

Market Commentary

- The SGD swap curve bear steepened yesterday, with shorter tenors trading 1-2bps higher. Belly tenors traded 4-5bps higher while longer tenors traded 5-6bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 2bps to 127bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 2bps to 640bps. The HY-IG Index Spread widened 3bps to 513bps.
- There were very minimal flows in SGD corporates yesterday.
- 10Y UST Yields gained 8bps to 1.57% on the back of Fed Chairman Jerome Powell's speech, where he commented over the recent rise in bond yields and inflation but did not sound concerned enough to force a retracement in yields by the market.

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Credit Summary:

- [Hyflux Ltd \("HYF"\)](#) | **Issuer Profile: Unrated:** HYF provided an update of its Judicial Management ("JM") process with judicial manager Borrelli Walsh inviting shortlisted investors to participate in the second stage of the investor process and submit binding offers on or before 31 March 2021. Per Bloomberg, HYF has received at least seven non-binding offers from potential investors and Borrelli Walsh hasn't determined if the company will be restructured in entirety or its assets sold individually. In addition, it was reported that HYF's cash as at 31 January 2021 of SGD18.4mn was able to meet its commitments until the end of June.

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Credit Headlines

Hyflux Ltd (“HYF”) | Issuer Profile: Unrated

- HYF provided an update of its Judicial Management (“JM”) process with judicial manager Borrelli Walsh inviting shortlisted investors to participate in the second stage of the investor process and submit binding offers on or before 31 March 2021.
- Borrelli Walsh will be aiming to finalise and agree to binding term sheets with selected shortlisted investors on or around 15 April 2021 though it has yet to be determined if any viable restructuring proposals will be submitted.
- Per Bloomberg, HYF has received at least seven non-binding offers from potential investors and Borrelli Walsh hasn’t determined if the company will be restructured in entirety or its assets sold individually. In addition, it was reported that HYF’s cash as at 31 January 2021 of SGD18.4mn was able to meet its commitments until the end of June.
- As a recap, HYF was placed under JM by the Singapore High Court in mid-November 2020 at a scheduled court hearing for JM applications. This was somewhat expected considering the time that HYF has been under debt moratorium since May 2018, progressive actions by an unsecured working group of banks (comprises Mizuho, KfW, Bangkok Bank, BNP Paribas, Standard Chartered Bank, CTBC Bank and Korea Development Bank) to firstly be carved out of HYF’s debt moratorium and then see to put HYF under JM and recent indications that the High Court was losing patience with HYF’s restructuring efforts. (Company, Bloomberg, OCBC)

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Key Market Movements

	5-Mar	1W chg (bps)	1M chg (bps)		5-Mar	1W chg	1M chg
iTraxx Asiax IG	59	-2	1	Brent Crude Spot (\$/bbl)	66.74	-0.21%	13.43%
iTraxx SovX APAC	28	0	1	Gold Spot (\$/oz)	1,691.82	-2.43%	-6.74%
iTraxx Japan	47	-1	-3	CRB	190.75	-1.97%	5.83%
iTraxx Australia	62	-1	3	GSCI	481.35	-1.50%	7.63%
CDX NA IG	56	1	6	VIX	28.57	-1.11%	31.24%
CDX NA HY	108	0	-1	CT10 (%)	1.568%	16.26	40.40
iTraxx Eur Main	48	-2	1				
iTraxx Eur XO	250	-13	8	AUD/USD	0.771	0.09%	0.46%
iTraxx Eur Snr Fin	59	-4	1	EUR/USD	1.197	-0.90%	-0.66%
iTraxx Eur Sub Fin	108	-9	-1	USD/SGD	1.338	-0.37%	-0.22%
iTraxx Sovx WE	7	0	-1	AUD/SGD	1.032	-0.45%	-0.66%
USD Swap Spread 10Y	7	0	-1	ASX 200	6,693	0.29%	-2.16%
USD Swap Spread 30Y	-25	2	-5	DJIA	30,924	-1.52%	-0.42%
US Libor-OIS Spread	12	1	-1	SPX	3,768	-1.59%	-2.67%
Euro Libor-OIS Spread	-6	-1	-1	MSCI Asiax	890	0.28%	-2.94%
				HSI	29,237	-2.78%	-0.18%
China 5Y CDS	33	0	4	STI	3,015	1.39%	3.70%
Malaysia 5Y CDS	42	0	4	KLCI	1,581	-0.02%	0.17%
Indonesia 5Y CDS	77	-2	9	JCI	6,291	0.02%	2.26%
Thailand 5Y CDS	38	-1	1	EU Stoxx 50	3,705	0.53%	1.34%
Australia 5Y CDS	15	0	-12				

Source: Bloomberg

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New Issues

- China Everbright Bank Co Ltd/Hong Kong priced a USD550mn 3-year bond at T+65bps, tightening from IPT of T+110bps area.
- Export-Import Bank of Korea priced a USD240mn 3-year bond at SOFR+30bps.
- Central Plaza Development Ltd (Guarantor: BCG Chinastar International Investment Ltd) priced a USD500mn re-tap of its CPDEV 4.65%'26s at 4.65%, tightening from IPT of 5.125% area.

Date	Issuer	Size	Tenor	Pricing
4-Mar-21	China Everbright Bank Co Ltd/Hong Kong	USD550mn	3-year	T+65bps
4-Mar-21	Export-Import Bank of Korea	USD240mn	3-year	SOFR+30bps
4-Mar-21	Central Plaza Development Ltd (Guarantor: BCG Chinastar International Investment Ltd)	USD500mn	CPDEV 4.65%'26s	4.65%
3-Mar-21	HCL America Inc. (Guarantor: HCL Technologies Ltd.)	USD500mn	5-year	T+75bps
3-Mar-21	Landmark Funding 2020 Ltd.	USD300mn	3-year	3.35%
3-Mar-21	Boustead Industrial Fund Management Pte. Ltd.	SGD236mn	10-year	7%

Source: OCBC, Bloomberg

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