

Market Commentary

- The SGD swap curve traded lower yesterday, with shorter tenors trading 1bps lower (with the exception of the 1-year trading 1bps higher), belly tenors trading 2-5bps lower, and longer tenors trading 3-6bps lower.
- There were heavy flows in SGD corporates yesterday, with flows in SINTEC 4.2%-PERPs, ARASP 5.2%-PERPs, OHLSP 6.9%'24s, and KITSP 4.3%-PERPs.
- UST 10Y yields remained mostly unchanged at 1.74% yesterday amidst the release of an as-expected December Consumer Price Index ("CPI") by the US Bureau of Labor Statistics. While December 2021's CPI came in at a 40-year record high y/y increase of 7.0%, this was in line with Bloomberg median estimates of 7.0%. CPI rose by 0.5% m/m, which was slightly above Bloomberg median estimates of 0.4%.

Credit Research

Andrew Wong

+65 6530 4736

WongVKAM@ocbc.com

Ezien Hoo, CFA

+65 6722 2215

EzienHoo@ocbc.com

Wong Hong Wei, CFA

+65 6722 2533

WongHongWei@ocbc.com

Toh Su N

+65 6530 8355

TohSN@ocbc.com

Credit Summary:

- [Metro Holdings Limited \("METRO"\)](#) | **Issuer Profile: Neutral (4):** Metro signed a memorandum of understanding with Daiwa House Industry Co Ltd ("DHI") to form a strategic collaboration. DHI is listed in the Tokyo Stock Exchange and is one of the largest construction and real estate development companies in Japan. This is in line with METRO's strategic plan in expanding their portfolio across resilient asset classes and diversifying into key markets. We maintain our issuer profile rating at Neutral (4).

Asian Credit Daily

Credit Headlines

Metro Holdings Limited (“METRO”) | Issuer Profile: Neutral (4):

- METRO signed a memorandum of understanding with Daiwa House Industry Co Ltd (“DHI”) to form a strategic collaboration. DHI is listed in the Tokyo Stock Exchange and is one of the largest construction and real estate development companies in Japan.
- The investment collaboration spans various asset classes with its initial focus in logistic facilities, commercial facilities, housing, or any other asset class in Japan, Singapore and the Asia Pacific region, though it may include other regions.
- This is following METRO’s cornerstone investment in Daiwa House Logistics Trust (“DHLT”), a REIT whose sponsor is DHI. METRO invested approximately S\$41.3mn to subscribe into 51.6mn units of DHLT, or 7.65% stake of the total. DHLT was listed on 26 November 2021 on the Singapore Stock Exchange.
- According to the company announcement, DHLT holds an initial high-quality income-producing portfolio of 14 logistics and industrial properties in Japan with an aggregate Net Lettable Area (“NLA”) of approximately 423,920sqms and average Weighted Average Lease Expiry (“WALE”) of 7.2 years supported by diversified blue-chip tenant base.
- The investment in DHLT is line with METRO’s strategic plan in expanding their portfolio across resilient asset classes and diversifying into key markets. METRO did not have footprint in Japan previously. (Company, OCBC)

Key Market Movements

	13-Jan	1W chg (bps)	1M chg (bps)		13-Jan	1W chg	1M chg
iTraxx Asiax IG	80	-1	-3	Brent Crude Spot (\$/bbl)	84.67	4.79%	12.67%
iTraxx SovX APAC	22	0	-1	Gold Spot (\$/oz)	1,824.82	1.88%	2.14%
iTraxx Japan	48	1	-2	CRB	245.19	3.58%	8.54%
iTraxx Australia	66	0	-3	GSCI	595.55	3.55%	9.41%
CDX NA IG	51	-1	-2	VIX	17.62	-10.69%	-5.72%
CDX NA HY	109	0	0	CT10 (%)	1.752%	3.06	33.61
iTraxx Eur Main	50	0	-2				
iTraxx Eur XO	249	-1	-8	AUD/USD	0.728	1.70%	2.15%
iTraxx Eur Snr Fin	58	1	-2	EUR/USD	1.145	1.31%	1.43%
iTraxx Eur Sub Fin	112	1	-5	USD/SGD	1.346	1.10%	1.62%
iTraxx Sovx WE	4	0	0	AUD/SGD	0.980	-0.58%	-0.48%
USD Swap Spread 10Y	6	0	-3	ASX 200	7,475	1.58%	1.29%
USD Swap Spread 30Y	-17	0	-1	DJIA	36,290	-0.32%	0.89%
US Libor-OIS Spread	8	-1	-3	SPX	4,726	0.55%	0.30%
Euro Libor-OIS Spread	-8	1	3	MSCI Asiax	809	3.82%	2.02%
				HSI	24,402	6.53%	1.87%
China 5Y CDS	43	-1	-1	STI	3,255	2.89%	4.33%
Malaysia 5Y CDS	48	0	-2	KLCI	1,563	0.99%	4.57%
Indonesia 5Y CDS	79	0	1	JCI	6,647	-0.23%	-0.24%
Thailand 5Y CDS	28	1	-1	EU Stoxx 50	4,316	-1.72%	3.19%
Australia 5Y CDS	14	0	0				

Source: Bloomberg

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New Issues

- State Bank of India/London priced a USD300mn 5-year unsecured bond at T+100bps, tightening from an IPT of T+130bps area.
- Singapore Airlines Ltd priced a USD600mn 7-year senior unsecured bond at T+180bps, tightening from an IPT of T+210bps area.
- Woori Bank priced a USD500mn 5-year senior unsecured sustainability bond at T+60bps, tightening from an IPT of T+90bps area.
- China Chengtong Hong Kong (Guarantor: China Chengtong Hong Kong Co Ltd) priced a USD300mn 3-year senior unsecured bond at T+115bps, tightening from an IPT of T+150bps area and a USD400mn 5-year senior unsecured bond at T+140bps, tightening from an IPT of T+175bps area.

Date	Issuer	Size	Tenor	Pricing
12-Jan-22	State Bank of India/London	USD300mn	5-year	T+100bps
12-Jan-22	Singapore Airlines Ltd	USD600mn	7-year	T+180bps
12-Jan-22	Woori Bank	USD500mn	5-year	T+60bps
12-Jan-22	China Chengtong Hong Kong (Guarantor: China Chengtong Hong Kong Co Ltd)	USD300mn USD400mn	3-year 5-year	T+115bps T+140bps

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.

Treasury Research & Strategy

Macro Research

Selena Ling

Head of Research & Strategy

LingSSSelena@ocbc.com

Tommy Xie Dongming

Head of Greater China

Research

XieD@ocbc.com

Wellian Wiranto

Malaysia & Indonesia

WellianWiranto@ocbc.com

Howie Lee

Thailand, Korea &

Commodities

HowieLee@ocbc.com

Herbert Wong

Hong Kong & Macau

herberthwong@ocbcwh.com

FX/Rates Strategy

Frances Cheung

Rates Strategist

FrancesCheung@ocbc.com

Terence Wu

FX Strategist

TerenceWu@ocbc.com

Credit Research

Andrew Wong

Credit Research Analyst

WongVKAM@ocbc.com

Ezien Hoo

Credit Research Analyst

EzienHoo@ocbc.com

Wong Hong Wei

Credit Research Analyst

WongHongWei@ocbc.com

Toh Su N

Credit Research Analyst

TohSN@ocbc.com

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