

Market Commentary

- The SGD swap curve moved marginally yesterday. Shorter and belly tenors traded 1bps lower while longer tenors traded 1bps higher.
- The Bloomberg Barclays Asia USD IG Bond Index average OAS widened 2bps to 135bps, and the Bloomberg Barclays Asia USD HY Bond Index average OAS widened 2bps to 623bps. The HY-IG Index Spread remained mostly unchanged at 488bps.
- There were heavy flows in SGD corporates yesterday including flows in STSP 3.3%-PERPs, HRINTH 3.2%'21s, CS 5.625%-PERPs, MAPLSP 4.5%-PERPs, HRINTH 3.8%'25s, AVSING 3.375%'31s and SPHSP 4%-PERPs.
- 10Y UST Yields slipped 5bps to 1.62% on the back of Federal Reserve Chairman Jerome Powell's comments yesterday where he said that the rise in inflation this year was likely temporary. He also reinforced the central banks' dovish tone and showed no signs of tapering asset purchases in the immediate term. Meanwhile, weekly initial jobless claims rose to 744,000, up from the 728,000 recorded last week.

Credit Summary:

- [Fraser's Hospitality Trust \("FHREIT"\)](#) | **Issuer profile: Neutral (5):** FHREIT's REIT Manager has appointed Ms Eu Chin Fen as CEO with effect from 10 April 2021. Ms Eu replaces Mr Colin Low who has since been appointed as the CEO of the Singapore Land Authority, a statutory board under the Ministry of Law. Ms Eu is currently the Chief Investment Officer of Fraser's Hospitality International Pte. Ltd where she assists the CEO of the Hospitality Strategic Business Unit of Fraser's Property Limited ("FPL", Issuer profile: Neutral (5)). FPL is the Sponsor of FHREIT.
- [Keppel Corporation Ltd \("KEP"\)](#) | **Issuer profile: Neutral (4):** Keppel Telecommunications & Transportation's ("KPTT") wholly-owned subsidiary, Keppel Midgard Holdings Pte. Ltd. ("KMH"), has been granted a Facilities-Based Operator licence by the Infocomm Media Development Authority of Singapore ("IMDA"). The FBO licence will allow KMH to own, maintain and operate telecoms infrastructure in Singapore and to provide telecommunications services in connection with the Bifrost Cable System, which Keppel T&T is undertaking with Facebook and PT. Telekomunikasi Indonesia International ("Telin").
- [United Overseas Bank \("UOB"\)](#) | **Issuer profile: Positive (2):** UOB has appointed Mr Eric Lim as the bank's first Chief Sustainability Officer to lead a dedicated corporate sustainability office focused on achieving the bank's green goals.

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Asian Credit Daily**Credit Headlines****Frasers Hospitality Trust (“FHREIT”) | Issuer profile: Neutral (5)**

- FHREIT’s REIT Manager has appointed Ms Eu Chin Fen as CEO with effect from 10 April 2021. Ms Eu replaces Mr Colin Low who has since been appointed as the CEO of the Singapore Land Authority, a statutory board under the Ministry of Law.
- Ms Eu is currently the Chief Investment Officer of Frasers Hospitality International Pte. Ltd where she assists the CEO of the Hospitality Strategic Business Unit of Frasers Property Limited (“FPL”, Issuer profile: Neutral (5)). FPL is the Sponsor of FHREIT.
- Prior to her current role, Ms Eu was the CEO of FHREIT’s REIT Manager since IPO in July 2014 until June 2019. Earlier, she was part of DBS’ Asset-Backed Securitisation team focusing on the REIT and Business Trust sector. Ms Eu is familiar with FHREIT and we see little risk with the management change. (Company, OCBC)

Keppel Corporation Ltd (“KEP”) | Issuer profile: Neutral (4)

- Keppel Telecommunications & Transportation’s (“KPTT”) wholly-owned subsidiary, Keppel Midgard Holdings Pte. Ltd. (“KMH”), has been granted a Facilities-Based Operator licence by the Infocomm Media Development Authority of Singapore (“IMDA”).
- The FBO licence will allow KMH to own, maintain and operate telecoms infrastructure in Singapore and to provide telecommunications services in connection with the Bifrost Cable System, which Keppel T&T is undertaking with Facebook and PT. Telekomunikasi Indonesia International (“Telin”).
- Spanning more than 15,000 km, the Bifrost Cable System is expected to be completed in 2024 and will be the first subsea cable system that connects Singapore to the west coast of North America.
- Aside from the Bifrost Cable System, Facebook is concurrently investing in a separate cable named Echo (with PT XL Axiata Tbk and Google). These two cables are expected to increase transpacific data capacity by 70% and improve data reliability per Facebook. (Company, CNBC, OCBC)

