 260,000.

Credit Research

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Credit Summary:

- [DBS Group Holdings Ltd \("DBS"\)](#) | **Issuer Profile: Positive (2):** Technical difficulties have impacted DBS's online banking services over the past few days and has drawn comment from the Monetary Authority of Singapore ("MAS") who said it will consider supervisory actions following an investigation by DBS. Per DBS the issue stems from access control servers that deal with cover security verifications.
- [Mapletree North Asia Commercial Trust \("MNACT"\)](#) | **Issuer Profile: Neutral (4):** MNACT announced that it has entered into a settlement agreement with the insurers on the claims for property damage and revenue loss due to business disruption at Festival Walk, MNACT's key property which is located in Kowloon Tong, HKSAR. The mall (with office component) was negatively affected by protests in 2019. The total settlement agreed is HKD334.3mn (~SGD58.3mn) where HKD250mn (~SGD43.6mn) is due to revenue loss due to business disruption.
- [National Australia Bank Ltd \("NAB"\)](#) | **Issuer Profile: Positive (2):** The Australian Competition and Consumer Commission ("ACCC") will not oppose NAB's proposed acquisition of Citigroup's Australian consumer business. Of note though is the ACCC's concern that mergers and acquisitions may impact the competitiveness of the Australian consumer banking market hence the ACCC's focus on the impact of the acquisition on competition in the credit card market. The proposed acquisition remains conditional on other approvals from the Australian Prudential Regulation Authority and Treasurer Josh Frydenberg. NAB expects to complete the acquisition before July 2022.

Asian Credit Daily**Credit Headlines****DBS Group Holdings Ltd (“DBS”) | Issuer Profile: Positive (2):**

- Technical difficulties have impacted DBS’s online banking services over the past few days and has drawn comment from the Monetary Authority of Singapore (“MAS”) who said it will consider supervisory actions following an investigation by DBS. Per DBS the issue stems from access control servers that deal with cover security verifications.
- Per MAS Notice No.: PSN05 on Technology Risk Management, financial institutions must ensure that downtime for critical systems do not exceed four hours within any period of 12 months. For the last outage that occurred in 2010 and covered 6 hours, DBS was asked to set aside SGD230mn in regulatory capital. DBS recently announced record 9M2021 results with net profit of SGD5.4bn up 46% y/y.
- As such, DBS’ CET1 ratio of 14.5% as at 30 September 2021 was YTD up 60bps and well above minimum requirements of 10.0%. The ratio was stable q/q as earnings in 3Q2021 was offset by risk weighted asset growth. DBS has around SGD15.1bn in excess capital above its minimum requirement as at 30 September 2021. (MAS, Bloomberg, OCBC)

Mapletree North Asia Commercial Trust (“MNACT”) | Issuer Profile: Neutral (4):

- MNACT announced that it has entered into a settlement agreement with the insurers on the claims for property damage and revenue loss due to business disruption at Festival Walk, MNACT’s key property which is located in Kowloon Tong, HKSAR. The mall (with office component) was negatively affected by protests in 2019.
- The total settlement agreed is HKD334.3mn (~SGD58.3mn) where HKD250mn (~SGD43.6mn) is due to revenue loss due to business disruption. The remaining is for property damage. To date, HKD263mn (~SGD46.2mn) has been received from the insurers.
- This is a sizeable settlement in our view, in the first six months for the financial year ended 31 March 2022 (“1HFY2021”), Festival Walk contributed ~SGD81mn in net property income to MNACT. (Company, OCBC)

National Australia Bank Ltd (“NAB”) | Issuer Profile: Positive (2):

