

**Asian Credit Daily**

17 April 2024

**Market Commentary:**

- The SGD SORA curve traded mixed yesterday, with the 12M – 18M trading 1-2bps lower and the rest of the short end flat to 3bps, belly tenors trading 5-6bps higher and 10Y trading 7bps higher.
- Flows in SGD corporates were heavy, with flows in UBS 5.75%-PERP, SOCGEN 8.25%-PERP, BPCEGP 5% '34s, STTGDC 5.7%-PERP, BNP 4.75% '34s, GESP 3.928% '39s, DB 4.4% '28s, LLOYDS 5.25% '33s, AIA 5.1%-PERP, BNP 5.9%-PERP, BACR 8.3%-PERP.
- Country Garden Holdings Co. is delaying some onshore bond payments despite extensions being made last year. The builder's main onshore unit plans to extend coupon and principal installment payments for a 4.8% RMB-denominated bond maturing in March 2026 to September.
- Bloomberg Asia USD Investment Grade spreads widened by 1bps to 81bps while Asia USD High Yield spreads widened by 17bps to 607bps. (Bloomberg, OCBC)

**Credit Summary:**

- **Industry Outlook - Singapore Property - City Developments Ltd ("CDL"), GuocoLand Ltd ("GUOL"):** The Urban Redevelopment Authority has awarded two sites, at Zion Road and Upper Thomson Road for SGD1.1bn and SGD779.6mn respectively.

**Key Market Movements**

	17-Apr	1W chg (bps)	1M chg (bps)		17-Apr	1W chg	1M chg
iTraxx Asiax IG	116	12	16	Brent Crude Spot (\$/bbl)	89.7	-0.9%	5.1%
				Gold Spot (\$/oz)	2,383	2.1%	10.3%
iTraxx Japan	52	5	5	CRB Commodity Index	297	0.1%	4.3%
iTraxx Australia	72	9	10	S&P Commodity Index - GSCI	597	0.2%	3.7%
CDX NA IG	58	4	8	VIX	18.4	22.8%	27.7%
CDX NA HY	105	-1	-1	US10Y Yield	4.67%	12bp	36bp
iTraxx Eur Main	62	7	9				
iTraxx Eur XO	342	35	41	AUD/USD	0.642	-1.5%	-2.2%
iTraxx Eur Snr Fin	70	8	11	EUR/USD	1.063	-1.1%	-2.3%
iTraxx Eur Sub Fin	126	14	19	USD/SGD	1.364	-0.7%	-1.8%
				AUD/SGD	0.875	0.8%	0.4%
USD Swap Spread 10Y	-39	-1	-2	ASX200	7,619	-2.9%	-0.7%
USD Swap Spread 30Y	-76	-1	-4	DJIA	37,799	-2.8%	-2.4%
				SPX	5,051	-3.0%	-1.3%
China 5Y CDS	74	4	7	MSCI Asiax	634	-4.6%	-2.7%
Malaysia 5Y CDS	48	6	10	HSI	16,285	-5.0%	-2.6%
Indonesia 5Y CDS	81	7	13	STI	3,160	-2.4%	-0.4%
Thailand 5Y CDS	48	4	7	KLCI	1,534	-1.7%	-1.2%
Australia 5Y CDS	15	-1	0	JCI	7,165	-0.6%	-2.2%
				EU Stoxx 50	4,917	-1.5%	-1.4%

Source: Bloomberg

**Credit Headlines:****Industry Outlook – Singapore Property****City Developments Ltd (“CDL”)****GuocoLand Ltd (“GUOL”)**

- **Award of two sites:** The Urban Redevelopment Authority has awarded two sites, at Zion Road and Upper Thomson Road for SGD1.1bn and SGD779.6mn respectively.
- **Not rejected despite low bids:** The bid for Zion Road site was 30.6% lower than the bid for Jiak Kim Street parcel in December 2017. There were doubts if the bid would be accepted as the government had previously rejected a bid of SGD770.5mn (SGD984 psf ppr) for a white site in Marina South earlier this year, as the bid was deemed too low. Potentially, the bid was accepted because the Zion Road site is unique and it is the first site to pilot a new class of long-stay serviced apartments.
- **CDL and GUOL may not deleverage in the near-term:** With CDL being the joint venture partner of the Zion Road site and GUOL holding 60% interest in the Upper Thomson Road site, we expect substantial cash outlay to fund the land purchase by both developers. (Company, OCBC)

**New Issues:**

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
16 Apr	Agricultural Bank of China Ltd/London (AGRBK)	FRN	USD	300	3Y	SOFR+48bps	SOFR+95bps area
16 Apr	Hana Bank (KEBHNB)	Fixed	USD	300	3Y	T+70bps	T+100bps area
16 Apr	Hana Bank (KEBHNB)	Fixed	USD	300	5Y	T+78bps	T+110bps area

**Mandates:**

- There are no Asiadollar mandates for today.
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