

Market Commentary

- The SGD swap curve bear steepened yesterday, with shorter tenors trading 1-2bps higher and belly tenors trading 4-5bps higher while longer tenors traded 5-8bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS tightened 1bps to 148bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 4bps to 636bps. The HY-IG Index Spread widened 4bps to 488bps.
- Flows in SGD corporates were heavy, with flows in UBS 5.875%-PERPs, BAERVX 5.75%-PERPs, CMZB 4.2%'28s and OLAMSP 4%'26s.
- 10Y UST gained 8bps to 1.04%, topping 1% for the first time since March, as the Democrats moved closer to having control over the White House and Capitol Hill.

Credit Research

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Credit Summary:

- [Lippo Malls Indonesia Retail Trust \("LMRT"\)](#) | **Issuer Profile: Negative (6):** LMRT has obtained a 3-year SGD60mn and 5-year SGD20mn loan facility from BNP Paribas and CIMB Bank. The proceeds will be used to finance the acquisition of the strata titles within Lippo Mall Puri.
- [OUE Ltd \("OUE"\)](#) | **Issuer Profile: Neutral (5):** OUE announced that it will be cancelling 30mn out of 98.8mn treasury shares with a value of ~SGD58.5mn. OUE bought back 18.8mn shares through 2020 at a total consideration (including transaction costs) of SGD22.0mn.
- [Oxley Holdings Ltd \("OHL"\)](#) | **Issuer Profile: Negative (6):** OHL is proposing an issue of up to USD80mn (~SGD106.4mn) in 4.5% secured convertible notes (conversion price = SGD0.25 per share). Separately, OHL has entered into an amendment agreement with Dragons 619 Ltd ("Dragons 619"). Dragons 619 made available to OHL a term loan facility of USD100mn.

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Credit Headlines

Lippo Malls Indonesia Retail Trust (“LMRT”) | Issuer Profile: Negative (6)

- LMRT has obtained a 3-year SGD60mn and 5-year SGD20mn loan facility from BNP Paribas and CIMB Bank. The proceeds will be used to finance the acquisition of the strata titles within Lippo Mall Puri.
- We believe this should somewhat improve the financial flexibility of LMRT.
- We continue to hold LMRT at a Negative (6) Issuer Profile. (Company, OCBC)

OUE Ltd (“OUE”) | Issuer Profile: Neutral (5)

- OUE announced that it will be cancelling 30mn out of 98.8mn treasury shares with a value of ~SGD58.5mn. OUE bought back 18.8mn shares through 2020 at a total consideration (including transaction costs) of SGD22.0mn.
- In 2019, OUE did not perform share buy-backs while this was minimal in 2018. While the transactions in 2020 is well within OUE’s share purchase mandate, a share buyback is at odds with a period of tight internal liquidity.
- For now, we maintain our issuer profile of OUE at Neutral (5) though are likely to downgrade this on expectation of tighter liquidity in 2021. (Company, OCBC)

Oxley Holdings Ltd (“OHL”) | Issuer Profile: Negative (6)

- OHL is proposing an issue of up to USD80mn (~SGD106.4mn) in 4.5% secured convertible notes (conversion price = SGD0.25 per share). The subscriber of the convertible notes is Dragons 120 Ltd (“Dragons 120”), which is owned by DCP Asia Credit Fund III and DCP Asia Co-Investment Fund I (collectively, “DCP Funds”). The convertible note has a maturity of 24 months with an option to be extended by another 12 months. We understand that the note is secured against the shares of Mayfair Modern and Mayfair Gardens.
- Separately, OHL has entered into an amendment agreement with Dragons 619 Ltd (“Dragons 619”). Dragons 619 made available to OHL a term loan facility of USD100mn. The interest to be paid under the loan facility is approximately USD12mn for the 2-year tenure of the facility. As an alternative to payment by cash, OHL may issue warrants to the lender to entitle the lender to subscribe for new shares. Dragons 120 is an affiliate of Dragons 169. The exercise price for the warrants have not been determined as OHL has not opted to issue the warrants.
- OHL is raising funds for general corporate purposes. While it is not disclosed how OHL would deploy the monies, this should somewhat improve OHL’s financial flexibility given the looming debt maturity of ~SGD700mn in 2021 while also diversifying its funding sources.
- The DCP funds are exempted limited partnerships, with limited partners including sovereign wealth funds and financial institutions per management disclosures. DCP Funds is managed by Dignari Capital Partners (HK) Ltd, which has over USD1bn in assets under management.
- We continue to hold OHL at a Negative (6) Issuer Profile. (Company, OCBC)

