

Market Commentary

- The SGD swap curve traded lower yesterday, with shorter tenors trading at 2-3bps lower. Belly tenors traded 4bps lower while longer tenors traded 4-5bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 3bps to 132bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 1bps to 627bps. The HY-IG Index Spread tightened 1bps to 495bps.
- There were heavy flows in SGD corporates yesterday including CS 5.625%-PERPs, OLAMSP 4%'26s, HSBC 4.7%-PERPs, HSBC 5%-PERPs, OLAMSP 5.375%-PERPs and CMZB 4.875%'27s.
- 10Y UST Yields fell 4bps to 1.66% as investors dialled back on bearish bond bets while waiting to gain more clarity on how the central bank will be envisioning the economic outlook amidst recent positive economic data.

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Credit Summary:

- [Credit Suisse AG \("CS"\)](#) | **Issuer profile: Neutral (4):** CS announced that it expects to report a pre-tax loss for 1Q2021 of ~CHF900mn, including a charge of CHF4.4bn in respect of a failure by a US-based hedge fund to meet its margin commitments. The media has widely reported that this is linked to Archegos Capital Management, a private investment firm that manages the funds of the principal's family.
- [Singapore Post Limited \("SPOST"\)](#) | **Issuer Profile: Neutral (3):** Amendments to Postal Services Act ("PSA") were passed in Parliament on Monday. The PSA was updated to allow the Infocomm Media Development Authority ("IMDA"), as the appointed postal authority, to establish, install, operate and maintain the locker network, which will comprise 1,000 locker stations by end-2021.
- [Westpac Banking Corporation \("Westpac"\)](#) | **Issuer Profile: Positive (2):** Westpac has announced that Australian Prudential Regulation Authority ("APRA") has approved its plan developed in response to the bank's Enforceable Undertaking ("EU"). Under the terms of the EU, entered into on 3 December 2020, Westpac was required to submit for APRA approval a detailed integrated plan outlining all major remediation activities related to risk governance. The plan was also required to have clear timelines and specify who is accountable for delivery.

Asian Credit Daily**Credit Headlines****Credit Suisse AG (“CS”) | Issuer profile: Neutral (4)**

- CS announced that it expects to report a pre-tax loss for 1Q2021 of ~CHF900mn, including a charge of CHF4.4bn in respect of a failure by a US-based hedge fund to meet its margin commitments. The media has widely reported that this is linked to Archegos Capital Management, a private investment firm that manages the funds of the principal’s family.
- CS expect the 1Q2021 CET1 ratio to be at least 12%, Tier 1 leverage ratio to be at least 5.4% and 1Q2021 CET1 leverage ratio to be at least 3.7%.
- CS has suspended its share buyback program and do not intend to resume share purchases before it regains its target capital ratios with restored dividends. Proposed 2020 annual dividends has been lowered to CHF0.10 per share, down two-thirds from CHF0.29 per share originally proposed.
- The board of directors has launched investigations into this matter along with an earlier matter concerning a supply chain-focused financial services firm (widely reported as linked to Greensil Capital). (Company, Washington Post)

Singapore Post Limited (“SPOST”) | Issuer Profile: Neutral (3)

- Amendments to Postal Services Act (“PSA”) were passed in Parliament on Monday. The PSA was updated to allow the Infocomm Media Development Authority (“IMDA”), as the appointed postal authority, to establish, install, operate and maintain the locker network, which will comprise 1,000 locker stations by end-2021. The stations will be located at areas such as HDB estates, public transport nodes, and community centres and clubs managed by the People’s Association. The PSA amendments also provide IMDA with enforcement powers to ensure the safe use and operation of the network.
- Separately, the PSA was also amended to allow delivery service providers and online merchants to deliver small packets and other non-letters into letterboxes via SingPost, the public postal licensee. Other postal licensees may also tap this infrastructure.
- We continue to review the development. (Company, Business Times, OCBC)

Westpac Banking Corporation (“Westpac”) | Issuer Profile: Positive (2)

- Westpac has announced that Australian Prudential Regulation Authority (“APRA”) has approved its plan developed in response to the bank’s Enforceable Undertaking (“EU”).
- Under the terms of the EU, entered into on 3 December 2020, Westpac was required to submit for APRA approval a detailed integrated plan outlining all major remediation activities related to risk governance. The plan was also required to have clear timelines and specify who is accountable for delivery.
- The Integrated Plan outlines commitments designed to strengthen all aspects of Westpac’s risk governance across both financial and non-financial risk.
- A requirement of the EU is that the Integrated Plan is independently assured. Westpac has appointed Promontory Australasia to provide quarterly assurance and we intend to release their reports bi-annually, with the first report (for the period up to 1 March 2021) released today. (Company, AFR, OCBC)

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Key Market Movements

	7-Apr	1W chg (bps)	1M chg (bps)		7-Apr	1W chg	1M chg
iTraxx Asiax IG	64	0	1	Brent Crude Spot (\$/bbl)	62.83	-2.04%	-9.41%
iTraxx SovX APAC	27	-1	-3	Gold Spot (\$/oz)	1,737.34	1.74%	3.20%
iTraxx Japan	45	-3	-2	CRB	185.84	-0.90%	-3.93%
iTraxx Australia	61	-3	-2	GSCI	468.57	0.25%	-4.65%
CDX NA IG	52	-2	-4	VIX	18.12	-12.63%	-26.52%
CDX NA HY	110	1	2	CT10 (%)	1.663%	-7.73	9.70
iTraxx Eur Main	51	-1	1				
iTraxx Eur XO	246	-6	-11	AUD/USD	0.766	0.75%	0.07%
iTraxx Eur Snr Fin	58	-2	-1	EUR/USD	1.187	1.18%	0.18%
iTraxx Eur Sub Fin	118	6	0	USD/SGD	1.338	0.48%	0.93%
iTraxx Sovx WE	6	0	-1	AUD/SGD	1.025	-0.24%	0.83%
USD Swap Spread 10Y	4	0	0	ASX 200	6,905	1.55%	2.89%
USD Swap Spread 30Y	-23	-1	5	DJIA	33,430	0.78%	6.14%
US Libor-OIS Spread	13	0	2	SPX	4,074	2.59%	6.04%
Euro Libor-OIS Spread	-5	0	0	MSCI Asiax	885	2.42%	-0.04%
				HSI	28,729	1.39%	-1.26%
China 5Y CDS	33	-2	-1	STI	3,206	0.46%	6.36%
Malaysia 5Y CDS	43	-2	-1	KLCI	1,584	0.68%	-0.99%
Indonesia 5Y CDS	84	-4	0	JCI	5,994	-1.28%	-4.23%
Thailand 5Y CDS	38	-2	-2	EU Stoxx 50	3,970	2.68%	8.20%
Australia 5Y CDS	15	1	-12				

Source: Bloomberg

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New Issues

- There were no new issues or mandates on Tuesday.

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

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