

Asian Credit Daily

3 October 2024

Market Commentary:

- The SGD SORA OIS curve traded higher yesterday, with shorter and belly tenors trading 1-2bps higher, and 10Y trading 2bps higher.
- Flows in SGD corporates were heavy, with flows in HSBC 5.25%-PERP, STANLN 5.3%-PERP, UBS 5.6%-PERP, EREIT 5.5%-PERP, OUECT 3.9% '31s, HSBC 4.75% '34s, STSP 3.3%-PERP, AIA 2.9%-PERP, CKPH 3.38%-PERP, HSBC 5.3% '34s, NISSGP 3.15% '31s.
- A Hong Kong court hearing on Wednesday maintained an injunction on Xia Haijun, the former CEO of China Evergrande Group, as liquidators continue their efforts to recover USD6bn in dividends and compensation. Xia's legal representatives sought to challenge the injunction order issued by the Hong Kong High Court in June. The judge did not reach a decision on Wednesday, and the injunction order remains in effect while deliberations continue. The liquidators have also filed lawsuits against the company's founder, Hui Ka Yan, and other former executives. Injunctions have been obtained to prevent Hui, Xia, and Ding Yumei, Hui's ex-wife, from disposing of or decreasing the value of assets.
- Bloomberg Asia USD Investment Grade spreads tightened by 3bps to 85bps while Bloomberg Asia USD High Yield spreads widened by 1bps to 508bps. (Bloomberg, OCBC)

Credit Summary:

- **ANZ Group Holdings Ltd / Australia & New Zealand Banking Group Ltd ("ANZ"):** The Full Federal Court of Australia has dismissed ANZ's appeal against the previous finding of the Federal Court that it should have disclosed the share take-up of joint-lead managers in ANZ's AUD2.5bn fully underwritten institutional share placement in August 2015.
- **Oxley Holdings Ltd ("OHL"):** OHL through its subsidiary Oxley Rising Sdn Bhd ("ORSB") is selling 30% interest in a to be built luxury hotel at Oxley Towers KLCC which we estimate at MYR75mn.
- **Westpac Banking Corporation ("Westpac"):** Westpac has agreed to sell the remainder of its auto finance business including related loans and lease receivables to Resimac Group Limited for AUD1.4-1.6bn.

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

- The Full Federal Court of Australia has dismissed ANZ’s appeal against the previous finding of the Federal Court that it should have disclosed the share take-up of joint-lead managers in ANZ’s AUD2.5bn fully underwritten institutional share placement in August 2015. The previous finding in December 2023 attracted a civil penalty of AUD900,000.
- Per ANZ’s statement that acknowledged the dismissal, ANZ is to pay the legal costs of the Australian Securities and Investments Commission (“ASIC”). The case has been ongoing since 2018 when ASIC first filed proceedings against ANZ and the joint-lead managers. (Company, Bloomberg, OCBC)

Oxley Holdings Ltd (“OHL”)

- **OHL selling 30% stake in a KLCC luxury hotel:** OHL through its subsidiary Oxley Rising Sdn Bhd (“ORSB”) is selling 30% interest in a to be built luxury hotel at Oxley Towers KLCC which we estimate at MYR75mn. The buyer of the 30% stake is Kindway Express Ltd (“KEL”). KEL will also contribute by way of cash to the project costs, with ORSB in charge of the design, execution, completion and delivery of the architectural works, mechanical and electrical works and fit-out works for the hotels.
- **Langham appointed as manager:** The luxury hotel comprises 14 storey of luxury hotel room and two storey of hotel facilities, with a floor area of 24,284 sqm. Langham Hotels Management (HK) Ltd will be appointed to manage the hotel.
- **Significant positive to cashflow:** According to OHL, proceeds from the sale of 30% interest in the luxury hotel will contribute significantly positive to the cashflow. (Company, OCBC)

Westpac Banking Corporation (“Westpac”)

- Westpac has agreed to sell the remainder of its auto finance business including related loans and lease receivables to Resimac Group Limited for AUD1.4-1.6bn. This follows the partial sale in 2021.
- The sale is not expected to materially impact Westpac’s financials per management. The sale is expected to complete in 1H2025. (Company)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
02 Oct	Goodman US Finance Six LLC (Guarantors: Goodman Ltd, Goodman Funds Management Ltd and Goodman Logistics HK Ltd)	Fixed	USD	600	10Y	T+140bps	T+165bps area

Mandates:

- Biocon Biologics Global Plc UK (Guarantors: Biocon Biologics Ltd/India, Biosimilars Newco Ltd, Biocon Biologics UK Ltd, Biocon Sdn Bhd and Biosimilar Collaborations Ireland Ltd) may price a USD 5NC2 Senior Secured Fixed at 7.25% area.

Key Market Movements

	3-Oct	1W chg (bps)	1M chg (bps)		3-Oct	1W chg	1M chg
iTraxx Asiax IG	71	2	-25	Brent Crude Spot (\$/bbl)	74.7	4.3%	1.2%
				Gold Spot (\$/oz)	2,658	-0.5%	6.6%
iTraxx Japan	53	1	3	CRB Commodity Index	287	0.3%	5.3%
iTraxx Australia	65	3	4	S&P Commodity Index - GSCI	544	1.2%	3.6%
CDX NA IG	54	1	2	VIX	18.9	22.6%	-8.8%
CDX NA HY	107	-1	1	US10Y Yield	3.79%	-1bp	-4bp
iTraxx Eur Main	59	2	5				
iTraxx Eur XO	316	10	20	AUD/USD	0.687	-0.4%	2.4%
iTraxx Eur Snr Fin	67	1	5	EUR/USD	1.104	-1.2%	0.0%
iTraxx Eur Sub Fin	122	4	10	USD/SGD	1.294	-0.8%	1.0%
				AUD/SGD	0.889	-0.4%	-1.3%
USD Swap Spread 10Y	-47	0	0	ASX200	8,201	0.0%	1.2%
USD Swap Spread 30Y	-82	0	0	DJIA	42,197	0.7%	3.1%
				SPX	5,710	-0.2%	3.3%
China 5Y CDS	61	2	1	MSCI Asiax	778	3.4%	11.4%
Malaysia 5Y CDS	38	1	0	HSI	21,876	14.4%	23.9%
Indonesia 5Y CDS	69	0	-1	STI	3,592	0.3%	3.2%
Thailand 5Y CDS	36	1	0	KLCI	1,631	-2.4%	-2.7%
Australia 5Y CDS	12	0	1	JCI	7,563	-2.3%	-0.7%
				EU Stoxx 50	4,963	0.9%	1.0%

Source: Bloomberg

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