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Key Market Movements

	7-Jan	1W chg (bps)	1M chg (bps)		7-Jan	1W chg	1M chg
iTraxx Asiax IG	58	1	1	Brent Crude Spot (\$/bbl)	54.30	6.28%	10.25%
iTraxx SovX APAC	26	0	--	Gold Spot (\$/oz)	1,922.08	1.25%	3.19%
iTraxx Japan	52	0	-2	CRB	172.11	4.07%	7.64%
iTraxx Australia	57	1	-1	GSCI	422.70	4.45%	8.79%
CDX NA IG	52	2	1	VIX	25.07	8.62%	20.59%
CDX NA HY	109	0	-1	CT10 (%)	1.032%	11.89	10.93
iTraxx Eur Main	48	0	0				
iTraxx Eur XO	248	6	5	AUD/USD	0.780	1.43%	5.16%
iTraxx Eur Snr Fin	58	-1	-1	EUR/USD	1.234	1.01%	1.90%
iTraxx Eur Sub Fin	108	-3	-3	USD/SGD	1.317	0.37%	1.47%
iTraxx Sovx WE	8	0	-1	AUD/SGD	1.028	-1.08%	-3.51%
USD Swap Spread 10Y	-1	-2	-2	ASX 200	6,691	0.13%	0.24%
USD Swap Spread 30Y	-28	-3	1	DJIA	30,829	1.63%	2.02%
US Libor-OIS Spread	16	0	1	SPX	3,748	0.57%	1.33%
Euro Libor-OIS Spread	-7	-1	-3	MSCI Asiax	861	2.37%	5.37%
				HSI	27,692	4.23%	4.47%
China 5Y CDS	29	1	-1	STI	2,863	0.52%	1.33%
Malaysia 5Y CDS	37	1	1	KLCI	1,592	-2.63%	-1.91%
Indonesia 5Y CDS	69	1	0	JCI	6,066	-0.46%	2.27%
Thailand 5Y CDS	35	0	-1	EU Stoxx 50	3,611	0.83%	2.29%
Australia 5Y CDS	14	0	0				

Source: Bloomberg

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New Issues

- State Bank of India/London priced a USD600mn 5.5-year bond at T+140bps, tightening from IPT of T+175bps area.
- Shriram Transport Finance Co Ltd priced a USD500mn 3-year social bond at 4.4%, tightening from IPT of 4.65% area.
- Redsun Properties Group Ltd priced a USD350mn 4NC2 bond at 7.5%, tightening from IPT of 8.1% area.
- Seazen Group Ltd priced a USD300mn 4.5NC2.5 bond at 4.45%, tightening from IPT of 4.95% area.
- Golden Wheel Tiandi Holdings Co Ltd priced a USD85mn re-tap of its GWTH 14.25%'23s at 14.25%, tightening from IPT of 15% area.
- Dexin China Holdings Co Ltd priced a USD150mn Will Not Grow re-tap of its DEXICN 9.95%'22s at 9.45%, tightening from IPT of 10% area.
- Zhongsheng Group Holdings Ltd priced a USD450mn 5-year bond at T+268bps, tightening from IPT of T+300bps area.
- Logan Group Co Ltd priced a USD300mn 7NC4 bond at 4.5%, tightening from IPT of 5% area.
- China South City Holdings Ltd priced a USD120mn Will Not Grow re-tap of its CSCHCN 10.75%'23s at 10.8%, tightening from IPT of 11.25% area.
- Hopson Capital International Group Co Ltd priced a USD400mn 364-day bond at 5.8%, tightening from IPT of 6% area.
- Bank of China Limited (Hong Kong Branch) has arranged investor calls commencing 6 January for its proposed USD bond offering.
- China Huarong Financial Leasing Co., Ltd. has arranged investor calls commencing 6 January for its proposed USD bond offering.
- SK Hynix Inc. has arranged investor calls commencing 6 January for its proposed USD bond offering.

Date	Issuer	Size	Tenor	Pricing
6-Jan-21	State Bank of India/London	USD600mn	5.5-year	T+140bps
6-Jan-21	Shriram Transport Finance Co Ltd	USD500mn	3-year	4.4%
6-Jan-21	Redsun Properties Group Ltd	USD350mn	4NC2	7.5%
6-Jan-21	Seazen Group Ltd	USD300mn	4.5NC2.5	4.45%
6-Jan-21	Golden Wheel Tiandi Holdings Co Ltd	USD85mn	GWTH 14.25%'23s	14.25%
6-Jan-21	Dexin China Holdings Co Ltd	USD150mn	DEXICN 9.95%'22s	9.45%
6-Jan-21	Zhongsheng Group Holdings Ltd	USD450mn	5-year	T+268bps
6-Jan-21	Logan Group Co Ltd	USD300mn	7NC4	4.5%
6-Jan-21	China South City Holdings Ltd	USD120mn	CSCHCN 10.75%'23s	10.8%
6-Jan-21	Hopson Capital International Group Co Ltd	USD400mn	364-day	5.8%
5-Jan-21	Republic of Indonesia	USD1.25bn	10-year	1.9%
		USD1.25bn	30-year	3.1%
		USD500mn	50-year	3.4%
5-Jan-21	Macquarie Group Ltd	USD1.25bn	6NC5	T+97bps
5-Jan-21	Hyundai Capital America	USD1.2bn	3-year	T+67bps
		USD850mn	5-year	T+95bps
		USD650mn	7-year	T+115bps
5-Jan-21	National Australia Bank	USD1.25bn	20-year	T+95ps
5-Jan-21	Yango Justice International Ltd (Guarantor: Yango Group Co., Ltd)	USD200mn	WNG 364-day	5.3%
5-Jan-21	CIFI Holdings Group Co Ltd	USD419mn	6.25NC4	4.4%

Source: OCBC, Bloomberg

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