

Asian Credit Daily

2 October 2024

Market Commentary:

- The SGD SORA OIS curve traded mostly higher yesterday, with shorter tenors trading 1-3bps higher, belly tenors trading 0-1bps higher and 10Y trading ~1bps lower.
- Flows in SGD corporates were heavy, with flows in EREIT 6%-PERP, STANLN 5.3%-PERP, HSBC 5.25%-PERP, STSP 3.3%-PERP, TMGSP 5.5% '28s, OUECT 3.9% '31s, UBS 5.6%-PERP.
- Per Bloomberg, China Investment Corp, a sovereign wealth fund, has initiated a thorough examination of the country's three biggest bad debt managers with the intention of potentially acquiring them. Caixin Global reports that teams from CIC have been sent to China Cinda Asset Management Co. and China Orient Asset Management Co. in early September to evaluate their operations and financial status. The purpose of these assessments is to prepare for obtaining a majority stake in both companies from the Ministry of Finance. The studies are currently ongoing, as per Caixin's report.
- Bloomberg Asia USD Investment Grade spreads widened by 3bps to 88bps while Bloomberg Asia USD High Yield spreads widened by 3bps to 507bps. (Bloomberg, OCBC)
- There were no new Asiadollar mandates yesterday.

Credit Summary:

- **Commonwealth Bank of Australia ("CBA"):** CBA announced several changes to its executive leadership team with Nigel Williams retiring as Group Chief Risk Officer in February 2025.
- **Olam Group Ltd ("OG"):** Tim Watson, Namoi's Executive Chairman, informed the market that himself and all the Independent Directors that hold Namoi Cotton Limited ("Namoi") shares, have accepted the Louis Dreyfus Company ("LDC") offer.

Credit Headlines:

Commonwealth Bank of Australia ("CBA")

- CBA announced several changes to its executive leadership team with Nigel Williams retiring as Group Chief Risk Officer in February 2025. He will be replaced by Andrew Hinchliff who is currently Group Executive Institutional Banking & Markets.
- In addition, Sian Lewis will retire at the same time as Group Executive Human Resources and be replaced by Kiersten Robinson as Chief People Officer subject to regulatory approval. Ms Robinson was previously at Ford Motor Company.
- Other related appointments will be Sinead Taylor as Group Executive Institutional Banking & Markets and Emma Bunnell as Chief Operations Officer to replace Ms Taylor who is currently in the role. Ms Bunnell's appointment is also subject to regulatory approval given she was previously with HSBC UK. (Company)

Olam Group Ltd ("OG")

- Tim Watson, Namoi's Executive Chairman, informed the market that himself and all the Independent Directors that hold Namoi Cotton Limited ("Namoi") shares, have accepted the Louis Dreyfus Company ("LDC") offer.
- Olam Agri has decided not to declare the offer unconditional or extend the offer beyond its current closing date of 8th October 2024 at 7pm (Sydney time).
- This announcement came after Namoi's largest shareholder, Samuel Terry Asset Management, accepted the LDC offer, going from AUD0.68 earlier to AUD0.77 per share, thereby increasing LDC's stake in Namoi to 47.66%, after receiving 30.63% of acceptances under its offer as at 30 Sep 2024. (Business Times, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
01 Oct	Housing & Development Board	Fixed	SGD	500	10Y	2.699%	NA
01 Oct	OUE Treasury Pte Ltd	Green, Fixed	SGD	150	5Y	4%	4.2% area
01 Oct	Mashreqbank PSC	Fixed	SGD	20	5Y	3.2%	NA

Key Market Movements

	2-Oct	1W chg (bps)	1M chg (bps)		2-Oct	1W chg	1M chg
iTraxx Asiax IG	69	-1	-25	Brent Crude Spot (\$/bbl)	74.6	1.5%	-3.8%
				Gold Spot (\$/oz)	2,661	0.2%	6.5%
iTraxx Japan	52	1	2	CRB Commodity Index	286	-0.4%	3.4%
iTraxx Australia	62	-2	1	S&P Commodity Index - GSCI	541	0.8%	0.8%
CDX NA IG	54	1	5	VIX	19.3	25.1%	28.4%
CDX NA HY	107	0	0	US10Y Yield	3.74%	-4bp	-16bp
iTraxx Eur Main	60	1	7				
iTraxx Eur XO	316	1	28	AUD/USD	0.691	1.3%	1.8%
iTraxx Eur Snr Fin	68	1	7	EUR/USD	1.107	-0.6%	0.0%
iTraxx Eur Sub Fin	123	2	16	USD/SGD	1.286	0.3%	1.6%
				AUD/SGD	0.890	-1.1%	-0.2%
USD Swap Spread 10Y	-46	0	0	ASX200	8,203	0.9%	1.1%
USD Swap Spread 30Y	-81	0	1	DJIA	42,157	-0.1%	1.4%
				SPX	5,709	-0.4%	1.1%
China 5Y CDS	61	1	3	MSCI Asiax	764	4.3%	8.9%
Malaysia 5Y CDS	38	0	0	HSI	22,187	16.8%	23.3%
Indonesia 5Y CDS	70	1	2	STI	3,592	0.2%	3.7%
Thailand 5Y CDS	35	0	-1	KLCI	1,642	-1.9%	-2.2%
Australia 5Y CDS	12	1	1	JCI	7,587	-2.0%	-1.4%
				EU Stoxx 50	4,954	0.3%	-0.4%

Source: Bloomberg

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