

### 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.

### Credit Research

#### Andrew Wong

+65 6530 4736

[WongVKAM@ocbc.com](mailto:WongVKAM@ocbc.com)

#### Ezien Hoo, CFA

+65 6722 2215

[EzienHoo@ocbc.com](mailto:EzienHoo@ocbc.com)

#### Wong Hong Wei, CFA

+65 6722 2533

[WongHongWei@ocbc.com](mailto:WongHongWei@ocbc.com)

#### Seow Zhi Qi, CFA

+65 6530 7348

[zhiqiseow@ocbc.com](mailto:zhiqiseow@ocbc.com)

### 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)

## Asian Credit Daily

### Key Market Movements

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

Source: Bloomberg

## Asian Credit Daily

### 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

# Treasury Research & Strategy

## Macro Research

**Selena Ling**
*Head of Research & Strategy*
[LingSSSelena@ocbc.com](mailto:LingSSSelena@ocbc.com)
**Tommy Xie Dongming**
*Head of Greater China*
*Research*
[XieD@ocbc.com](mailto:XieD@ocbc.com)
**Wellian Wiranto**
*Malaysia & Indonesia*
[WellianWiranto@ocbc.com](mailto:WellianWiranto@ocbc.com)
**Howie Lee**
*Thailand, Korea &*
*Commodities*
[HowieLee@ocbc.com](mailto:HowieLee@ocbc.com)
**Carie Li**
*Hong Kong & Macau*
[carierli@ocbcwh.com](mailto:carierli@ocbcwh.com)
**Herbert Wong**
*Hong Kong & Macau*
[herberhtwong@ocbcwh.com](mailto:herberhtwong@ocbcwh.com)

## FX/Rates Strategy

**Frances Cheung**
*Rates Strategist*
[FrancesCheung@ocbc.com](mailto:FrancesCheung@ocbc.com)
**Terence Wu**
*FX Strategist*
[TerenceWu@ocbc.com](mailto:TerenceWu@ocbc.com)

## Credit Research

**Andrew Wong**
*Credit Research Analyst*
[WongVKAM@ocbc.com](mailto:WongVKAM@ocbc.com)
**Ezien Hoo**
*Credit Research Analyst*
[EzienHoo@ocbc.com](mailto:EzienHoo@ocbc.com)
**Wong Hong Wei**
*Credit Research Analyst*
[WongHongWei@ocbc.com](mailto:WongHongWei@ocbc.com)
**Seow Zhi Qi**
*Credit Research Analyst*
[ZhiQiSeow@ocbc.com](mailto:ZhiQiSeow@ocbc.com)

This publication is solely for information purposes only and may not be published, circulated, reproduced, or distributed in whole or in part to any other person without our prior written consent. This publication should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this publication may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate.

This publication may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, they should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation, or particular needs before you make a commitment to purchase the investment product. OCBC and/or its related and affiliated corporations may at any time make markets in the securities/instruments mentioned in this publication and together with their respective directors and officers, may have or take positions in the securities/instruments mentioned in this publication and may be engaged in purchasing or selling the same for themselves or their clients, and may also perform or seek to perform broking and other investment or securities-related services for the corporations whose securities are mentioned in this publication as well as other parties generally. There may be conflicts of interest between Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), Bank of Singapore Limited, OCBC Investment Research Private Limited, OCBC Securities Private Limited or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement.

This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).