

Asian Credit Daily

5 December 2024

Market Commentary:

- The SGD SORA OIS curve traded slightly mixed yesterday, with shorter tenors trading flat to 1bp lower, belly tenors trading flat to 2bps higher and 10Y trading 3bps higher.
- Flows in SGD corporates were heavy, with flows in BACR 5.4%-PERP, ANZ 3.75% '34s, KREITS 3.15%-PERP.
- Sales for Country Garden Holdings Co. experienced a significant decline in November, intensifying the company's liquidity issues as it seeks additional time to plan a debt restructuring. According to Bloomberg's analysis of corporate filings, contracted sales for November fell by 52.3% y/y to RMB3.01bn (USD414mn), widening from a 31% drop in October.
- Wanda announced in an exchange filing that it has obtained valid consent instructions for an extraordinary resolution from the bondholders of the USD400mn bonds maturing in 2025.
- Bloomberg Asia USD Investment Grade spreads remained flat at 75bps while Bloomberg Asia USD High Yield spreads widened by 5bps to 456bps. (Bloomberg, OCBC)
- There were no new Asiadollar mandates yesterday.

Credit Summary:

- **ESR Group Limited ("ESR"):** The consortium (members include entities linked to Starwood Capital Group, Sixth Street Partners, SSW Partners, Warburg Pincus and Qatar Investment Authority) that is looking to buy out ESR Group Ltd ("ESR") has submitted a binding offer to acquire all ESR shares where ESR is expected to be taken private per Bloomberg.

Credit Headlines:

ESR Group Limited ("ESR")

- The consortium (members include entities linked to Starwood Capital Group, Sixth Street Partners, SSW Partners, Warburg Pincus and Qatar Investment Authority) that is looking to buy out ESR Group Ltd ("ESR") has submitted a binding offer to acquire all ESR shares where ESR is expected to be taken private per Bloomberg.
- The offer is at HKD13 per share, valuing the company at HKD55.2bn (~USD7.1bn).
- As far as we are aware, there is no delisting put on ESR's SGD-denominated bullet nor the SGD-denominated perpetual. Change of control puts also do not apply. The company is also not compelled to buyback these instruments, as such we expect holders of these instruments will be holding debt capital market instruments issued by an unlisted entity. (Bloomberg, Dow Jones, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing
04 Dec	Rakuten Group Inc	Fixed	USD	550	PerpNC5	8.125%
04 Dec	Golomt Bank	Fixed	USD	100	Retap of GLMTMO 11% '27s	105.3979 to Yield 8.5%
04 Dec	Wuxi Xixi Industrial Development Group Co. Ltd. (SBLC Provider: Bank of Ningbo Co. Ltd./Wuxi)	Fixed	USD	100	3Y	4.8%

Key Market Movements

	5-Dec	1W chg (bps)	1M chg (bps)		5-Dec	1W chg	1M chg
iTraxx Asiax IG	71	-3	-4	Brent Crude Spot (\$/bbl)	72.4	-1.2%	-4.1%
				Gold Spot (\$/oz)	2,646	0.3%	-3.6%
iTraxx Japan	52	-1	-1	CRB Commodity Index	285	-0.9%	0.6%
iTraxx Australia	64	-2	-4	S&P Commodity Index - GSCI	535	-0.7%	-1.9%
CDX NA IG	48	-1	-4	VIX	13.5	-4.6%	-34.4%
CDX NA HY	109	0	1	US10Y Yield	4.19%	-7bp	-8bp
iTraxx Eur Main	55	-2	-3				
iTraxx Eur XO	296	-10	-12	AUD/USD	0.643	-1.0%	-3.1%
iTraxx Eur Snr Fin	62	-2	-2	EUR/USD	1.052	-0.3%	-3.8%
iTraxx Eur Sub Fin	110	-3	-3	USD/SGD	1.343	0.0%	-2.1%
				AUD/SGD	0.864	1.0%	1.0%
USD Swap Spread 10Y	-47	0	4	ASX200	8,492	0.6%	4.4%
USD Swap Spread 30Y	-79	1	5	DJIA	45,014	0.3%	6.6%
				SPX	6,086	1.1%	5.3%
China 5Y CDS	63	-2	-3	MSCI Asiax	719	2.1%	-2.2%
Malaysia 5Y CDS	44	-2	2	HSI	19,526	0.8%	-7.0%
Indonesia 5Y CDS	73	-3	-1	STI	3,830	2.5%	6.9%
Thailand 5Y CDS	39	-1	0	KLCI	1,617	1.2%	-0.3%
Australia 5Y CDS	10	0	-3	JCI	7,305	1.5%	-2.5%
				EU Stoxx 50	4,919	3.9%	1.0%

Source: Bloomberg

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