

Market Commentary

- The SGD swap mostly fell yesterday, with shorter tenors trading 1-2bps lower, while belly and longer tenors traded 1-3bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS remained mostly unchanged at 151bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 14bps to 691bps. The HY-IG Index Spread widened 13bps to 541bps.
- There were very minimal flows in SGD corporates on Monday.
- 10Y UST fell 5bps to 1.08% after a strong auction of USD24bn in 30-year bonds and a December CPI report which met market expectations.

Credit Research

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Credit Summary:

- [Ascott Residence Trust \("ART"\)](#) | **Issuer profile: Neutral (5)**: ART announced that it has obtained a SGD50mn green loan where proceeds will be used to finance ART's development project, a co-living property at one-North.
- [Singapore Airlines Ltd \("SIA"\)](#) | **Issuer profile: Neutral (5)**: SIA has priced its first ever USD bond at 260bps above treasuries, tightening 40bps from initial price talk. The deal is a 5.5Y senior unsecured paper, raising USD500mn in a well-received transaction.

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Credit Headlines

Ascott Residence Trust (“ART”) | Issuer profile: Neutral (5)

- ART announced that it has obtained a SGD50mn green loan where proceeds will be used to finance ART’s development project, a co-living property at one-North. In 2020, 15 of ART’s properties attained green certifications, bringing the total to 21 across its portfolio.
- We continue to expect Capitaland Ltd (“CAPL”, Issuer profile: Neutral (3)) entities and its Sponsored REITs to issue green products. (Company, OCBC)

Singapore Airlines Ltd (“SIA”) | Issuer profile: Neutral (5)

- SIA has [priced its first ever USD bond](#) at 260bps above treasuries, tightening 40bps from initial price talk.
- The deal is a 5.5Y senior unsecured paper, raising USD500mn in a well-received transaction. On the back of restricted international mobility, the company is still facing a very challenging operating environment though has maintained considerable access to capital markets.
- As at 13 December 2020, SIA has utilised 81% of its SGD8.8bn in rights issue (equity and mandatory convertible bonds). (Bloomberg, OCBC)

Key Market Movements

	14-Jan	1W chg (bps)	1M chg (bps)		14-Jan	1W chg	1M chg
iTraxx Asiax IG	63	5	4	Brent Crude Spot (\$/bbl)	56.06	3.24%	12.19%
iTraxx SovX APAC	27	2	1	Gold Spot (\$/oz)	1,847.21	-3.49%	1.09%
iTraxx Japan	52	0	-2	CRB	175.19	1.79%	8.64%
iTraxx Australia	60	4	2	GSCI	433.33	2.51%	10.06%
CDX NA IG	50	0	-4	VIX	22.21	-11.41%	-4.72%
CDX NA HY	109	0	0	CT10 (%)	1.087%	0.71	19.35
iTraxx Eur Main	49	1	-1				
iTraxx Eur XO	251	2	-8	AUD/USD	0.775	-0.26%	2.84%
iTraxx Eur Snr Fin	60	0	-2	EUR/USD	1.217	-0.84%	0.21%
iTraxx Eur Sub Fin	114	3	-2	USD/SGD	1.325	-0.05%	0.75%
iTraxx Sovx WE	8	0	-1	AUD/SGD	1.027	0.20%	-2.05%
USD Swap Spread 10Y	1	1	1	ASX 200	6,685	-0.40%	0.38%
USD Swap Spread 30Y	-25	3	3	DJIA	31,060	0.75%	3.38%
US Libor-OIS Spread	15	1	2	SPX	3,810	1.65%	4.00%
Euro Libor-OIS Spread	-7	1	-1	MSCI Asiax	894	3.37%	9.25%
				HSI	28,236	1.96%	7.00%
China 5Y CDS	30	2	1	STI	2,978	4.00%	4.18%
Malaysia 5Y CDS	41	5	3	KLCI	1,637	2.81%	-1.57%
Indonesia 5Y CDS	73	6	2	JCI	6,435	6.09%	7.03%
Thailand 5Y CDS	38	3	3	EU Stoxx 50	3,617	0.15%	3.21%
Australia 5Y CDS	15	1	1				

Source: Bloomberg

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New Issues

- Singapore Airlines Ltd priced a USD500mn 5.5-year bond at T+260bps, tightening from IPT of T+300bps area.
- DBS Bank Ltd priced a USD250mn zero-coupon 40-year bond.
- Xingcheng (BVI) Limited (Guarantor: Chengdu Xingcheng Investment Group Co Ltd) priced a USD445mn 5-year bond at 2.9%, tightening from IPT of 3.2% area.
- SK Hynix Inc priced a USD500mn 3-year bond at T+85bps, tightening from IPT of T+115bps area, a USD1bn 5-year bond at T+105bps, tightening from IPT of T+140bps area and a USD1bn 10-year green bond at T+140bps, tightening from IPT of T+180bps area.
- Tower Bersama Infrastructure Tbk PT priced a USD300mn 5-year bond at 2.75%, tightening from IPT of 3% area.
- Melco Resorts Finance Limited priced a USD250m re-tap of its MPEL 5.375%'29s at 4.918%.
- Wheelock MTN (BVI) Limited (Guarantor: Wheelock and Company Limited) has arranged investor calls commencing 13 January for its proposed USD bond offering.

Date	Issuer	Size	Tenor	Pricing
13-Jan-21	Singapore Airlines Ltd	USD500mn	5.5-year	T+260bps
13-Jan-21	DBS Bank Ltd	USD250mn	40-year	Zero-coupon
13-Jan-21	Xingcheng (BVI) Limited (Guarantor: Chengdu Xingcheng Investment Group Co Ltd)	USD445mn	5-year	2.9%
13-Jan-21	SK Hynix Inc	USD500mn USD1bn USD1bn	3-year 5-year 10-year	T+85bps T+105bps T+140bps
13-Jan-21	Tower Bersama Infrastructure Tbk PT	USD300mn	5-year	2.75%
13-Jan-21	Melco Resorts Finance Limited	USD250mn	MPEL 5.375%'29s	4.918%
12-Jan-21	Enrong International (Hong Kong) Ltd (Guarantor: Changzhou Eastern New City Construction Group Co.)	USD300mn	3-year	3.1%
12-Jan-21	China Cinda 2020 I Management Ltd (Guarantor: China Cinda HK Holdings Co Ltd)	USD500mn USD300mn USD400mn USD800mn	3-year 5-year 7-year 10-year	T+115bps T+140bps T+185bps T+195bps
12-Jan-21	China Huaneng Group Hong Kong Treasury Management Holding Ltd (Guarantor: China Huaneng Group Co Ltd)	USD500mn USD500mn	5-year 10-year	T+108bps T+155bps
12-Jan-21	Westwood Group Holdings Ltd (Guarantor: Yuexiu Property Company Limited)	USD600mn USD150mn	5-year 10-year	T+230bps T+265bps

Source: OCBC, Bloomberg

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