United Overseas Bank (“UOB”) | Issuer profile: Positive (2)

- UOB has appointed Mr Eric Lim as the bank’s first Chief Sustainability Officer to lead a dedicated corporate sustainability office focused on achieving the bank’s green goals.
- Mr Lim will report directly to CEO and deputy Chairman, Mr Wee Ee Cheong. This role is an extension of his current position as Head of Group Finance. Mr Lim will also join UOB’s management committee. (Business Times, Bloomberg)

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Key Market Movements

| | 9-Apr | 1W chg (bps) | 1M chg (bps) | | 9-Apr | 1W chg | 1M chg |
|------------------------------|-------|-----------------|-----------------|----------------------------------|----------|---------|---------|
| iTraxx Asiax IG | 70 | 7 | 5 | Brent Crude Spot (\$/bbl) | 63.32 | -2.37% | -6.22% |
| iTraxx SovX APAC | 28 | 1 | -3 | Gold Spot (\$/oz) | 1,753.48 | 1.42% | 2.18% |
| iTraxx Japan | 45 | -2 | -3 | CRB | 187.37 | 1.30% | -2.56% |
| iTraxx Australia | 62 | 0 | -2 | GSCI | 472.66 | -0.29% | -3.07% |
| CDX NA IG | 51 | 0 | -4 | VIX | 16.95 | -12.63% | -33.45% |
| CDX NA HY | 110 | 0 | 1 | CT10 (%) | 1.635% | -8.65 | 10.88 |
| iTraxx Eur Main | 50 | 0 | 1 | | | | |
| | | | | | | | |
| iTraxx Eur XO | 245 | 0 | -9 | AUD/USD | 0.766 | 0.60% | -0.75% |
| iTraxx Eur Snr Fin | 58 | 0 | -1 | EUR/USD | 1.192 | 1.33% | 0.12% |
| iTraxx Eur Sub Fin | 108 | -9 | -1 | USD/SGD | 1.340 | 0.48% | 0.29% |
| iTraxx Sovx WE | 5 | 0 | -1 | AUD/SGD | 1.026 | -0.14% | 1.11% |
| | | | | | | | |
| USD Swap Spread 10Y | 3 | -1 | 1 | ASX 200 | 6,977 | 2.74% | 3.04% |
| USD Swap Spread 30Y | -24 | -2 | 5 | DJIA | 33,504 | 1.58% | 5.35% |
| US Libor-OIS Spread | 12 | -1 | 2 | SPX | 4,097 | 3.13% | 7.22% |
| Euro Libor-OIS Spread | -6 | -1 | 0 | MSCI Asiax | 882 | 0.29% | 1.39% |
| | | | | HSI | 29,008 | 2.36% | 0.82% |
| China 5Y CDS | 38 | 5 | 2 | STI | 3,186 | 0.67% | 2.51% |
| Malaysia 5Y CDS | 47 | 4 | 2 | KLCI | 1,602 | 1.25% | -1.38% |
| Indonesia 5Y CDS | 85 | 1 | 0 | JCI | 6,072 | 1.44% | -2.06% |
| Thailand 5Y CDS | 41 | 2 | -2 | EU Stoxx 50 | 3,978 | 1.32% | 5.07% |
| Australia 5Y CDS | 15 | 0 | -12 | | | | |

Source: Bloomberg

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New Issues

- Korea Resources Corp priced a USD500mn 5-year senior unsecured bond at T+100bps, tightening from IPT of T+130bps area.
- Zhenro Properties Group Ltd priced a USD220mn 363-day bond at 5.98%, tightening from IPT of 6.2% area.
- Petron Corp. has arranged investor calls commencing 8 April for its proposed USD bond offering.

| Date | Issuer | Size | Tenor | Pricing |
|-----------|-----------------------------|----------|---------|----------|
| 08-Apr-21 | Korea Resources Corp | USD500mn | 5-year | T+100bps |
| 08-Apr-21 | Zhenro Properties Group Ltd | USD220mn | 363-day | 5.98% |

Source: OCBC, Bloomberg

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