

Asian Credit Daily

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Credit Research

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Market Commentary:

- The SGD SORA traded mostly lower last Friday, with shorter tenors trading 2-5bps lower, belly tenors trading 7bps lower, and the 10Y trading 7bps lower.
- Chinese property developer, Sunac China Holdings Ltd. (“Sunac”) expects to fulfill all restructuring conditions of its nearly USD10bn offshore debt restructuring scheme effective by 20 November. This came after winning recognition by New York bankruptcy judge, Phillip Bentley on its restructuring proceedings, which marks the first time the Southern District of New York recognised a Chapter 15 petition for a Hong Kong-based debtor with part of operations in mainland China.
- Flows in SGD corporates were light, with flows in AVSING 3.375% ‘31s.
- Last Friday, Bloomberg Asia USD Investment Grade spreads tightened by 1bp to 112bps and Asia USD High Yield spreads tightened by 12bps to 851bps, per Bloomberg.

Credit Summary:

- **Singapore Telecommunications Ltd (“SingTel”)**: SingTel announced that Optus CEO Kelly Bayer Rosmarin (“Ms Bayer Rosmarin”) has tendered her resignation. Ms Bayer Rosmarin had been Optus CEO since April 2020.
- **Mapletree Industrial Trust (“MINT”)**: As a recap, in June 2023, MINT announced that one of its tenants has initiated a pre-arranged court-supervised process under Chapter 11 of the United States Bankruptcy Code.

Credit Headlines:

Singapore Telecommunications Ltd (“SingTel”)

- SingTel announced that Optus CEO Kelly Bayer Rosmarin (“Ms Bayer Rosmarin”) has tendered her resignation. Ms Bayer Rosmarin had been Optus CEO since April 2020.
- We note that Optus had experienced a cyberattack in 2022 resulting in significant data breach, as well as a nationwide outage recently. Ms Bayer Rosmarin mentioned that her “resignation is in the best interest of Optus moving forward”.
- Optus appointed CFO Michael Venter to concurrently assume the role of interim CEO. Meanwhile, Optus is undertaking a global search for a new CEO.
- In addition, former Optus Business Managing Director Peter Kaliaropoulos (formerly CEO at StarHub Ltd in 2018-2020) will join as the Chief Operating Officer of Optus. (Company, OCBC)

Mapletree Industrial Trust (“MINT”)

- As a recap, in June 2023, MINT announced that one of its tenants has initiated a pre-arranged court-supervised process under Chapter 11 of the United States Bankruptcy Code. This announcement coincided with the announcement from a separate Singapore-listed data centre REIT announcing that its second largest tenant has entered into Chapter 11. The media has reported this REIT’s tenant to be Cyxtera Technologies Inc (“Cyxtera”), a colocation provider. Whilst MINT did not announce the tenant name, it likely concerns the same tenant. In our view, the Cyxtera situation is likely idiosyncratic.
- Per MINT, the tenant is the fourth-largest tenant within MINT’s portfolio and accounted for ~3.0% of the monthly Gross Rental Income as at 30 September 2023. The tenant currently occupies space in eight data centres located in North America within MINT’s portfolio where seven are held under the Mapletree Rosewood Data Centre Trust, a 50:50 joint venture with Mapletree Investments Pte Ltd (“MAPL”, MINT’s sponsor)
- Last Friday, MINT disclosed that the tenant has entered into an asset purchase agreement with Brookfield Infrastructure Partners, L.P. and its institutional partners (“Brookfield”) with Brookfield to buy substantially all of the tenant’s assets. All eight of MINT’s data centre leases will be part of the transaction. Effectively, in our view, Brookfield will be the new tenant. Six of the eight data centre leases will be assumed with no change to terms and conditions or rental rates under the existing lease agreements, although two data centres will have amended terms. (Company, OCBC)

Key Market Movements:

	20-Nov	1W chg (bps)	1M chg (bps)		20-Nov	1W chg	1M chg
iTraxx Asiax IG	106	-9	-32	Brent Crude Spot (\$/bbl)	81.2	-1.6%	-11.9%
iTraxx SovX APAC	20	0	0	Gold Spot (\$/oz)	1,980	1.7%	-0.1%
iTraxx Japan	68	-4	-12	CRB Commodity Index	274	0.1%	-4.3%
iTraxx Australia	76	-4	-24	S&P Commodity Index - GSCI	557	-1.8%	-7.3%
CDX NA IG	64	-3	-16	VIX	13.8	-2.6%	-36.4%
CDX NA HY	103	1	4	US10Y Yield	4.45%	-19bp	-46bp
iTraxx Eur Main	70	-4	-20				
iTraxx Eur XO	387	-17	-86	AUD/USD	0.654	2.6%	3.6%
iTraxx Eur Snr Fin	81	-4	-23	EUR/USD	1.092	2.1%	3.1%
iTraxx Eur Sub Fin	150	-8	-39	USD/SGD	1.341	1.3%	2.3%
				AUD/SGD	0.877	-1.2%	-1.2%
USD Swap Spread 10Y	-34	0	0	ASX200	7,062	1.6%	2.3%
USD Swap Spread 30Y	-67	1	4	DJIA	34,947	1.9%	5.5%
				SPX	4,514	2.2%	6.9%
China 5Y CDS	64	-8	-23	MSCI Asiax	615	2.1%	4.5%
Malaysia 5Y CDS	46	-6	-20	HSI	17,644	1.2%	2.7%
Indonesia 5Y CDS	76	-7	-27	STI	3,109	0.1%	1.0%
Thailand 5Y CDS	49	-5	-20	KLCI	1,456	0.8%	1.1%
Australia 5Y CDS	18	-2	-6	JCI	6,992	2.2%	2.1%
				EU Stoxx 50	4,341	3.4%	7.9%

Source: Bloomberg

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
17-Nov-2023	Hefei Xingtai Finance Holding Group Co Ltd	Fixed	USD	100	3-Year	6.48%	N.A.

Source: Bloomberg

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