

Asian Credit Daily

6 June 2024

Market Commentary:

- The SGD SORA curve traded lower yesterday, with short tenors trading 0-2bps lower, belly tenors trading 2-3bps lower and 10Y trading 3bps lower.
- Flows in SGD corporates were heavy, with flows in IFASTC 4.328% '29s, HSBC 4.75% '34s, OLGSPSP 5.375%-PERP, GESP 3.928% '39s.
- China South City Holdings Ltd. ("CSC"), a defaulted builder, is facing a significant lawsuit worth USD1.4bn related to keepwell agreements. Citicorp International Ltd. has filed a lawsuit against Shenzhen SEZ Construction and Development Group Co., the largest shareholder of CSC. The lawsuit, dated 3rd June, revolves around keepwell agreements provided by Shenzhen SEZ for some of CSC's dollar bonds. Citicorp International acts as the trustee for China South City's dollar bonds. Previous disputes between global creditors and distressed Chinese companies over keepwell agreements have produced mixed outcomes.
- Elsewhere, China Vanke Co Ltd ("VANKE") has reportedly deposited funds to fully repay the USD600mn VNKRL 4.2% '24s due 7th June per an exchange filing from the company.
- Bloomberg Asia USD Investment Grade traded flat at 79bps while Asia USD High Yield widened by 6bps to 500bps. (Bloomberg, OCBC)

Credit Summary: There are no credit headlines for today.

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
05 Jun	OUE REIT Treasury Pte Ltd (Guarantors: DBS Trustee Ltd, in its capacity as trustee of and OUE Real Estate Investment Trust)	Green, Fixed	SGD	250	3Y	4.1%	4.35% area

Mandates:

- Zhongyuan Yuzi Investment Holding Group Co., Ltd. is planning to issue USD sustainable bonds.

Key Market Movements

	6-Jun	1W chg (bps)	1M chg (bps)		6-Jun	1W chg	1M chg
iTraxx Asiax IG	96	-1	-5	Brent Crude Spot (\$/bbl)	78.7	-3.9%	-5.6%
				Gold Spot (\$/oz)	2,370	1.2%	2.0%
iTraxx Japan	51	0	-1	CRB Commodity Index	288	-3.3%	0.0%
iTraxx Australia	66	0	0	S&P Commodity Index - GSCI	560	-4.7%	-2.9%
CDX NA IG	50	-1	0	VIX	12.6	-11.6%	-6.4%
CDX NA HY	107	0	0	US10Y Yield	4.29%	-26bp	-20bp
iTraxx Eur Main	52	-1	-2				
iTraxx Eur XO	291	-3	-16	AUD/USD	0.668	0.7%	0.8%
iTraxx Eur Snr Fin	59	0	-2	EUR/USD	1.089	0.6%	1.2%
iTraxx Eur Sub Fin	105	-1	-7	USD/SGD	1.346	0.3%	0.4%
				AUD/SGD	0.899	-0.4%	-0.4%
USD Swap Spread 10Y	-38	-1	1	ASX200	7,834	2.7%	2.0%
USD Swap Spread 30Y	-75	-1	1	DJIA	38,807	1.0%	-0.1%
				SPX	5,354	1.7%	3.3%
China 5Y CDS	63	1	0	MSCI Asiax	682	0.9%	0.8%
Malaysia 5Y CDS	46	0	2	HSI	18,425	1.1%	-0.8%
Indonesia 5Y CDS	72	-1	1	STI	3,343	0.6%	1.2%
Thailand 5Y CDS	43	0	1	KLCI	1,614	0.5%	1.0%
Australia 5Y CDS	13	-4	-4	JCI	6,948	-2.7%	-2.6%
				EU Stoxx 50	5,036	1.5%	1.6%

Source: Bloomberg

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