

Daily Credit Snapshot

Market Commentary

- Oil prices fell below USD80/bbl for the first time since early March amid growing hopes that the Strait of Hormuz will fully reopen following the U.S.-Iran ceasefire agreement. However, U.S. equities paused after their recent rally, with technology stocks leading the retreat. Lower oil prices also helped push U.S. Treasury yields lower ahead of the June FOMC meeting. In Japan, the Bank of Japan raised its policy rate to a 31-year high on Tuesday in a 7-1 vote. Board member Asada, who was appointed under Prime Minister Takaichi, was the sole dissenter. Deputy Governor Shinichi Uchida signalled that the BOJ remains committed to further policy normalization, citing persistent inflation risks. While welcoming the recent U.S.-Iran peace agreement as a positive development, Uchida noted that inflationary pressures remain entrenched as firms continue to pass on higher costs and implement wage increases. In Europe, ECB Chief Economist Philip Lane reiterated that the central bank would remain "proactive" in tackling inflation despite the recent decline in energy prices following the easing of Middle East tensions. On the data front, German investor sentiment improved sharply in June, with the ZEW expectations index rising to +10.5 from -10.2 in May, reflecting optimism that the Iran conflict is de-escalating. However, the assessment of current economic conditions weakened slightly, with the current situation index falling to -81.0 from -77.8 previously. Meanwhile, China's May economic data further reinforced the K-shaped nature of the recovery. High-tech manufacturing, AI-related industries and emerging sectors continued to outperform, while consumption, property-related activity and traditional investment sectors remained under pressure. Elsewhere, a survey by the World Gold Council showed that 84% of central banks expect to increase the share of gold in their reserves over the next five years, up from 76% a year ago, highlighting the continued diversification away from traditional reserve assets.
- The SGD SORA OIS curve traded lower yesterday with shorter, belly and 10Y tenors all trading 3bps lower.
- Flows in SGD corporates were heavy, with flows in STANLN 4.3%-PERP, BACR 5.4%-PERP, CAPLSP 3.15% '29s, UOBSP 3%-PERP, WSTP 3% '38s.
- US Investment Grade spreads widened by 2bps to 73bps and US High Yield spreads widened by 3bps to 259bps yesterday respectively. Bloomberg Global Contingent Capital Index tightened by 1bps to 218bps.
- Bloomberg Asia USD Investment Grade traded flat at 53bps yesterday while Asia USD High Yield spreads widened by 1bps to 365bps. (Bloomberg, OCBC).

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Credit Summary:

- There are no credit headlines for today.

New Issues:

- The total issuance volumes for APAC and DM IG markets yesterday were USD950mn and USD7.3bn respectively (prior day: USD2bn and USD34.95bn respectively).

Date	Issuer	Description	Currency	Size (mn)	Tenor (Yr)	Final Pricing (%)
16 Jun	HDFC Bank Ltd/Gandhinagar	Fixed	USD	750	5	T + 90bps
16 Jun	Experian Finance US Inc (guarantor: Experian PLC)	Fixed	USD	1,000	10	T + 95bps
16 Jun	NextEra Energy Capital Holdings Inc (guarantor: NextEra Energy Inc)	Fixed, Jr Subordinated	USD	1,000	30NC5	6%
16 Jun	NextEra Energy Capital Holdings Inc (guarantor: NextEra Energy Inc)	Fixed, Jr Subordinated	USD	1,250	30NC10	6.2%
16 Jun	NextEra Energy Capital Holdings Inc (guarantor: NextEra Energy Inc)	Fixed, Jr Subordinated	USD	1,500	40NC20	6.625%

Mandates:

- POSCO International Corporation may issue a USD-denominated 5Y fixed rate bond.
- NH Investment & Securities may issue USD-denominated 3Y and/or 5Y FXD.
- Mirae Asset Securities Co., Ltd. may issue USD-denominated 3Y and 5Y fixed rate bonds.

Key Market Movements

	17-Jun	1W chg (bps)	1M chg (bps)		17-Jun	1W chg	1M chg
iTraxx Asiax IG	68	-6	-8	Brent Crude Spot (\$/bbl)	79.0	-15.2%	-27.7%
				Gold Spot (\$/oz)	4,329	6.3%	-5.2%
iTraxx Japan	59	-2	-5	CRB Commodity Index	362	-2.6%	-9.2%
iTraxx Australia	69	-5	-8	S&P Commodity Index - GSCI	643	-6.2%	-14.4%
CDX NA IG	50	-2	-3	VIX	16.4	-17.4%	-11.0%
CDX NA HY	108	1	0	US10Y Yield	4.43%	-12bp	-16bp
iTraxx Eur Main	52	-3	-6				
iTraxx Eur XO	250	-16	-30	AUD/USD	0.706	0.8%	-1.5%
iTraxx Eur Snr Fin	54	-3	-6	EUR/USD	1.161	0.7%	-0.4%
iTraxx Eur Sub Fin	88	-6	-11	USD/SGD	1.282	0.4%	-0.2%
				AUD/SGD	0.905	-0.4%	1.3%
USD Swap Spread 10Y	-41	0	2	ASX200	8,966	3.6%	3.9%
USD Swap Spread 30Y	-72	1	2	DJIA	52,000	2.2%	5.0%
				SPX	7,511	1.7%	1.4%
China 5Y CDS	39	-1	-3	MSCI Asiax	1,176	6.5%	6.6%
Malaysia 5Y CDS	35	0	-0	HSI	24,307	-0.4%	-6.4%
Indonesia 5Y CDS	88	-9	-2	STI	5,189	4.6%	4.0%
Thailand 5Y CDS	42	-7	-10	KLCI	1,710	2.1%	-1.0%
Australia 5Y CDS	14	1	0	JCI	6,202	7.9%	-7.7%
				EU Stoxx 50	6,257	3.4%	7.4%

Source: Bloomberg

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