

Market Commentary

- The SGD swap curve mostly traded lower yesterday. Shorter tenors traded 0-1bps lower while belly and longer tenors traded ~1bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS remained mostly unchanged at 139bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 5bps to 611bps. The HY-IG Index Spread tightened 5bps to 473bps.
- There were heavy flows in SGD corporates yesterday including in STSP 3.3%-PERPs, LREIT 4.2%-PERPs, MINTSP 3.15%-PERPs, STTGDC 3.13%'28s, OLAMSP 5.375%-PERPs, SPHSP 4%-PERPs and OLAMSP 4%'26s.
- UST 10Y Yields fell 2bps to 1.59% as investors await for more clarity in the form of economic data amidst Philadelphia Fed President Patrick Harker's comment where he said that it was time to consider the time frame for scaling back on the Fed's asset purchase program.

Credit Research

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Credit Summary:

- [China Huarong Asset Management Ltd \("Huarong"\)](#) | **Issuer Profile: Unrated:** The Ministry of Finance ("MoF") is reportedly considering a proposal to transfer its shares in Huarong along with three other asset management companies ("AMCs") into a new holding company as part of discussions on dealing with financial risks posed by Huarong. This comes on the back of the appointment of a new President at Huarong.
- [Olam International Ltd \("Olam"\)](#) | **Issuer Profile: Neutral (5):** The media has reported that Olam has agreed to pay a penalty for an administrative process at its Ivory Coast business with regards to non-conforming of certain standards, while denying allegations of tax fraud.

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Credit Headlines

China Huarong Asset Management Ltd (“Huarong”) | Issuer Profile: Unrated

- The Ministry of Finance (“MoF”) is reportedly considering a proposal to transfer its shares in Huarong along with three other asset management companies (“AMCs”) into a new holding company as part of discussions on dealing with financial risks posed by Huarong. This comes on the back of the appointment of a new President at Huarong.
- Authorities are also reportedly discussing whether to bring in more external investors, which may reduce the MoF’s controlling stakes.
- Last week it was reported that the company had wired USD978mn of funds in aggregate to pay a USD bond and an onshore bond. (Bloomberg)

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

- The media has reported that Olam has agreed to pay a penalty for an administrative process at its Ivory Coast business with regards to non-conforming of certain standards, while denying allegations of tax fraud.
- Reportedly, the company has been ordered to pay 142 billion CFA francs (~USD263mn) in relation to repatriation of foreign currency. (Bloomberg)

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Key Market Movements

	3-Jun	1W chg (bps)	1M chg (bps)		3-Jun	1W chg	1M chg
iTraxx Asiax IG	86	1	7	Brent Crude Spot (\$/bbl)	71.62	3.11%	6.01%
iTraxx SovX APAC	26	0	0	Gold Spot (\$/oz)	1,907.16	0.56%	6.37%
iTraxx Japan	46	0	-2	CRB	209.28	3.38%	4.20%
iTraxx Australia	60	-1	-2	GSCI	531.23	3.65%	4.24%
CDX NA IG	50	-2	0	VIX	17.48	-7.22%	-4.53%
CDX NA HY	110	0	0	CT10 (%)	1.593%	-1.36	-0.50
iTraxx Eur Main	49	-2	-1				
iTraxx Eur XO	244	-8	-5	AUD/USD	0.775	0.01%	-0.19%
iTraxx Eur Snr Fin	57	-2	-1	EUR/USD	1.221	0.13%	1.22%
iTraxx Eur Sub Fin	118	6	0	USD/SGD	1.322	0.17%	0.57%
iTraxx Sovx WE	6	0	0	AUD/SGD	1.024	0.15%	0.76%
USD Swap Spread 10Y	-3	1	-2	ASX 200	7,266	2.41%	3.38%
USD Swap Spread 30Y	-28	1	-2	DJIA	34,600	0.84%	1.43%
US Libor-OIS Spread	5	-1	-4	SPX	4,208	0.48%	0.37%
Euro Libor-OIS Spread	-6	-1	-1	MSCI Asiax	897	1.83%	2.37%
				HSI	29,298	0.45%	3.32%
China 5Y CDS	37	0	0	STI	3,161	-0.12%	-0.74%
Malaysia 5Y CDS	46	0	0	KLCI	1,598	0.25%	0.45%
Indonesia 5Y CDS	76	-2	-3	JCI	6,032	4.65%	1.33%
Thailand 5Y CDS	40	-1	-2	EU Stoxx 50	4,089	1.41%	2.21%
Australia 5Y CDS	15	1	-12				

Source: Bloomberg

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New Issues

- Perusahaan Penerbit SBSN Indonesia III priced a USD1.25bn 5-year bond at 1.5%, tightening from IPT of 1.9% area, a USD1.0bn 10-year bond at 2.55%, tightening from IPT of 3% area, and a USD750mn 30-year bond at 3.55%, tightening from IPT of 4% area.
- PT Indofood CBP Sukses Makmur Tbk priced a USD1.15bn 10-year senior unsecured bond at T+180bps, tightening from IPT of T+225bps area, and a USD600mn 30-year senior unsecured bond at T+245bps, tightening from IPT of T+280bps area.
- Skyfame International Holdings Ltd (Guarantor: Skyfame Realty) priced a USD100mn re-tap of its SKYFAM 13%'23s at 13%.
- SMC Global Power Holdings Corp priced a USD600mn PerpNC5.5 at 5.45%, tightening from IPT of 5.875% area.
- E-House China Enterprise Holdings Ltd priced a USD100mn re-tap of its EHOUSE 7.6%'23s at 7.5%, tightening from IPT of 7.75% area.
- Shinhan Card Co.,Ltd. priced a USD300mn 5-year senior unsecured bond at T+70bps.
- Sembcorp Financial Services Pte. Ltd. priced a SGD400mn 10-year bond at 2.45%, tightening from IPG of 2.65% area.
- Industrial Bank Co., Ltd. has arranged investor calls commencing 2 June for its proposed USD green bond offering.

Date		Size	Tenor	Pricing
2-June-21	Perusahaan Penerbit SBSN Indonesia III	USD1.25bn USD1.0bn USD750mn	5-year 10-year 30-year	1.5% 2.55% 3.55%
2-June-21	PT Indofood CBP Sukses Makmur Tbk	USD1.15bn USD600mn	10-year 30-year	T+180bps T+245bps
2-June-21	Skyfame International Holdings Ltd (Guarantor: Skyfame Realty)	USD100mn	SKYFAM 13%'23s	13%
2-June-21	SMC Global Power Holdings Corp	USD600mn	PerpNC5.5	5.45%
2-June-21	E-House China Enterprise Holdings Ltd	USD100mn	EHOUSE 7.6%'23s	7.5%
2-June-21	Shinhan Card Co.,Ltd.	USD300mn	5-year	T+70bps
2-June-21	Sembcorp Financial Services Pte. Ltd.	SGD400mn	10-year	2.45%

Source: OCBC, Bloomberg

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