

## Asian Credit Daily

Thursday, January 13, 2022

### 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%.

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### 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).

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### 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)

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### Key Market Movements

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

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