- The Australian Competition and Consumer Commission (“ACCC”) will not oppose NAB’s [proposed acquisition of Citigroup’s Australian consumer business](#). Of note though is the ACCC’s concern that mergers and acquisitions may impact the competitiveness of the Australian consumer banking market hence the ACCC’s focus on the impact of the acquisition on competition in the credit card market.
- For NAB which has a stronger business banking franchise, the acquisition of consumer businesses improves NAB’s business diversity without undermining the competitive dynamics. ACCC highlighted that NAB’s existing consumer card business was smaller than its big 4 peers and that it would continue to compete with the credit card brands that it was acquiring given the need for scale in providing the white-label credit card services it was acquiring.
- The proposed acquisition remains conditional on other approvals from the Australian Prudential Regulation Authority and Treasurer Josh Frydenberg. NAB expects to complete the acquisition before July 2022. (ACCC, Company, OCBC)

Key Market Movements

	25-Nov	1W chg (bps)	1M chg (bps)		25-Nov	1W chg	1M chg
iTraxx Asiax IG	87	1	4	Brent Crude Spot (\$/bbl)	82.25	2.45%	-3.83%
iTraxx SovX APAC	23	0	-1	Gold Spot (\$/oz)	1,791.65	-3.62%	-0.89%
iTraxx Japan	47	0	-1	CRB	238.37	0.95%	0.29%
iTraxx Australia	66	1	-2	GSCI	581.01	1.53%	-1.53%
CDX NA IG	53	2	1	VIX	18.58	8.59%	20.41%
CDX NA HY	109	-1	0	CT10 (%)	1.634%	4.86	0.34
iTraxx Eur Main	52	3	2				
iTraxx Eur XO	264	16	4	AUD/USD	0.721	-0.98%	-3.80%
iTraxx Eur Snr Fin	61	4	5	EUR/USD	1.121	-1.43%	-3.45%
iTraxx Eur Sub Fin	0	0	0	USD/SGD	1.368	-0.86%	-1.54%
iTraxx Sovx WE	5	0	1	AUD/SGD	0.986	0.10%	2.38%
USD Swap Spread 10Y	5	1	2	ASX 200	7,395	0.21%	-0.62%
USD Swap Spread 30Y	-17	3	3	DJIA	35,804	-0.35%	0.36%
US Libor-OIS Spread	10	2	4	SPX	4,701	0.27%	3.44%
Euro Libor-OIS Spread	-8	0	-2	MSCI Asiax	810	-1.25%	-2.52%
				HSI	24,686	-3.76%	-5.54%
China 5Y CDS	49	-1	3	STI	3,227	-0.17%	0.79%
Malaysia 5Y CDS	58	0	2	KLCI	1,522	-0.19%	-4.14%
Indonesia 5Y CDS	80	1	-2	JCI	6,683	0.11%	0.87%
Thailand 5Y CDS	33	-2	-5	EU Stoxx 50	4,276	-2.83%	2.10%
Australia 5Y CDS	14	-1	-1				

Source: Bloomberg

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New Issues

- Heng Yuan International Company Ltd (Guarantor: Ningbo Haishu Development Construction Investment Group Co Ltd) priced a USD150mn 3-year senior unsecured bond at 2.2%, tightening from an IPT of 2.7% area.
- China Everbright Bank Co. Ltd. Priced a USD300mn 3-year senior unsecured bond at T+33bps, tightening from an IPT of T+70bps area.
- Hafoo Co. (Guarantor: East Money) priced a USD300mn 3-year senior unsecured bond at T+110bps, tightening from an IPT of T+160bps area.

Date	Issuer	Size	Tenor	Pricing
24-Nov-21	Heng Yuan International Company Ltd (Guarantor: Ningbo Haishu Development Construction Investment Group Co Ltd)	USD150mn	3-year	2.2%
24-Nov-21	China Everbright Bank Co. Ltd.	USD300mn	3-year	T+33bps
24-Nov-21	Hafoo Co. (Guarantor: East Money)	USD300mn	3-year	T+110bps

Source: OCBC, Bloomberg

Temporary Suspension

- Do note that our official coverage on **Keppel Corporation Ltd**, **City Development Limited**, **Keppel Infrastructure Trust**, and **Mapletree Logistics Trust** is temporarily suspended due to OCBC's other business.

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