

Asian Credit Daily

5 July 2024

Market Commentary:

- The SGD SORA curve traded lower yesterday, with short tenors trading between 1 and 4bps lower, belly tenors trading 5bps lower and 10Y trading 6bps lower.
- Flows in SGD corporates were heavy, with flows in TD 5.7%-PERP, UBS 5.6%-PERP, HSBC 5.25%-PERP, OCBCSP 4.05%-PERP, CAPITA 2.88% '27s.
- A real estate company focused on commercial real estate, Shanghai Shimao Co. Ltd. and its subsidiaries were unable to make timely payments for RMB13.3bn of debt as of June 28. The company further states that they have accumulated an additional RMB457mn of debt that they are unable to repay on time in June. Sales have not improved, and the company is currently facing a liquidity crisis.
- Bloomberg Asia USD Investment Grade remained unchanged at 81bps while Bloomberg Asia USD High Yield remained unchanged at 500bps. (Bloomberg, OCBC)

Credit Summary:

- **HSBC Holdings Ltd ("HSBC"):** Bloomberg reported that HSBC's sale of its German wealth-management unit is attracting initial interest from BNP Paribas SA, UBS Group AG and Julius Baer Group Ltd.

Credit Headlines:

HSBC Holdings Ltd ("HSBC")

- Bloomberg reported that HSBC's sale of its German wealth-management unit is attracting initial interest from BNP Paribas SA, UBS Group AG and Julius Baer Group Ltd.
- The business could be valued at EUR300mn to EUR600mn (USD324mn to USD648mn).
- Concurrently, HSBC is also potentially divesting its German fund administration business.
- HSBC has been exiting business activities including in North America and French retail operations as part of its efforts to focus on core operations in Asia. (Bloomberg)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
04 Jul	UBS Group AG	Fixed, AT1	SGD	175	PerpNC5.5	5.6% (Retap of UBS 5.6%-PERP)	NA
04 Jul	Ho Bee Land Ltd.	Green, Fixed	SGD	160	5Y	4.35%	4.6%

Mandates:

- There are no Asiadollar mandates for today.

Key Market Movements

	5-Jul	1W chg (bps)	1M chg (bps)		5-Jul	1W chg	1M chg
iTraxx Asiax IG	94	-4	-2	Brent Crude Spot (\$/bbl)	87.2	0.9%	11.1%
				Gold Spot (\$/oz)	2,361	1.5%	0.3%
iTraxx Japan	50	-3	-1	CRB Commodity Index	294	0.9%	2.7%
iTraxx Australia	65	-5	-1	S&P Commodity Index - GSCI	589	1.4%	5.5%
CDX NA IG	50	-3	0	VIX	12.3	0.2%	-6.8%
CDX NA HY	107	0	0	US10Y Yield	4.37%	-3bp	9bp
iTraxx Eur Main	54	-8	2				
iTraxx Eur XO	293	-27	1	AUD/USD	0.674	1.0%	1.4%
iTraxx Eur Snr Fin	61	-11	3	EUR/USD	1.082	1.0%	-0.5%
iTraxx Eur Sub Fin	108	-20	4	USD/SGD	1.351	0.4%	-0.2%
				AUD/SGD	0.910	-0.6%	-1.5%
USD Swap Spread 10Y	-42	0	-4	ASX200	7,825	0.7%	0.7%
USD Swap Spread 30Y	-80	0	-5	DJIA	39,308	0.5%	1.5%
				SPX	5,537	1.1%	4.6%
China 5Y CDS	61	-5	-2	MSCI Asiax	709	1.7%	3.9%
Malaysia 5Y CDS	42	-3	-4	HSI	17,956	1.4%	-2.5%
Indonesia 5Y CDS	74	-4	2	STI	3,431	2.9%	3.0%
Thailand 5Y CDS	42	-3	-1	KLCI	1,615	1.6%	0.4%
Australia 5Y CDS	13	0	0	JCI	7,250	2.6%	4.4%
				EU Stoxx 50	4,987	1.7%	-1.0%

Source: Bloomberg

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