

Market Commentary

- The SGD swap curve mostly traded lower yesterday. Shorter, belly and longer tenors traded 0-1bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 138bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 6bps to 618bps. The HY-IG Index Spread widened 7bps to 480bps.
- There were heavy flows in SGD corporates yesterday including in STSP 3.3%-PERPs, SIASP 3.13%'27s, OLAMSP 4%'26s, WINGTP 4.35%-PERPs, CS 5.625%-PERPs, ESRCA 5.65%-PERPs, HSBC 4.7%-PERPs and MINTSP 3.15%-PERPs.
- UST 10Y Yields gained 4bps to 1.63% on the back of better-than-expected ADP private payrolls in May as companies hired 978,000 workers, up from April's 654,000. Meanwhile, weekly jobless claims came in near expectations at 385,000.

Credit Research

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Credit Summary:

- [Ascendas Real Estate Investment Trust \("AREIT"\)](#) | **Issuer Profile: Neutral (3)**: AREIT announced that it has entered into two agreements with unrelated purchasers to sell three logistics properties, two located in Brisbane and one in Melbourne for a total sale price of ~SGD128.7mn (~AUD125.1mn). Net proceeds are expected to be ~SGD124mn (~AUD120.5mn).
- [City Development Limited \("CDL"\)](#) | **Issuer Profile: Neutral (4)**: CDL has announced that relevant applications have been made to various regulatory authorities with regards to a proposed initial public offering ("IPO") and listing of a real estate investment trust ("REIT") on the Singapore Stock Exchange ("SGX"). The IPO is subject to market conditions and approvals being obtained, among others.

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Credit Headlines

Ascendas Real Estate Investment Trust ("AREIT") | Issuer Profile: Neutral (3)

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- The total sale price of AUD125.1mn is ~16.8% higher than total market valuations of the properties as at 31 December 2020 of AUD107.1mn.
- Taking the sale price in SGD-terms, the sale price represented a 8.8% increase over AREIT's purchase price of the properties, where the Brisbane properties were bought in October 2015 and the one in Melbourne bought in June 2018. (Company, OCBC)

City Development Limited ("CDL") | Issuer Profile: Neutral (4)

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- Earlier on 13 March 2021, CDL disclosed that the company was exploring the establishment of a REIT.
- The media has reported that a CDL REIT could raise GBP500mn (~SGD940mn), with the REIT comprising of office properties in the UK, such as 125 Old Broad Street and Aldgate House bought by CDL in 2018. Qatar Investment Authority ("QIA") which owns the HSBC Holdings Plc's headquarter at Canary Wharf, London is reportedly also injecting the property into this proposed REIT. (Company, Bloomberg, OCBC)

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Key Market Movements

	4-Jun	1W chg (bps)	1M chg (bps)		4-Jun	1W chg	1M chg
iTraxx Asiax IG	86	2	9	Brent Crude Spot (\$/bbl)	71.04	2.02%	3.14%
iTraxx SovX APAC	26	0	0	Gold Spot (\$/oz)	1,869.11	-1.82%	5.06%
iTraxx Japan	46	0	-2	CRB	207.47	1.98%	2.48%
iTraxx Australia	59	0	-1	GSCI	527.04	2.56%	2.04%
CDX NA IG	50	0	1	VIX	18.04	3.92%	-7.39%
CDX NA HY	110	0	0	CT10 (%)	1.625%	3.07	3.26
iTraxx Eur Main	49	-1	0				
iTraxx Eur XO	243	-2	-2	AUD/USD	0.766	-0.74%	-0.67%
iTraxx Eur Snr Fin	57	-1	0	EUR/USD	1.212	-0.56%	0.92%
iTraxx Eur Sub Fin	108	-9	-1	USD/SGD	1.328	-0.41%	0.62%
iTraxx Sovx WE	5	0	0	AUD/SGD	1.017	0.33%	1.32%
USD Swap Spread 10Y	-3	0	-2	ASX 200	7,269	1.25%	2.84%
USD Swap Spread 30Y	-29	-1	-3	DJIA	34,577	0.74%	1.30%
US Libor-OIS Spread	5	0	-4	SPX	4,193	-0.07%	0.68%
Euro Libor-OIS Spread	-6	0	-1	MSCI Asiax	894	1.03%	2.05%
				HSI	28,966	-0.51%	1.43%
China 5Y CDS	37	0	1	STI	3,165	0.01%	-0.44%
Malaysia 5Y CDS	46	0	0	KLCI	1,591	-0.21%	0.15%
Indonesia 5Y CDS	75	-1	-2	JCI	6,092	4.74%	2.14%
Thailand 5Y CDS	39	-1	-2	EU Stoxx 50	4,079	0.99%	3.93%
Australia 5Y CDS	15	0	-12				

Source: Bloomberg

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New Issues

- Shinsun Holdings (Group) Co. priced a USD200mn 364-day sustainability bond at 11%, tightening from IPT of 11.25% area.
- CSCIF Asia Ltd (Guarantor: CSC Financial Co., Ltd.) priced a USD500mn 3-year bond at T+92.5bps, tightening from IPT of T+140bps area.
- Chongqing Nan'an Urban Construction & Development Group Co Ltd priced a USD350mn 5-year senior unsecured bond at 4.7%, tightening from IPT of 5% area.
- Industrial Bank Co., Ltd. Hong Kong Branch priced a USD600mn 3-year senior unsecured green bond at T+58bps, tightening from IPT of T+95bps area.

Date		Size	Tenor	Pricing
3-June-21	Shinsun Holdings (Group) Co.	USD200mn	364-day	11%
3-June-21	CSCIF Asia Ltd (Guarantor: CSC Financial Co., Ltd.)	USD500mn	3-year	T+92.5bps
3-June-21	Chongqing Nan'an Urban Construction & Development Group Co Ltd	USD350mn	5-year	4.7%
3-June-21	Industrial Bank Co., Ltd. Hong Kong Branch	USD600mn	3-year	T+58bps

Source: OCBC, Bloomberg

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