

Asian Credit Daily9 July 2024

Market Commentary:

- The SGD SORA curve traded lower yesterday, with short tenors trading between 1 and 3bps lower while belly tenors trading 3bps lower and 10Y were trading 2bps lower.
- Flows in SGD corporates were heavy, with flows in UBS 5.6%-PERP, HSBC 5.25%-PERP, TD 5.7%-PERP.
- Guangzhou R&F Properties has reported that its subsidiary, Trillion Glory, has received a winding-up petition from Seatown Private Credit Master Fund. The petition was filed at the High Court in Hong Kong on Monday.
- Bloomberg Asia USD Investment Grade remained unchanged at 82bps while Bloomberg Asia USD High Yield tightened by 2bps to 496bps.

Credit Summary:

- **Australia & New Zealand Banking Group Ltd ("ANZ"):** ANZ will complete acquisition of Suncorp Bank on 31 July 2024. ANZ is expected to gain 3,000 employees and 1.2mn customers from the acquisition on 1 August 2024.
- **Olam Group Ltd ("OG"):** OG announced that its wholly owned subsidiary, olam food ingredients ("ofi"), has obtained its first dual currency (USD and CNH) term loan facility aggregating USD1.075bn.

Credit Headlines:**Australia & New Zealand Banking Group Ltd (“ANZ”)**

- ANZ will complete acquisition of Suncorp Bank on 31 July 2024. ANZ is expected to gain 3,000 employees and 1.2mn customers from the acquisition on 1 August 2024.
- The impact of the acquisition on CET1 ratio is -105bps, which is revised lower from -123bps that was announced on 28 June 2024. Including the recently announced AUD2.0bn share buyback (-46bps), ANZ’s proforma CET1 ratio of 12.0% post-acquisition and buyback should remain above the Australian Prudential Regulation Authority’s (“APRA”) ‘Unquestionably Strong’ benchmark of 10.25%.
- ANZ’s acquisition is expected to grow its retail banking footprint in Queensland while allowing Suncorp Group Ltd to focus on its insurance business. (Company, OCBC)

Olam Group Ltd (“OG”)

- OG announced that its wholly owned subsidiary, olam food ingredients (“ofi”), has obtained its first dual currency (USD and CNH) term loan facility aggregating USD1.075bn. This is ofi’s first facility that contains a CNH tranche which diversifies ofi’s borrowing mix.
- The facility has Olam Treasury Pte Ltd as borrower, initially guaranteed by OG, which will transfer to ofi Group Limited following the planned IPO and demerger.
- The facility comprises a two-year USD950mn term loan tranche and a one-year CNH875mn (USD125mn) tranche with a lenders’ extension option of one year. (Company)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
08 Jul	Australia & New Zealand Banking Group	Fixed	USD	750	3Y	T+50bps	T+75bps area
08 Jul	Australia & New Zealand Banking Group	FRN	USD	1250	3Y	SOFR+68bps	SOFR Equivalent
08 Jul	Kraton Corp (Guarantor: Korea Development Bank)	Fixed	USD	1000	3Y	5.257%	N.A
08 Jul	China Merchants Bank Co., New York branch	Social, FRN	USD	300	3Y	SOFR+54bps	SOFR+105bps area

Mandates:

- Panasonic Holdings Corporation is planning to issue USD 144A/Reg S senior notes with maturities of three and/or ten years.
- Piramal Capital and Housing Finance is planning to issue a USD300-500mn note with a tenor of three to five years.

Key Market Movements

	9-Jul	1W chg (bps)	1M chg (bps)		9-Jul	1W chg	1M chg
iTraxx Asiax IG	92	-6	-4	Brent Crude Spot (\$/bbl)	85.7	-0.6%	7.6%
	0	0	0	Gold Spot (\$/oz)	2,363	1.4%	2.3%
iTraxx Japan	50	-3	-1	CRB Commodity Index	291	0.2%	0.4%
iTraxx Australia	63	-7	-2	S&P Commodity Index - GSCI	580	-0.8%	2.7%
CDX NA IG	49	-2	-1	VIX	12.4	-0.6%	1.2%
CDX NA HY	107	0	0	US10Y Yield	4.29%	-14bp	-14bp
iTraxx Eur Main	52	-5	-1				
iTraxx Eur XO	289	-18	-5	AUD/USD	0.674	1.1%	2.0%
iTraxx Eur Snr Fin	59	-8	-1	EUR/USD	1.083	0.7%	0.6%
iTraxx Eur Sub Fin	104	-13	-3	USD/SGD	1.350	0.4%	0.2%
				AUD/SGD	0.910	-0.7%	-1.8%
USD Swap Spread 10Y	-42	0	-7	ASX200	7,830	1.4%	-0.4%
USD Swap Spread 30Y	-79	1	-8	DJIA	39,345	0.6%	1.4%
				SPX	5,573	2.1%	4.2%
China 5Y CDS	58	-8	-6	MSCI Asiax	709	2.2%	2.6%
Malaysia 5Y CDS	42	-4	-5	HSI	17,539	-1.3%	-4.5%
Indonesia 5Y CDS	73	-4	2	STI	3,420	1.6%	2.7%
Thailand 5Y CDS	40	-4	-2	KLCI	1,615	1.0%	-0.2%
Australia 5Y CDS	13	0	0	JCI	7,296	2.4%	5.8%
				EU Stoxx 50	4,970	0.8%	-1.6%

Source: Bloomberg

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