

Market Commentary:

- The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 1-2bps higher, belly tenors trading 2bps higher while 10Y traded 3bps higher.
- Flows in SGD corporates were heavy, with flows in AIA 3.58% '35s, HSBC 5.25%-PERP, GUOLSP 4.35%-PERP, SUNSP 4.48%-PERP, FCTSP 3.98%-PERP, HSBC 4.5% '29s, HSBC 3.4% '33s, AIA 2.9%-PERP, KITSP 4.75%-PERP, VRTVEN 3.3% '28s.
- As per Bloomberg, Sunshine 100 China is actively seeking legal advice regarding a statutory demand for USD205mn and HKD450,000 received on July 7 from solicitors representing HTI Financial Solutions and Haitong International Financial Products, according to an HKEX filing.
- In other news by Bloomberg, New World Development is reportedly looking to sell part of its K11 property in Shanghai, according to the Securities Times citing an unnamed property agency. The company will discuss debt restructuring with creditors and take measures to protect shareholders' interests.
- Meanwhile, Hong Kong developer Grand Ming Group Holdings Ltd. has breached terms on nearly HKD4.8bn (USD611mn) in bank loans, according to a Hong Kong stock exchange filing on Tuesday. The company has secured waivers for about HKD2.7bn of the loans. The breach allows lenders to demand immediate repayment of the outstanding principal, interest, and other sums.
- Bloomberg Asia USD Investment Grade spreads traded flat at 70bps and Bloomberg Asia USD High Yield spreads widened by 1bps to 361bps respectively. (Bloomberg, OCBC)

Credit Summary:

- **Commerzbank AG ("CMZB"), UniCredit SpA ("UniCredit"):** UniCredit announced that it has converted part of its ~30% ownership stake that is predominantly held through derivatives into shares. UniCredit now holds a 20% direct ownership stake in CMZB, making it CMZB's largest shareholder followed by the German government's Financial Market Stabilisation Fund at 12.0%.

Credit Headlines

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- UniCredit had previously confirmed various approvals to hold as much as 29.99% as a direct ownership stake in CMZB from the European Central Bank, Germany's federal competition authority the Federal Cartel Office, and the US Federal Reserve.
- The change in ownership composition will not affect CMZB's strategy per comments from the bank.
- UniCredit continues to have an underlying interest in a potential takeover of CMZB although appears to be proceeding carefully to manage German perceptions and prevailing opposition from various parts of Germany's political and financial community. UniCredit's public interest in a takeover has been somewhat restrained with UniCredit previously indicating that its position in CMZB is almost fully hedged and an investment with downside protection. This provides UniCredit with the option to sell the stake or keep it unchanged in addition to pursuing an acquisition depending on the meeting of strict financial metrics. (Company, Bloomberg, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
08 Jul	Muangthai Capital Public Company Limited	Sinkable, Social, Fixed	USD	350	5Y	7.55%
08 Jul	Mianyang Investment Holding (Group) Co., Ltd.	Sustainability, Fixed	USD	300	3Y	5.00%
08 Jul	Guotai Junan International Holdings Ltd	Fixed	USD	200	3Y	T+43bps
08 Jul	Tianchang Agricultural Development Co. Ltd. (guarantor: Sichuan Jinyu Financing Guaranty Co Ltd)	Sustainability, Fixed	USD	90	3Y	6.45%
08 Jul	UOL Treasury Services Pte. Ltd. (guarantor: UOL Group Ltd)	Fixed	SGD	225	7Y	2.78%
08 Jul	Shangri-La Hotel Limited (guarantor: Shangri-La Asia Ltd)	Fixed	SGD	100	Retap of its SLHSP 3.54% '32s	3.50%
08 Jul	AL Rajhi Sukuk Ltd	Fixed	SGD	66	9Y	3.10%

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	9-Jul	1W chg (bps)	1M chg (bps)		9-Jul	1W chg	1M chg
iTraxx Asiax IG	73	0	-0	Brent Crude Spot (\$/bbl)	70.0	1.3%	4.4%
				Gold Spot (\$/oz)	3,296	-1.8%	-0.9%
iTraxx Japan	63	1	2	CRB Commodity Index	302	1.7%	0.3%
iTraxx Australia	71	-1	-3	S&P Commodity Index - GSCI	554	1.8%	1.5%
CDX NA IG	51	1	-2	VIX	16.8	0.5%	-2.0%
CDX NA HY	107	-0	1	US10Y Yield	4.41%	13bp	-6bp
iTraxx Eur Main	54	-0	-2				
iTraxx Eur XO	283	-1	-5	AUD/USD	0.652	-0.9%	0.1%
iTraxx Eur Snr Fin	58	-0	-1	EUR/USD	1.171	-0.8%	2.5%
iTraxx Eur Sub Fin	101	-1	-3	USD/SGD	1.282	-0.7%	0.4%
				AUD/SGD	0.836	0.2%	0.2%
USD Swap Spread 10Y	-55	-2	-3	ASX200	8,563	-0.4%	0.6%
USD Swap Spread 30Y	-87	-0	-2	DJIA	44,241	0.3%	3.5%
				SPX	6,226	0.3%	3.7%
China 5Y CDS	47	-2	1	MSCI Asiax	802	0.0%	2.8%
Malaysia 5Y CDS	44	-1	-0	HSI	23,986	-1.0%	-0.8%
Indonesia 5Y CDS	75	-2	0	STI	4,058	1.2%	3.1%
Thailand 5Y CDS	43	-1	-1	KLCI	1,529	-1.4%	0.6%
Australia 5Y CDS	11	1	1	JCI	6,926	0.6%	-2.6%
				EU Stoxx 50	5,372	1.7%	-0.9%

Source: Bloomberg

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