

### Market Commentary

- The SGD swap curve traded mostly higher yesterday, with shorter tenors trading at 1-3bps higher. Belly tenors traded 2-3bps higher while longer tenors traded 1bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS remained mostly unchanged at 130bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 4bps to 626bps. The HY-IG Index Spread widened 4bps to 496bps.
- There were heavy flows in SGD corporates yesterday including CS 5.625%-PERPs, OLAMSP 4% '26s, HSBC 5%-PERPs and FPLSP 3.95%-PERPs.
- 10Y UST Yields fell 2bps to 1.70% as the U.S. stock market rallied to new record highs on the back of strong economic data while the ISM Services PMI registered a stronger-than-expected reading of 63.7 in March.

### Credit Research

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### Credit Summary:

- **[Singapore Bonds Outlook](#)**: The Significant Infrastructure Government Loan Act ("Singa") has been introduced. Infrastructure projects which qualify should have a total project cost of at least SGD4bn, available for use for at least 50 years and support national productivity or economic, environmental or social sustainability. Total borrowing limit across all Sing bonds will be SGD90bn over the next 15 years, with an annual interest threshold of SGD5bn.
- **[Credit Suisse AG \("CS"\)](#) | Issuer profile: Neutral (4)** : Reportedly the bank's current Chief Risk & Compliance Officer and Chief Executive Officer of the Investment Bank will be exiting CS. A third executive, the Head of Equities Sales and Trading is stepping down from the role effectively immediate though will assist in the transition through April 2021.
- **[Société Générale S.A \("SocGen"\)](#) | Issuer profile: Neutral (4)** : Reportedly, Amundi SA, a large Europe based asset manager has become the leading bidder for SocGen's fund management arm Lyxor, with a purchase price of more than EUR600mn being discussed.

## Asian Credit Daily

### Credit Headlines

#### Singapore Bonds Outlook

- The Significant Infrastructure Government Loan Act (“Singa”) has been introduced.
- New infrastructure bonds under Singa can be issued to finance nationally significant infrastructure projects, such as Cross Island and Jurong Regional MRT lines.
- Infrastructure projects which qualify should have a total project cost of at least SGD4bn, available for use for at least 50 years and support national productivity or economic, environmental or social sustainability.
- Total borrowing limit across all Sing bonds will be SGD90bn over the next 15 years, with an annual interest threshold of SGD5bn.
- Sing bonds will be named SGS (Infrastructure), which is a new category of Singapore government securities. The current SGS issuances will be renamed SGS (Market Development). Both will rank pari passu, with the same tax and regulatory treatment.
- We think this development may result in increased issuances of government bonds. Comparatively, the total outstanding bonds is SGD10.5bn for Land Transport Authority of Singapore (“LTA”) and Public Utilities Board (“PUB”), which are statutory boards which tend to issue longer term bonds. Potentially, we think the government may prefer issuance via SGS (Infrastructure) to LTA and PUB given the potential interest savings. (Business Times, OCBC)

#### Credit Suisse AG (“CS”) | Issuer profile: Neutral (4)

- Reportedly the bank’s current Chief Risk & Compliance Officer and Chief Executive Officer of the Investment Bank will be exiting CS. A third executive, the Head of Equities Sales and Trading is stepping down from the role effectively immediate though will assist in the transition through April 2021.
- CS is expected to provide an update to investors this week in relation to its involvement in Archegos Capital Management. A review of CS’ prime brokerage business is also expected. (Bloomberg, Financial times)

#### Société Générale S.A (“SocGen”) | Issuer profile: Neutral (4)

- Reportedly, Amundi SA, a large Europe based asset manager has become the leading bidder for SocGen’s fund management arm Lyxor, with a purchase price of more than EUR600mn being discussed.
- Lyxor is an exchange traded funds providers and manages ~EUR164.4bn of assets.
- SocGen has been trying to increase the bank’s capital buffer in recent years and has been pursuing asset sales. (Bloomberg)

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### Key Market Movements

	6-Apr	1W chg (bps)	1M chg (bps)		6-Apr	1W chg	1M chg
iTraxx Asiax IG	62	-2	-1	<b>Brent Crude Spot (\$/bbl)</b>	62.41	-3.96%	-10.02%
iTraxx SovX APAC	27	-1	-3	<b>Gold Spot (\$/oz)</b>	1,729.40	2.62%	2.72%
iTraxx Japan	45	-4	-2	<b>CRB</b>	184.08	-1.95%	-3.11%
iTraxx Australia	62	-2	-1	<b>GSCI</b>	464.33	-2.16%	-5.51%
CDX NA IG	51	-5	-5	<b>VIX</b>	17.91	-5.04%	-25.68%
CDX NA HY	109	1	1	<b>CT10 (%)</b>	1.699%	-0.44	13.24
iTraxx Eur Main	50	-3	1				
iTraxx Eur XO	244	-18	-13	<b>AUD/USD</b>	0.766	0.80%	0.10%
iTraxx Eur Snr Fin	58	-3	-1	<b>EUR/USD</b>	1.182	0.86%	-0.24%
iTraxx Eur Sub Fin	108	-9	-1	<b>USD/SGD</b>	1.341	0.54%	0.77%
iTraxx Sovx WE	5	0	-1	<b>AUD/SGD</b>	1.027	-0.26%	0.64%
<b>USD Swap Spread 10Y</b>	4	1	1	<b>ASX 200</b>	6,890	0.96%	1.89%
<b>USD Swap Spread 30Y</b>	-22	0	6	<b>DJIA</b>	33,527	1.37%	6.80%
<b>US Libor-OIS Spread</b>	13	0	2	<b>SPX</b>	4,078	2.60%	5.36%
<b>Euro Libor-OIS Spread</b>	-5	0	0	<b>MSCI Asiax</b>	878	1.06%	-0.73%
				<b>HSI</b>	28,939	3.72%	-0.54%
<b>China 5Y CDS</b>	33	-2	-1	<b>STI</b>	3,210	1.64%	6.50%
<b>Malaysia 5Y CDS</b>	44	-1	0	<b>KLCI</b>	1,584	-1.68%	-0.99%
<b>Indonesia 5Y CDS</b>	85	-4	1	<b>JCI</b>	5,970	-3.64%	-4.61%
<b>Thailand 5Y CDS</b>	39	-1	-1	<b>EU Stoxx 50</b>	3,946	2.96%	6.43%
<b>Australia 5Y CDS</b>	15	0	-12				

Source: Bloomberg

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### New Issues

- There were no new issues or mandates on Monday.

Date	Issuer	Size	Tenor	Pricing
31-Mar-21	Chengdu Jiaozhi Financial Holding Group Co Ltd	USD200mn	5-year	2.6%
31-Mar-21	Logan Group Co Ltd	USD300mn	4.25NC2.25	4.5%,
31-Mar-21	Ooredoo International Finance Ltd (Guarantor: Ooredoo QPSC)	USD1.0bn	10-year	MS+100bps
31-Mar-21	Pioneer Reward Limited	USD100mn	HTSC 1.3%'24s	T+100bps
31-Mar-21	ReNew Wind Energy Pvt, Ostro Jaisalmer Pvt, Ostro Urja Wind Pvt, Ostro Madhya Wind Pvt, Badoni Power Pvt, AVP Powerinfra Pvt, Prathamesh Solarfarms Ltd., Ostro Anantapur Pvt, ReNew Wind Energy Delhi Pvt Ostro Mahawind Power Pvt (Guarantor: ReNew Power Pvt Ltd)	USD585mn	7.25NC2.5	4.5%

Source: OCBC, Bloomberg

# Treasury Research & Strategy

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