

Asian Credit Daily

7 June 2024

Market Commentary:

- The SGD SORA curve traded lower yesterday, with short tenors trading 2-4bps lower, belly tenors trading 5-6bps lower and 10Y trading 6bps lower.
- Flows in SGD corporates were heavy, with flows in OUECT 4.1% '27s, BNP 4.75% '34s, HSBC 4.75% '34s, BNP 5.9%-PERP, AAREIT 5.375%-PERP, BPCEGP 5% '34s, HSBC 5.3% '33s.
- Country Garden Holdings Co. ("COGARD")'s winding up petition in Hong Kong's High Court has been further adjourned to 29 July following a previous four-week extension to 11 June that it received in early May to work on a restructuring plan. The petition relates to a winding-up petition by creditor Ever Credit Ltd to liquidate COGARD due to non-payments on a term loan facility.
- Bloomberg Asia USD Investment Grade traded flat at 79bps while Asia USD High Yield tightened by 1bps to 499bps. (Bloomberg, OCBC)

Credit Summary:

- **Sembcorp Industries Ltd ("SCI"):** Sembcorp Green Hydrogen Pte. Ltd, a wholly-owned subsidiary of SCI, has signed a Heads of Terms with Sojitz Corporation and Kyushu Electric Power Co., Inc (the consortium) which paves the way for a finalisation of a definitive green ammonia offtake agreement.
- **Shangri-La Asia Ltd ("SHANG"):** SHANG has priced a RMB1bn (~USD138mn) 3Y panda bond at 2.5%.
- **Lippo Malls Indonesia Retail Trust ("LMRT"):** PT Lippo Karawaci Tbk ("LK", the major shareholder of LMRT) announced the results of its USD bonds tender.

New Issues:**Sembcorp Industries Ltd (“SCI”)**

- Sembcorp Green Hydrogen Pte. Ltd, a wholly-owned subsidiary of SCI, has signed a Heads of Terms with Sojitz Corporation and Kyushu Electric Power Co., Inc (the consortium) which paves the way for a finalisation of a definitive green ammonia offtake agreement.
- SCI will use renewable energy to produce an initial 200,000 metric tonnes p.a of green ammonia in India.
- Separately, SCI has entered into a collaboration with Bloom Energy Corporation (“Bloom”), a US-listed fuel cell provider, on the potential utilisation of Bloom’s low-carbon power generation technologies in Singapore. According to the Business Times, Bloom has a proprietary solid oxide technology to convert natural gas, biogas, or hydrogen into electricity without combustion, which results in low or no-carbon emissions. (Company, Business Times)

Shangri-La Asia Ltd (“SHANG”)

- SHANG has priced a RMB1bn (~USD138mn) 3Y panda bond at 2.5%. This is a debut panda bond issuance by SHANG. This bond is issued as part of a RMB20bn MTN programme and was subscribed 4.09x. (Company)

Lippo Malls Indonesia Retail Trust (“LMRT”)

- PT Lippo Karawaci Tbk (“LK”, the major shareholder of LMRT) announced the results of its USD bonds tender.
- USD 177.8mn (SGD239.2mn) of LPKRIJ 8.125% ‘25s were tendered for at least 96.5. Post the tender, outstanding amount will be USD66.5mn (SGD89.5mn).
- USD50.5mn (SGD68mn) of LPKRIJ 6.75% ‘26s were tendered for at least 89.5. Post the tender, outstanding amount will be USD145.8mn (SGD196.2mn).
- LK intends to fund the tender with the proceeds of IDR3.85 trillion (SGD325mn) from the sale of 10.4% of its interest in Siloam International Hospitals. (Company, OCBC)

New Issues:

Date	Issuer	Description	Currency	Size (mn)	Tenor	Final Pricing	Initial Pricing
06 Jun	Bank of China Ltd/Sydney	FRN	USD	800	3Y	SOFR+50bps	SOFR+95bps area
06 Jun	HSBC Holdings PLC	Fixed, AT1	SGD	1,500	PerpNC5.5	5.25%	5.625% area

Mandates:

- There are no Asiadollar mandates for today.

Key Market Movements

	7-Jun	1W chg (bps)	1M chg (bps)		7-Jun	1W chg	1M chg
iTraxx Asiax IG	97	-1	-4	Brent Crude Spot (\$/bbl)	80.0	-2.0%	-3.9%
				Gold Spot (\$/oz)	2,373	2.0%	2.5%
iTraxx Japan	51	0	0	CRB Commodity Index	292	-0.2%	1.0%
iTraxx Australia	65	-1	-1	S&P Commodity Index - GSCI	569	-1.6%	-1.5%
CDX NA IG	50	0	0	VIX	12.6	-13.1%	-4.9%
CDX NA HY	107	0	0	US10Y Yield	4.30%	-20bp	-16bp
iTraxx Eur Main	52	-1	0				
iTraxx Eur XO	292	-5	-8	AUD/USD	0.667	0.2%	1.0%
iTraxx Eur Snr Fin	59	0	-1	EUR/USD	1.089	0.4%	1.2%
iTraxx Eur Sub Fin	105	-2	-4	USD/SGD	1.346	0.4%	0.7%
				AUD/SGD	0.897	0.2%	-0.4%
USD Swap Spread 10Y	-37	-1	0	ASX200	7,835	1.7%	0.5%
USD Swap Spread 30Y	-75	0	1	DJIA	38,886	2.0%	0.0%
				SPX	5,353	2.2%	3.2%
China 5Y CDS	65	2	1	MSCI Asiax	689	2.8%	1.8%
Malaysia 5Y CDS	46	-1	2	HSI	18,562	2.7%	0.4%
Indonesia 5Y CDS	72	-1	1	STI	3,341	0.1%	1.2%
Thailand 5Y CDS	43	0	1	KLCI	1,621	1.1%	1.0%
Australia 5Y CDS	13	-4	-4	JCI	6,975	-0.8%	-2.1%
				EU Stoxx 50	5,069	1.7%	1.1%

Source: Bloomberg

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