

Market Commentary

- The SGD swap curve traded lower yesterday, with shorter tenors trading 0-4bps lower, belly tenors trading 4-6bps lower, and longer tenors trading 6bps lower.
- There were heavy flows in SGD corporates yesterday, with flows in STANLN 5.375%-PERPs, SINTEC 4.2%-PERPs, CERTSP 5%-PERPs and MLTSP 3.725%-PERPs.
- UST 10Y yields retreated 2bps lower yesterday, in contrast to the largely consistent rise since the first trading day of the year. This came amidst Powell's testimony yesterday on his nomination hearing for a second term as Chairman of the Fed. Powell communicated the Fed's shift towards tighter monetary policy, including the end of asset purchases by March 2022, balance sheet reductions at some point later this year, and intentions to raise interest rates more over time if necessary. The Consumer Price Index ("CPI") data release for December 2021 by the US Bureau of Labor Statistics tonight will be the next key event.

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Credit Summary:

- [Singapore Press Holdings Ltd \("SPH"\)](#) | **Issuer Profile: Not rated:** SPH provided its 1QFY2022 business update, which saw its Media segment formally separated (completed as of 1 Dec 2021). Overall, operational performance improved. Going forward, SPH indicated that it will continue to expand in the retail & commercial segment and diversify into adjacent asset classes that have strong recurring income. We do not cover SPH.

Asian Credit Daily

Credit Headlines

Singapore Press Holdings Ltd ("SPH") | Issuer Profile: Not rated:

- SPH provided its 1QFY2022 business update, which saw its Media segment formally separated (completed as of 1 Dec 2021). Overall, operational performance improved.
 - Retail & commercial: Under this portfolio, SPH REIT (~62%-owned by SPH) saw improved tenant sales while The Seletar Mall operated at full tenant occupancy. For Woodleigh Residences, 84% of the units were sold as of 6 Jan 2022 with sales in December 2021 averaging SGD1,997 psf.
 - Purpose-built student accommodation: For Academic Year 21/22, 98.6% of the target revenue has been achieved as at 22 Dec 2021, and SPH flagged that it is possible that the target revenue can be exceeded as there are still unoccupied rooms being marketed in January.
 - Others: Orange Valley (Aged Care) occupancy was at 87% as of Dec 2021, while sgCarMart's business continued to perform strongly.
- Going forward, SPH indicated that it will continue to expand in the retail & commercial segment and diversify into adjacent asset classes that have a strong recurring income. SPH will also continue scaling the aged care segment with more acquisitions overseas and bids for government-built nursing homes.
- There is no debt maturing for SPH (excluding SPH-REIT) till FY2023.
- Meanwhile, the timing has yet to be finalized for the scheme meetings in relation to the offer by Keppel Corp Ltd and Cuscaden to privatise SPH. We do not cover SPH. (Company, OCBC)

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Key Market Movements

	12-Jan	1W chg (bps)	1M chg (bps)		12-Jan	1W chg	1M chg
iTraxx Asiax IG	79	2	-4	Brent Crude Spot (\$/bbl)	83.68	3.56%	11.35%
iTraxx SovX APAC	22	1	-1	Gold Spot (\$/oz)	1,818.86	0.47%	1.80%
iTraxx Japan	48	3	-2	CRB	241.59	2.58%	6.94%
iTraxx Australia	66	3	-3	GSCI	587.99	2.23%	8.02%
CDX NA IG	52	0	-2	VIX	18.41	8.87%	-1.50%
CDX NA HY	109	0	0	CT10 (%)	1.734%	2.87	25.02
iTraxx Eur Main	51	2	-1				
iTraxx Eur XO	251	8	-6	AUD/USD	0.722	-0.06%	1.21%
iTraxx Eur Snr Fin	59	3	-1	EUR/USD	1.137	0.53%	0.80%
iTraxx Eur Sub Fin	113	6	-3	USD/SGD	1.351	0.53%	1.27%
iTraxx Sovx WE	4	0	0	AUD/SGD	0.975	0.57%	0.08%
USD Swap Spread 10Y	7	2	-2	ASX 200	7,444	-1.61%	1.23%
USD Swap Spread 30Y	-16	3	0	DJIA	36,252	-1.49%	0.78%
US Libor-OIS Spread	8	-1	-3	SPX	4,713	-1.68%	0.02%
Euro Libor-OIS Spread	-8	1	1	MSCI Asiax	794	1.61%	-0.33%
				HSI	24,230	5.78%	0.98%
China 5Y CDS	42	2	-2	STI	3,249	2.72%	3.63%
Malaysia 5Y CDS	48	3	-2	KLCI	1,561	0.84%	4.84%
Indonesia 5Y CDS	78	4	0	JCI	6,673	0.16%	0.30%
Thailand 5Y CDS	28	3	-1	EU Stoxx 50	4,282	-1.97%	1.96%
Australia 5Y CDS	14	0	0				

Source: Bloomberg

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New Issues

- Beijing Gas Singapore Capital Corp (Guarantor: Beijing Gas Group Co Ltd) has priced a USD500mn 3-year senior unsecured green bond at T+75bps, tightening from an IPT of T+115bps area.
- HKT Capital No. 6 Ltd (Guarantors: HKT Group Holdings Ltd, Hong Kong Telecommunications HKT Ltd) has priced a USD650mn 10-year senior unsecured bond at T+125bps, tightening from an IPT of T+155bps area.
- Agricultural Bank of China Ltd/New York has priced a USD400mn 3-year senior unsecured bond at T+35bps, tightening from an IPT of T+70bps area, and a USD300mn 5-year senior unsecured green bond at T+47bps, tightening from an IPT of T+85bps area.
- Link Finance Cayman 2009 Ltd/The (Guarantor: Link Holdings Ltd/The) has priced a USD600mn 10-year senior unsecured bond at T+110bps, tightening from an IPT of T+140bps area.
- Indian Railway Finance Corporation Limited has arranged investor calls commencing 11 January for its proposed USD senior unsecured green bond offering.
- CIMB Bank Berhad has arranged investor calls commencing 11 January for its proposed USD senior notes offering.

Date	Issuer	Size	Tenor	Pricing
11-Jan-22	Beijing Gas Singapore Capital Corp (Guarantor: Beijing Gas Group Co Ltd)	USD500mn	3-year	T+75bps
11-Jan-22	HKT Capital No. 6 Ltd (Guarantors: HKT Group Holdings Ltd, Hong Kong Telecommunications HKT Ltd)	USD650mn	10-year	T+125bps
11-Jan-22	Agricultural Bank of China Ltd/New York	USD400mn USD300mn	3-year 5-year	T+35bps T+47bps
11-Jan-22	Link Finance Cayman 2009 Ltd/The (Guarantor: Link Holdings Ltd/The)	USD600mn	10-year	T+110bps

Source: OCBC, Bloomberg

Temporary Suspension

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

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