

Daily Credit Snapshot

Market Commentary

- Geopolitical tensions in the Middle East are still unresolved and incoming data in the US was resilient, albeit slowing modestly. Other major financial markets in Europe and parts of Asia remained closed for the Easter Monday holiday. US equities managed to log the fourth consecutive day of gains, with major indexes up by 0.36%-0.54%. The UST yields edged lower and the dollar Index saw mild pressure. President Trump's "deadline" for a peace deal with Iran at 8pm ET Tuesday will be watched closely and risk sentiment is likely to remain tentative ahead of this deadline. Iran has rejected the ceasefire deal and delivered a "10-point" response to the US' "15-point peace plan", including terms to end the war, lift all sanctions and impose a fee for transit through the Strait of Hormuz. The data calendar was fairly light on Monday. US' March ISM services PMI came in at 54, below consensus at 54.9. The headline figure was supported by strong orders at 60.6 and slower deliveries at 56.2, though business activity fell to 53.9 and employment dropped into contraction at 45.2. Prices on the other hand surged to 70.7, the biggest one month jump in more than 13 years.
- The SGD SORA OIS curve traded lower yesterday with shorter tenors trading 3-4bps lower while belly tenors and 10Y tenors traded 4bps lower.
- Flows in SGD corporates were light, with flows in STANLN 4.3%-PERP.
- US Investment Grade spreads traded flat at 82bps and US High Yield spreads tightened by 8bps to 294bps respectively.
- Bloomberg Global Contingent Capital Index traded flat at 265bps.
- Bloomberg Asia USD Investment Grade spreads widened by 1bps to 65bps and Asia USD High Yield spreads widened by 4bps to 446bps respectively. (Bloomberg, OCBC)

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Credit Summary:

- There are no headlines for today.

New Issues:

The total issuance volumes for APAC and DM IG market yesterday were zero and USD5.6bn respectively.

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
06 Apr	Hyundai Capital Services Inc	Fixed	SGD	65	2	2.2%
06 Apr	Marvell Technology Inc	Fixed	USD	1,000	10	T + 97bps
06 Apr	QTS Fayetteville I DC1-2 LLC and QTS TRS Fayetteville I DCI-2 LLC	Green, Senior Secured, Fixed	USD	4,600	10	T + 137.5bps

Mandates:

- There were no notable mandates yesterday.

Key Market Movements

	7-Apr	1W chg (bps)	1M chg (bps)		7-Apr	1W chg	1M chg
iTraxx Asiax IG	87	-4	8	Brent Crude Spot (\$/bbl)	111.1	-1.5%	19.9%
				Gold Spot (\$/oz)	4,657	-0.2%	-9.4%
iTraxx Japan	69	-4	3	CRB Commodity Index	382	3.7%	8.6%
iTraxx Australia	86	-6	4	S&P Commodity Index - GSCI	777	4.2%	10.8%
CDX NA IG	60	-4	3	VIX	24.2	-22.2%	-18.0%
CDX NA HY	105	1	-1	US10Y Yield	4.34%	3bp	21bp
iTraxx Eur Main	65	-6	3				
iTraxx Eur XO	326	-27	36	AUD/USD	0.692	0.3%	-2.2%
iTraxx Eur Snr Fin	72	-6	7	EUR/USD	1.154	-0.1%	-0.8%
iTraxx Eur Sub Fin	119	-15	8	USD/SGD	1.285	0.1%	-0.8%
				AUD/SGD	0.889	-0.1%	1.5%
USD Swap Spread 10Y	-45	0	4	ASX200	8,709	2.3%	-1.6%
USD Swap Spread 30Y	-78	-0	2	DJIA	46,670	3.3%	-1.8%
				SPX	6,612	3.8%	-1.9%
China 5Y CDS	52	-1	6	MSCI Asiax	936	4.0%	-4.3%
Malaysia 5Y CDS	47	-1	0	HSI	25,117	1.0%	-2.5%
Indonesia 5Y CDS	98	-3	6	STI	4,956	1.2%	2.2%
Thailand 5Y CDS	60	-3	10	KLCI	1,675	-0.9%	-2.5%
Australia 5Y CDS	15	-1	0	JCI	6,969	-1.7%	-8.1%
				EU Stoxx 50	5,693	2.3%	-0.5%

Source: Bloomberg

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