

Credit Research

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Market Commentary:

- The SGD SORA curve traded mostly lower yesterday, with short tenors trading flattish to 4bps lower, belly tenors trading 4bps lower, and the 10Y trading 4bps lower.
- Moody's downgraded the outlook to Negative from Stable on eight Chinese banks (Agricultural Development Bank of China, China Development Bank, Export-Import Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank, Industrial & Commercial Bank, Postal Savings Bank of China) following the downgrade in outlook on China's government credit ratings. Meanwhile, the outlook on Hong Kong and Macau were also cut.
- According to a Hong Kong Exchange filing, Sunac China Holdings Ltd received conversion notices representing 69.23% of the original issue amount of mandatory convertible bonds (USD2.75bn were issued) as part of its offshore debt restructuring.
- Flows in SGD corporates were heavy, with flows in LLOYDS 5.25% '33s, TEMASE 3.785% '25s, SINTEC 5%-PERP, BNP 5.9%-PERP, and HSBC 5.3% '34s.
- Yesterday, Bloomberg Asia USD Investment Grade spreads tightened by 2bps to 107bps and Asia USD High Yield spreads tightened by 3bps to 819bps, per Bloomberg.

Credit Summary:

- **Industry Outlook – Singapore Residential Property:** The Ministry of National Development and Urban Redevelopment Authority announced the 1H2024 Government Land Sales Programme ("GLS"). Excluding long-stay Serviced Apartments which cannot be strata divided for sale, we estimate that private housing under the Confirmed list has increased ~1% h/h to 4,935 units (2H2023: 4,885 units).
- **Singapore Post Ltd ("SingPost"):** SingPost is increasing the international postage rates by SGD0.05 for each mail (letters/printed papers) from 1 January 2024 due to higher annual international postal settlement fees.

Asian Credit Daily

Credit Headlines:

Industry Outlook – Singapore Residential Property

- The Ministry of National Development and Urban Redevelopment Authority announced the 1H2024 Government Land Sales Programme (“GLS”).
- Excluding long-stay Serviced Apartments which cannot be strata divided for sale, we estimate that private housing under the Confirmed list has increased ~1% h/h to 4,935 units (2H2023: 4,885 units).
- With the number of units released remaining ample, we think that supply should meet demand for Singapore residential property. As such, we expect prices to remain stable to mild positive for the remainder of 4Q2023. We will be publishing our views of 2024 in the upcoming 2024 Credit Outlook. (MND, URA, OCBC)

Singapore Post Ltd (“SingPost”)

- SingPost is increasing the international postage rates by SGD0.05 for each mail (letters/printed papers) from 1 January 2024 due to higher annual international postal settlement fees.
- As a recap, international post and parcel business was profitable in 1HFY2024 for the half-year ended 30 September 2023 according to SingPost. This segment contributed SGD138.6mn revenue out of the group’s total revenue of SGD827.3mn (16.8%). (Company, OCBC)

Key Market Movements:

	7-Dec	1W chg (bps)	1M chg (bps)		7-Dec	1W chg	1M chg
iTraxx Asiax IG	101	1	-16	Brent Crude Spot (\$/bbl)	74.7	-9.8%	-8.5%
iTraxx SovX APAC	20	0	--	Gold Spot (\$/oz)	2,027	-0.5%	2.9%
iTraxx Japan	64	0	-7	CRB Commodity Index	260	-5.7%	-5.8%
iTraxx Australia	75	0	-8	S&P Commodity Index - GSCI	525	-5.5%	-6.7%
CDX NA IG	63	1	-7	VIX	13.0	-0.1%	-12.4%
CDX NA HY	104	0	2	US10Y Yield	4.17%	-15bp	-39bp
iTraxx Eur Main	67	-1	-10				
iTraxx Eur XO	370	-3	-46	AUD/USD	0.653	-1.1%	1.5%
iTraxx Eur Snr Fin	76	-2	-13	EUR/USD	1.076	-1.2%	0.5%
iTraxx Eur Sub Fin	139	-3	-26	USD/SGD	1.343	-0.4%	0.8%
				AUD/SGD	0.878	0.7%	-0.7%
USD Swap Spread 10Y	-38	-1	-1	ASX200	7,173	1.2%	2.8%
USD Swap Spread 30Y	-67	2	4	DJIA	36,054	1.8%	5.6%
				SPX	4,549	0.0%	3.9%
China 5Y CDS	63	3	-10	MSCI Asiax	612	-1.5%	0.6%
Malaysia 5Y CDS	44	3	-11	HSI	16,289	-4.4%	-7.8%
Indonesia 5Y CDS	76	0	-10	STI	3,063	-0.3%	-3.5%
Thailand 5Y CDS	43	0	-15	KLCI	1,442	-0.7%	-1.4%
Australia 5Y CDS	17	0	-4	JCI	7,070	-0.2%	3.3%
				EU Stoxx 50	4,483	2.6%	7.9%

Source: Bloomberg

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New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
06-Dec-2023	Huaxin Pharmaceutical Hong Kong Co Ltd (Keepwell Provider: Taizhou Huaxin Pharmaceutical Investment Co Ltd, SBLC Provider: Bank of Nanjing Co Ltd/ Taizhou)	Fixed	USD	42	3-Year	6.00%	6.20%

Source: Bloomberg

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