

Daily Credit Snapshot

Market Commentary

- Wall Street closed higher last night across the board overnight. Risk sentiment remained constructive, driven partly by rally in energy stocks and renewed optimism surrounding artificial intelligence and large-cap technology companies. This positive momentum persisted despite heightened geopolitical tensions involving Venezuela. In a notable geopolitical development, the Danish Prime Minister Mette Frederiksen stated that any potential US attack on Greenland would signify the end of NATO, underscoring the sensitivity of international alliances in the current environment.
- The SGD SORA OIS curve traded flat to lower yesterday with shorter tenors and belly tenors trading flat to 1bps lower while 10Y traded flat.
- Flows in SGD corporates were heavy, with flows in LLCAU 3.9%-PERP, HSBC 5.25%-PERP, BACR 4.65%-PERP, CDREIT 3.7%-PERP, INCINS 3.1% '50s.
- Global Investment Grade spreads traded flat at 77bps and Global High Yield spreads tightened by 6bps to 261bps respectively.
- Bloomberg Global Contingent Capital Index widened by 1bps to 235bps.
- Bloomberg Asia USD Investment Grade spreads and Asia USD High Yield spreads remained unchanged at 62bps and 368bps respectively. (Bloomberg, OCBC)

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Credit Summary:

Company	Ticker	Description
Singapore Airlines Ltd ("SIA")	SIASP	<ul style="list-style-type: none"> Reuters reported that the board of Air India is looking for a new chief executive officer ("CEO") following operational challenges in 2025 and amidst continued financial losses at Air India. The current CEO Mr Campbell Wilson was appointed in July 2022 after a long career at SIA (as well as SIA's low-cost carrier Scoot). The current enlarged Air India was formed as a merger of Air India and Vistara (where Vistara was 49% owned by SIA and 51% owned by TATA Sons Private Limited). Currently, Air India is ~25%-owned by SIA and previous news reports highlighted that Air India is seeking at least ~SGD1.5bn of financial support from its shareholders for operational improvements. The implied SGD375mn for SIA's stake is around our estimated amount of capital that remains to be called, which was flagged at time of the proposed transaction announcement in November 2022. That said, we will review SIA's credit profile if the actual amounts significantly diverge from what has been committed. (Reuters, Bloomberg, OCBC) <p>Latest report: Credit Update – 08 January 2025</p>

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
05 Jan	BOC Aviation Ltd	Fixed	USD	500	7Y	T+67bps to yield 4.375%
05 Jan	Export-Import Bank of India	Fixed	USD	500	10Y	T+85bps (Reoffer price 99.93 to yield 5.009%)
05 Jan	Export-Import Bank of India	Fixed	USD	500	30Y	T+95bps (Reoffer price 99.321 to yield 5.798%)
05 Jan	UBS Group AG	Perpetual	USD	1,500	PerpNC5	6.625%
05 Jan	UBS Group AG	Perpetual	USD	1,500	PerpNC10	7.00%
05 Jan	Credit Agricole SA	Fixed	USD	1,750	6NC5	4.656%
05 Jan	Credit Agricole SA	Fixed	USD	1,750	11NC10	5.261%
05 Jan	Mitsubishi UFJ Financial Group, Inc.	Fixed	USD	1,500	11NC10	T+90bps
05 Jan	Sumitomo Mitsui Financial Group, Inc.	Fixed	USD	1,200	11NC10	5.046%
05 Jan	Sumitomo Mitsui Financial Group, Inc.	Fixed	USD	1,100	6NC5	4.494%
05 Jan	Societe Generale SA	Fixed	USD	1,100	4NC3	4.45%
05 Jan	Societe Generale SA	Fixed	USD	1,000	11NC10	5.40%

Mandates:

- SJM International Limited (guarantor: SJM Holdings Limited) may issue USD-denominated senior notes.
- Export-Import Bank of Korea may issue a USD-denominated SEC-registered senior unsecured notes offering with expected tenors of 3-year FXD (green notes) and/or FRN, 5-year FXD and 10-year FXD.

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- MITSUBISHI HC FINANCE AMERICA LLC (guarantor: Mitsubishi HC Capital Inc) may issue 5Y USD-denominated 144A/Reg.S fixed rate senior unsecured notes.
- CLIFFORD CAPITAL ASSET FINANCE PTE. LTD. may issue 3Y senior unsecured USD-denominated notes and CLIFFORD CAPITAL CREDIT SOLUTIONS PTE. LTD. may issue 5Y senior unsecured USD-denominated notes.
- Resona Bank Ltd may issue 5Y senior unsecured fixed rate USD-denominated benchmark bonds.

Key Market Movements

	6-Jan	1W chg (bps)	1M chg (bps)		6-Jan	1W chg	1M chg
iTraxx Asiax IG	63	-1	-1	Brent Crude Spot (\$/bbl)	61.5	-0.7%	-3.5%
				Gold Spot (\$/oz)	4,466	2.9%	6.6%
iTraxx Japan	55	-1	-1	CRB Commodity Index	303	0.8%	-1.1%
iTraxx Australia	64	-0	1	S&P Commodity Index - GSCI	558	1.1%	-1.3%
CDX NA IG	49	-1	-2	VIX	15.1	6.5%	-1.8%
CDX NA HY	108	0	0	US10Y Yield	4.17%	5bp	4bp
iTraxx Eur Main	50	-0	-3				
iTraxx Eur XO	243	-1	-13	AUD/USD	0.672	0.4%	1.5%
iTraxx Eur Snr Fin	53	-1	-4	EUR/USD	1.173	-0.2%	0.8%
iTraxx Eur Sub Fin	91	-1	-6	USD/SGD	1.279	0.4%	1.4%
				AUD/SGD	0.860	0.0%	-0.0%
USD Swap Spread 10Y	-38	-2	0	ASX200	8,683	-0.5%	0.6%
USD Swap Spread 30Y	-69	-2	1	DJIA	48,977	0.5%	2.1%
				SPX	6,902	-0.4%	0.5%
China 5Y CDS	39	-4	-3	MSCI Asiax	947	3.7%	4.9%
Malaysia 5Y CDS	38	-0	-1	HSI	26,710	4.2%	2.4%
Indonesia 5Y CDS	68	-1	-4	STI	4,730	2.1%	4.4%
Thailand 5Y CDS	38	-2	-2	KLCI	1,672	-0.5%	3.4%
Australia 5Y CDS	12	-0	1	JCI	8,934	4.6%	3.5%
				EU Stoxx 50	5,916	2.9%	3.4%

Source: Bloomberg

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