

Daily Credit Snapshot

Market Commentary

- US-Iran peace talks reportedly made "encouraging progress". Iran agreed to allow nuclear inspectors back into the country. The US issued a 60-day license allowing Iran to sell oil on international markets, sending crude prices lower. Separately, UK Prime Minister Keir Starmer announced to step down after recent election setback. It appears there is now a clear path for Burnham to take the Labour party leadership, as Wes Streeting backed him as successor. Asian equities surged to a record high, before US markets reversed course. Three major US stock indexes ended the day mixed with signs of sector rotation. The dollar index advanced amid rising Fed rate hike expectations, while US treasuries sold off across the curve. Chicago Fed President Austan Goolsbee said inflation is "way above target and going the wrong way," expressing concern about whether all the factors driving prices up are temporary. ECB President Lagarde delivered a notably dovish tone. She said the ECB sees no need for a more forceful response to the Iran war, as inflation is set to return to target over the medium term. 1-year and 5-year LPR interest rates were kept unchanged at 3% and 3.5% respectively as expected. China rolled out 15 measures to promote foreign investment, including expanding market access in universities and services industries, enabling use of risk management tools such as treasury futures, and supporting foreign enterprises in raising funds through domestic listing. The backdrop against these measures is persistent FDI contraction in China, which fell by 8.6% y/y for the period Jan-May this year. On data front, Canada's CPI came in higher-than-expected at 3.2% y/y in May, driven by a third consecutive month of rising gasoline prices.
- The SGD SORA OIS curve traded higher yesterday with shorter tenors trading 0-2bps higher while belly tenors traded 2-3bps higher and the 10Y tenor traded 2bp higher.
- There were mostly light flows in SGD corporates yesterday.
- US Investment Grade spreads traded flat at 73bps, and US High Yield spreads also tightened by 1bp to 264ps. Bloomberg Global Contingent Capital Index also tightened by 1bp to 215bps.
- Bloomberg Asia USD Investment Grade tightened by 1bp to 52bps and Asia USD High Yield spreads tightened by 4bps to 353bps. (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 markets yesterday were USD4.3bn and USD8.4bn respectively (prior day: zero for both APAC and DM IG markets).

| Date | Issuer | Description | Currency | Size (mn) | Tenor (Yr) | Final Pricing (%) |
|--------|---|--------------------------------|----------|-----------|------------|-------------------|
| 22 Jun | GLL IHT Pte Ltd (guarantor: GuocoLand Ltd) | Fixed | SGD | 110 | 4.25 | 2.5% |
| 22 Jun | China Construction Bank Corp Singapore Branch | FRN | USD | 195 | 3 | SOFRIX +38bps |
| 22 Jun | DBS Bank Ltd (guarantor: Bayfront Covered Bonds Pte Ltd) | Fixed, Secured | USD | 2,000 | 3 | SOFRMS + 42bps |
| 22 Jun | NH Investment & Securities Co Ltd | Fixed | USD | 300 | 3 | 4.937% |
| 22 Jun | NH Investment & Securities Co Ltd | Fixed | USD | 300 | 5 | 5.038% |
| 22 Jun | Denso Corp | Fixed | USD | 500 | 5 | T + 58bps |
| 22 Jun | Posco International Corp | Fixed | USD | 500 | 5 | T + 90bps |
| 22 Jun | Credit Agricole SA | Fixed-to-FRN, Sr Non Preferred | USD | 1,250 | 6NC5 | T + 90bps |
| 22 Jun | Intesa Sanpaolo SpA | Fixed, Sr Non Preferred | USD | 1,000 | 6NC5 | T + 95bps |
| 22 Jun | Intesa Sanpaolo SpA | Fixed, Subordinated, Tier 2 | USD | 1,000 | 11NC10 | T + 150bps |

| | | | | | | |
|--------|-----------------------|-------------------------|-----|-------|------|-----------|
| 22 Jun | Intesa Sanpaolo SpA | Fixed, Sr Non Preferred | USD | 1,500 | 4NC3 | T+80bps |
| 22 Jun | Republic Services Inc | Fixed | USD | 700 | 5 | T + 50bps |
| 22 Jun | Republic Services Inc | Fixed | USD | 500 | 10 | T + 62bps |

Mandates:

- Shaoxing City Development Group Limited may issue USD-denominated Green bonds
- Nomura Holdings, Inc. may issue USD-denominated 3Y fixed and floating rate, 5Y fixed and floating rate and 10Y fixed rate bonds.
- NTT Finance Corporation may issue a multi-tranche USD-denominated notes across Short 2Y FXD (Mar-28), 3Y FRN (Jun-29), Long 3Y FXD (Nov-29), 5Y FRN (Jun-31), Long 5Y FXD (Nov-31), Long 7Y FXD (Nov-33) and Long 10Y FXD (Nov 36) tenors.
- Yi Bright International Limited (guarantor: Linyi City Construction Investment Group Co., Ltd.) may issue USD-denominated fixed rate bonds.



Key Market Movements

| | 23-Jun | 1W chg (bps) | 1M chg (bps) | | 23-Jun | 1W chg | 1M chg |
|---------------------|--------|-----------------|-----------------|----------------------------|--------|--------|--------|
| iTraxx Asia IG | 68 | -0 | -6 | Brent Crude Spot (\$/bbl) | 78.1 | -1.1% | -24.6% |
| | | | | Gold Spot (\$/oz) | 4,170 | -3.7% | -8.8% |
| iTraxx Japan | 59 | 0 | -3 | CRB Commodity Index | 360 | -2.5% | -8.4% |
| iTraxx Australia | 68 | -1 | -6 | S&P Commodity Index - GSCI | 635 | -4.8% | -13.2% |
| CDX NA IG | 50 | -0 | -2 | VIX | 17.3 | -2.3% | 3.5% |
| CDX NA HY | 108 | -0 | 0 | US10Y Yield | 4.50% | 6bp | -6bp |
| iTraxx Eur Main | 51 | -0 | -4 | | | | |
| iTraxx Eur XO | 247 | -3 | -27 | AUD/USD | 0.699 | -1.2% | -2.6% |
| iTraxx Eur Snr Fin | 54 | -0 | -4 | EUR/USD | 1.142 | -1.6% | -1.9% |
| iTraxx Eur Sub Fin | 88 | 0 | -7 | USD/SGD | 1.294 | -0.9% | -1.3% |
| | | | | AUD/SGD | 0.904 | 0.3% | 1.4% |
| | | | | | | | |
| USD Swap Spread 10Y | -40 | 1 | 1 | ASX200 | 8,822 | -1.1% | 1.9% |
| USD Swap Spread 30Y | -71 | 1 | 2 | DJIA | 51,713 | 1.0% | 2.2% |
| | | | | SPX | 7,473 | 0.6% | -0.0% |
| China 5Y CDS | 38 | -1 | -2 | MSCI Asiax | 1,199 | 2.0% | 7.4% |
| Malaysia 5Y CDS | 38 | 3 | 4 | HSI | 23,769 | -4.3% | -7.2% |
| Indonesia 5Y CDS | 88 | 0 | -4 | STI | 5,223 | 2.1% | 3.1% |
| Thailand 5Y CDS | 41 | -1 | -9 | KLCI | 1,701 | 0.5% | -0.7% |
| Australia 5Y CDS | 13 | 0 | -0 | JCI | 6,117 | 1.8% | -0.7% |
| | | | | EU Stoxx 50 | 6,311 | 1.3% | 4.8% |

Source: Bloomberg

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