

### Market Commentary

- The SGD swap curve traded lower yesterday, with shorter tenors trading at 3-7bps lower. Belly and longer tenors traded 7-8bps lower.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 1bps to 133bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS tightened 6bps to 621bps. The HY-IG Index Spread tightened 7bps to 488bps.
- There were heavy flows in SGD corporates yesterday including flows in HRINTH 3.2%'21s, CS 5.625%-PERPs, OLAMSP 4%'26s and CTRAIJ 6%'26s.
- 10Y UST Yields gained 2bps to 1.68% on the back of the FOMC meeting where central bankers reinforced their dovish stance on monetary policy which includes anchoring short-term borrowing rates to near zero levels and purchasing at least USD120.0bn in bonds each month.

### 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:

- [Société Générale S.A \(“SocGen”\)](#) | **Issuer profile: Neutral (4):** SocGen announced that it has entered into exclusive talks to sell the asset management activities to Amundi SA (“Amundi”). These activities are operated mainly through Lyxor Asset Management (“Lyxor”), a wholly-owned subsidiary of SocGen. The price tag of EUR825mn, to be paid in cash, is estimated to increase SocGen’s CET1 ratio by ~18bps when completed. As at end-2020, SocGen’s CET1 ratio was 13.2%. The capital gain from the disposal, net of tax will be ~EUR430mn.

## Asian Credit Daily

### Credit Headlines

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

- SocGen announced that it has entered into exclusive talks to sell the asset management activities to Amundi SA (“Amundi”). These activities are operated mainly through Lyxor Asset Management (“Lyxor”), a wholly-owned subsidiary of SocGen.
- The disposal covers Lyxor’s exchange traded fund (“ETF”) and active management businesses. Certain Lyxor activities are excluded from the transaction and are retained by SocGen (eg: structuring for SocGen’s global markets clients and savings solutions).
- Amundi, majority owned by Credit Agricole SA, will become the second largest player in European ETF, behind Blackrock Inc. The transaction is expected to complete by February 2022.
- The price tag of EUR825mn, to be paid in cash, is estimated to increase SocGen’s CET1 ratio by ~18bps when completed. As at end-2020, SocGen’s CET1 ratio was 13.2%. The capital gain from the disposal, net of tax will be ~EUR430mn. (Company, Bloomberg).

## Asian Credit Daily

### Key Market Movements

	8-Apr	1W chg (bps)	1M chg (bps)		8-Apr	1W chg	1M chg
iTraxx Asiax IG	68	6	5	<b>Brent Crude Spot (\$/bbl)</b>	63.00	-0.85%	-7.68%
iTraxx SovX APAC	27	0	-3	<b>Gold Spot (\$/oz)</b>	1,737.09	0.45%	3.18%
iTraxx Japan	45	-2	-2	<b>CRB</b>	186.31	0.78%	-3.69%
iTraxx Australia	62	0	-1	<b>GSCI</b>	469.95	0.54%	-4.37%
CDX NA IG	52	1	-4	<b>VIX</b>	17.16	-12.49%	-30.41%
CDX NA HY	110	0	2	<b>CT10 (%)</b>	1.667%	-0.31	7.61
iTraxx Eur Main	51	1	2				
iTraxx Eur XO	249	3	-8	<b>AUD/USD</b>	0.761	-0.05%	-0.48%
iTraxx Eur Snr Fin	59	1	0	<b>EUR/USD</b>	1.187	0.80%	0.20%
iTraxx Eur Sub Fin	108	-9	-1	<b>USD/SGD</b>	1.341	0.31%	0.72%
iTraxx Sovx WE	6	0	-1	<b>AUD/SGD</b>	1.021	0.32%	1.18%
<b>USD Swap Spread 10Y</b>	4	-1	0	<b>ASX 200</b>	6,979	3.56%	3.55%
<b>USD Swap Spread 30Y</b>	-24	-3	4	<b>DJIA</b>	33,446	1.15%	6.19%
<b>US Libor-OIS Spread</b>	12	-1	1	<b>SPX</b>	4,080	3.07%	6.20%
<b>Euro Libor-OIS Spread</b>	-5	0	0	<b>MSCI Asiax</b>	878	0.05%	1.71%
				<b>HSI</b>	28,675	1.19%	0.47%
<b>China 5Y CDS</b>	36	3	2	<b>STI</b>	3,196	0.15%	4.06%
<b>Malaysia 5Y CDS</b>	45	3	1	<b>KLCI</b>	1,601	1.72%	-0.70%
<b>Indonesia 5Y CDS</b>	84	-1	0	<b>JCI</b>	6,037	-0.57%	-3.39%
<b>Thailand 5Y CDS</b>	40	1	0	<b>EU Stoxx 50</b>	3,957	1.90%	5.14%
<b>Australia 5Y CDS</b>	15	0	-12				

Source: Bloomberg

## Asian Credit Daily

### New Issues

- United Overseas Bank Ltd priced a USD750mn 5-year senior unsecured sustainability bond at T+48bps, tightening from IPT of T+75bps area, and a USD750mn 10.5NC5.5 Tier 2 sustainability bond at T+123bps, tightening from IPT of T+150bps area.
- Redco Properties Group Ltd priced a USD220mn 364-day sustainability bond at 9.75%, tightening from IPT of 10% area.
- Singtel Group Treasury Pte. Ltd. (Guarantor: Singtel) priced a SGD1.0bn PerpNC10.5 at 3.3%, tightening from IPG of 3.6% area.
- Genting Malaysia Berhad has arranged investor calls commencing 7 April for its proposed USD bond.
- Putian State-Owned Assets Investment Co., Ltd. has arranged investor calls commencing 8 April for its proposed USD bond.
- Kia Corp. has arranged investor calls commencing 8 April for its proposed USD green bond.

Date	Issuer	Size	Tenor	Pricing
07-Apr-21	United Overseas Bank Ltd	USD750mn USD750mn	5-year 10.5NC5.5	T+48bps T+123bps
07-Apr-21	Redco Properties Group Ltd	USD220mn	364-day	9.75%
07-Apr-21	Singtel Group Treasury Pte. Ltd. (Guarantor: Singtel)	SGD1.0bn	PerpNC10.5	3.3%

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).