

Market Commentary

- The SGD swap curve traded higher yesterday, with shorter tenors trading 0-6bps higher, belly tenors trading 4-7bps higher, and longer tenors trading 5-8bps higher.
- There were mostly light flows in SGD Corporates yesterday.
- UST 10Y yields traded 2bps higher to 1.65% yesterday, extending its upwards move following the rise on Monday. This came amidst improved investor sentiments and optimism regarding the impact of the Omicron variant, as well as growing expectations of rate hikes by the Fed. Data released by the US Bureau of Labor Statistics showed a record high of 4.5 million voluntary job quitters in November 2021, which could place upward pressure on wages to attract workers and further solidify investor expectations of potential upcoming rate hikes.

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Credit Summary:

- [Sembcorp Industries Ltd \("SCI"\)](#) | **Issuer Profile: Neutral (4):** SCI announced that its wholly-owned subsidiary Sembcorp Energy India Limited ("SEIL") has signed a long-term power purchase agreement ("PPA"). Including power supply under this agreement, 77% of SEIL's thermal plant capacity would be underpinned by mid-to-longer term PPAs.

Asian Credit Daily

Credit Headlines

Sembcorp Industries Ltd (“SCI”) | Issuer Profile: Neutral (4):

- SCI announced that its wholly-owned subsidiary Sembcorp Energy India Limited (“SEIL”) has signed a long-term power purchase agreement (“PPA”) to supply 625 MWs of power to state power distribution companies of Andhra Pradesh for 12 years.
- Including power supply under this agreement, 77% of SEIL’s thermal plant capacity would be underpinned by mid-to-longer term PPAs. (Company)

Key Market Movements

	5-Jan	1W chg (bps)	1M chg (bps)		5-Jan	1W chg	1M chg
iTraxx Asiax IG	74	-5	-18	Brent Crude Spot (\$/bbl)	79.73	0.63%	14.10%
iTraxx SovX APAC	20	-1	-4	Gold Spot (\$/oz)	1,815.17	0.58%	2.05%
iTraxx Japan	46	0	-6	CRB	235.51	0.71%	6.74%
iTraxx Australia	63	1	-13	GSCI	570.98	0.85%	8.73%
CDX NA IG	50	0	-7	VIX	16.91	-3.59%	-44.86%
CDX NA HY	109	0	1	CT10 (%)	1.647%	9.77	30.43
iTraxx Eur Main	48	-1	-9				
iTraxx Eur XO	240	-6	-40	AUD/USD	0.723	-0.25%	2.58%
iTraxx Eur Snr Fin	55	-1	-11	EUR/USD	1.129	-0.55%	0.02%
iTraxx Eur Sub Fin	106	-3	-20	USD/SGD	1.357	-0.31%	0.90%
iTraxx Sovx WE	4	-1	0	AUD/SGD	0.981	-0.07%	-1.62%
USD Swap Spread 10Y	5	-2	-4	ASX 200	7,571	2.02%	4.55%
USD Swap Spread 30Y	-21	-3	-7	DJIA	36,800	1.10%	6.42%
US Libor-OIS Spread	9	-3	-2	SPX	4,794	0.15%	5.62%
Euro Libor-OIS Spread	-8	0	-2	MSCI Asiax	791	1.32%	0.50%
				HSI	23,049	-0.16%	-3.02%
China 5Y CDS	39	-2	-13	STI	3,186	1.54%	2.72%
Malaysia 5Y CDS	43	-3	-16	KLCI	1,548	0.22%	3.11%
Indonesia 5Y CDS	72	-4	-15	JCI	6,727	1.95%	2.89%
Thailand 5Y CDS	23	-4	-8	EU Stoxx 50	4,368	1.29%	7.05%
Australia 5Y CDS	14	0	0				

Source: Bloomberg

Asian Credit Daily

New Issues

- National Australia Bank Ltd has priced a USD4.75bn deal across 5 tranches: (1) a USD1.25bn 3-year senior unsecured bond at T+38bps, (2) a USD1.25bn 5-year senior unsecured bond at T+53bps, (3) a USD1.25bn 15NC10 subordinated bond at T+170bps, (4) a USD500mn 3-year senior unsecured bond at SOFR+38bps, and (5) a USD500mn 5-year senior unsecured bond at SOFR+65bps.
- India Clean Energy Holdings has arranged investor calls commencing 04 January for its proposed USD senior secured green bond offering.
- Export-Import Bank of Korea has arranged investor calls commencing 04 January for its proposed USD senior unsecured bond offering.
- Reliance Industries Ltd has arranged investor calls commencing 04 January for its proposed USD multi-tranche senior bond offering.

Date	Issuer	Size	Tenor	Pricing
04-Jan-22	National Australia Bank Ltd	USD1.25bn	3-year	T+38bps
04-Jan-22	National Australia Bank Ltd	USD1.25bn	5-year	T+53bps
04-Jan-22	National Australia Bank Ltd	USD1.25bn	15NC10	T+170bps
04-Jan-22	National Australia Bank Ltd	USD500mn	3-year	SOFR+38bps
04-Jan-22	National Australia Bank Ltd	USD500mn	5-year	SOFR+65bps

Source: OCBC, Bloomberg

Temporary Suspension

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

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